

Portfolio Management and Product Rationalization

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Portfolio Management Checklist

BCE helps clients to think through key stages of portfolio management – rationalization is a critical component of this process



What are you trying to accomplish?

- What are the objectives and KPIs?
- What tradeoffs are acceptable?
- What are the implications for how the business operates?
- How does portfolio strategy & rationalization align to corporate strategy? To BU strategy?

What do you need to do this effectively?

- How well do you understand your markets?
- How well aligned is your portfolio to the opportunity?
- Where are the gaps?
- What is the strategic importance of each product within the portfolio?
- Are margins understood?
- What manufacturing benefits are available?
- How well are the risks understood?

How are you planning future portfolio?

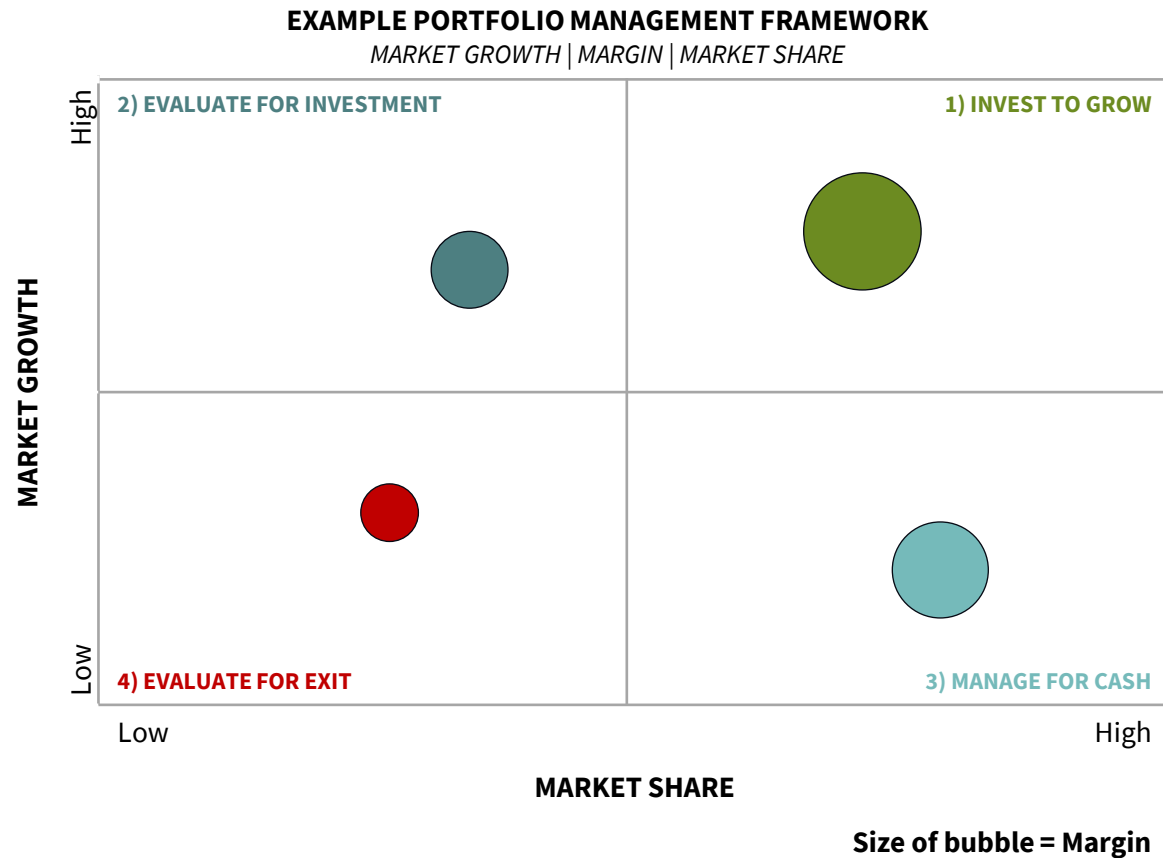
- Core vs. new markets?
- What is the timeline for execution?
- How are you planning for obsolescence?
- What rulesets should be established?
- What speed/cadence does rationalization occur at?
- How are you planning for supply chain sufficiency?

How are you cascading change?

- Who will be impacted (internal vs. customer)?
- How are you messaging and reinforcing change internally?
- What plans do you have to manage customer expectations?
- How can you operationalize and instill portfolio management practices in the culture?

Benefits of effective portfolio management

Portfolio management can improve both internal, operational objectives and customer-facing activities

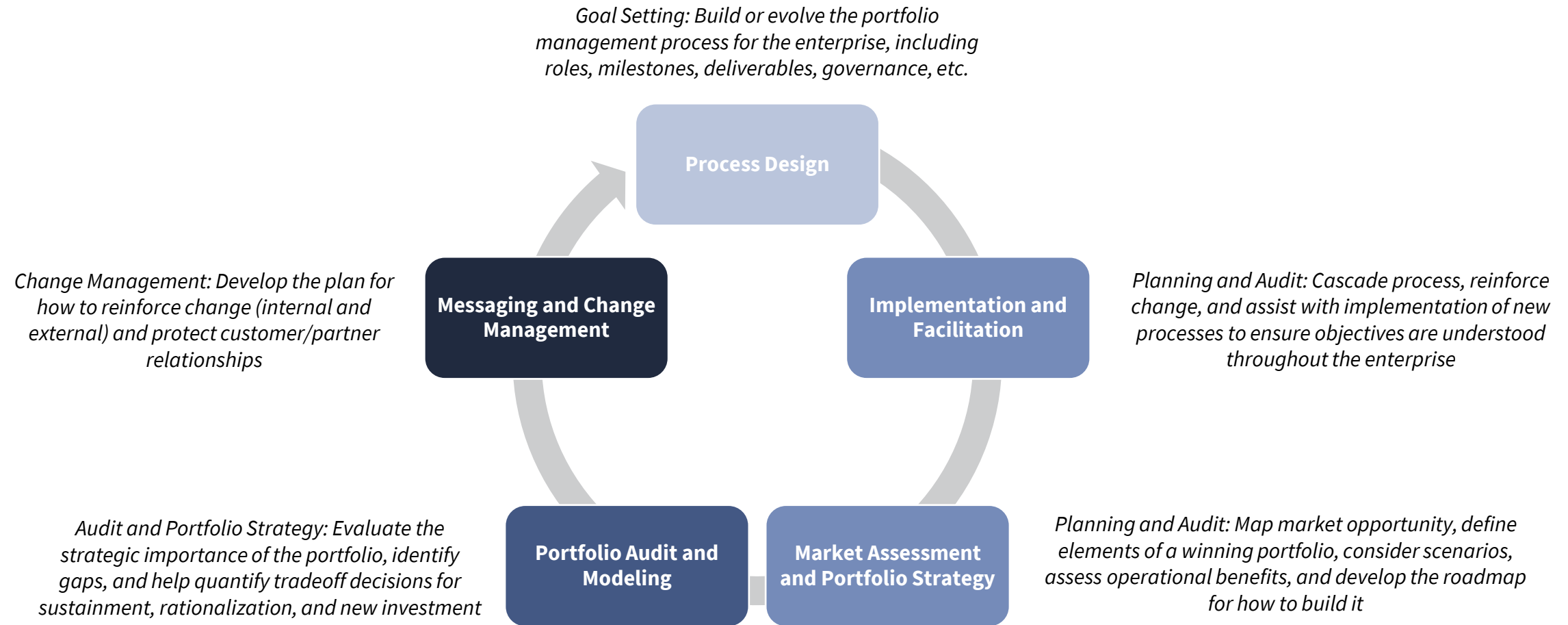


Deploying best practices creates objectivity in the portfolio management process, and positions the enterprise to:

- 1) Identify key growth areas and double down**
 - Evolve the portfolio to be more effective in high-growth markets
 - Manage change with internal and external stakeholders as they prepare for next-gen products
- 2) Assess the true potential of segments lagging the market**
 - Set clear eyed goals for products lagging share expectations
 - Identify/understand variations in regional opportunity and performance
- 3) Maximize return on mature investment areas**
 - Focus OpEx on protecting share and milking opportunity
 - Preserve strategic elements of the portfolio for specific regions
- 4) Streamline portfolio and operations to prioritize resources elsewhere**
 - Scale back on /reprioritize supply chain and manufacturing
 - Reduce overhead or redeploy product management/R&D resources

How BCE Supports

BCE provides a range of services along the portfolio management continuum – support is tailored to the unique needs of our clients



Example problem statements

BCE tailors services to tackle the unique needs of its clients across its global biotech, medtech, and diagnostic practice areas



Pharma

Planning long-term strategy for mature assets in the portfolio, devise a portfolio-management approach to help determine:

1. *What levers should be considered to maximize efficiency in supply chain and manufacturing ops?*
2. *What KPIs should be tracked to help inform decision making?*
3. *When should divestiture or out-licensing be considered?*



MedTech

Assessing product profitability across a division's portfolio to determine rationalization requirements & subsequent transformation & process improvement:

1. *How should legacy products and supply chain be managed?*
2. *How do you balance the needs of customers across segments, sites of care, and geographies?*
3. *What are the key process components to ensure standardized execution?*



Diagnostic

Building a forward-looking product roadmap to help prioritize investment focus and products to sunset:

1. *Where is growth in the market?*
2. *How well positioned is the existing portfolio?*
3. *Where are the gaps in supply chain and logistics that could compromise the organization's ability to enter growth areas?*

BCE healthcare & life sciences team

BCE's healthcare and life sciences sector leaders are integral to our project delivery process – we drive engagement scoping, research and work plan development, synthesis and analysis, and strategy development



RICHARD CRUMB, MANAGING PARTNER

Richard Crumb is a co-founder and senior partner of BCE Consulting based in Menlo Park, CA. He has more than 19 years of experience supporting clients on a range of growth and operational programs. In over 700 projects, he has helped clients develop corporate and business unit strategy, evaluate adjacent markets and whitespaces, evolve business and commercial models, and supported in a variety of transaction-related activities.

Richard is responsible for leading BCE's Healthcare & Consumer division and serves as BCE's managing partner. He holds an MBA from the University of Michigan Ross School of Business and a BA from Middlebury College.



WALT SHEPARD, PRINCIPAL

Walt Shepard is a principal at BCE Consulting and is deputy of the firm's Healthcare & Consumer Division. Additionally, Walt leads some of the firm's Private Equity client relationships. For nine years Walt has worked across a variety of industries developing growth strategies by helping companies better understand the needs of their customers and whitespace opportunities in the markets they serve. Most recently, Walt led a group of teams responsible for all corporate research and customer strategy at L.L.Bean, an IR 500 Top-35 retailer. In this position Walt was responsible for developing and maintaining L.L.Bean's omnichannel voice-of-customer program, leveraging customer feedback to improve the customer experience across channels and to drive continuous improvement in the product development process. Additionally, Walt led the development of L.L.Bean's overall customer strategy and was responsible for developing brand and customer insights to guide customer acquisition efforts.



JAIME BATISTA, PRINCIPAL

Jaime Batista is a principal with BCE Consulting based in the greater Boston area. He co-leads BCE's Social Sector practice area, as well as some of the firm's Private Equity and Healthcare client relationships. He has ten years of experience in strategy, business operations, non-profit management, and corporate development across a variety of industries. Additionally, he brings over five years of management consulting experience, working with clients in health IT, biotech, medical device, pharmaceuticals, defense, social sector, commercial technology, and industrial technology. Jaime supports social sector clients with key strategic and operational issues, including philanthropic/impact strategy design, execution, and implementation, development and earned income strategy. His work has covered a wide range of mission areas, including sustainability, environmental stewardship, agriculture, community development, and corporate social responsibility.



LIZZIE SCHAEPPPI, PRINCIPAL

Lizzie Schaeppi is a Principal in BCE Consulting's Healthcare and Consumer division based in the Twin Cities. Prior to joining BCE, Lizzie spent time in marketing (upstream & downstream) and strategy roles at Medtronic and Boston Scientific with a focus primarily in the Cardiovascular space, including peripheral vascular, cardiac rhythm, structural heart, and LAAC. Most recently, she led competitive, clinical, and implanter marketing for the WATCHMAN division at Boston Scientific. She has extensive experience in product commercialization, value-based healthcare, market development, and pricing strategy. In addition, she brings five years of management consulting experience, working with clients across several industry verticals. Lizzie holds an MBA from the Tuck School of Business at Dartmouth and a BA from Middlebury College.



KRISHAN RELE, PRINCIPAL

Krishan Rele is a Principal at BCE Consulting based in London, UK. He has helped large and small businesses with commercial and market-entry strategy development, channel strategy, customer engagement, product planning, pricing and portfolio strategy, competitive intelligence, market assessment and analysis, and partnership/acquisition assessment via due diligence. His work spans industry sectors, including biotech, medical device, pharmaceuticals, animal health, health IT, enterprise software, cloud computing, networking, commercial technology, industrial technology, and defense.



PETER MANSFIELD, MANAGER

Peter Mansfield is a manager assigned to BCE's Healthcare and Consumer division. In this role, he supports business development, engagement management, insights generation, and thought leadership. Peter has led M&A, market assessment, new product launch, and market entry strategy engagements for Fortune 500 MedTech clients. Peter earned his BA in Government & Legal Studies and Economics from Bowdoin College.