



Shared Passion for Quality Service Leads to Strategic Alliance

“An important part of my job is seeking out, qualifying, and nurturing strategic alliances with other consulting firms,” says Jim Ostrosky, USC Consulting Group senior vice president for product development and technology.

That may sound strange in this tight consulting market, but Mr. Ostrosky and his USCCG partners believe that ensuring the best possible service for their clients includes researching and validating the capabilities of other firms that USCCG can then recommend to augment their own process expertise.

“We have earned an exceptional reputation for helping companies in the area of operational effectiveness, as our client satisfaction ratings demonstrate,” he explains, “but we often encounter critical ancillary issues that require expertise outside USCCG’s core competencies. That’s when our strategic alliances with other firms become so valuable. We don’t want to have to send clients, with whom we’ve developed solid, long-lasting relationships,

to the Yellow Pages to find a firm that can help them at the next stage. So, we are extremely selective about any alliance we enter into. We check people out very thoroughly and work with only a handful of firms in which we have total confidence.”

The Alliance Strategy

One firm in which USCCG places that strong confidence is Clarkston Consulting, a nationally recognized management and technology consulting firm based in Durham, NC. The company, founded by former managers of a “Big 5” consulting firm, focuses on life sciences (pharmaceutical, biotech and medical device manufacturing), consumer products manufacturing and high tech industries.

“Technology - specifically ERP implementations, e-procurement, and customer relationship management (CRM) are areas where we want to be able to recommend dependable experts,” Mr. Ostrosky says. “The more we talked with Clarkston over

the years, the more we realized that their beliefs, philosophies and approaches were in line with ours. There are a lot of technically capable firms out there, but when you’re talking about a strategic alliance, it’s like a marriage. You’ve got to be able to defend and support each other’s delivery models and beliefs, and endorse each other as we would our own product.”

“The key factor that led us to form this alliance,” according to Tom Finegan, Clarkston co-founder and CEO, “was a common philosophy about client service. Both firms share an unrelenting focus on quality client service. We know USCCG is very attuned to delivering the value that they promise, along with the highest caliber client service. That is exactly how we operate. We look at the issues through the eyes of our clients to come up with practical solutions that are really in their best interests.

“One small illustration of that philosophy is our cancelable contracts. If the client doesn’t feel he’s getting value, he simply

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stops the work. There aren't many firms out there willing to take that kind of risk or back up their service with that kind of assurance. Both USCCG and Clarkston are. Both of us want to give clients a quantifiable return on investment."

USCCG turns to Clarkston for the technological expertise to provide clients with supply chain management components like scheduling systems for both the supplier and the distributor. Clarkston's IT strategy model, says Ostrosky, helps clients clearly determine what they need by analyzing their functional requirements.

"What we bring to USCCG is the ability to effectively bridge the gap between the strategy and the process by enabling both with technology," explains Finegan. "Selecting the applications, implementing and integrating them is where we represent a lot of strength."

"Sometimes the process is sequential," says Ostrosky, "and sometimes simultaneous. For example, we may get to a point where we've simplified and standardized an operational process for maximum efficiency. The next logical step is often automation. Although we have some automation capability in-house, our client may need more specific expertise. That's when we call on Clarkston.

"On the other side of the coin, Clarkston may uncover opportunities for operational improvements during the course of helping clients automate. In order to maximize their client's automation investment, they may call on us to help streamline the processes they're automating."

The IT Climate

Post Y2K, the IT climate has begun

to return to normal, but it is no more settled for it.

One major issue that Finegan sees currently in the IT arena is the broad skepticism among managers about the real return on investment for IT initiatives.

"Our take is that you can never look at any one factor in isolation. You have to look at the whole basket of ROI. It's not just the IT initiatives that make any given situation work," he explains, "it's all the other additions made on a concurrent basis that really drive it."

For example, in an evaluation of what contributed most to a marked reduction in inventory, a warehouse rationalization or an ERP system, either "team" could make the case that their initiative was

"Both firms share an unrelenting focus on quality client service."

the catalyst. In reality, each probably played an equally important role in the success. Either alone may not have achieved the objective.

This again emphasizes the value of the USCCG/Clarkston alliance. By dovetailing both operational and IT efficiencies, client companies get a fully integrated approach that can result in an abundance of operational and financial benefits.

On another front, Finegan cites a common error made by many companies that undertake IT initiatives: "Companies tend to put technology issues ahead of the people, as opposed to the people ahead of the technology.

"Technology, in the end, is probably the easy part. It's getting people to change their ways and change their processes

and effectively use the systems that is the important part."

This is another philosophy shared by USCCG and Clarkston. USCCG uses a technique called the employee involvement prototype, which engages a client's staff in focused, daily, quantitative reviews designed to show how processes *actually* work versus how they were designed to work, and to ultimately improve them. In a similar approach, Clarkston uses a change management practice that addresses the human element of all the initiatives in which they engage.

These are central components for both consulting firms in the assignments they assume. In fact, if a prospect's senior executives don't buy into these philosophies, neither USCCG nor Clarkston will sign on for an engagement. "We know what the outcome will be," states Finegan, "and we don't want to be part of failed projects."

Gaining the Edge

Companies that want to break away from the competitive pack are demanding a comprehensive, customized approach to business process improvement that will take them to the next level. To meet that demand, USCCG strives to make the best possible services and expertise available to their clients, not only from their own stable of professional experts but from other sources, as well.

"Our goal is to maintain or exceed our current client satisfaction ratings. That means we must continue to broaden our capabilities through strategic alliances like the one with Clarkston," concludes Ostrosky. "To that end, we will aggressively seek out strong partnerships that complement our own approach to client service, honesty, and integrity and that, ultimately, will add value for our clients."



USCCG Continues to Earn Solid Ratings from Clients

For the past two years, USCCG has asked clients to rate its performance after completing an engagement. In nearly every industry, USCCG continues to garner positive feedback. Here are the most recent results.

Overall Satisfaction: 95 percent of USCCG clients expressed overall satisfaction with the firm, while 82 percent said they were “extremely” or “very” satisfied.

Personnel: 89 percent rated USCCG personnel “exceptional” or “very good.”

Results: 89 percent said the results USCCG achieved for their companies met or exceeded expectations.

Willingness to Rehire: 91 percent would consider hiring USCCG for other engagements. 70 percent said they were “extremely” or “very likely” to do so.

Willingness to Recommend: 84 percent said they were “very” or “somewhat” willing to recommend USCCG to a friend or professional colleague.

To hear more of what USCCG clients have to say, go to www.usccg.com, visit the Client section of their web site and click on the link titled *In Their Own Words*.

Maher Takes Issue with WSJ Article

Following is the text of a letter sent by USCCG Senior Operations Manager Terry Maher to the editor of The Wall Street Journal regarding mandatory nursing ratios.

To the Editor:

The numbers don't always tell the real story about nursing care in hospitals, as you point out in your May 30th article “Serious Health Risks Posed by Lack of Nurses.” A number of states are currently considering mandatory nursing ratios in an effort to improve patient care, but in our experience with numerous healthcare institutions, more nurses do not necessarily mean better care or improved levels of nursing satisfaction, another critical key to quality care.

In our work with client hospitals, we have noted that nurses spend shockingly little time using their clinical skills to minister to patients. In many cases, less than 40 percent of a nurse's time – or only three hours of every eight-hour shift – is actually spent completing clinically-intense nursing tasks. In fact, nurses typically spend a disproportionate amount of time on such non-clinical chores as chasing down

supplies and medications, and untangling administrative snafus, among others.

We believe that *effectiveness* should be the real objective. Simply adding more bodies, particularly RNs and LPNs, to the payroll does not necessarily mean that patient care is improved. It may actually result in fewer certified nursing assistants or other aides available to help with such important, but less skill-related tasks as changing sheets or attending to patients' daily hygienic needs.

Our goal in working with healthcare institutions is to create a more effective working environment by determining the best balance of nursing skills actually required to deliver high quality patient care. The second part of that effort is ensuring that such ancillary services as admitting, housekeeping and bio-medical repair are equally efficient, so that nurses can spend more time nursing and less time on non-nursing work.

Both of these endeavors will go far to improve the nurses' work environment, which ultimately will bring back more nurses to the profession for the very reason that attracted them in the first place: to provide a high level of patient care.

Letters to the Editor

Metrics is introducing a new feature. Starting with this issue, we invite readers to share their thoughts with us in writing. So, if you've got a comment to make, observation to share, issue to raise, or simply would like to request that we cover a specific topic in

a future issue, please e-mail us at metrics@usccg.com or write to us at *Metrics* c/o USC Consulting Group, 6200 Courtney Campbell Causeway, Suite 1010, Tampa, Florida 33607.

We look forward to hearing from you.



USCCG Asserts Independence at Just the Right Time

Direct mail campaign addresses consulting/accounting conflicts



“In light of recent events, a number of companies are finding it prudent to review their existing relationships with consulting and accounting firms for potential conflicts of interest.”

So begins a letter from USCCG President and CEO Ron Walker to CEOs of companies with \$500 million or more in annual sales and at least 500 employees. The direct mail effort positions USCCG as an alternative to the “big few” who are

currently embroiled in controversy.

“Our track record as an independent, mid-size consulting firm specializing in operational excellence has been impeccable for more than 30 years,” explains Mr. Walker. “Unlike many consulting firms, we believe in sensibly projecting potential improvements, and then on being held accountable weekly for delivering those projected results. This is clearly an approach that our clients have liked, since two-thirds or more of our business has come from them following our first engagements.

“Because of our philosophy, our approach to working with client personnel, the breadth of our experience, the tenure of our people, and our track record, we are very confident of being able to help almost any company make a positive impact on the indices vital to their business performance.”

USCCG’s client list has included major corporations across nearly every industry, among them United Airlines, Masco, General Electric, Dupont and IBM.

The Site Stuff

After eighteen months, USCCG’s web site is beginning to pay dividends. Not only is visitation up, but its new features (See *Metrics* Volume 2, Spring) are proving to be useful to new business prospects and the firm’s business development executives alike.

Brent Jennings, USCCG business development executive with responsibility for New England and New Jersey, recalled a recent visit to a prospective client for the purpose of introducing the firm and its capabilities. Imagine

his surprise when he discovered several of USCCG’s case histories spread across the prospect’s conference room table.

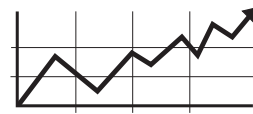
“The executive had already researched our background, was familiar with what we had accomplished for other clients in related industries, and wanted to quickly discuss how we might go about helping him solve a specific problem in his business,” Mr. Jennings related. “From a sales perspective that’s about as good as it gets.”

Happily, Mr. Jennings’ is not a singular experience. Other BDEs are having similar good fortune, and the firm’s web tracking statistics confirm that the site is being shopped continually by companies that (presumably) want to improve their operating effectiveness.

For its part, USCCG recommends that clients and prospects alike visit its site (www.usccg.com) often to keep up-to-date on its latest product and service offerings.



Progress Report



New Blended Learning Solution Unveiled *M-AblerSM part of integrated approach to operational excellence*



M-Abler: An easy-to-use modular desktop learning system

M-Abler, an innovative blended learning system available only through USCCG, enables clients to learn valuable operations

methodologies to gain a long-term competitive advantage.

The consulting firm's approach to operational excellence is based on the concept of integrated methodology. This means combining the best of proven and emerging methodologies to deliver a fully integrated solution that is tailored for each of their clients and that is sustained through a set of enabling tools that support the continuous improvement process.

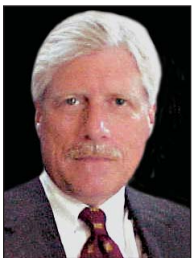
M-Abler also allows clients to train and educate their organizations as a separate initiative outside the course of a traditional consulting engagement. Course content encompasses both theory

and practical application and comes complete with instructional consulting to maximize its effectiveness.

The comprehensive Lean Operations course includes 17 individual modules, ranging from the Six Pillars of Lean Production Systems, Continuous Flow and Plant Layout to Mapping the Value Stream, Lean Procurement and the Supply Chain. This course will soon be supplemented with additional options featuring the best methodologies and approaches to a wide variety of operational problems and opportunities.

For more information, call USCCG at **800-621-6943** or visit their website at www.usccg.com.

Edmister to Head Business Development Efforts in Southeastern U.S.



James A. Edmister has joined USCCG as business development executive responsible for the Southeastern U.S.

During his 30-year management career, Mr. Edmister has been involved in a number of industries, including printing, pulp and paper, rubber and plastics, technology and medical diagnostics. He has also owned and operated a software distribution enterprise supplying Total Quality Management and continuous improvement solutions to Fortune 1000 clients.

"Jim's broad business background and financial acumen will enable him

to provide a balance of experienced counsel and helpful insight to USCCG clients and prospects who are seeking to strengthen their financial performance through operational improvements," says Eric Clerk, senior manager for the Southeastern region.

Mr. Edmister attended West Virginia University and Cornell University, where he earned a BA in psychology and liberal arts and a Masters degree in economics and industrial relations.

He also holds the Series 7, 63 and 65 Securities and Exchange Commission licenses for brokerage and licensed investment advisors. He is a member of the National Association of Securities Dealers.

New Office Space Offers View of Old Tampa Bay

If all goes according plan, USCCG's Tampa staff will be moving into expanded office space overlooking Old Tampa Bay in late August. The new address will be 6200 Courtney Campbell Causeway, Suite 1010, Tampa, FL 33607.

The facility will include a spacious conference room and offices for visiting and/or local USCCG executives including: Ron Walker, president/ CEO; George Coffey, SVP/ business development; Jim Ostrosky, SVP/product development and technology; Moses DeLeon, director of information technology; and Gary Brown, director of marketing.





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Principal Locations:

875 North Michigan Avenue, Chicago, IL 60611, (312) 944-5920;

5925 Airport Road, Mississauga, ON L4V 1W1, (905) 673-2600;

www.usccg.com

Metrics is a quarterly publication of USC Consulting Group, LLC, specialists in operating effectiveness. In coming months you'll read more about how USCCG works and how we help executives go about the process of significantly improving their organizations. Metrics is published in both electronic and printed formats. For more information on USCCG, visit our web site at <http://www.usccg.com> or call us at 312-944-5920 in the US or 905-673-2600 in Canada.

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