

## A HEALTH ADVANCES PROJECT

Because of the diversity of our work, there is no such thing as a typical project. The outline below will give you a sense of the steps involved in a client engagement.

Project Steps	Description	Example
<b>1. Problem Definition</b>	Our senior staff works with our client to ensure that we fully understand their questions and issues to discuss how we can be a resource for them.	Entering into negotiations to out-license a novel imaging technology to a major medical device firm, our client sought our assistance to help them make sure they negotiated an attractive, fair partnership agreement.
<b>2. Proposed Approach</b>	We prepare a proposal that confirms our understanding of the role we will play and details specific activities, timing, staffing, as well as the estimated budget.	<p style="text-align: center;">We agreed to support them in three ways:</p> <ul style="list-style-type: none"> <li>■ Provide an objective valuation of the technology.</li> <li>■ Fully explore their partners' motivation and deal history.</li> <li>■ Outline a negotiating plan and target deal structure.</li> </ul>
<b>3. Kick-off Meetings</b>	We organize an internal kick-off meeting and a kick-off meeting with the client. Our internal meeting focuses on issues analysis and the work plan. Our meeting with the client may include issues analysis as well as a more extensive debrief with the client management team.	Our client kick-off focused on understanding the fundamental nature of the imaging technology, R&D studies completed to date, the status of discussions with the potential partner, and a preliminary set of deal objectives.
<b>4. Analytical Work</b>	Our project team undertakes the analytical or planning work outlined in our proposal, which can include, among other things, arranging in-depth interviews with experts, reviewing secondary research materials, gathering competitor intelligence, analyzing client data and information and preparing financial models.	<p style="text-align: center;">To prepare for the negotiations we:</p> <ul style="list-style-type: none"> <li>■ Conducted in-depth interviews with clinicians, hospital administrators and reimbursement specialists to support our valuation estimates.</li> <li>■ Analyzed the partners, their product lines, development programs and deal history to better understand their perspective.</li> <li>■ Investigated comparable deals as negotiating benchmarks.</li> </ul>
<b>5. Strategy Sessions</b>	At appropriate points in the process we will arrange strategy sessions with our client to discuss our findings, review industry trends and events, brainstorm strategic options and build consensus around action steps.	Multiple meetings with the client focused on the product positioning and differentiating features. We developed a negotiation profile for the partner and discussed tactical options for approaching the negotiations.
<b>6. Interim Meetings</b>	Periodic formal meetings with senior client managers are scheduled to provide progress reports and solicit suggestions and ideas.	During meetings with senior management we raised questions about deal alternatives including other partners and a go-it-alone strategy.
<b>7. Forecasting and Financial Modeling</b>	Additional analytical and planning tasks allow us to pressure test options, outline implementation steps, and integrate our findings into pro forma financials.	<p style="text-align: center;">Two key financial models were prepared:</p> <ul style="list-style-type: none"> <li>■ A market-based valuation model as a basis for negotiating value.</li> <li>■ A financial modeling of deal terms and development costs to evaluate offers.</li> </ul>
<b>8. Preview of Findings and Recommendations</b>	Discussions with members of the client management team aid in refining our conclusions and build consensus around the recommendations.	Working with key members of the management team we developed a comprehensive negotiation briefing document and agreed on a target deal structure.
<b>9. Final Strategy Session and Report</b>	A final meeting with the client management team ensures that all the questions and issues have been addressed and that the recommendations and action steps are clear.	A summary of the plan and the approach was discussed with the leadership team and the Board to gain preliminary approval to initiate negotiations within defined parameters.
<b>10. Next Steps</b>	The client, comfortable with their decision, proceeds with specific action items. Health Advances may continue to work with the client on specific implementation tasks.	Detailed negotiations with the partner ensued, leading to a final agreement. In parallel, we initiated an effort to look at other applications for the technology and other potential partners.