



## MEMO

# Our strategy & vision | How we will make this happen

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**To:** Our distributors  
**From:** Rob Fraley  
**Date:** 04 March 2024

To our distributors,

As previously shared (see attachment), this is the second communication to further break down the journey we are on to achieve our company vision. In this update, I'll share the steps we are taking to achieve this 5-year vision.

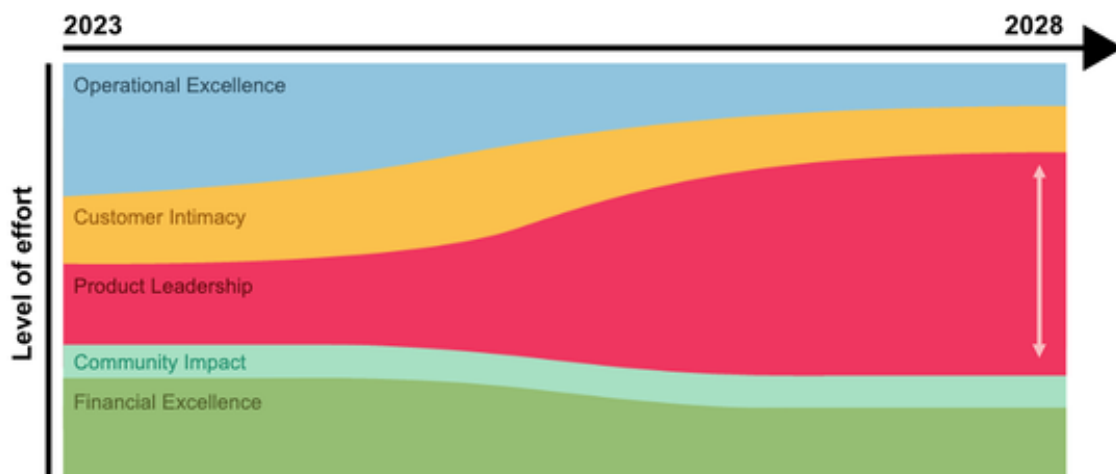
When we laid out our vision of product leadership, we identified a clear pathway for how we'll reach our goals over the next few years. We organized that work into our five-year mid-range master plan, which will help us become the kind of company we want to be for customers, patients, employees, and communities. From there, we created our annual corporate business plan that breaks our mid-range plan into smaller, achievable projects and outlines the initiatives we need to prioritize over the next year to keep us on track to achieving our vision.



Our mid-range master plan is a five-year plan that is organized around **five disciplines** that are critical to our success:

- Product leadership
- Operational excellence
- Customer intimacy
- Community impact
- Financial excellence

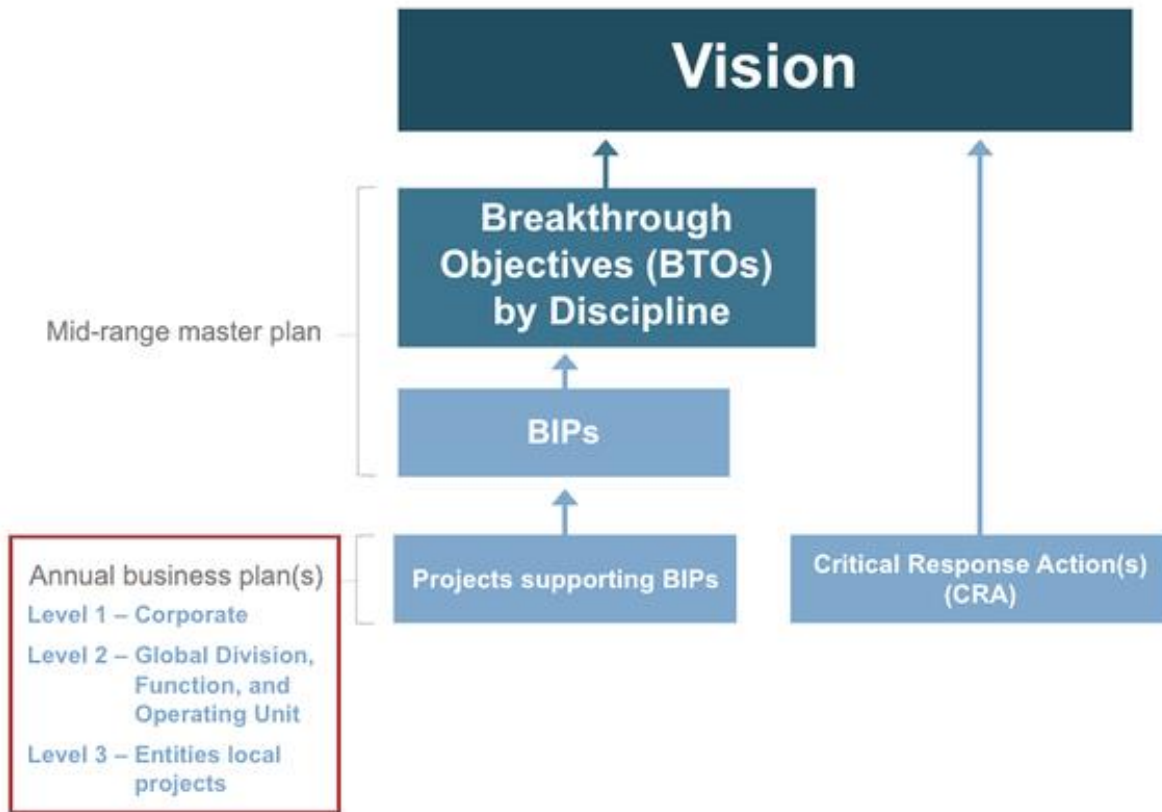
These disciplines help align our efforts and connect the organization to our vision. These areas of focus that we want to strive for both internally and externally will guide our priorities each year. See the visual below that Pete also shared during our town hall last year.



As you can see, eventually we want to become a product leader, which means being committed to a continuous stream of new products and services. We also know that this is what our customers want.

The notes below will help you read and understand the mid-year and corporate business plans:

- These **disciplines are broken down into eight Breakthrough Objectives (BTOs)** that represent the company we want to be. For example, a critical part of achieving Operational Excellence is being a reliable product supplier.
- Each **BTO in the mid-range master plan includes several Business Improvement Plans (BIPs)**, which are large initiatives that have associated objectives and metrics. BIPs can be multi-year or single-year efforts and will be broken down into smaller projects in our annual corporate business plan. Some BTOs will have more BIPs than others due to the complexity of achieving industry standard in that discipline.
- The goal of the **annual corporate business plan** is to break our mid-range plan into smaller, more achievable projects that we can complete over twelve months. Even though all eight BTOs in our mid-range plan are being worked on, our annual corporate business plan will focus on only a few of them each year.
- **Critical Response Actions (CRAs)** are actions that we need to take to respond to an unplanned event or protect our existing business. For example, 2023's plan included CRA1-1: EUMDR Transitioning preparation work.



Also attached is a copy of the mid-range master plan, which outlines everything that was described above. We have also saved a copy to the resource hub, which you can access [here](#).

# Mid-range master plan

| Breakthrough Objectives (BTOs)   Do  | BTPs   Do   | Success Metrics   |  |  |  |
|--|---|---|--|--|--|
| <b>BTO 1: Be a reliable product supplier to improve customer and supplier experience.</b><br><i>Objective: Operational Excellence</i>  | <b>BTP 1A:</b> Increase product supply.<br><b>Proof points:</b><br>1. Product availability > 99.9% in 2023<br>2. Delivery times for priority orders reduced from week to business-to-business   | <b>BTP 1B:</b> Increase customer loyalty (NPS) scores.<br><b>Proof points:</b><br>1. 10% of customer performance metrics to reach product in 2023<br>2. 10% delivery performance metrics for non-stock products in 2023<br>3. Customer satisfaction (CSAT) for manufacturing lead time (average status in 2023)<br>4. Lead time reduction by 10% for manufacturing lead time (average status in 2023) | <b>BTP 1C:</b> Reduce average product lifecycle and reduce repeat.<br><b>Proof points:</b><br>1. 10% of product introductions completed in time per product portfolio share<br>2. Reduction of average product lifecycle and repeat orders in a customer portfolio<br>3. 10% of regulatory requirements are met and no repeat orders in the top 10 items per product portfolio | - Product lifecycle > 100%<br>- Average CSAT score, delivery average of 60% across and a full delivery from stock to customer<br>- Customer satisfaction (NPS) penetration<br>- Repeat orders in time-to-stock completion (TSC)  |  |
| <b>BTO 2: Be a consistently high performing organization in those critical operational areas: talent management, operating, quality, IT everything we do, process, data, and tech, and cost.</b><br><i>Objective: Operational Excellence</i> | <b>BTP 2A:</b> Increase performance excellence through effective talent management.<br><b>Proof points:</b><br>1. Meet or exceed 90% retention of key talent<br>2. Reduce performance improvement plan for 100% of the performing employees   | <b>BTP 2B:</b> Increase operational excellence through effective process management.<br><b>Proof points:</b><br>1. Increase operational excellence through process management<br>2. Increase operational excellence through process management  | <b>BTP 2C:</b> Increase data utilization across organization.<br><b>Proof points:</b><br>1. Increase data utilization across organization<br>2. Increase data utilization across organization  | - Operating income (OPI) target<br>- Quality metrics (product introduction rate, 10% of total product introduction rate to be awarded for a critical product)<br>- Lead or exceed total key areas of the enterprise (operating income)<br>- Operational excellence<br>- Year-over-year start to ship (time-to-stock) |  |
| <b>BTO 3: Be a company that listens, understands, and acts on current and future customer needs.</b><br><i>Objective: Customer Velocity</i>  | <b>BTP 3A:</b> Create an integrated company-wide system to identify, predict, and address customer needs (past, present, and future needs).<br><b>Proof points:</b><br>1. Meet or exceed 90% customer needs identified in the next system and % addressed or % progress of being addressed (including sharing services)   | <b>BTP 3B:</b> Expand our customer relationship program (CRM) to create a holistic and unified customer view and build more effective customer experiences.<br><b>Proof points:</b><br>1. Increase customer relationship program (CRM) adoption rate<br>2. Increase customer relationship program (CRM) adoption rate   |  | <b>View of Customer (VOC) metrics:</b><br>- Customer satisfaction scores<br>- Customer relationship metrics<br>- Customer retention<br>- Customer retention<br>- Customer retention<br>- Customer retention<br>- Customer retention<br>- Customer retention  |  |
| <b>BTO 4: Be a company that leverages technology to expand or build innovative and unique customer experience capabilities.</b><br><i>Objective: Customer Velocity</i>   | <b>BTP 4A:</b> Use technology to make it easier for customer to interact with Cook products and services, including digitalizing.<br><b>Proof points:</b><br>1. Increase digital customer interaction rate and reach  |   |  | <b>Customer experience metrics:</b><br>- Digital customer interaction rate<br>- Digital customer interaction rate<br>- Digital customer interaction rate<br>- Digital customer interaction rate<br>- Digital customer interaction rate<br>- Digital customer interaction rate  |  |
| <b>BTO 5: Be a company that regularly commercializes new products and related services and that maximizes the potential of those breakthroughs created (i.e. cycle).</b><br><i>Objective: Product Leadership</i>                             | <b>BTP 5A:</b> Increase the number of market leaders per portfolio.<br><b>Proof points:</b><br>1. Increase number of products for leading leading to 2 product leaders per portfolio by end of 2023<br>2. Increase number of products for leading leading to 2 product leaders per portfolio by end of 2023   | <b>BTP 5B:</b> Reduce our customer cycle time and improve product quality.<br><b>Proof points:</b><br>1. Reduce customer cycle time and improve product quality<br>2. Reduce customer cycle time and improve product quality  | <b>BTP 5C:</b> Increase the speed of product development.<br><b>Proof points:</b><br>1. Increase speed of product development<br>2. Increase speed of product development  | <b>BTP 5D:</b> Increase a dynamic product portfolio.<br><b>Proof points:</b><br>1. Increase a dynamic product portfolio<br>2. Increase a dynamic product portfolio   | - New products<br>- New products<br>- New products<br>- New products<br>- New products<br>- New products |
| <b>BTO 6: Be a company that leads in delivering on current customer needs and understanding potential customers.</b><br><i>Objective: Product Leadership</i>   | <b>BTP 6A:</b> Increase our product portfolio against customer needs.<br><b>Proof points:</b><br>1. Increase product portfolio against customer needs   | <b>BTP 6B:</b> Increase our product portfolio against customer needs.<br><b>Proof points:</b><br>1. Increase product portfolio against customer needs   |  | - New products<br>- New products<br>- New products<br>- New products<br>- New products<br>- New products   |  |
| <b>BTO 7: Be a company that makes a positive impact on the communities where we live and work through sustainable, impactful actions and strong connections built on trust.</b><br><i>Objective: Community Impact</i>                        | <b>BTP 7A:</b> Create the vision, awareness and understanding throughout the entire organization about the importance of the BTO to our future success (engagement and awareness).<br><b>Proof points:</b><br>1. Create the vision, awareness and understanding throughout the entire organization about the importance of the BTO to our future success (engagement and awareness) | <b>BTP 7B:</b> Create the vision, awareness and understanding throughout the entire organization about the importance of the BTO to our future success (engagement and awareness).<br><b>Proof points:</b><br>1. Create the vision, awareness and understanding throughout the entire organization about the importance of the BTO to our future success (engagement and awareness)                   |  | - New products<br>- New products<br>- New products<br>- New products<br>- New products<br>- New products   |  |
| <b>BTO 8: Be a company that is financially strong.</b><br><i>Objective: Financial Sustainability</i>   | <b>BTP 8A:</b> Increase our net income to a high level of financial sustainability and an increase in stock price and return on equity.<br><b>Proof points:</b><br>1. Increase net income to a high level of financial sustainability and an increase in stock price and return on equity   | <b>BTP 8B:</b> Increase our net income to a high level of financial sustainability and an increase in stock price and return on equity.<br><b>Proof points:</b><br>1. Increase net income to a high level of financial sustainability and an increase in stock price and return on equity   |  | - Cash flow<br>- Cash flow<br>- Cash flow<br>- Cash flow<br>- Cash flow<br>- Cash flow   |  |



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Please take some time to familiarize yourself with our plan. Should you have any questions or which to discuss this further with us, please do not hesitate to contact any member of our team. In our next and final communication in this series, we will take a deeper dive into this mid-range master plan giving you examples of projects that will support our success. Lastly, a brief reminder to not share this information externally.

As always, we hope that you are beginning to see the changes we are making and that they are having a positive impact on your experience of working with us.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Rob Fraley'.

Rob Fraley  
Director  
Global Business  
Indirect Market

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