



## Healthcare Venture Studio Request for Proposals (RFP)

### RFP Overview:

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CEO<sup>C</sup> (Louisville Healthcare CEO Council) is seeking proposals from venture studio providers to collaboratively design a healthcare-specific venture studio program. Building off CEO<sup>C</sup>'s validated Healthcare Innovation Engine and leveraging its Data Hub, the Venture Studio (Studio) will uncover opportunities, generate and validate ideas for scalable businesses, and develop and co-launch startups aimed at improving operational efficiencies within healthcare while augmenting and alleviating the healthcare workforce crisis. Recently, CEO<sup>C</sup> was awarded American Rescue Plan Act (ARPA) grant funds to support the development, implementation, and scalability of the Venture Studio.

### Background on the CEO<sup>C</sup>:

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CEO<sup>C</sup> represents the 15 largest healthcare aging innovation companies founded or headquartered in Louisville, KY. Collectively, CEO<sup>C</sup> member companies touch 80 million lives annually, employ 550,000 people, and generate approximately \$140 billion in annual revenue.

Council board leadership is represented by presidents and CEOs of companies across the entire continuum of care. This includes providers and payers, as well as leading education partners. And for all of them, workforce is a unifying systemic crisis they're invested in addressing collectively. Put another way, CEO<sup>C</sup> represents nearly all major healthcare employers and is equipped to clearly articulate what healthcare jobs will be needed as well as the requirements needed to successfully fill those jobs. This presents a unique opportunity to bridge the gap between today's workforce and the healthcare jobs needed tomorrow. CEO<sup>C</sup> is comprised of the following board members:

- **Baptist Health** | Gerard Colman, CEO (CEO<sup>C</sup> Board Chair)
- **Anthem** | Kennan Wethington, President
- **Apellis Pharmaceuticals** | Dr. Cedric Francois, President and CEO
- **Atria Senior Living** | John Moore, Chairman and CEO
- **BrightSpring Health Services** | Jon Rousseau, President and CEO
- **Confluent Health** | Larry Benz, President & CEO
- **Galen College of Nursing** | Mark Vogt, President and CEO
- **Hospatus Health** | David Cook, President and CEO
- **Humana** | Bruce Broussard, President and CEO
- **LHC Group** | Keith G. Myers, Chairman and CEO
- **Norton Healthcare** | Russell Cox, President and CEO
- **ScionHealth** | Rob Jay, CEO
- **Signature Healthcare** | E. Joseph Steier, President and CEO
- **Trilogy Health Services** | Leigh Ann Barney, President and CEO
- **University of Louisville** | Dr. Kim Schatzel, President

### The Challenge:

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According to Chicago-based venture firm M25, the growth of Louisville's startup ecosystem is stagnant. It is ranked at No. 14 in the Midwest, taking into account data on startup activity, access to resources, and business climate. Their report indicates the region falls short in the "access to resources category." Louisville lagged behind most other top-ranking metros in its number and rank of accelerators, as well as total capital invested by venture capitalists. The lack of regional resources doubly impacts Black founders.



To stimulate innovation and entrepreneurship, the CEO<sup>c</sup> Healthcare Innovation Engine process begins with information-gathering through Discovery Labs, a tool developed by CEO<sup>c</sup>. Member company representatives (top-level executives) who serve on the CEO<sup>c</sup> Innovation Committee identify colleagues with relevant subject matter expertise in their own companies. In addition to profound insights into industry challenges, Discovery Labs allow CEO<sup>c</sup> to understand each member company's innovation road map. In other words, after the Discovery Labs take place, CEO<sup>c</sup> knows precisely how new technologies get in the front door of each of the 15 CEO<sup>c</sup> companies, how the innovations are deployed or operationalized, and how the company measures the efficacy of an innovation. To leverage the insights from Healthcare Innovation Engine, CEO<sup>c</sup> will launch a Studio to validate ideas for scalable businesses and develop and co-launch startups.

### **The Solution:**

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Building upon the success of the Healthcare Innovation Engine, the CEO<sup>c</sup> will launch a Studio in collaboration with esteemed partners. The Studio's core objective is to explore untapped opportunities, generate and validate ideas for scalable businesses, and foster the development and co-launching of startups. The Studio will also extend its support to small businesses, employing a well-defined venture studio guidebook as its guiding framework.

Central to its operation, the Studio will conduct structured programs in conjunction with CEO<sup>c</sup> partners, aimed at uncovering, nurturing, and potentially launching new businesses known as Portfolio Companies. These programs, termed Sprint Programs, serve as catalysts for innovation, generating innovative concepts that hold promising potential. In partnership with CEO<sup>c</sup> and the University of Louisville, the Studio will leverage their unique strengths to unearth new avenues for entrepreneurial success. Moreover, by working collaboratively with partners, the Studio will diligently source and meticulously evaluate concepts for potential business formation, while actively seeking investments to propel their growth.

Additionally, the Studio will collaborate closely with CEO<sup>c</sup> and UofL's Office of Research and Innovation. This strategic partnership will focus on identifying areas of improvement within the workforce, care models, and operational efficiency. Through comprehensive analysis and ideation, the Studio will generate and evaluate solutions to these challenges. As an integral part of this collaborative effort, the Studio will actively participate in Sprint Programs and provide valuable advisory support to the resulting startups.

The Studio will work with CEO<sup>c</sup> and University of Louisville's Office of Research and Innovation to identify workforce, care model, and operational efficiency problem areas, identify or ideate solutions, participate Sprint Programs and serve as advisors to resulting startups.

### **Objectives:**

1. Develop a robust pipeline of ideas and concepts by developing, extracting, extending, and refining ideas with the CEO<sup>c</sup> and the greater Louisville ecosystem.
2. Facilitate up to two sprint programs per calendar year.
3. Identify several ideas for evaluation and validation during each sprint program with up to two concepts to explore in depth through each sprint week.
4. Provide launch services and strategic support in the areas of talent, traction, and preparation for fundraising with launch and funding of up to 2 new ventures per year.

### **RFP Details and Scope:**

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#### **Healthcare Venture Studio Need:**



The purpose of this Request for Proposal (RFP) is to invite proposals from exceptional venture studios that possess the capacity and expertise to collaborate with the CEO<sup>C</sup> Innovation Committee in developing and delivering a venture studio program. The objective is to launch up to seven new ventures over a four-year period while establishing a sustainable model.

The selected venture studio will be responsible for developing a robust pipeline of commercial opportunities by extracting, extending, and refining ideas sourced from CEO<sup>C</sup>. This will be achieved through a structured Sprint Program that includes an initial kickoff meeting, a dedicated Sprint Week, and additional services post-Sprint Week. Within approximately two weeks following each Sprint Week, the studio will determine the next steps for resulting business proposals, which may include the launch of new ventures. As the Sprint Programs progress, activities may evolve, guided by a studio playbook that defines themes for initial exploration, prioritizes opportunities through customer and market research, generates and tests solutions, and develops concepts validated through iterative assumption testing. During Sprint Week, the Studio will prioritize two concepts to further develop into business pitch decks. Subsequently, the Studio will provide support and develop recommendations for the launch of up to two new startups.

Further, in collaboration with CEO<sup>C</sup> and other strategic partners, the Studio will be responsible for raising needed capital (~\$3 million) and fully managing capital investment for created ventures.

The selected venture studio agrees to abide by the federal funding requirements governing the funding mechanism of this RFP as articulated in The Coronavirus State and Local Fiscal Recovery Funds program. This program is authorized by sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021. Pub. L. No. 117-2 (Mar. 11, 2021), codified as 42 U.S.C. § 802 and 42 U.S.C. § 803 respectively; and as implemented by Treasury's Final Rule at 31 C.F.R. <https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>

**Engagement Time Frame:**

Q2 2023 – 12/31/2026 (specific start date to be determined at the time of contract development with the selected contractor)

**Scope of Work:**

- (1) Develop and operationalize a healthcare venture studio, including supporting the development and execution of necessary legal agreements, establishing key processes/workflows, providing staff to support the administration/implementation of the Studio, and other areas as needed.
- (2) Facilitate and manage the Studio program that results in the formation and launch of up to two ventures per year (for a total of seven over the engagement) focused on improving operational efficiency and alleviating workforce challenges within healthcare. Facilitated through Sprints, this will include (but not limited to) the following anticipated phases and activities:

**a. (Phase 1) Assemble:**

Goals, Bounds, Themes, and Opportunities: The Studio will align on scope, including the goals and boundaries for the program and strategic and financial objectives or constraints for potential new business ventures. The Studio will define potential themes, or initial hypotheses on jobs-to-be-done for exploration and prioritize up to two for the program. The Studio will develop a research plan for the Assemble Phase and conduct preliminary primary and secondary customer and market research, as required, to identify and document opportunities, defined as a customer or user with an important, unsatisfied, and widely held job-to-be-done.

Sourcing of Concepts:



Develop a portfolio of opportunities, by generating, extracting, cataloging, enhancing, and prioritizing business opportunities aligned with the goals, bounds, themes, and opportunities. This will include leveraging existing opportunities in the CEO<sup>C</sup> pipeline and portfolio as well as conducting structured exercises, interviews, and/or ideation workshops with the university and broader Louisville ecosystem.

**b. (Phase 2) Test:**

Prioritization and Testing Plan: The Studio will work to define and align on prioritization criteria, then prioritize certain opportunities against criteria to move into Solution Ideation. Through a facilitated workshop, the Studio will generate a large quantity of ideas for addressing prioritized opportunities and, following the workshop, refine ideas into distinct concepts. At the conclusion of this phase, the Studio will align on a high-level program plan and timeline for Test Phase that includes customer and market research activities.

Validate Business Models: The Studio will continue testing business models for high potential opportunities with the intention of further narrowing the down to two concepts that will be brought forth to Sprint Week.

Prepare for Sprint Week: For prioritized concepts, the Studio will conduct secondary research, including but not limited to market sizing and competitive analysis, and primary research through stakeholder interviews to understand customer journeys, jobs-to-be-done, circumstances, and barriers. The Studio will synthesize and present research findings from the Test Phase to develop two or three concepts that document the business model hypothesis, illustrative product mockups, supporting research findings, and remaining assumptions to test during Sprint Week. The Studio will complete final preparations for Sprint Week, including preparing all materials, scheduling interviews, and coordinating logistics.

**c. Phase 3: Sprint Week**

Sprint Week will be the Studio's forcing function for creating new businesses, where the team seeks to compress the first six months of a business into one week. The objective of Sprint Week is to rapidly convert assumptions to knowledge, to build enough confidence to determine whether each concept being considered warrants consideration to create an investable new external startup. Participants will include leadership, stakeholders, and the Studio team members, and may include external guests including potential customers, co-founders, and subject matter experts. It is anticipated that each concept will have a team comprised of up to three participants from the Studio and may include subject matter experts.

**d. Phase 4: Clearance**

Following Sprint Week, the Studio will develop recommendations including an investment memo that aid decision-making and outline a plan for potential NewCo launch(es).

**e. Phase 5: Lift-Off**

Form and Fund: Upon the decision to create an investable NewCo from a Sprint Week concept and business pitch, the Studio will formally create the NewCo. The Studio will identify founder(s), finalize branding, prepare formation and investment documents and prepare to form the legal entity. The Studio will provide support to portfolio companies from inception and anchors strategic support and services in the following areas: preparation for fundraising, traction, and talent. The Studio will provide functional support to help the company “liftoff in the following functions in differing capacities: design, marketing, finance, accounting, human resources, and legal. The purpose of this arrangement is to provide emerging companies with a competitive advantage by providing best-in-class support across fundraising,



traction, and talent, as well as the coordination of services and vetted third-party providers to help set the company up for success.

**f. Phase 6: Accelerate**

Road-mapping and growth: The Studio's centralized accelerate team will support each NewCo following liftoff, including but not limited to: programs for founder development, providing access to the Studio's network, early team member recruiting, and advisory on fundraising.

- (3) Supporting CEO<sup>c</sup> and UofL teams in raising and managing capital funds necessary to fund ventures (anticipated \$3 million in funds total). Under the direction of CEO<sup>c</sup> leadership, this will include oversight of all aspects of fundraising and management of capital in compliance with all necessary regulations at the local, state, and national level.

**RFP Submission Instructions:**

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Each proposal should be submitted by email to Sam Mbutu, Innovation Project Manager at [smbutu@theceoc.com](mailto:smbutu@theceoc.com) in the form of a letter including the following information:

- (1) Organizational Overview:** An overview of the respondent's organization, the organization's capacity to meet the needs described above (e.g., successful, relevant venture development projects conducted previously, published findings reports, success stories, capacity to support capital needs, etc.), and statement of interest in partnering with the CEO<sup>c</sup> team in the co-design of the Studio.
- (2) Proposed Program Design:** A detailed description of the organization's proposed Studio model including: (1) an overview of the organizations' approach and philosophy to healthcare innovation and venture development in healthcare, (2) proposed plan for developing/implementing the Studio to meet the needs as described in the scope of work above, and (3) a proposed high-level schedule/timeline for accomplishing the activities detailed in the scope of work.
- (3) Budget and Justification:** (1) A budget detailing stages and costs associated in developing and operationalizing the Studio and (2) a budget justification describing the expenses included in the budget.
- (4) Team Overview:** Brief one- to three-paragraph bios and resumes/CVs for team who will be involved in managing and facilitating the co-design, development and operationalization of the Studio.

**RFP Timeline:**

The RFP process will initiate on May 17 with a deadline of submission by 11:59 p.m. EDT on June 9. Questions regarding the proposal will be accepted between May 17 and May 31. Questions after May 31 will not be addressed. All questions will be addressed by June 2.

A committee comprised of CEO<sup>c</sup> staff will review the proposals and submit a recommendation to the CEO<sup>c</sup> Leadership team. Notification of proposal selection is anticipated by June 23rd. The goal is to begin co-designing the program in July with an ideal launch date of August-September.

**Point of Contact:**

All communication related to this RFP and the selection process must be directed to the designated point of contact, whose name is provided in the RFP document. If you have any questions regarding the terms, conditions, and technical



specifications, please submit them via email to Sam Mbutu, Innovation Project Manager, at [smbutu@theceoc.com](mailto:smbutu@theceoc.com). During the designated questioning period, respondents are welcome to send any questions they may have regarding the RFP process to the designated point of contact. We encourage respondents to use this opportunity to seek clarification and ensure a comprehensive understanding of the RFP requirements.

**Proposal Selection Criteria:**

All proposals satisfying the requirements of this RFP will be evaluated to establish which of the providers best fulfills the needs of CEO<sup>c</sup>. This RFP in no way commits CEO<sup>c</sup> to award a contract, to pay any costs in preparation of a proposal or to contract for the goods and/or services offered. CEO<sup>c</sup> reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with all qualified providers, or to cancel this RFP. After awarding the contract, the schedule will include a period of collaboration between CEO<sup>c</sup> and the selected respondent to better define, elaborate upon, and fix the selected respondent's final scope of work and general terms and conditions.

A selection committee consisting of staff from CEO<sup>c</sup> and subject matter experts will review qualifications of submittals and evaluate the respondents, based on the following criteria:

- **Proposed Program Evaluation (40%):**
  - Focus and relevance to outcomes identified in the scope of work
  - Program evaluation approach aligned with outcomes detailed in the scope of work
  - Demonstrated capability of fulfilling needs outlined in the scope of work
  
- **Organizational and Team Qualifications (30%):**
  - Organizational and team qualifications to execute activities outlined in the scope of work
  - Track record of success on prior, relevant program evaluation projects
  - Demonstrated experience and expertise in the healthcare industry, entrepreneurship and innovation, venture development, and/or DEI initiatives preferred.
  
- **Budget and Budget Narrative (20%):**
  - Reasonable and fair budget to execute activities outlined in the scope of work to fullest potential.
  - Detail of expenses
  
- **Adherence to RFP instruction (10%):**
  - Inclusion of all requested information within the submission
  - RFP submitted on time per timeline detailed below.