

theranos

partnership meeting

08.06.14

agenda

- kick-off/introductions
Sunny/Nimesh
- current status
Sunny/Nimesh
- discuss anchored values
Lewis
Mike
- discuss program measures of success
(SMART goals)
Nimesh
- plan for FY15
Casey
- california plans
Sunny/Nimesh
- std testing
Sunny/Pat Carroll

current status

Sunny

- 30 stores currently live (AZ 29; CA 1)
- wave 4 launch dates – Aug 19 and Aug 26 – stores TBD
- total visits in August – 2637
- 27 out of 30 stores on DSL; Wave 4 wiring complete
- TIFT team performing 65% of oversight visits
- mostly improved patient experience
 - median check in time = 5 min – decr 1 min
 - median wait time = 7 min – incr 1 min
 - median perform time = 5 min – decr 2 min
 - total visit time = 17 min – decr 2 min

Theranos Experience Survey Summary

for period July 2 – August 4, 2014

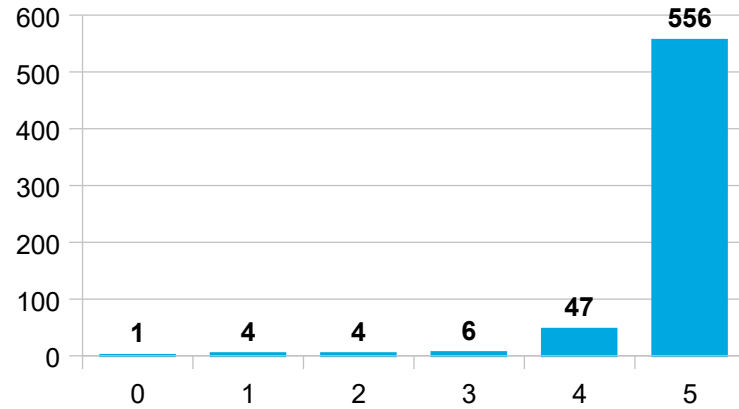
Unique Respondents

650

Average Quality/Experience Scores

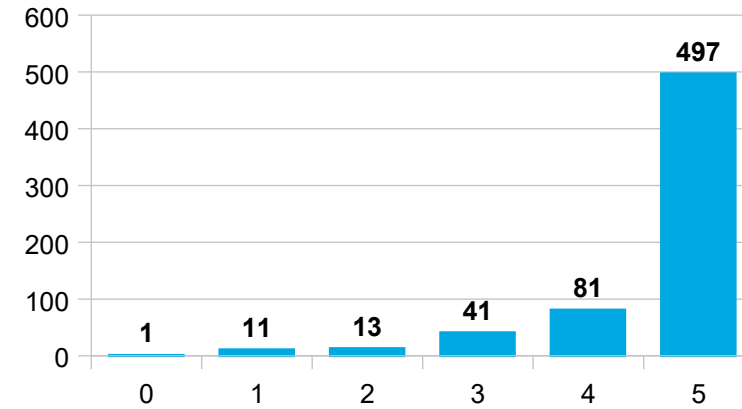
Overall Experience:	4.85 stars
Check In Process:	4.61 stars
Locating Theranos:	4.79 stars
Facilities:	4.79 stars
Sample Collection Process:	4.86 stars
Skill of Technician:	4.90 stars

Overall Experience



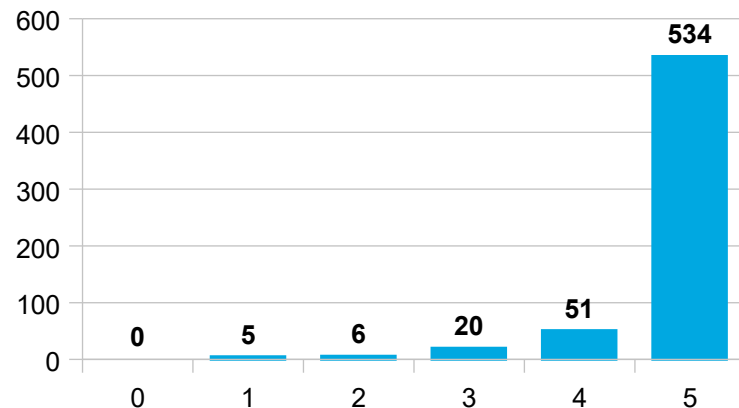
Average: 4.85 stars

Check In Process



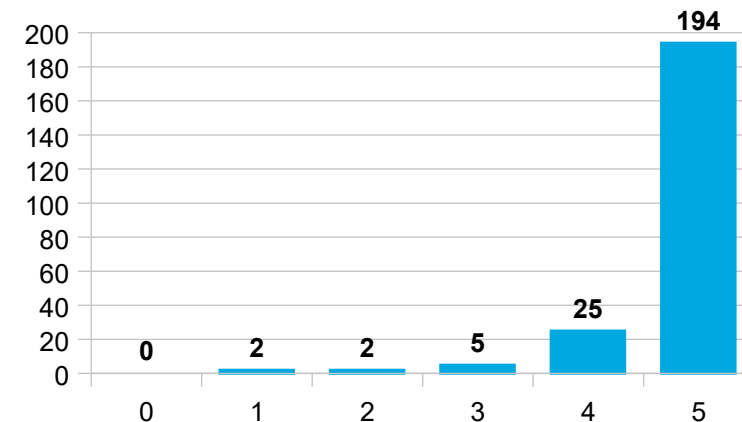
Average: 4.61 stars

Locating Theranos



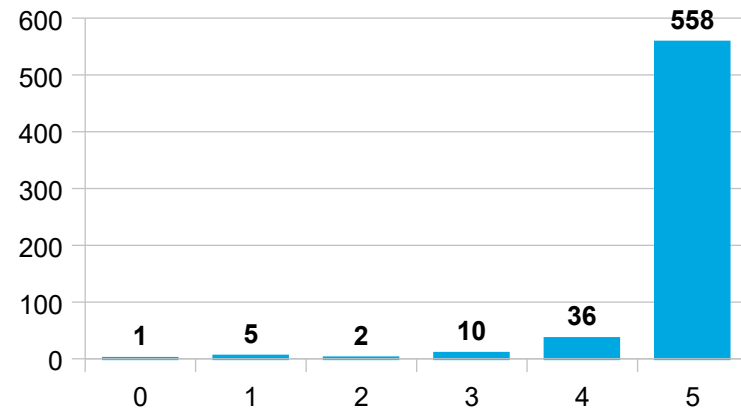
Average: 4.79 stars

Facilities



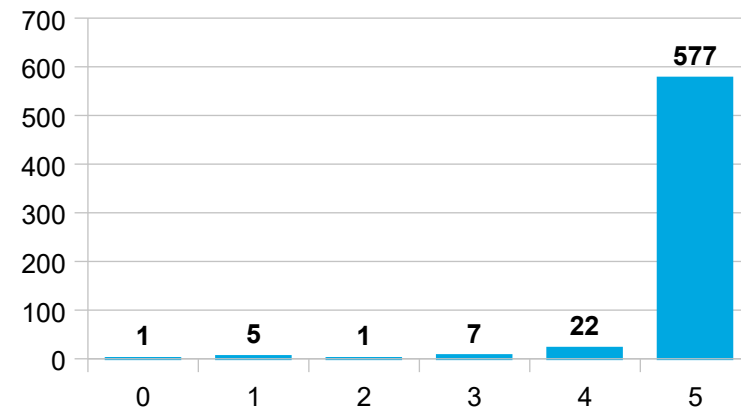
Average: 4.79 stars

Sample Collection Process



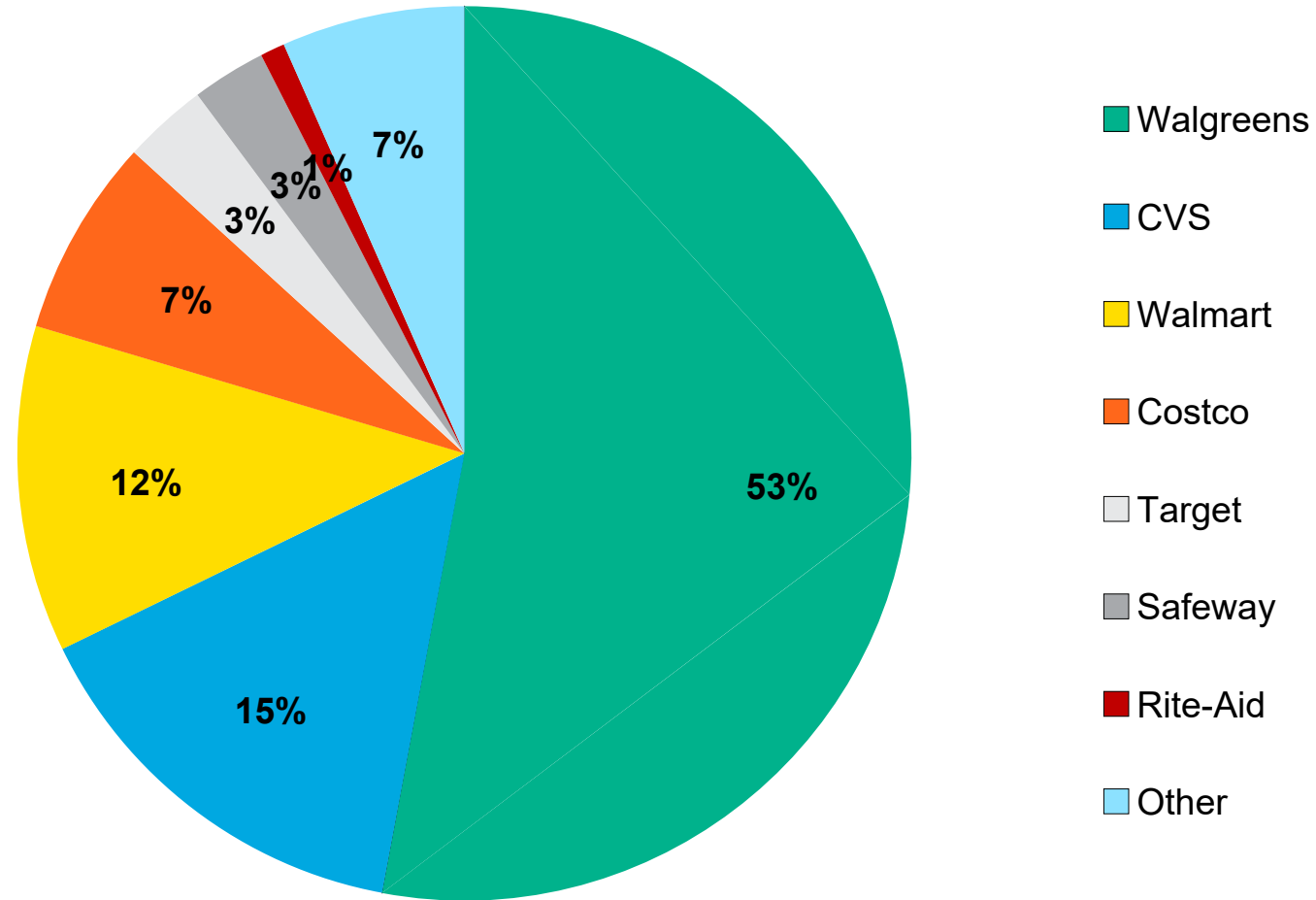
Average: 4.86 stars

Skill of Technician

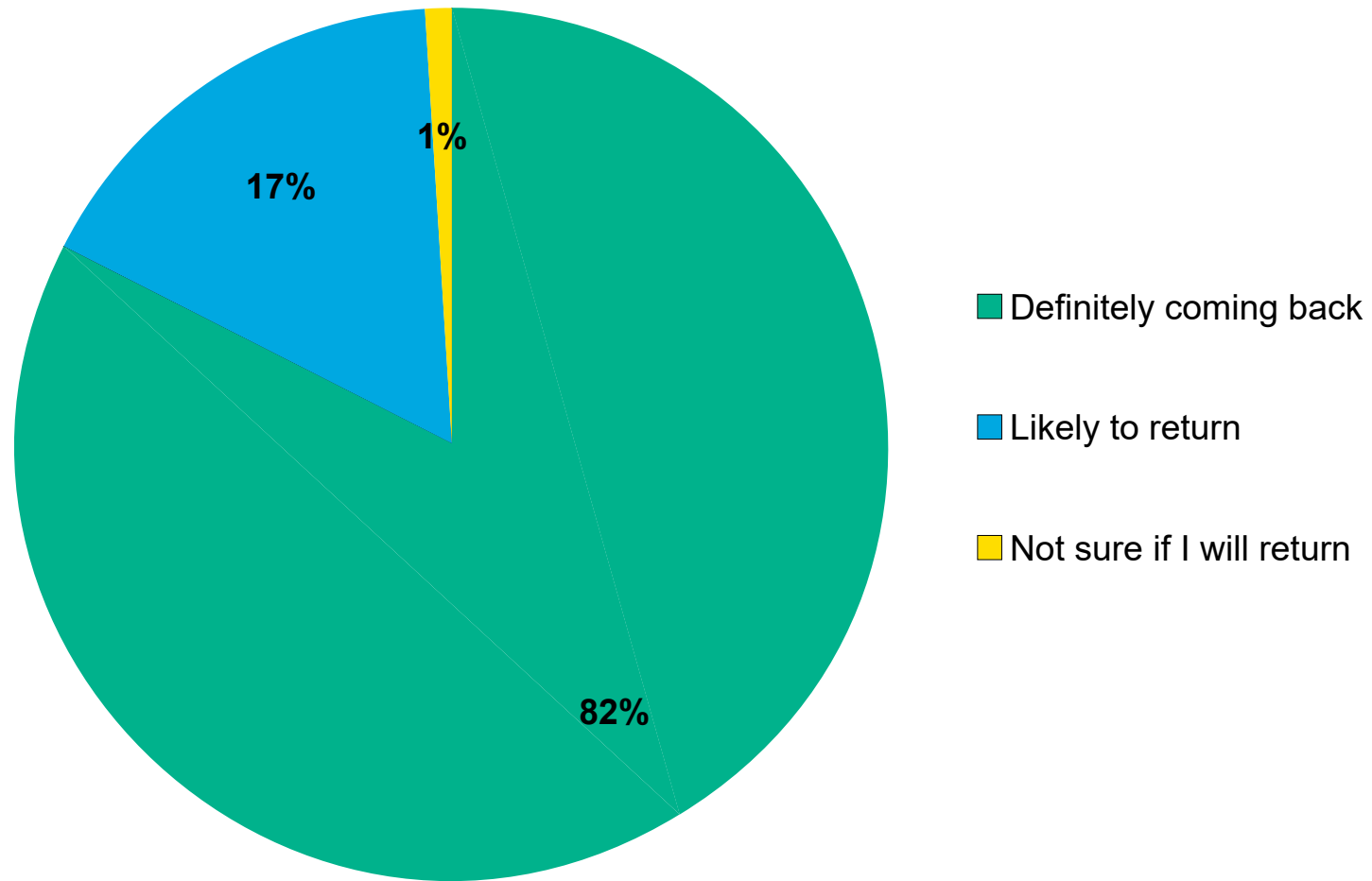


Average: 4.90 stars

Where do you typically get your prescriptions filled?



Based on your recent visit, what is the likelihood that you will return to a Theranos Wellness Center?



Here's what people are saying...

"Absolutely love the new technology Theranos has for blood tests. I will definitely let all my family and friends know about your company."

"Another fabulous experience! I didn't feel any pain, the procedure was so quick, and Tiffany was a delight! Thank you for making the process of giving blood so easy and pleasant."

"Best visit I have ever had. Amazing people they take really amazing care of people."

"For a person who has severe phobia of needles and blood this was a pleasant experience all around."

"This was the easiest lab test blood draw I've done in my life!"

"Fantastic experience! I couldn't even feel my skin being pierced; it was so easy. Thank you for inventing this to help people!"

"Easy and convenient! Can't beat the price."

"Great customer service was provided at the Walgreens location lab today!"

shortest visit times

Name	Median Checkin Time (mins)	Name	Median Wait Time (mins)	Name	Median Perform Time (mins)
WAG11610	4	WAG13596	5	WAG13596	1
WAG1272	4	WAG3477	5	WAG3008	2
WAG3132	4	WAG6582	5	WAG3048	3
WAG3177	4	WAG11610	6	WAG5453	4
WAG3464	4	WAG1272	6	WAG2851	5
WAG5668	4	WAG3132	6	WAG3049	5
		WAG3657	6	WAG3464	5
		WAG4188	6		
		WAG4508	6		
		WAG6060	6		

longest visit times

Name	Median Checkin Time (mins)
WAG2851	7
WAG3008	7
WAG4793	7
WAG6060	7
WAG6128	7
WAG6697	7
WAG1076	8
WAG4188	8
WAG4508	9
WAG6582	9

Name	Median Wait Time (mins)
WAG3048	8
WAG3049	8
WAG3177	8
WAG3464	8
WAG3912	8
WAG6128	8
WAG4793	9
WAG3008	10
WAG1076	12
WAG6697	20

Name	Median Perform Time (mins)
WAG6128	8
WAG3912	9
WAG5222	9
WAG5504	9.5
WAG4508	10
WAG4793	10
WAG6697	12

opportunities

Sunny

- scalable strategy for check in
 - store by store – start with stores with 10+ patients per day
 - must start in August - will be tested during flu season
- tight integration between HCC and Theranos check-in
- call center knowledge of Theranos and communication to patients
- assurance that 40% of stores will be dedicated space
- improved staffing in all stores – surprises with Theranos tech shortages
- need improvement in attentiveness of some stores
 - cleaning
 - attention to process – including opening and closing procedures
 - managing flow of patients

Certification Maintenance

1. Criteria for removal of Certification

- <80% fingerstick proficiency (Bi-Monthly)
- Acting against established procedures (As reported)

2. What happens next?

- Technician becomes Check-In ONLY
- Lead time to remove technician from live patient perform workflow (?)

3. Reinstate Certification

- Assess trainee using original oversight standards
- At least 2 consecutive successful end-to-end visits

❖ Idle Technicians

- Technicians who perform <5 finger sticks in a given timeframe are required to complete practice fingersticks



 **CHANGE
MANAGEMENT**

Diagnostic Testing – Theranos Partnership Change Management Updates and Key Anchors Readout

- August 6, 2014

Change Management Updates

- Change Management Updates
 - Action Planning Exercise Results
- Key Anchors Discussion
 - Readout from Discussion
- Next Steps
 - Execute Against Change Management Action Planning Exercise Results
 - Leveraging Key Anchors and Action Planning Exercise Results, Finalize FY15 Change Strategy Draft
 - Socialize FY15 Change Strategy

Change Management Updates

- **Change Management Updates**
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We Started Here: Business & Change Considerations Matrix Based on Stakeholder Feedback

Recommended Focus Areas

Red = Short Term Recommended Actions

Purple = Both ST and LT Recommended Actions

Black = Long Term Recommended Actions

Business Levers

Change Levers

	Definition of Success	Culture	Role Clarity	Business Readiness
Business Operations & Governance	<ul style="list-style-type: none"> Clearly document decision rights & governance approach for partnership Further define short and long term success criteria Align business metrics to key behaviors Identify potential incentive alignment opportunities 	<ul style="list-style-type: none"> Reset "Pilot" vs. "Initial Launch Market" expectations Identify common values shared by Walgreens and Theranos that can be leveraged to define success criteria Develop day to day interaction model that better pairs individuals across the partnership 	<ul style="list-style-type: none"> Define/align on Field, Corporate, and Theranos roles and responsibilities in the partnership Redefine/clarify roles for Kickoff Market vs. scale Further align governing bodies to decision making rights and escalation process 	<ul style="list-style-type: none"> Develop holistic Store Readiness checklist Define Pharmacy Workflow to incorporate scripts, WE, Theranos, and immunization services Develop pre-defined non-emergency SOP and app update calendar Define leading indicators to predict Program success Define scalable business model
Stakeholder Engagement, Communications, Organizational Alignment, and Training	<ul style="list-style-type: none"> Align on communications strategy, plan, and execution with Theranos and field leadership Develop and measure additional training success criteria beyond pass rate 	<ul style="list-style-type: none"> Reframe "Pilot" vs. "Initial Launch Market" language Develop and rally group behind both strategic and operational-level shared vision for the partnership Continue to incorporate Walgreens training principles, feedback and talent pool into training 	<ul style="list-style-type: none"> Leverage communications strategy recommendations (TBD)/agree on senders by message type Identify and develop district and store champions in existing and target markets Better align market/district leadership roles to training goals and focused value-add training activities 	<ul style="list-style-type: none"> Further enable TIFT team to realize team goals Facilitate SOP release approach alignment Identify best training practices and lessons learned from Kickoff Market to apply to scale Communicate Pharmacy Workflow to incorporate scripts, WE, Theranos, and immunization services Refine "T-minus" comms, Field Leadership Toolkit, and scenario planning exercises to better prepare field Measure business readiness based on lagging and leading indicators; recommend corrective actions

We Discussed Each Consideration (and Agreed On An Action Plan for Each) Yesterday. Example for “Definition of Success” Considerations Action Plan:

Business Levers

Recommended Action	Owner (of Next Steps)	Next Steps
Clearly document decision rights & governance approach for partnership	Patty, Mike, Casey Christian	<ol style="list-style-type: none"> 1) Discuss collaboration with Christian on 8/6 2) (Collaboratively) summarize Phoenix market approach, general partnership approach, and what future markets would look like
Further define short and long term success criteria	Tracy – to work at Store/Operational level Casey, Mahesh, Mike (facilitate)	<ol style="list-style-type: none"> 1) Follow up from 8/5 meeting key anchors discussion, 8/6 success criteria discussions 2) Tracy to document Theranos store/operational success criteria
Align business metrics to key behaviors	Mahesh, Mike	Leverage draft success criteria to align key behaviors/actions by role
Identify potential incentive alignment opportunities	Casey (working with workstream leads)	Theranos: future plan (past start-up mode) Walgreens: Discuss potential approaches, timing with Casey

Change Levers

Recommended Action	Owner (of Next Steps)	Next Steps
Align on communications strategy, plan, and execution with Theranos and field leadership	Mike, Patty (to assist)	Document next iteration
Develop and measure additional training success criteria beyond pass rate	Mike, Ardith, John Look (to assist on reporting) Joe, Ryan Trial Exh. 1884 Page 0034	Mike to set up brainstorming session with Joe, Ryan, Ardith, and John Look on possible success criteria

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Action Plan Next Steps

- Mike to Provide Full Action Plan Results to Group, Individuals Identified As Owners (for All Four Focus Areas)
 - Will Be Provided By End of Week
- Owners to Act Against Focus Areas
- ***Group to Identify Approach to Update Team***

Key Anchors Discussion

What could we ask a Pharmacy Technician to rally around, that is also meaningful to senior leaders and others in our diverse stakeholder audience?

The common themes we agreed upon:



With These Anchors In Mind, We Discussed Some of the Behaviors and Actions We Need to Ask of Our Stakeholders That Will Help the Program Realize Its Vision

Key Stakeholders like...		whose role is to...	...the Vision at the...	Should do/say/own
Brad Wasson Rick Gates Jeff Koziel Nimesh Jhaveri	Elizabeth Holmes Sunny Balwani	Define	Company level	Do: Say: Own:
Nimesh Jhaveri Casey Kozlowski Mahesh Raju	Sunny Balwani Tracy Masson Joe Ahdoot Christian Holmes	Define	Program/ Partnership level	Do: Say: Own:
Matt Sesto Brian Sizemore Casey Kozlowski Mahesh Raju	Tracy Masson Kim Alfonso Joe Ahdoot	Translate and reinforce	Kickoff Market level	Do: Say: Own:
DMs RXSs	Sonia Cendejas Operations Mgrs Theranos Sales	Translate and reinforce	District level	Do: Say: Own:
CLs TIFT Team	Sonia Cendejas Operations Mgrs	Execute	Community level	Do: Say: Own:
MGRs RXMs Pharmacy Team	Theranos Phlebotomists Operations Mgrs	Execute	Store level	Do: Say: Own:
IT Finance Call Center Marketing	Theranos IT Theranos Call Center	Support	Company, Program, and Field levels	Do: Say: Own:

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An Example: **CLs**, whose role is to **execute** the vision of a Superior Patient Experience; support the Partnership Collaboration and drive Pharmacy Transformation at the **Community and Store Level**, should...

Key Stakeholders like...		whose role is to...	...the Vision at the...	Should do/say/own
CLs MGRs RXMs Pharmacy Team	Theranos Phlebotomists	Execute	Store level	Do: Say: Own:

CLs, whose role in Theranos is to execute the vision of a Superior Patient Experience and support the Partnership Collaboration at the Community and Store Level, should...

DO:

- **Communicate about Theranos services** and their benefits in the stores where it is offered; ask team members what they think about the service *[Patient Experience, Partnership Collaboration]*
- **Ensure** all the stores in your community are **aware of Theranos services** and where they are offered *[Patient Experience, Partnership Collaboration]*
- **Regularly update and energize team members** - celebrate positive patient experience results in your community *[Patient Experience]*
- **Hold Store Managers in your community accountable** for their store-level responsibilities; understand those responsibilities and ask about them on your Store Walks *[Partnership Collaboration]*

SAY:

- Have you gotten your lipid profile through Theranos yet? What did you think of the service? *[Partnership Collaboration]*
- (When in non-Theranos stores) Did you see what we are doing over in Store 1234? We can do lab testing services through our Pharmacy there now. Check out this booklet about the service. *[Partnership Collaboration]*
- I just wanted to recognize the great patient experience Jane provided to one of our Theranos patients. Listen to this great patient feedback! Great job Jane. *[Patient Experience]*
- John, it looks like there may have been some challenges last week with the bathrooms and having enough Theranos techs during peak time. What do we need to plan for in the next few weeks on scheduling, with immunizations coming up? *[Patient Experience, Partnership Collaboration]*

OWN:

- Their store's and community's Theranos Patient Experience results
- Accountability of their store's Pharmacy Manager, and of their community's Store Managers (for pharmacy scheduling, training, store and pharmacy team member engagement and experience)
- Maintain/increase the excitement around the incredible patient experience

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Diagnostic Testing – Theranos Partnership Program Measures of Success (SMART Goals)

August 6, 2014

SMART Program Measures for Success

SMART goals are defined as:

Specific: target a specific area for improvement

Measurable: quantify or at least suggest an indicator of progress

Achievable: realistic and attainable

Realistic: state what results can realistically be achieved, given available resources

Time-related: specify when the result(s) can be achieved



SMART Program Measures for Success

Category	Goal	Success Criteria	Owner(s)
Operational	Achieve acceptable labor model	20 stores with Walgreens employed phlebotomist/health guide by 3/31/15	Casey Kozlowski
	Achieve and maintain a training pass rate of 90% by 8/31/15	Training pass rate =>90%	
Patient Experience	Likelihood to come back by 8/31/15	=>90%	
	Referral by friend or family member by 8/31/15	=>20%	
	Capture rate of 47% benchmark	=>47% benchmark	
	Conversion of non-Walgreens patients to become Walgreens patients	10% of the 47% benchmark	



SMART Program Measures for Success, cont'd

Category	Goal	Success Criteria	Owner(s)
IT	Theranos PSC application uptime =>99% Note: applicable to DSL connected stores only		
Payor and Providers	Payor coverage of at least 66%	Payor coverage of at least 66%	
Financial	Achieve 15* patients/store/day for a store that has been open at least 3 months by 8/31/15	Achieve 15 patients/store/day	
HCC	% of lab orders driven from HCC	This is not being driven due to steerage	Sunny Balwani/ Pat Carroll



Potential Measurable Success Metrics For Stores

Category	Goal	Success Criteria	Owner(s)
Training	% of eligible team members certified to perform check in	100%	
	% of eligible team members certified to perform finger sticks	90% <ul style="list-style-type: none"> • Must work more than 20 hours per week • Must be able to perform service using both hands • Religious reasons • Medical reasons • Position code is: <ul style="list-style-type: none"> • Perform: RxM, HG, Rx Tech • Check-In Only: SFL, ASMT, ASM, MGR <p>Action Item:</p> <ul style="list-style-type: none"> • Need to work with ER to define eligible reasons 	



Potential Measurable Success Metrics For Stores, cntd.

Category	Goal	Success Criteria	Owner(s)
Patient Experience	Patient check in time < X minutes	< 3 minutes	
	Patient wait + perform time < X minutes	< 7 minutes (between check in end and collection completion)	
	Survey scores > X	<ul style="list-style-type: none"> Average star rating per store and by tech Average % 5 star ratings for 90% of Theranos services 	
	Reduce people who will never come back	95% = yes	
	Number of sticks needed vs. ideal	>80%	



Potential Measurable Success Metrics For Stores, cntd.

Category	Goal	Success Criteria	Owner(s)
Patient (non-experience)	Patient volume	Measurement of here's where you're at and here's where you are trending	
	% Venous Draws	<=10% venous draws by 8/31/15	Sunny Balwani
	Net New vs. Existing Patients	Note: Need patient name and zip code (confirm with analytics)	





Diagnostic Testing – Theranos Partnership

Plan for FY15

August 6, 2014

Plan for FY15

- Next market is Northern CA (5 stores initially, then expand for a total of 40)
- Expansion beyond the 5 stores will require Theranos data to obtain store selection
- Next markets?
 - IL? IN? TX? FL?
- Plan for FY15 is to follow the Well Experience rollout as much as possible.
 - Keeps build-out costs low
 - WE personnel are often a good fit for Theranos services.
- Initial goal for FY15 (Sept-Aug) was 500 stores. Need to redefine this goal.





Diagnostic Testing – Theranos Partnership

California Plans
August 6, 2014

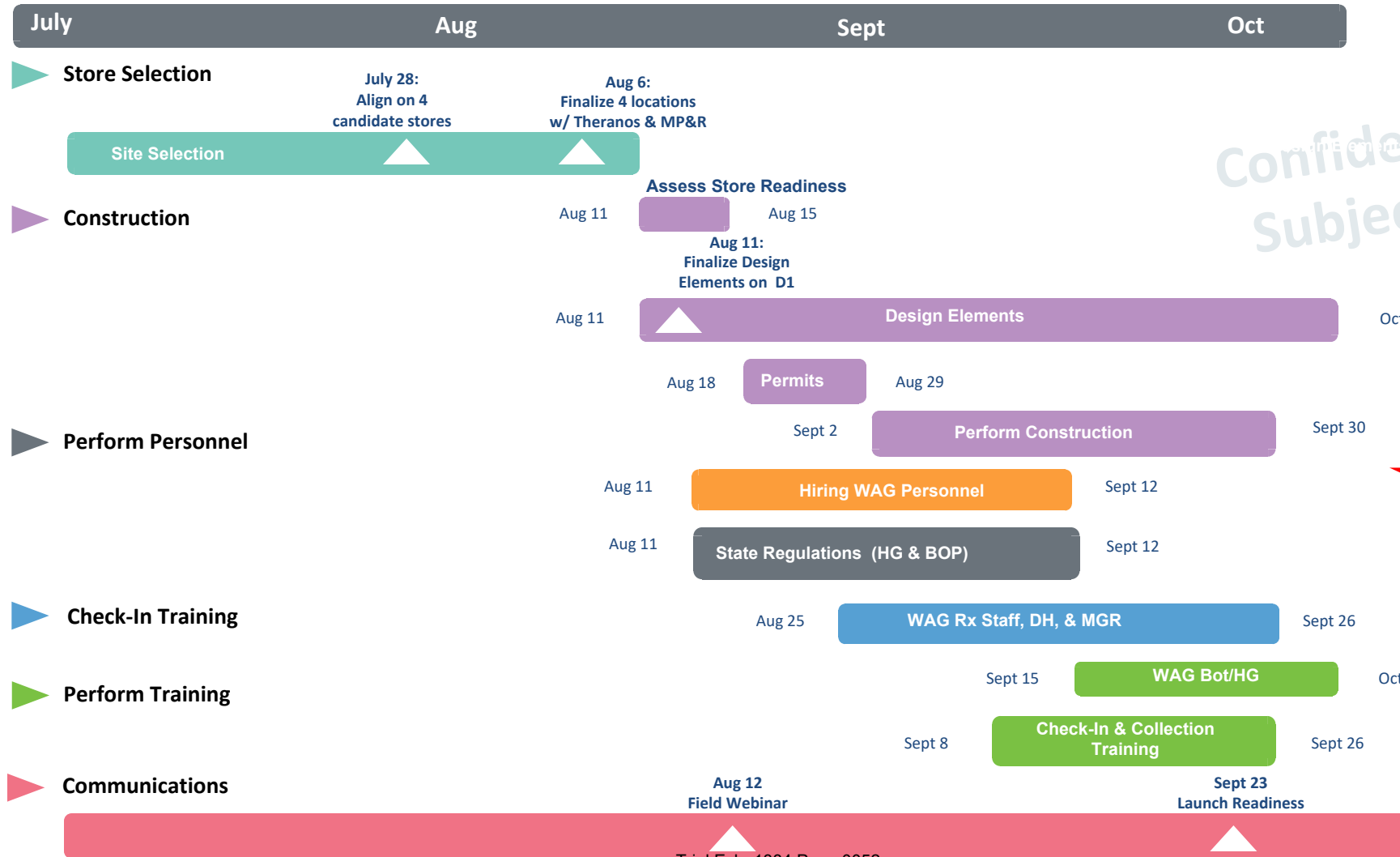
Theranos California Wave 1: T Minus Schedule

Timing	Target Date	Training event
T-10	8/6	<ul style="list-style-type: none"> Finalize California Wave 1 store selection for 4 stores
T-9	8/11-8/22 8/11-8/15	<ul style="list-style-type: none"> Conduct Field Webinars Assess store readiness and start construction process
T-8	8/11-9/12 9/15-10/3	<ul style="list-style-type: none"> Hire Bots/HG Complete Bot/HG Training
T-5	9/8-9/26	<ul style="list-style-type: none"> Conduct Check-In Training for existing WAG Techs
T-2	9/29-10/3 9/29-10/10	<ul style="list-style-type: none"> Store Manager and Pharmacy Manager expectations/reminder/"coming very soon" Compass communications to stores in the Wave (with copy to DM and RXS) TIFT Checklist for Pre-Launch Activities
T-1	10/13-10/17	<ul style="list-style-type: none"> Reminder to DMs, RXSs, and CLs in districts/communities with stores going live in the wave: cascade or otherwise communicate to all stores in your area about new capability in additional stores coming online in one week. 5 Minute Meeting scripts to all stores in wave, with instructions on using on or near go-live.
T (Go Live)	10/21	<ul style="list-style-type: none"> MVP recognition via email communications about latest wave of stores going live. Recognition of MGRs, RXMs, Pharmacists, Techs, and other field personnel involved in stores launching successfully. Theranos Go-Live in 4 stores



California Theranos Rollout Timeline

2014



Confidential – Dates Subject to Change



Assumptions

- Construction:
 - Private Health Room build out is required
 - Construction can be done in an expedited manner
 - Receive approval to extend DSL connectivity to 4 more stores
 - Expedited CIA process for D1s, furniture orders, etc.
- Personnel:
 - WAG Phlebotomists are hired
 - State and regulatory concerns are addressed for HG & BOP
 - Theranos can assist with training in Palo Alto HQ



IT Phase Plan

★ We are here

* Phase 2 had been previously deemed unnecessary

	Phase 0	Phase 1	Phase 3*	Phase 4
Software	<ul style="list-style-type: none"> Theranos App via Internet 	<ul style="list-style-type: none"> Theranos App via Internet 	<ul style="list-style-type: none"> Theranos App via One Patient View search app 	<ul style="list-style-type: none"> Theranos App via Enterprise EHR
Hardware	<ul style="list-style-type: none"> All Theranos HW 	<ul style="list-style-type: none"> All Theranos HW 	<ul style="list-style-type: none"> Theranos HW with Walgreens peripherals 	<ul style="list-style-type: none"> Walgreens HW and peripherals
Connectivity	<ul style="list-style-type: none"> Cellular (WIFI) 	<ul style="list-style-type: none"> Walgreens LAN / or other internet option (DSL/Cable) 	<ul style="list-style-type: none"> Walgreens LAN / or other internet option (DSL/Cable) 	<ul style="list-style-type: none"> Walgreens LAN
Functionality	<ul style="list-style-type: none"> Slow processing speed Redundant equipment at check-in 	<ul style="list-style-type: none"> Faster processing speed 	<ul style="list-style-type: none"> Reduced dual entry Easier application access Search functionality Quality Reporting 	<ul style="list-style-type: none"> Streamlined, secure data Eliminate redundant HW Integration with PARS
Target Date	<ul style="list-style-type: none"> Current 	<ul style="list-style-type: none"> End of Q3 FY14 	<ul style="list-style-type: none"> End of Q4 FY14 	<ul style="list-style-type: none"> TBD

Note: These phases and corresponding scope are subject to change based on open items



Phase 3 Scope

- Capabilities prioritized based on criticality for expansion past 40 stores
- Priority 1 and 2 items are:
 - Financial reconciliation (including migrating from v1 to V2 barcode)
 - Sharing of Patient data (demographics and insurance) between Theranos/WAG
 - Implement single sign on (SSO) capabilities between Walgreens and the Theranos application
 - Integrate Theranos work queue with the IC+ Phlommometer
 - POS integration (allowing Theranos to invoke an API when the copay is \$0)

