



2 New Health Systems in 6 Months for Prime Therapeutics

Organization Description

- New venture, merger of two Blue Cross subsidiaries into a new for-profit company in the Pharmacy Benefit Management marketplace.
- Joint Venture initially owned 50/50 by BCBS MN and BCBS NE, Two offices (Eagan MN and Omaha NE).
- Primary operations in claims processing, formulary management, manufacturer revenue, pharmacy networks, mail order and physician education.
- Five-person Senior Management Team, nineteen second level Managers.

Situation

- Marketplace dominated by Pharmaceutical company captive operations.
- Client base relatively static, Academic Detailing programs well regarded.
- Need for Prime Therapeutics to quickly establish unique marketplace presence, strategy and business plan as separate company.
- Develop new culture.
- Needed to transition rapidly from Blue Cross to a new entrepreneurial culture that combines the strengths of each operation.

Approach/Process

- Established a high level cross-functional core team of second level managers, with Senior Management as the Executive Review Board, to develop a comprehensive Business Plan. CEO was the Sponsor.
- Used the Business Plan to identify key initiatives which would help achieve preferred service provider status and establish a new identity.
- Five teams were chosen to provide effective implementation support.
- Teams received comprehensive assistance in developing objectives, establishing time lines, identifying resource requirements and assigning specific tasks to each team member.
- Coaching was provided to teams in order to ensure that their projects were completed on time, within budget and to achieve project objectives.
- Implementation of major initiatives from the business plan continued in an aggressive 90-day effort utilizing team approach to secure broad involvement. Continued with team approach in Phase III.

Outcomes

- Comprehensive business plan completed in six weeks. Served as the basis for a Private Placement Memorandum. Owner Board Chairman stated that: "We should have a plan like this for all our companies."
- Sharing the Business Plan with each Associate provided an opportunity to communicate marketplace realities in a consistent manner and provide a basis for shared understanding.
- Implementation Teams: Customer Success, Major Prospects, Manufacturer Revenue Operations, New Account Integration and Technology Support provided opportunity for team members to work together in a fast paced setting and accomplish significant results.
- Major business functions reorganized. Operations Council Program implemented.

Business Results

- Successful completion of merger.
- Each Implementation Team provided specific guidance to the organization which helped to ensure that Revenue Growth, Performance Improvement and Distinctive Advantage objectives were achieved.
- New Account Implementation Team Program in place.
- Business contracts secured with two new Blue Cross Plans within 6 months.

Customer Quotes:

"Masters Alliance was at our side helping to drive the merger process, all at a pace we thought unattainable until they showed us how to do it in weeks rather than months."

CEO

"Every one of our subsidiaries should have a business plan like the one Masters Alliance helped Prime Therapeutics deliver."

CEO, BlueCross BlueShield Minnesota

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