

USC Consulting Group

*Effectively Bridging Current and
Next-Level Performance*



*A comprehensive
approach to
supply chain
optimization*

Welcome

By virtue of receiving this brochure, you may have already expressed an interest in us, or perhaps we're in the process of trying to kindle it in you. Either way, we've made contact and that's a good beginning. The next step is determining whether or not there are enough sound business reasons to establish a formal working relationship between our two companies.

The following pages will provide an overview of our supply chain practice. More in-depth information about our company can be found on our web site at www.usccg.com. We invite you to visit us there or allow us to visit you at your place of business, if we haven't already. We assure you that any time you give us will be well spent.



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Introduction

In today's marketplace, there are likely as many definitions of the supply chain as there are supply chains themselves. For example, some people think of their supply chain as a series of interconnected activities that encompass an entire or extended enterprise. Others define it more narrowly as activities performed within their own enterprise or functional area of responsibility. And there's everyone and everything in between.

Whatever your view, one thing is certain: Your supply chain must perform in an efficient, reliable and optimal manner or you'll run the risk of losing business to your competition. With so much at stake, doesn't it make sense to take a really objective look at how to strengthen your supply chain to gain competitive advantage? That's where we come in.

Our View of the Supply Chain

We view the supply chain as a series of strategic and operational events that begin with consumer demand for a product or service and seamlessly incorporate all the necessary process steps to satisfy that demand, including: product development, planning, engineering, sourcing, conversion, warehousing, distribution, logistics and customer service.

To our way of thinking, the process of optimizing the supply chain can be likened to that of building a bridge from a company's current performance level to its desired future performance level. This can be achieved through a carefully managed optimization process, or journey, we'll take together.

In our experience, bridges, like companies, perform based on how well they're built. Those able to withstand the most challenging conditions are solidly built from the ground up by skilled tradesmen following an integrated plan. These structures stand the test of time because of the quality of the thinking, materials and labor that go into their construction.

Next-Level Performance

Our goal is to build the strongest possible bridge for our clients, one that will help them achieve breakthrough performance levels while distancing themselves from their competitors. Anchored in the bedrock of methodologies proven to drive client value, our bridge will draw strength and resiliency from the Lean principles we will incorporate into its design. This combination of tried-and-proven and leading edge methodologies will drive next-level performance that will endure as a legacy of the collaborative process we'll use to put it into place.

Building The Bridge

Discovery Phase

Like all significant undertakings, the engagement process follows a blueprint for success. We begin with an exploratory discussion to help us gain an understanding of your issues. Our discovery process is intended to create a dialog between your team and our team about your business and the issues you need to address. It's in this phase that we determine together how well your needs align with our knowledge, skills and experience.

Given alignment, we normally broaden the discussion to include other key members of both organizations to gain a more in-depth appreciation for the challenges at hand. During this discovery phase we also encourage you to speak with some of our current or former clients to see what we're like to work with.

Scoping Phase

Following a fruitful discovery phase, we will typically continue to work together to investigate potential areas of opportunity, set priorities and begin defining the overall scope of the improvement initiative. We'll spend the time necessary to understand your business processes, create preliminary

value stream maps, review available data and talk with key stakeholders. Out of this phase will emerge the first outlines of the approach we will use to jointly architect any ensuing engagement.

Analysis and Design Phase

Following this initial scoping session, we'll spend anywhere from several days to several weeks on site completing the analytical work necessary to calculate potential financial benefits, estimate associated costs and ROIs, and complete detailed implementation plans. Our analysis will include conducting observational studies at the point of execution, creating detailed process maps, interrogating relevant data files, and a review of the information systems and structure - all of which we'll pull together in an easy-to-understand set of management summary reports.

In this phase, both of our companies collaborate to design a comprehensive solution to dramatically improve short-term business performance while laying a foundation for the ongoing continuous improvement process. After a proposal is accepted, we normally begin the implementation

phase immediately. This enables us to deliver the projected return on investment that much sooner.

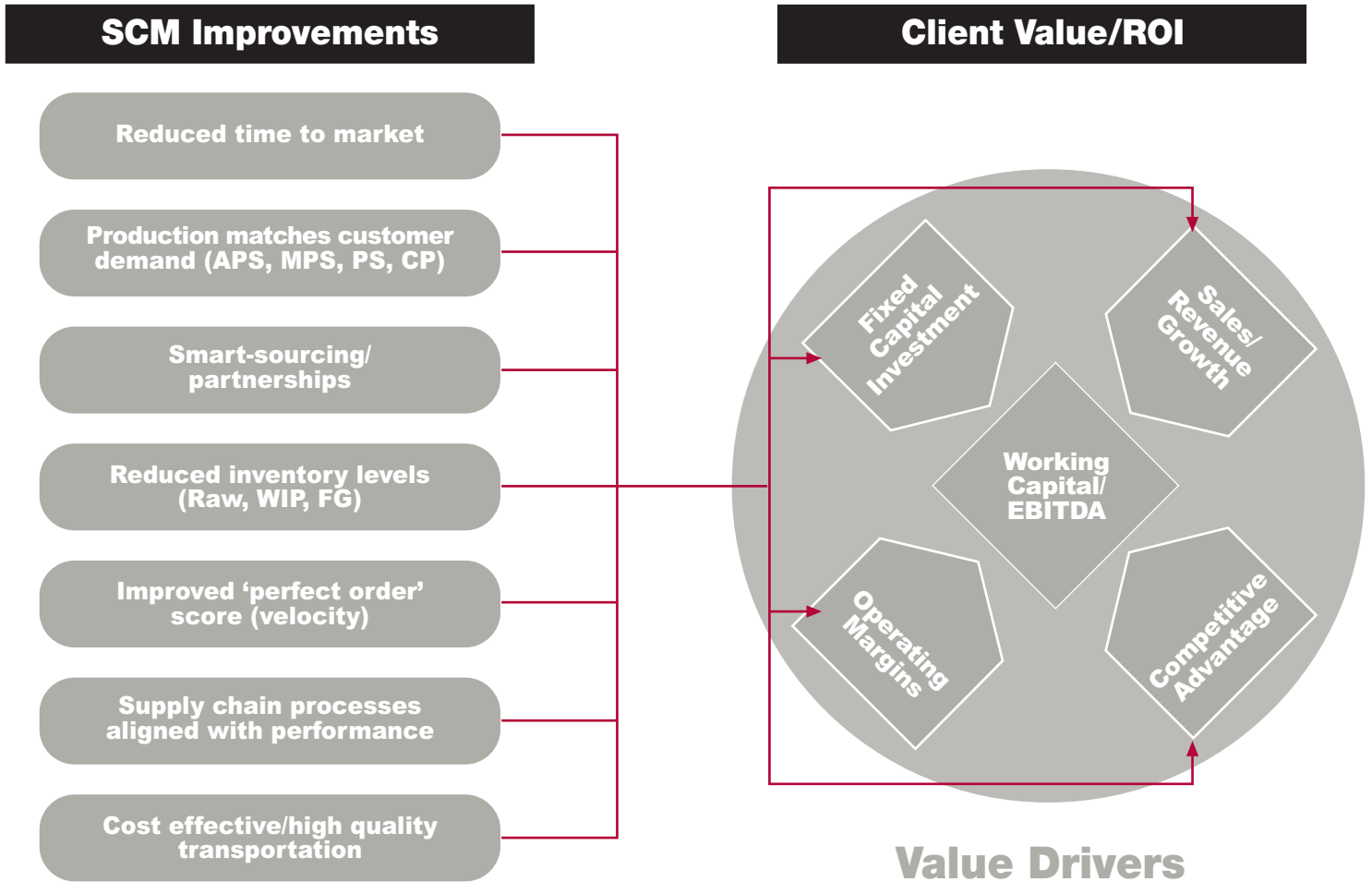
Implementation Phase

In this phase we begin the change process that combines your strategic vision with our delivery methodology to deliver the projected results. We'll organize the work into manageable tasks and, through a collaborative team structure, develop appropriate performance metrics and goals consistent with project deliverables; prototype and test new ways of running critical processes; and install world class Lean operational techniques.

Of paramount importance throughout is the transfer of knowledge to your team. We'll ensure this by conducting a series of individual and group training sessions so they'll have the tools and skills necessary to manage the new processes, and you'll continue to reap the benefits of the engagement, long after we have gone.

DRIVING VALUE CREATION

SCM MAPPING TO VALUE DRIVERS



How We Do What We Do

Using tried and proven techniques, we examine key aspects of our client's supply chain to identify areas of waste, inefficiency and hidden value. This involves creating detailed value stream maps of critical operational processes which are then analyzed in detail to identify nonvalue-added activities, capacity constraints and resource imbalances. When appropriate, we use

these maps to conduct high-level modeling/simulation sessions to help define optimal outcomes whenever applicable.

Then, working with and through client teams to implement process and behavioral changes, we'll install world class operations management practices to recapture value hidden in the

targeted areas of opportunity.

Improvements can be compelling and range from reduced time to market and significantly lower inventory levels, to substantially greater flexibility and more cost-effective warehousing and distribution. Changes to any or all of these areas can favorably impact your working capital position.

How We're Different and Better

The Value Proposition

Our reputation has been built on delivering significant returns to our clients in a team-oriented, common sense way.

Our value proposition - and our ability to deliver on it - is why our clients re-engage us time and again. We understand and appreciate the importance of cash and cash management in contemporary business management, which is why we focus on five key areas of opportunity:

- Increasing supply chain velocity (order to cash) and overall enterprise throughput;
- Eliminating unnecessary or irrelevant products and services;
- Reducing work-in-process and finished goods inventories (matching production with demand);
- Improving throughput, yields and asset utilization; and
- Optimizing delivery processes (superior customer service).

Lean and Six Sigma

We incorporate the complementary disciplines of Lean and Six Sigma, where applicable, into every supply chain engagement we undertake as integral parts of the normal optimization process. We

use Lean Transformation tools and techniques to identify and eliminate waste, improve processes and reduce cycle time.

We use Six Sigma to benchmark, measure and track the 'as is' against the optimal output of a process.

Client Enabling Technologies

We use contemporary technologies to fortify our improvement efforts, ensuring that the final results are integrated, quality-assured and easy to use. We also ensure that they remain focused on the priority areas based on performance measures we'll define together.

Our Lean Information Control System (LINCSTM) includes tools and software applications that facilitate real time, fact-based decision-making across the entire supply chain. These are normally custom-configured to a client's individual needs.

Individual LINCSTM modules include advanced planning and scheduling, value stream mapping, manufacturing and logistics solutions, time-phased production scheduling, process analysis and management reporting, inventory analysis, and profit optimization tools.



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USCCG PERFORMANCE EXCELLENCE MODEL

Strategic Elements

- Value stream mapping
- Identify focused areas of improvement
- Define scope and critical milestones
- Identify deliverables/expected value
- Define steering committee and implementation team
- Augment USCCG knowledge base with specialists as needed
- Leverage strategic alliances
- Advanced planning and scheduling solutions
- Logistics optimization solutions
- Enterprise value chain optimization
- Proactive/interrogating management analysis and reporting systems
- Advanced process mapping technology



Delivery Elements

- Return on invested capital
- More efficient operating cost and throughput
- Higher stakeholders' value
- Operational dashboards
- Rapid continuous improvement
- Customized solutions derived from standard methods
- High performance teams
- Joint ownership of change
- Single or multiple locations
- E-learning
- Distance learning modules
- Format and functional hands-on training
- Simulations
- Interactive workshops

Used alone or in combination, these modules function as a sophisticated decision support tool kit that is adaptable, affordable, easy-to-use and usually capable of interfacing with existing legacy systems. They offer a compelling value for your investment.

Knowledge Transfer

We believe that when stakeholders are fully involved in the change process, knowledge is transferred, ensuring that the improvements we make together will endure. That's why we'll use a team consisting of your people and ours to

bring about rapid change leading to meaningful and lasting organizational transformation. As a result, your whole organization will become smarter, stronger and leaner, which will enable you to harvest your initial investment in our consulting services several times over.

Optimizing the Whole

Frequently, optimizing the entire supply chain may require sub-optimizing some of its parts. Otherwise, it's possible to wind up with pockets of excellence that do not work together for the good of the whole organization. We are prepared to work

with you, using our supply chain modeling tools, to achieve the optimal cross-functional result for your company.

Evolving Science

In our view, the science of supply chain optimization is not static. New methodologies are constantly being developed and deployed. Similarly, new tools, technologies and applications are becoming available nearly every day. We are committed to remain in the forefront of our profession for the benefit of our clients and will continue to bring them best-of-breed design, development and execution.

Basic Building Materials

Every supply chain engagement consists of basic building materials.

These typically include:

- understanding and documenting the current operating systems, tools, resources and costs;
- creating value stream maps to visualize how processes function and where the opportunities are;
- calculating the primary measurements indicating the overall performance of the supply chain;
- identifying internal and external best practices to improve the current program and project management capability;
- generating specific skill and development modules (training exercises, blended learning and computer-based training); and, finally,
- focusing on what matters most in capturing value and generating results by reinforcing the right behaviors at the point of execution.

Often, in the early stages of an engagement, we'll help clients define their desired future state in terms of important organizational values, processes and culture – in other words, create a new vision for their business.

An Adaptive, Demand-Driven Business Model

Competing in the 21st century requires a fundamental change in the way companies look at how they plan, source, convert, deliver and service. That's why we are frequently engaged to help clients convert from a traditional production-push model to a contemporary customer demand-driven business model. This transformation entails a wide variety of improvement activities, including:

- conducting a critical evaluation of the market demand for their products and/or services;
- rationalizing their product offering;
- planning strategically for global manufacturing capacity;
- creating an advanced planning and scheduling capability at various levels of operating detail;
- institutionalizing manufacturing and operational disciplines for optimal productivity;
- rationalizing their finished goods inventory and distribution network;

and,

- implementing advanced transportation management and optimization.

Scope

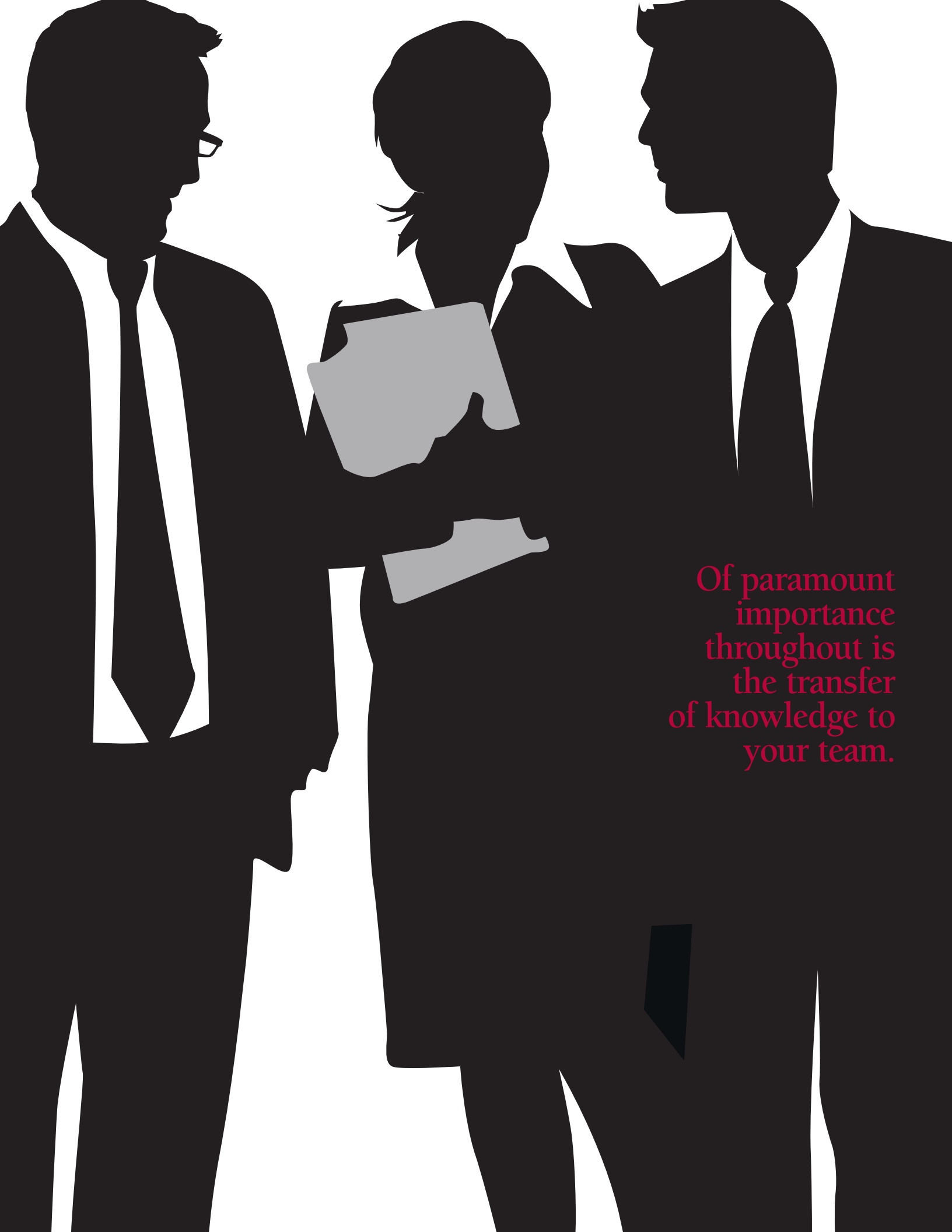
We recognize that each of our clients faces a different set of

circumstances and has a different set of expectations prior to considering any improvement initiative. That's why we'll work with you and your team to define a specific project scope and set of deliverables to ensure that we deliver compelling value - whether by transforming your entire enterprise or by optimizing areas you choose.

The Breadth and Depth of Our Capability

First and foremost, we help clients rationalize their enterprise-level supply chain processes from a customer demand perspective. This entails identifying specific areas of opportunity and determining the corresponding lost value available for recapture. We then install systems and controls to ensure that corrective actions are prioritized and implemented. Our approach uses tools and techniques to create effective linkages between each supply chain functional area:

- Demand management
- Strategic sourcing
- Product development
- Inventory management
- Sales forecasting
- Optimizing plant operations
- Operations planning and scheduling
- Logistics and distribution networks
- Order fulfillment
- Global supply chain metrics



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Summary

In the final analysis, it's always the scope, whether broad or narrow, that will determine the proper strategy, architecture, engineering and methodology to optimize a specific company's supply chain.

Each engagement has to be designed to meet the specific needs of our clients, and each bridge built for their unique circumstances, taking into consideration their history and desired future state.

We are staffed and equipped so that we are able to address any and all node(s) of the internal and external supply chain. And for those engagements where the scope may extend beyond our core competencies or resource capabilities, we employ capable strategic partners to assist us in designing and delivering state-of-the-art solutions.

Supply chain optimization through Lean Transformation is a significant component of nearly every business performance improvement initiative we undertake. And, in many ways, it bridges our own history and future by allowing us to use the experience we've acquired from over

four decades and more than 1300 successful engagements and apply it to solving problems on behalf of present-day clients.

Since 1968, we've helped hundreds of companies unlock hidden values throughout their organizations using business solutions tailor-made for their individual circumstances. We stand ready, willing and able to do the same for you.

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An Invitation

If you'd like to learn more about our supply chain capabilities and how they could be put to good use in optimizing your company's performance, please call us at **(800) 888-8872** to schedule an exploratory meeting with one of our business development executives, or visit our web site at www.usccg.com.



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USC Consulting Group

First we make it work. Then we make it last.®