

KordaMentha



Healthcare solutions

Diagnose, Plan, Implement:
Our transformation and turnaround process.

kordamentha.com



Healthcare turnaround and transformation with a different mindset.

Public and private healthcare organisations are constantly seeking to deliver more with less. Balancing competing stakeholder interests, funding priorities and delivering sustainable improvement is critical. At the same time, the journey requires careful consideration of a range of factors, such as the required scale of change and risk appetite.

As departments, agencies and private healthcare providers strive to increase efficiency and improve patient outcomes, our approach can assist by driving rapid and focused improvement of cultural, financial and operational productivity.

When faced with complex challenges, healthcare organisations turn to us to provide a different mindset and a proven approach. We bring focus and a bias to action that has been sharpened while working in some of Australia's most challenging healthcare environments.

What makes us different?

We do more than advise. We work alongside our clients to understand their most complex commercial, operational and financial challenges.

Our team are experts in working through periods of disruption and balancing the needs of complex stakeholder groups.

Our experience and hands-on approach enables us to support a wide range of healthcare sector clients.

We work with organisations and projects that are time sensitive and critical to the success of the client. We tackle entrenched problems, often considered too difficult or intractable by insiders, that may be limiting the performance of the business or organisation.

How we work with clients

We implement strategies side-by-side with our clients and, if appropriate, take on management positions within the organisation to help deliver crucial components of a transformation.

Measurable results Our clients come to us when they need results. We provide value by delivering measurable uplift that is sustained over time. Success is assessed by our clients' improvement across financial, operational and cultural key performance indicators (KPIs).

Implementation partners We partner 'in the trenches' by providing additional bandwidth to executive and operational teams, which can include embedding our turnaround professionals into an organisation in key support or leadership roles. In bringing a proprietor's perspective, we see the organisation's challenges as our responsibility to solve and we work collaboratively to make meaningful changes.

Empowerment We recognise that the greatest experts at an organisation's disposal are its own people. We empower the organisation's staff and subject matter experts to lead change with structured support and analytical capability.

Flexibility We understand the different needs and sensitivities of healthcare stakeholders and the protocols, procedures and political considerations that govern the healthcare environment. We work with stakeholders to navigate these requirements throughout the transformation journey.

Our focus on successful implementation

We bring an evidence-based approach to our work with a strong emphasis on action and results, delivered through a three-phase process: Diagnose, Plan, Implement.

Indicative activities

Diagnose

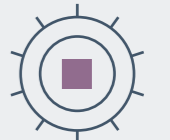
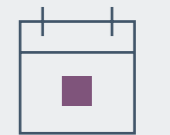
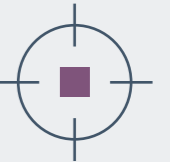
- Understand stakeholder priorities and expectations.
- Conduct a short, sharp review of the organisation's performance, funding arrangements, opportunities and key challenges.
- Understand organisation performance relative to available benchmarks.
- Focus on financial position, culture, operational performance, systems, processes and stakeholder landscape.
- Engagement with staff and stakeholders to gain on-the-ground insights.
- Identify key drivers of operational, cultural and financial performance improvement.

Plan

- Undertake detailed planning for holistic performance improvement (including issues, opportunities, risks and challenges).
- Partner with key personnel in the organisation to develop cooperative plans and identify opportunities.
- Develop an engagement strategy, key stakeholder communications and a governance framework.
- Understand key interdependencies, sequencing challenges and opportunities.

Implement

- Provide leadership throughout the transformation process including communications, stakeholder relations and team coordination.
- Implement and oversee performance management structures and forums.
- Lead or support workstream delivery alongside management and teams.
- Apply an agile approach to change with a focus on realising high-yield opportunities.
- Regularly report against agreed KPIs.
- Work with any legal or other technical experts.



Case study

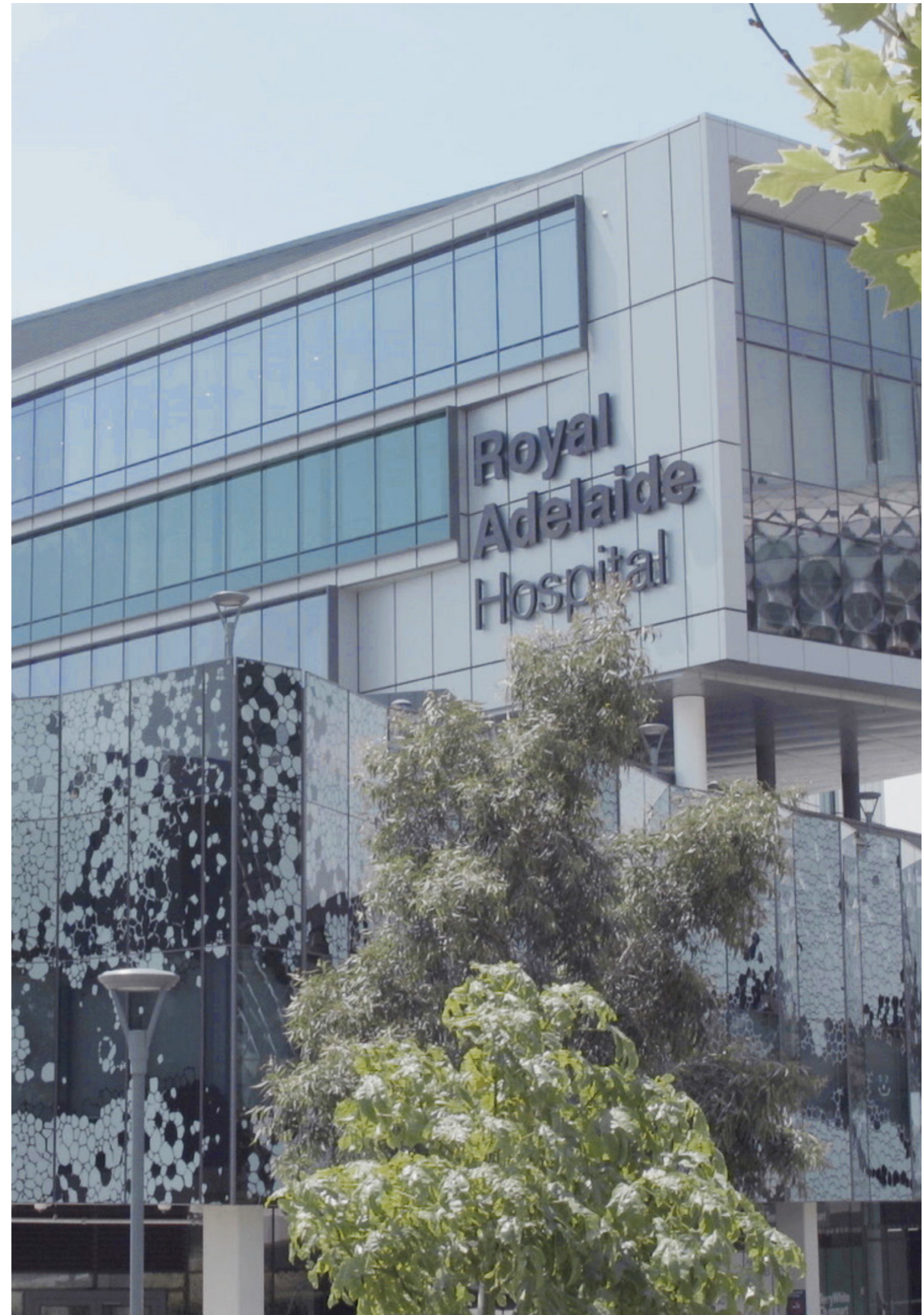
Central Adelaide Local Health Network (CALHN)

KordaMentha was engaged to undertake a diagnostic review of South Australia's largest public healthcare network, CALHN, a circa \$2 billion organisation with five main hospitals.

The review uncovered a broken organisation facing systemic financial, operational and cultural issues. Forecasts indicated that CALHN would incur a \$274 million cash loss in the 12-month outlook period.

The magnitude of the problem faced by the South Australian government and community was clear. In response, KordaMentha developed a three-year Organisational and Financial Recovery Plan (the Plan) and were engaged as Administrators to implement the Plan. The Plan was designed to reposition CALHN as a modern, high-functioning network, delivering sustainable care for the community.

High-performing staff from across CALHN were identified and seconded to recovery program workstreams to build engagement and leverage corporate knowledge within CALHN.



The transformation journey



Objectives

The Plan outlined five strategic objectives targeting an end-to-end transformation of CALHN to:

- Deliver better patient outcomes.
- Operate a modern health service.
- Be a great place to work and learn.
- Better the leadership of Adelaide's health.
- Sustainably allocate resources.

Our response in action

Diagnose (two months) – A detailed diagnostic review to uncover and quantify systemic financial, operational and cultural issues.

Plan (two months) – Construction of a three-year implementation plan for CALHN's organisational and financial recovery.

Implement (14 months) – Alignment of our delivery into four workstreams to stabilise the organisation and address key issues of:



Outcomes



How we can help you

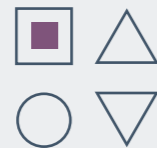


Focused advisory and program management

Clients seek our assistance to provide commercially focused, strategic and financial advisory services. This includes business plan reviews, where we independently assess the strategic plans and financial outlook of health sector organisations.

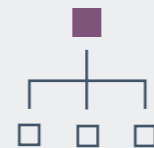
Our team conduct financial analysis and forecast reviews as well as strategic and commercial reviews, where specialised support is required. We evaluate financial projections and outcomes, assess risks and mitigations, consider the market outlook and undertake peer comparison.

We also provide third-party contract support, including reviewing high-risk contractual situations (for example, Public Private Partnerships), and support contract negotiations.



Turnaround and transformation

We assist with diagnosing, planning and implementing end-to-end organisational turnaround or transformation of health organisations and networks. Our team supports healthcare organisations under intense financial, media or political pressure, who need to act quickly to protect their performance and reputation.



People and organisation design

An effective organisational framework is a critical enabler for sustained success. We can design and implement changes to organisational structure and human resources practice to deliver substantive changes.

Additional assistance may include:

- Modelling clinical and labour framework scenarios aligned to operational needs, funding sources and financial objectives.
- Implementing labour management and recruitment controls to optimise the labour base.
- Active assistance with industrial relations challenges, including strategy, negotiations and implementation of transformation reform.



Financial management and controls

Identifying an organisation's key drivers of financial performance is crucial to better inform decision making and improve financial management.

We review and improve an organisation's processes, policies and procedural changes to better manage finances and associated operating controls.

Other services include:

- Developing detailed, ground up budgets and forecasts using health funding activity-based methodology.
- Design and implementation of procurement controls to rapidly reduce spending, including clinical and support functions.
- Providing CFO services, such as team structuring, organisational controls, working capital management and risk management reporting.

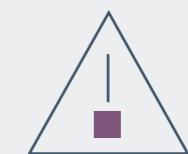


Performance improvement and cost-out

We prepare and implement cost reduction strategies and streamline operations.

We facilitate performance meetings for clinical and operational departments focused on clear and measurable KPIs and structured reporting.

We gather information, evidence and insights to provide visibility of organisational performance. This may include building dynamic operational performance dashboards and streamlining performance reporting from multiple data sets into a centralised hub.



Interim and crisis management

We can assume interim c-suite and leadership roles within the organisation.

This may involve:

- Embedding turnaround specialists into operational teams within the organisation to provide leadership support and project management capabilities.
- Leveraging our extensive experience with complex stakeholder management at all levels (including government, financial, political and media) to help guide organisations through sensitive and high-risk transformations.
- Drawing on our wide network of industry experts for external challenge or to take on specialised interim management or board positions.

“In a manner that I have not previously seen implemented as effectively, KordaMentha bring a creative, lateral and pragmatic approach to addressing many of the challenges in public healthcare. They have an appetite for the truth and are prepared to call out behaviours and activities that do not contribute towards the agreed outcomes being pursued.”

Chief Executive Officer, Healthcare

Key contacts



Chris Martin
Partner

+61 3 8623 3425
cmartin@kordamentha.com



Henriette Rothschild
Partner

+61 3 9908 8949
hrothschild@kordamentha.com



Suzanne Wauchope
Partner

+61 7 3338 0278
swauchope@kordamentha.com



James Wagg
Executive Director

+61 3 8623 3446
jwagg@kordamentha.com



Sophie Gibbons
Executive Director

+61 3 8623 3453
sgibbons@kordamentha.com

KordaMentha

Contact us

Brisbane

+61 7 3338 0222

Gold Coast

+61 7 3338 0230

Jakarta

+62 21 3972 7000

Melbourne

+61 3 8623 3333

Perth

+61 8 9220 9333

Singapore

+65 6593 9333

Sydney

+61 2 8257 3000

Townsville

+61 7 4724 9888

For more information visit
kordamentha.com

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