

# OUR STRATEGY, PROGRESS AND AIMS

## OUR OBJECTIVE

Mediclinic's overall objective is to generate long-term shareholder value through:

- putting *Patients First*;
- improving Group and operational efficiencies;
- pursuing attractive growth opportunities; and
- leveraging our global scale;
- continuing to invest in employees, information and communications technology and analytics.

## STRATEGIC PRIORITIES

## DESCRIPTION

### Putting *Patients First* – superior clinical performance in a safe clinical environment

More information on this priority is included in the **Clinical Services Overview** and the more detailed **Clinical Services Report** available on the Company's website at [www.mediclinic.com](http://www.mediclinic.com).

The Group strives to deliver superior clinical performance through efficient structures, processes, and outcomes, in accordance with the Group clinical performance model.

### Putting *Patients First* – improved patient experience

More information on this priority is included in the **Clinical Services Overview** and the more detailed **Clinical Services Report** available on the Company's website at [www.mediclinic.com](http://www.mediclinic.com).

The Group strives to deliver superior patient experience before, during and after hospitalisation, through efficient structures, processes, and outcomes to identify and respond to the needs of patients, family members, and visitors.

### Putting *Patients First* – deliver integrated and coordinated care

More information on this priority is included in the **Clinical Services Overview** and the more detailed **Clinical Services Report** available on the Company's website at [www.mediclinic.com](http://www.mediclinic.com).

The Group strives to become a horizontally integrated healthcare system provider by focusing on effective collaboration with associated doctors and allied healthcare professionals.

### Improving group and operational efficiencies

More information on this priority is included in the **Chief Executive Officer's Review**.

The Group strives to use combined international capacity and effective collaboration to achieve Group efficiencies through the principles of simplification, standardisation, and centralisation.

The Group strives to drive the continuous improvement of the operating divisions' operational efficiency by proactively identifying and pursuing opportunities for improvement.



## PROGRESS FY18

## AIMS FY19

- Restructured and strengthened clinical leadership at hospital and corporate level across all operating divisions and the Group
- Strengthened and embedded the Clinical Performance Committee as a subcommittee of the Board
- Established a formal Clinical Performance Committee for Mediclinic Southern Africa
- Established health technology assessment as the cornerstone of making clinical investment and process decisions for the benefit of the Group

- Improve patient safety throughout the Group
- Embed and improve the Group clinical performance model
- Embed Group clinical governance processes and structures
- Establish formal Clinical Performance Committees for the Swiss and Middle East operating divisions
- Implement a comprehensive electronic health record system across Mediclinic Middle East.
- Expand on health technology assessments for effective clinical decision-making and efficient investments throughout the Group

- Managed the patient experience indices and worked towards improvement targets across the Group
- Improved the patient experience index overall mean score for the Southern African operating division to 82.1% from 81.9%, and for Dubai in the Middle East operating division to 83.3% from 82.5% for inpatients and to 82.8% from 81.6% for outpatients. The overall mean score for the first year of implementation in the Swiss operating division was 87.7%

- Continuously improve accommodation and ancillary services and clinical services, through using the patient experience index results across the Group
- Establish and embed service differentiation where appropriate across the Group

- Progressed well in establishing closer collaboration with doctors, with the aim to reduce fragmentation and enhance the patient value proposition across the Group

- Establish closer collaboration with doctors to reduce fragmentation and enhance the patient value proposition across the Group
- Implement a system provider model across the Group
- Improve clinical leadership and doctor-related governance across the Group

- Refer to the **Divisional Reviews** for progress relating to improved operational efficiencies

- Optimise revenue (volume, tariffs and patient mix) across the Group
- Optimise workforce cost and materials utilisation across the Group
- Optimise infrastructure (e.g. bed and theatre) utilisation across the Group
- Continue to centralise and standardise appropriate processes across the Group
- Embed return on invested capital as a key financial metric across the Group

STRATEGIC PRIORITIES	DESCRIPTION
<p><b>Continuing to grow</b></p> <p>More information on this priority is included in the <b>Divisional Reviews</b>.</p>	<p>The Group strives to increase the performance of the business by identifying and pursuing growth opportunities.</p>
<p><b>Continuing to address the business environment</b></p> <p>More information on this priority is included in the <b>Divisional Reviews</b>.</p>	<p>The Group strives to minimise risk to the business by positioning the Group to effectively respond to changes in the business environment.</p>
<p><b>Investing in employees</b></p> <p>More information on this priority is included in the <b>Sustainable Development Highlights</b> (material issue 1), and the more detailed <b>Sustainable Development Report</b> available on the Company's website at <a href="http://www.mediclinic.com">www.mediclinic.com</a>.</p>	<p>The Group strives to provide human resources services to attract, develop, engage and retain a diverse workforce that effectively enables its objectives and performance.</p>
<p><b>Investing in information and communications technology</b></p> <p>More information on this priority is included in the <b>Chief Executive Officer's Review</b>.</p>	<p>The Group strives to provide information and technology solutions and support that effectively enable business objectives and performance.</p>
<p><b>Investing in analytics</b></p> <p>More information on this priority is included in the <b>Clinical Services Overview</b> and the more detailed <b>Clinical Services Report</b> available on the Company's website at <a href="http://www.mediclinic.com">www.mediclinic.com</a>.</p>	<p>The Group strives to provide analytics solutions and support that effectively enable business objectives and performance.</p>

PROGRESS FY18	AIMS FY19
<ul style="list-style-type: none"> <li>Refer to the <b>Divisional Reviews</b> for progress relating to growth opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Pursue opportunities for organic and inorganic growth in the core business of the existing operating divisions (e.g. day surgery, new service lines)</li> <li>Pursue opportunities to expand services across the continuum of care (e.g. primary, sub-acute, dialyses, psychiatric, and out-patient care) in the existing operating divisions</li> <li>Improve the ability to attract and retain physicians to support growth across the Group</li> <li>Pursue new international growth opportunities</li> </ul>
<ul style="list-style-type: none"> <li>Engaged continuously with regulators to monitor and influence the regulatory environment in all operating divisions</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and influence the regulatory environment in all operating divisions</li> <li>Identify and research potential disruptors of the current business model and respond appropriately across the Group</li> </ul>
<ul style="list-style-type: none"> <li>Increased the participation rate in the <i>Your Voice</i> employee engagement programme to 77% (71% in 2017), close to the Gallup Healthcare (peer) overall participation rate of 80%</li> <li>Increased the amount of trackable action plans defined by line managers for 2017, which signals a strong use of the results to improve employee engagement</li> <li>Increased the grand mean score for the Southern African and Swiss operating divisions, as well as for the Group (the Middle East operating division is not directly comparable due to the inclusion of Al Noor)</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement and measure progress on action plans based on the employee engagement survey across the Group</li> <li>Execute talent acquisition and retention strategies across the Group</li> <li>Ensure competitiveness and governance of remuneration across the Group</li> </ul>
<ul style="list-style-type: none"> <li>Completed SAP GRC and BPC shared service implementations</li> <li>Concluded global contract with InterSystems for electronic health record solutions</li> <li>Extended Swiss operating division's content management solution for marketing functions to the entire Group</li> <li>Implemented phase 1 of SAP SuccessFactors solution for the Southern African and Middle Eastern operating divisions</li> </ul>	<ul style="list-style-type: none"> <li>Optimise back-office technology (SAP) for the Group</li> <li>Enhance clinical applications capabilities (electronic health record) across the Group</li> <li>Establish a patient engagement architecture (digital marketing) for the benefit of the Group</li> <li>Ensure information and communications technology governance across the Group</li> </ul>
<ul style="list-style-type: none"> <li>Developed a central clinical data warehouse and improved clinical performance measurement and benchmarking across the Group</li> <li>Commenced with developing machine learning capabilities for the benefit of the Group</li> </ul>	<ul style="list-style-type: none"> <li>Entrench the use of centralised analytics in all operating divisions</li> <li>Develop new capabilities (e.g. machine learning) for the benefit of the Group</li> </ul>