REDWOOD ADVISORS

Sample materials:

Performance Management

Case Study: Performance Management

Context:

- MetroCure built out a high-level growth strategy with several high-value projects, but the teams struggled to make progress over the subsequent 6 months

- MetroCure reached out to RWA to review their project, develop a new governance system to ensure accountability, and support the team kick off & run the perf. mgmt. system

- The team built out & implemented a full performance management system to track performance, ensure project accountability, and efficiently leverage stakeholders time & insights
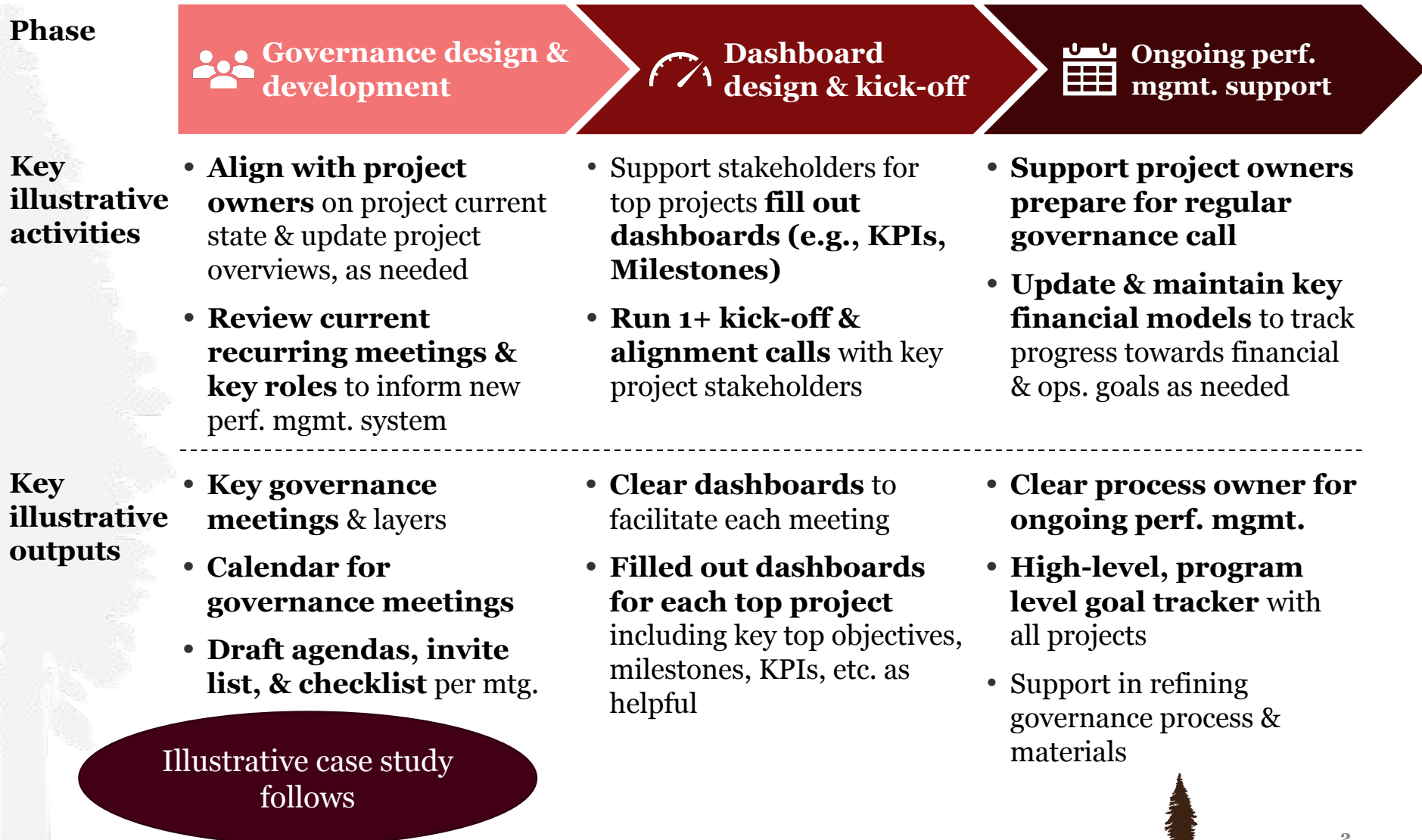
Top illustrative insights:

- **Key project teams had trouble ensuring cross-functional support & alignment** due to a lack of effective and regular touchpoints or templates

- MetroCure teams reassessed their top project opportunities & **set clear monthly performance & financial goals per opportunity adding up to ~$72M in annualized topline revenue growth**

- By the end of the project (~6 months) **the MetroCure team was successfully driving progress on the overall portfolio of initiatives & hitting their key enterprise growth goals**

Note: Names and details have been changed for client confidentiality

REDWOOD ADVISORS

Perf. management efforts consist of three key phases: governance design & development, dashboard design & kick-off, and ongoing performance management support

Phase	Governance design & development	Dashboard design & kick-off	Ongoing perf. mgmt. support
Key illustrative activities	• **Align with project owners** on project current state & update project overviews, as needed • **Review current recurring meetings & key roles** to inform new perf. mgmt. system	• Support stakeholders for top projects **fill out dashboards (e.g., KPIs, Milestones)** • **Run 1+ kick-off & alignment calls** with key project stakeholders	• **Support project owners prepare for regular governance call** • **Update & maintain key financial models** to track progress towards financial & ops. goals as needed
Key illustrative outputs	• **Key governance meetings** & layers • **Calendar for governance meetings** • **Draft agendas, invite list, & checklist** per mtg.	• **Clear dashboards** to facilitate each meeting • **Filled out dashboards for each top project** including key top objectives, milestones, KPIs, etc. as helpful	• **Clear process owner for ongoing perf. mgmt.** • **High-level, program level goal tracker** with all projects • Support in refining governance process & materials

Illustrative case study follows

REDWOOD ADVISORS

Chief stakeholders for each opportunity or workstream given one of 5 possible distinct roles

Key role	Overview
Responsible (R) ("Manager")	▪ The person who manages the work for a given project or step in a process ▪ Provides updates / recommendations to the 'Accountable' role (the owner) ▪ Delegates work to the 'Support' and 'Consulted' roles
Accountable (A) ("Owner")	▪ The 'Owner' for a project or step; the person ultimately held accountable for the work or decision ▪ Holds final decision-making authority ▪ Delegates work to the 'Responsible' role and signs off as needed
Support (S)	▪ People who provide project or decision support to the 'Responsible' role for a given set of tasks or sub-components ▪ Do not hold final decision-making authority ▪ Often (but not always) report to the 'Responsible' role
Consulted (C)	▪ People whose opinions are sought for a given project or step often in two-way communication (e.g., subject matter experts) ▪ Generally do not directly complete or do work simply advise and consult
Informed (I)	▪ People kept up-to-date on a given project or step, most often the status of the project or decision made for a given step ▪ Typically one-way communication with information provided, not gathered

Performance management materials & processes can be broken down into two key areas

Governance system 🗓

Robust system for driving portfolio-level performance management and follow-through across the organization with clear process (e.g., meetings, cadence), owners, and objectives; can be implemented at multiple levels (e.g., project teams, executive team); helpful to designate a "governance lead" to drive the process over time

Dashboards ▦

An enterprise-wide project dashboard that links each project to a specific owner and tracks key performance measures (e.g., top KPI, top milestone), and detailed, project-specific dashboards that track performance and progress against key measures (KPIs and milestones) per project over time

REDWOOD ADVISORS

The governance model was divided into 3 layers to help stakeholders work efficiently and effectively

Governance layer	Overview	Key objectives	Cadence	Lead
Project Team Governance	Project level governance run by each owner and team	▪ Drive progress against key milestones and KPIs ▪ Surface and address key roadblocks	▪ Bi-weekly check-ins ▪ Quarterly strategy meeting	▪ Ana
Executive Team Governance	Portfolio-level governance by the executive team	▪ Drive performance against key company and project goals (KPIs, milestones) ▪ Surface and address roadblocks ▪ Prioritize and direct resources	▪ Monthly reviews ▪ Quarterly strategy meeting ▪ Annual strategy meeting	▪ Ana
Board Engagement	Board engagement on strategic plan and project performance	▪ Provide updates on key enterprise goals and project performance ▪ Ensure Board alignment ▪ Get buy-in for resources	▪ Quarterly Board update ▪ Annual Board update	▪ Matthew

REDWOOD ADVISORS

Each governance layer has 1+ recurring meetings

Executive mtg.	High-level overview	Key goals	Attendees	Materials to prepare
Monthly review	Executive meeting to (a) review KPI and milestone dashboards, (b) discuss achievements, (c) identify and address roadblocks and (d) agree on next steps	▪ Review and discuss performance ▪ Revise / update goals ▪ Address near-term opportunities and roadblocks	**Required** ▪ CEO ▪ Presenting Owners and Responsible *Optional* ▪ Other Owners/ Responsible	▪ Project / enabler overviews and dashboards
Quarterly strategy meeting	Full executive team meeting to (a) review leadership list, (b) review performance and discuss major roadblocks, challenges and opportunities, (c) adjust goals and plans and (d) prep for Board meeting	▪ Review and discuss performance ▪ Identify & address key resource needs ▪ Prep for Board meeting	**Required** ▪ CEO ▪ All Owners ▪ All Responsible ▪ All Executives *Optional* ▪ Support (select)	▪ Updated leadership list ▪ Project and enabler overviews and KPI and milestone dashboards
Annual strategy meeting	Strategy meeting to (a) review progress against strategic plan, (b) assess performance for all projects and enablers, (c) review and revise KPIs and milestones, (d) review and revise list of projects and enablers, (e) prep for annual Board meeting	▪ Comprehensive performance review ▪ Identify new projects / enablers ▪ Identify resource needs ▪ Prep for Board meeting	**Required** ▪ All Owners ▪ All Responsible ▪ All Executives *Optional* ▪ Support (select)	▪ Updated <document> list ▪ Projects and enabler overviews and KPI and milestone dashboards

REDWOOD ADVISORS

RWA drafted dashboards for all key meetings to ensure clear goals, timeline, and processes to guide performance management

Draft starter agendas for Monthly executive review meeting

Key activity	Activity overview	Person	Time
▪ Kick-off meeting	▪ Kick-off meeting and present order of high-priority projects and enablers to discuss	▪ \<Name\>	▪ X mins
▪ Review high-priority projects and enablers	• Present and discuss performance for high-priority projects and select enablers: – Presentation of dashboard – Discuss top achievements, challenges and gaps	▪ \<Name\>	▪ X hrs X mins
▪ Close meeting	▪ Discuss plan and share expectations for next month ▪ Wrap-up the meeting and make closing remarks	▪ \<Name\>	▪ X mins

The monthly executive allow project teams to report progress to \<program owner\> to ensure accountability towards the regular goals and identify key resource and support needs

REDWOOD ADVISORS

RWA also developed key pre & post meeting processes to ensure high value, insightful meetings

Governance checklist for monthly executive review: *Timing*

- ❑ Set-up presentation (PPT file): *~X days pre-meeting*
- ❑ Draft agenda based on latest plan: *~X days pre-meeting*
- ❑ Meet <Name> for 30 minutes to finalize agenda, presenters and time allocation: *~X days pre-meeting*
- ❑ Email presenting project / enabler owners requesting their presentations: *~X days pre-meeting*
- ❑ Update <Document> and insert at the beginning of the presentation: *~XX days pre-meeting*
- ❑ Collect <Document> from each presenting project / enabler owner: *~X days pre-meeting*
    - ❑ Complete set of materials, including:
        - ❑ <Dashboard>
        - ❑ <Document 1>
        - ❑ <Document 2>
    - ❑ <Goal tracking>
    - ❑ Appropriately color goals based on performance
- ❑ Send out latest materials and agenda to all attendees: *~X days pre-meeting*
- ❑ Hold the meeting (and take note of action items, follow-ups, side conversations, etc.): *Meeting day*
- ❑ Send emails to owners of all action items and follow-ups: X *days post-meeting*
- ❑ Calendar next monthly executive value creation planning and get invites out: *~X says post-meeting*

Key meetings were announced and scheduled well in advance to ensure visibility

Sample Q2 20XX calendar of project and executive team governance meetings

Project team meetings

▮ Bi-weekly check-in ▮ Quarterly strategy meeting

Executive team meetings

▮ Monthly review ▮ Quarterly strategy meeting

April 20XX

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May 20XX

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June 20XX

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July 20XX

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

REDWOOD ADVISORS

Team worked with project level teams to identify track perf. across KPIs, goals, & milestones, in addition to risks and issues

PROJECT 1

Overview: <X>

Accountable	Ana/ Manuel
Responsible	Jeff
Target completion date	Ongoing
Tgt. June 'XX RR impact	$5.0M
Tgt. Dec 'XX RR impact	$7.2M

GOALS AND UPDATES FROM LAST MEETING

Action	Owner	Status
Finalize <offer> ramp-up	Jeff	(yellow)
Update project roadmap	Manuel	(red)
Complete function assess.	Jeff	(green)
Cont. to build new functions	Jeff	(green)

GOALS FOR NEXT MEETING

Action	Owner
Finalize assessment roadmap	Jeff
Action plan for IT dev. hiring	Manuel
Onboard top 10 payers	Jeff

RISKS & ISSUES

Description

- Resource constraints decreasing dev. velocity
- Lack of <offer> support structure (e.g., roles)
- Dev. team & stability team are the same people
- Access and alignment on required reporting
- <Payers> resistance to new features

KPI & VALUE DRIVER SUMMARY

		20XX YTD	Var.	Mar 'XX	Var.	Prev. qtr	Var.
% calls captured	plan	25.82%	1.6%	26.8%	1.9%	26.7%	1.9%
	actual	24.20%		24.9%		24.8%	
% HIPAA Validation	plan	69.4%	5.4%	72.5%	4.3%	71.3%	5.3%
	actual	74.8%		76.8%		76.6%	

SUPPORT / DECISIONS NEEDED

Description

Manuel: Drive product team to build out monitoring, alarming & roles/resp. to streamline new day-to-day processes

WORK PLAN

Milestone	Owner	Target
Draft roadmap with updated financial & ops. monthly goals for 20XX	Manuel	2/6/20XX
ID & action on the top ~3 feature opportunities focused on containment	Jeff	4/1/20XX
Dev. & test draft of new offer in the SE market, work w/ Product team	Jeff	5/1/20XX

The team built the dashboard in Google Sheets out of the 4 potential alternatives (e.g., excel, confluence, etc.) due to convenience and accessibility

REDWOOD ADVISORS

After the governance kick-off, RWA supported MetroCure run & prepare for key governance meetings

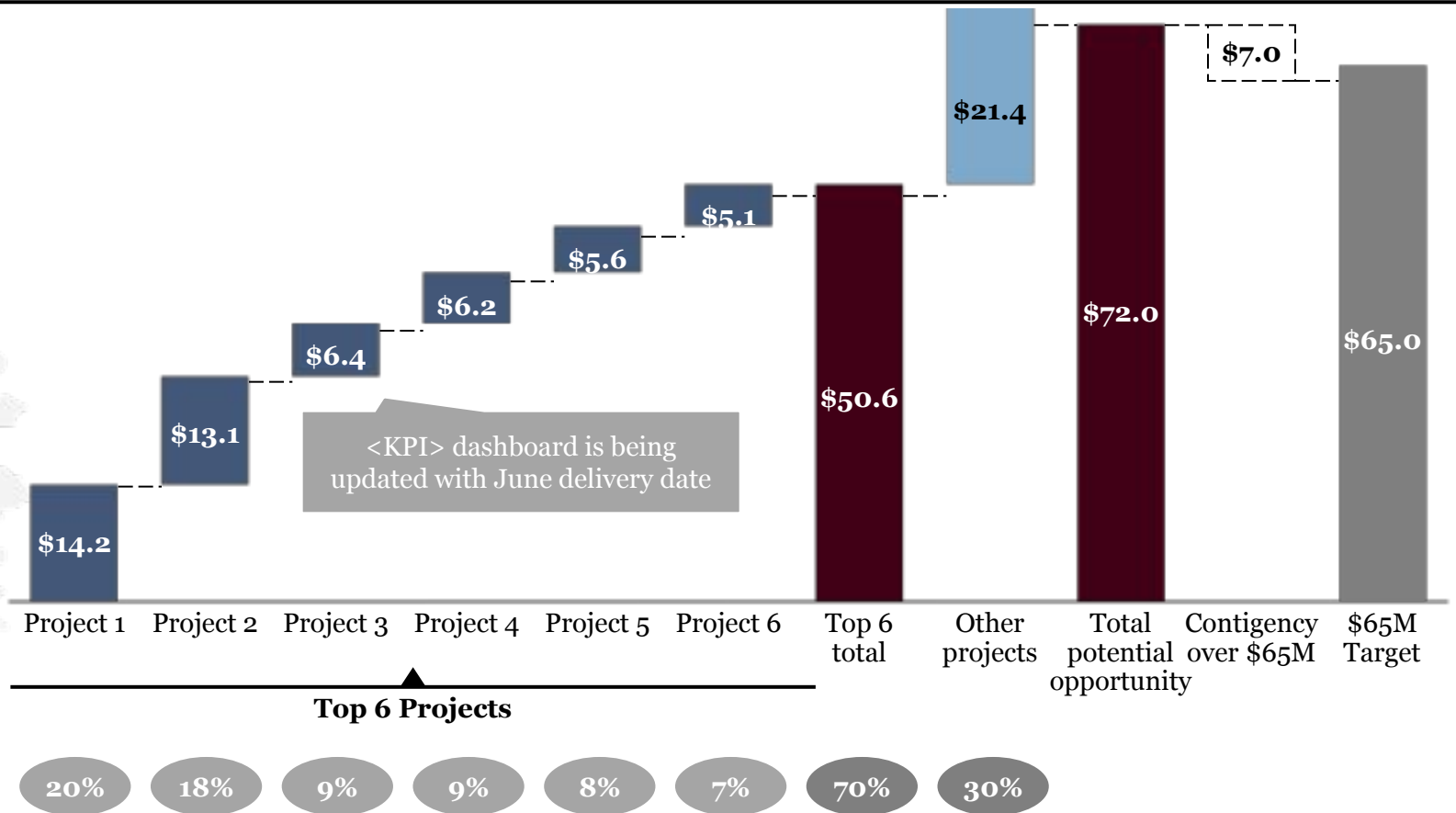| Key responsibilities	Overview
Run meeting	• Run regular key executive and potentially board level meetings to ensure the team effectively reviews all key projects, identifies key topics to discuss, and ensures alignment on next steps
Support owner's prep for meeting	• As helpful, sync with key project owners before meetings to review key materials (e.g., dashboards) and refine key outputs (e.g., clarify key support needs)
Track progress towards goals (Ops & Financial)	• Work with key stakeholders to ensure easy, consistent process for tracking key metrics (e.g., KPIs, est. financial impact); develop & run regular cadence for compiling data for dashboards
Synthesize overall performance trackers	• Compile all key KPI and financial data, and synthesize into q high level performance tracker to show progress towards the overall program progress
Identify key program takeaways & next steps	• Join key recurring meetings (e.g., monthly) & identify any key takeaways or insights from the conversations & share with the executive team & help drive progress on projects as needed

REDWOOD ADVISORS

RWA worked with MetroCure stakeholders to set and refine monthly & EOY EBITDA goals for each top project

Potential annualized EBITDA impact per project by Dec 'XX ($s)

	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Top 6 total	Other projects
	$14.2	$13.1	$6.4	$6.2	$5.6	$5.1	$50.6	$21.4

Top 6 Projects

$72.0 — Total potential opportunity
$7.0 — Contingency over $65M
$65.0 — $65M Target

<KPI> dashboard is being updated with June delivery date
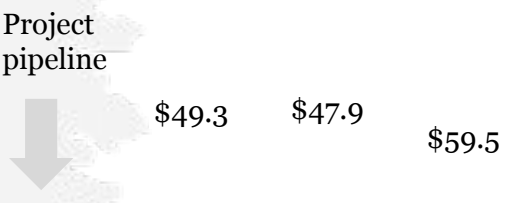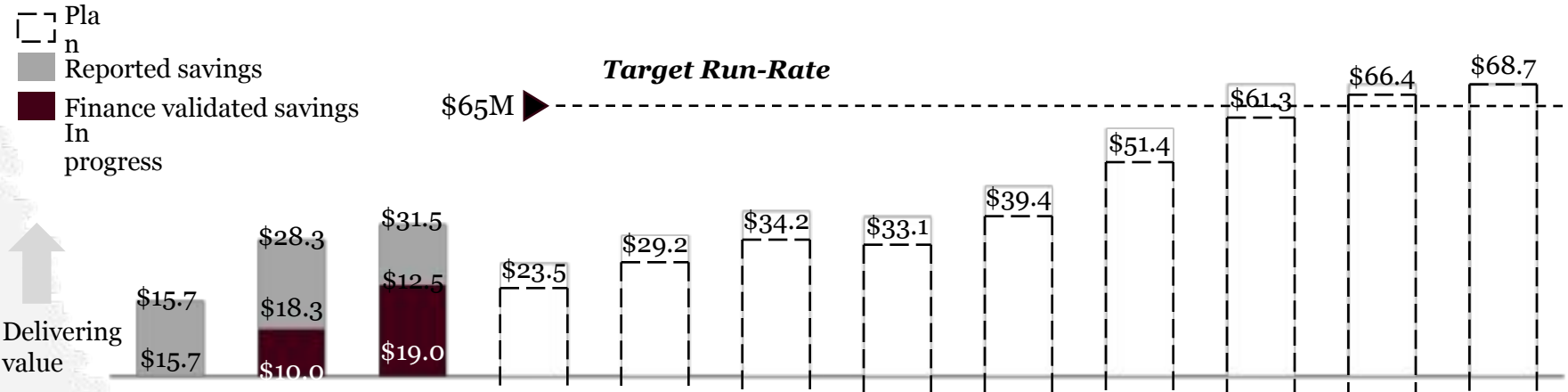
% of total: 20% 18% 9% 9% 8% 7% 70% 30%

REDWOOD ADVISORS

RWA then supported stakeholders estimate & validate monthly savings & the program's performance vs target

Planned vs validated annualized savings per month to date *($Ms)*

Legend:
- Plan
- Reported savings
- Finance validated savings In progress

Target Run-Rate

$65M ▶

Delivering value ↑

Project pipeline ↓

Bar values:
- Jan: $15.7 / $15.7 | pipeline $49.3
- Feb: $28.3 / $18.3 / $10.0 | pipeline $47.9
- Mar: $31.5 / $12.5 / $19.0 | pipeline $59.5
- Apr: $23.5
- May: $29.2
- Jun: $34.2
- Jul: $33.1
- Aug: $39.4
- Sep: $51.4
- Oct: $61.3
- Nov: $66.4
- Dec: $68.7

Reported savings reduction caused by a significant decrease of internal CPC, shrinking BPO-CC savings; all other initiatives steady or improving

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total pot. program value	$65.0	$66.2	$72.0	-	-	-	-	-	-	-	-	-
Contin-gency over $65M	$0.0	$1.2	$7.0	-	-	-	-	-	-	-	-	-

REDWOOD ADVISORS

After compiling the key data per project, RWA created a portfolio level view to facilitate the monthly meetings

Planned vs validated March 20XX annualized savings per project *($Ms)*

Reported savings
Validated savings

RWA supported & facilitated monthly meeting for ~9 months to help the project teams drive and report progress

Elevated <KPI> in Feb driving Project 1 & 2 savings

Project 3 beginning to roll-out in Texas

	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Top 6 total	Other projects	Total	Gap to $50M	$50M Target
	$5.3	$12.6	$0.0	$4.9	$0.5	$3.3	$26.6	$5.0	$31.6	$33.4	$65.0
Reported	$5.3	$4.6		$4.9		$3.3	$10.0	$2.5	$12.5		
Validated		$8.0					$16.6	$2.4	$19.0		

Top 6 Projects

Plan Mar. Savings ($Ms):	$2.2	$6.0	$2.6	$2.8	$0.7	$3.0	$17.3	$5.8	$23.1
March actual / plan	244%	209%	0%	171%	79%	111%	153%	85%	136%

14

REDWOOD ADVISORS