



# KPMG Point of View:

## Enterprise Wide Performance Improvement in Life Sciences

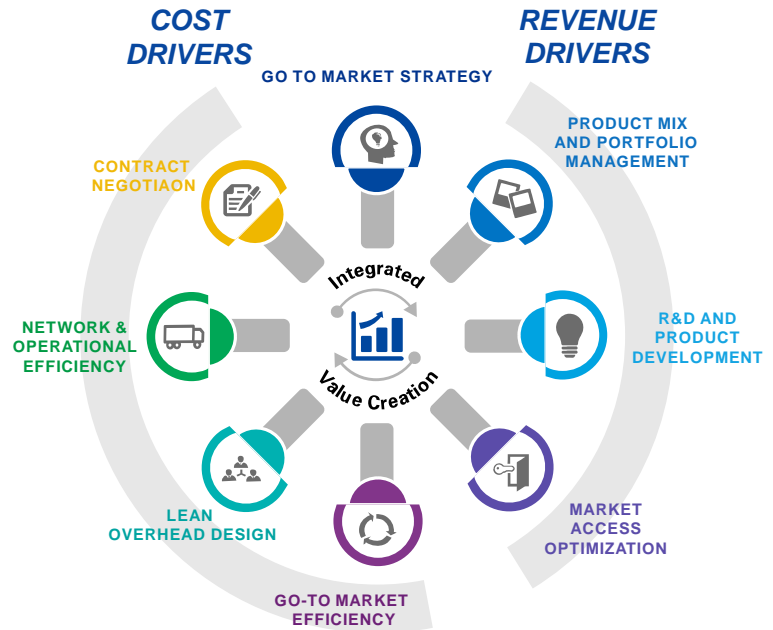


### What is Enterprise Wide Performance Improvement?

An Enterprise Performance Improvement (EPI) program is more than a “cost out”. It is a fundamental top-to-bottom improvement of a company’s margin structure, and it has 4 characteristics:

- **Scale:** 10-20% net margin improvement across entire enterprise vs. 1-3% incremental improvements in select areas
- **Complexity:** Multi-functional solutions to solve difficult issues requiring operating model redesign / business model innovation
- **Mentality:** Detailed and bottom up view of cost structure and opportunity with an aggressive “do less with less” attitude
- **Vision:** Focus on potential for topline growth and “funding the future” by proactively managing costs today

### Our EPI framework is comprehensive and battle tested with leading companies



*“We consider ourselves a well-run company and have completed a number of efficiency programs. Still, costs have a way of creeping back into the organization. KPMG has found a comprehensive and aggressive way of improving our bottom line in a sustainable way.”*

**- CFO of \$6B company**

### Why KPMG?

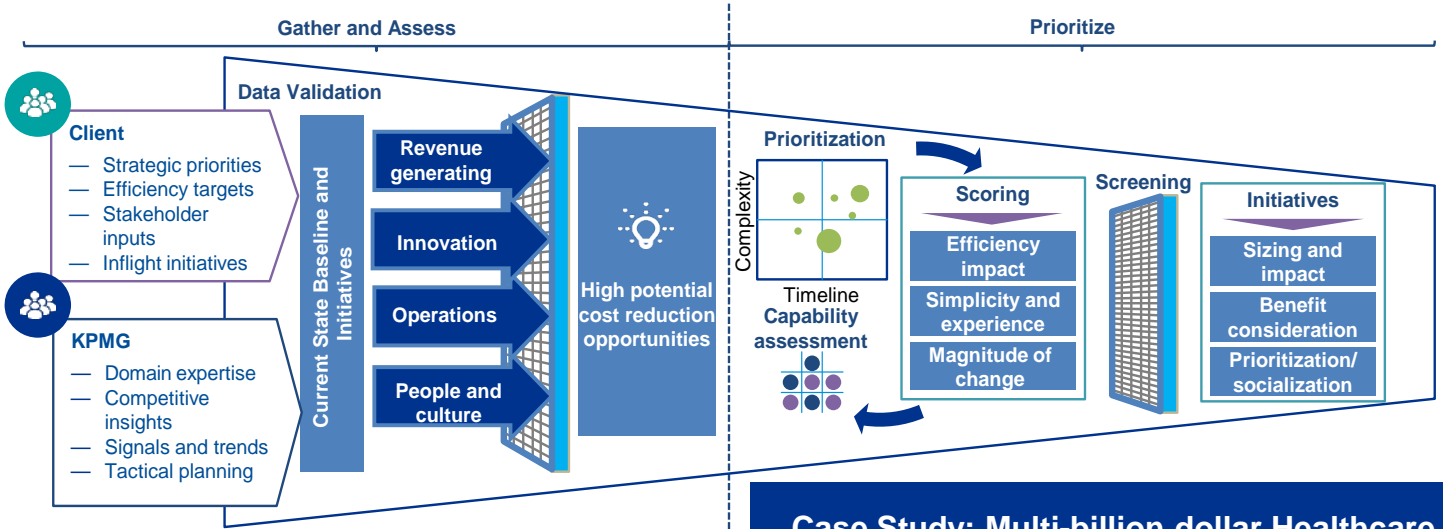
- Practical Approach**
- Fast, Meaningful Results**
- Advanced Data and Analytics Toolkit**
- Enduring Change**

- Work shoulder-to-shoulder
- Our solutions tailored to address specific challenges of clients
- Our EPI platform built for M&A to rapidly analyze granular data
- We prioritize quick wins to energize team / empower change
- \$100m invested in advanced data and analytics tools / visualization
- Deep industry and functional knowledge to reveal key insights
- Our approach engages employees and changes behaviors to facilitate cultural shifts and enduring change

### 10 Tips to improve margin:

1. **Ambition** – Push teams past their normal comfort zones
2. **Baseline** – Establishing a “single source of truth”
3. **Assumptions** – Outside-in pressure testing of thinking
4. **Timing** – Pushing for an aggressive delivery timeline
5. **Linkage to budget** – Ensuring targets in the annual plan
6. **Measurement** – KPIs to indicate success / issues
7. **Responsibility** – Clarity on who owns the delivery
8. **Key Risks** – Risks have identified contingency plans
9. **Project management** – Granular work plans / tracking
10. **Program governance** – Visibility of results at senior level

# KPMG's proven EPI diagnostic approach



## Case Study: Multi-billion dollar Healthcare Services company

**Challenge:** After growing through acquisition while spending little time on integrating and standardizing the business, significant complexity was created resulting in profitability challenges, additional pressure on the business, and constraints to actively manage the business.

### What KPMG did:

- Developed a vision for the transformation
- Identified the project set to capture \$150m of EBITA improvement in 2018
- Developed execution plans to capture the value
- ~\$150m of EBITA improvement opportunities were analyzed, tested and approved through eight work streams
- Project management, value capture measurement, and continual review of new opportunities for EBITDA improvements

### Results:

- A total value of approximately US\$ 150m was identified across 11 areas
- The client moved forward with the implementation of work streams that would improve nearly every aspect of their business and restore their ability to hit earnings targets and operate the business more effectively

## KPMG has invested in EPI program accelerators



SPI is a proprietary Data & Analytics platform that ingests transactional level data and translates it to insights



OrgVue is a sophisticated organizational design and analysis tool that allows rapid ingestion of HR information system data

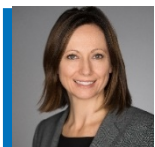


Benchmarking+ allows rapid access to comparator data across multiple industries and functional business areas



Execution platforms Cloud-based workflow Integration tools, templates and value trackers

## Contact us



**Mary Rollman**  
Principal  
M: +1 312 618 9863  
E maryrollman@kpmg.com



**Mark Ginestro**  
Principal  
M: +1 415 990 0869  
E: mginestro@kpmg.com

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2019 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. The KPMG name and logo are registered trademarks or trademarks of KPMG International. Deal Advisory and Strategy Design.