

A Slice of Life Sciences

An Interview with USCCG's Life Sciences Practice Leader



Mike Spratt is a Vice President and Senior Operations Manager with USC Consulting Group (USCCG) and heads up the firm's Life Sciences Practice. In his role as a Senior Operations Manager, he manages multiple client engagements in numerous business sectors simultaneously.

Mike is responsible for:

- analyzing, designing, and implementing improvement initiatives in corporate environments;
- delivering measurable performance improvements, including operational cost reduction, better service, quality, and increased profitability;
- enhancing management effectiveness and optimizing employee involvement;
- developing and maintaining long-term client relationships; and
- developing, maintaining, and delivering USCCG's new employee orientation (NEO) program.

Mike holds a Bachelor of Science degree from Clarion University and is CPIM-certified by the American Production & Inventory Control Society (APICS).

Metrics: *What is your definition of life sciences?*

MS: The life sciences include companies in the fields of biotechnology, pharmaceuticals, biomedical technologies, life systems technologies, nutraceuticals, cosmeceuticals, environmental, and biomedical devices. These are organizations and institutions that devote the majority of their efforts to the various stages of research, development, technology transfer and commercialization. At USCCG, we've traditionally focused on three major segments. Together, the first two, pharmaceuticals and medical devices, account for about 85% of our Life Sciences Practice. The third is biotechnology, which is made up of today's up and coming life sciences companies.

Metrics: *Why focus on those three segments?*

MS: It was more a function of where we saw the opportunities. We thought we could drive the greatest value in pharmaceuticals and medical devices. That's where we started a long time ago and, today, we're taking what we've

learned while working in pharmaceutical and medical device companies and applying those best practices to the growing biotech segment.

Metrics: *Other than a feeling that you can deliver value, is there any natural linkage between pharmaceuticals and medical devices or, for that matter, biotech?*

MS: All three are heavily regulated. All three are dependent on their new product pipelines for continued profitability. All three have highly-educated work forces, make quality a way of life, and continually pursue operational excellence through ingenuity, innovation, and hard work. That makes them a good fit with USCCG.

Metrics: *What is the nature of these businesses and has it changed over time? Take pharmaceuticals, for example: Do they still do their own research, development, testing, and production or just focus on marketing?*

MS: Historically, pharmaceutical companies have been heavily involved in the full product lifecycle starting with R&D, and proceeding through testing

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and clinical trials, production start-up and full-scale manufacturing, marketing and distribution through patent expiration. Today's pharmaceuticals are examining relative efficiencies and, as a result, are outsourcing a lot of the R&D and trial efforts to concentrate on manufacturing and distribution, which they feel are core competencies.

Metrics: *If pharmaceutical companies are beginning to outsource their research and testing function to focus on their strength which, as you said, is manufacturing, does that not make them better prospects for USCCG?*

MS: Their core businesses match up perfectly with our core competencies and we offer great value in helping them further reduce costs, improve quality and increase throughput in the manufacturing and distribution side of their business.

Metrics: *We're gradually emerging from a recession we've been in for a couple of years. How have each of these segments fared in the down economy and what are their prospects for the future?*

MS: Prices for medical care commodities, which directly impact pharmaceutical company profitability, rose by 3.5% through February of this year. When you look at places that distribute these products -- drug stores and health and personal care stores -- consumer spending on pharmaceuticals increased by only 1.4% compared to last year. Given today's environment, prices are simply not where they need to be to cover rising material, energy, and resource costs. Part of the reason behind this is that life sciences companies don't want to be perceived as raising prices during a recession and/or in the face of just-passed health care reform.

Metrics: *Conjecture for me on the likely impact of health care reform on each of these segments going forward.*

MS: I would say that for all three segments, there's a prevailing sense of uncertainty and perhaps even frustration. They are in a less favorable business environment with lots of political pressure to make their products more affordable, so there's pricing pressure. And they are being squeezed by reinvigorated federal regulators to ensure product safety and compliance as evidenced by the recent spate of product warnings and recalls.

“Given today's environment, prices are simply not where they need to be to cover rising material, energy, and resource costs.”

Metrics: *Is it fair to say that you anticipate they're going to face even more intense pressure on margins in the future?*

MS: The high profitability of many life sciences companies at a time of rising health care costs makes the industry a prime target for regulators and politicians who want to drive down or at least maintain prices at current levels. Again, uncertainty is the key word in life sciences today. Although health care reform passed in 2010, it's going to be 2011 before the real impact of these regulations will be felt, forcing companies to look at where they can lower costs without sacrificing quality.

Metrics: *Will the need to lower costs drive further consolidation in any one of the segments? It would appear that in the pharmaceutical segment there is little opportunity for further M&A activity, but what about medical devices and biotech?*

MS: Even the big pharmaceutical companies are all looking to do some M&A whenever an opportunity presents itself. They are continually looking to keep their portfolios fresh with new drugs and new medical devices. Many start-up companies or smaller companies are developing these. And when it becomes advantageous, the larger companies will look to acquire them.

Metrics: *Independent of health care reform, what other kinds of challenges is the industry facing today?*

MS: There's competition from newer and/or alternative products, especially in the medical device segment. They have a product today that may be leapfrogged tomorrow, rendering it obsolete. So they really don't want to be dedicating large amounts of inventory and infrastructure to any one device. This places extra pressure on the supply chain to be more responsive. In the pharmaceutical segment, competition intensifies as patents expire and proprietary drugs are replaced by generics. That's why big pharma companies are always very intent on keeping their pipeline full of new products to take the place of those going off-patent. Also, drug and product safety is continually on everyone's minds.

Metrics: *What is the most interesting engagement you've ever led and why?*

MS: It really was three separate projects for one client spread out over three continents involving the manufacture of

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surgical sutures. I got to see the needle being made and drilled, the suture being drawn, and the needle being matched up to the thread. That takes real hand/eye coordination; people were literally putting them together one at a time. And finally, I got to see the distribution center. The fact that it entailed an awfully long supply chain spanning three different countries is what made it interesting.

Metrics: *What was the most challenging situation you faced in your career within the life sciences space and what was the outcome?*

MS: We had a client with lots of inventory, multiple problems in its MRP system, and nearly two hundred 40-foot trailers full of inventory sitting in its yard. They didn't know what was in them, if they contained enough, or if they needed to order more. The whole engagement focused on opening the trailers and finding out what was inside. Getting the inventory into the MRP system, training the people responsible for the trailers to keep track of them, training the people who were planning and ordering inventory to rely upon a system, not upon what they *thought* they needed to buy, and doing all of this despite language barriers between not only Mexico and the U.S., but with different people within the organization at varied levels. It was a real challenge to keep track of inventory, know what the inventory was and order the right inventory. By re-doing that each and every day, we were able to reduce overall inventory by 42% and the number of trailers from 175 to 34. It was a difficult engagement, with lots of tactical, as well as technical issues, but nonetheless quite successful.

Metrics: *Do you think the Food and Drug Administration helps or hinders big pharma*

in bringing new drugs to the market more quickly?

“...we were able to reduce overall inventory by 42% and the number of trailers from 175 to 34.”

MS: Let's start by understanding the role of the FDA. It is responsible for overseeing the safety of human and animal food products (excluding the few covered by the USDA), drugs used for both humans and animals, medical equipment ranging from consumer-use equipment that emits radiation, to home care (durable medical) equipment, to hospital equipment used for therapy, diagnostics and monitoring, and the safety of cosmetics. Like many other government agencies in the past it has been accused of reacting too slowly to bringing new products to market – not by life sciences companies, but by consumers! In 2004, the FDA created a critical path initiative to modernize the science by which FDA-regulated products are developed, evaluated, and manufactured. Then, in 2006, a major study commissioned by Congress recommended increasing the regulatory powers, funding, and independence of the FDA, some of which was signed into law in 2007. So that brings us to today's environment. The FDA is trying to balance the eternal life sciences debate -- whether new drugs should be evaluated on the basis of their absolute safety, or safety

relative to existing treatments for a given condition.

Metrics: *There seem to be a lot more blockbuster drugs being recalled or questioned of late. Avandia, is the most recent example. How do you view this kind of news?*

MS: Without reviewing the history of Avandia, let's just say that this is a good example of the balance the FDA is trying to achieve. As with any prescription, some people have a higher risk of developing harmful side effects than others. It's a shared responsibility: The company needs to make all side effects well known, the physician needs to stay abreast of them, and the patient also needs to understand possible side effects, either by doing their own research or by asking their physician.

Metrics: *Let's talk about ethics for a minute. If the large pharmaceutical companies are driven by a profit motive to develop so-called blockbuster drugs, doesn't it create a moral dilemma? What about drugs necessary to treat illnesses or conditions in much smaller segments of the population, those that by definition could never be profitable? Does the FDA or federal government have a responsibility to direct R&D efforts towards more social ends?*

MS: I think big pharma is actually doing a good job of that. In fact, one of our more recent clients produces a drug to combat malaria. It is provided at cost to developing countries using grants from the Global Fund to Fight Aids, Tuberculosis and Malaria, and the U.S. President's Malaria Initiative, among other donors. These partnerships have provided millions of children and adults with access to high-quality treatment for malaria. Unfortunately, these philanthropic initiatives usually don't garner

much publicity. It's only when the drug companies do badly that they get noticed.

Metrics: *So how experienced is USCCG's life sciences practice?*

MS: My first project in 1983 was with a medical device manufacturer. Since then, we've worked for over twenty different life sciences companies on numerous projects throughout the continental U.S., Canada, Mexico, Puerto Rico, France, and the Dominican and Czech Republics. And, by the way, the same client from 1983 has since moved to another company and tapped USCCG for a new assignment some fifteen years later. So we have a rather long-standing and extensive life sciences body of knowledge and track record.

Metrics: *Can you name some current and former clients?*

MS: At one time or another we've worked for Tyco Healthcare, Becton-Dickinson, Boston Scientific, Novartis, Alpharma, King Pharmaceuticals, Abbott Laboratories, Ross Products, Covidien, Invitrogen, Perrigo, Stiefel Laboratories, Ventana, Gen-Probe, Medtronic, Arrow International, and many others.

Metrics: *Can you cite examples of USCCG's work in each of the three segments and tell me in a sentence or two the nature of the engagement and the results that were delivered?*

MS: We worked for a company that makes branded drugs for niche markets including neuroscience and critical care. Their issue was overfilling of an expensive active pharmaceutical ingredient (API) resulting in product giveaway. The API had a long lead time, so they wanted to make sure they had enough

finished product on hand to meet demand. If you are in the business of filling tablets, capsules, bottles, etc., you know the importance of controlling the process. Overfill amounts to giving away profits, which in a high volume operation can be significant. On the other hand, under filling can lead to fines and damaged reputations. Working with their operations and Six Sigma teams, we created statistical models, then designed and performed experiments to minimize and control fill weight variation. The changes subsequently made allowed them to stay within the validated process and have more supply of the API on hand.

“If you are in the business of filling tablets, capsules, bottles, etc., you know the importance of controlling the process.”

Metrics: *How about medical devices?*

MS: In medical devices, we worked for a company that manufactured diagnostic and guide catheters. Our job was to improve shop floor daily planning and execution, line balance and output predictability, and identify the true output capabilities and process cycle times. The benefits we delivered included reduced resource requirements, inventory and scrap. Together, these were worth an estimated \$1 million annually, despite a 20% drop in sales of a major product at that time.

Metrics: *And, lastly, biotech?*

MS: In biotech we were retained by a company that developed proprietary devices and software used to test a single drop of blood for over 100 different items, such as HIV, allergies, infections, Avian Flu, etc. They were just starting out and wanted to create a Lean manufacturing site. We were able to help their pace-maker operation improve throughput by 66% and reduce dollars invested in inventory by 22.5%. We installed *kanbans* on the manufacturing floor, reducing rack space requirements by 25%, and put in a 5S process that freed up 30% more floor space.

Metrics: *Where do you typically see the greatest opportunities for improvement in the life sciences supply chain?*

MS: Frequently we see it in logistics. We had a client that produced prescriptive and over-the-counter (OTC) dermatological creams and ointments. They thought it would be prudent to develop a comprehensive finished goods distribution strategy prior to making additional infrastructure or divestiture decisions. We applied a three-phased approach – first obtaining and validating operational and financial data from which to develop a rational set of feasible alternatives. Then, using our experience and modeling tools, we evaluated and compared the alternatives. Lastly, we tested the sensitivity of their strategic drivers on the recommended direction. The results indicated that, by consolidating warehouses, changing delivery patterns, and making process improvements they would stand to reap a benefit of \$6.5 million including a one-time credit for sale of the closed facilities.

Metrics: *How does USCCG work within the regulatory environment?*

MS: When it comes to streamlining and improving processes for life sciences clients, regulatory oversight poses some unique challenges relative to the work environment. We tell all of our clients that we're only interested in working within their validated processes. We will not come in and tell them they need to change their processes so significantly they have to go back through a regulatory review. Traditionally, we've been able to find major value within validated processes, but we also leave behind a system that can highlight further value that may lead to revalidating a process. It's all about continuous improvement.

Metrics: *What, if any, is the application of business intelligence to the life sciences category?*

MS: Most life sciences companies do not suffer from a lack of information. But I'm always amazed that, hovering just below the surface of a company's expensive software system, lie multiple spreadsheets that are either e-mailed around or not connected to each other. Sometimes this causes confusion regarding what needs to be done next. Being able to create and connect that information to make it actionable is what's sorely lacking today. We can take information directly from the information systems they already have, work to eliminate the spreadsheets done on the shop floor, and connect that information so that it becomes very actionable for people in the planning and manufacturing areas.

Metrics: *A similar question. What is the application of spend management to life sciences?*

MS: Spend management is the process by which companies control direct and indirect expense. It can take many forms beyond procurement. For example, we had a client in New England that was challenged by its corporate office to cut \$3 out of product cost in three years or face the prospect of a plant closing and production moving to Mexico. When USCCG was brought in, the company had already canvassed the whole site and asked everyone what kinds of things needed to be done to cut product costs enough to prevent the plant from closing. We helped them review and prioritize those projects and go after the ones that would provide the greatest return.

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We jumpstarted their Six Sigma program, which was not delivering the results they thought they could get out of it. And then we helped them process map production floors to look for ways to reduce cycle time and resource requirements, again to be able to cut product costs. In six months we had the program established, the projects prioritized, process improvements underway and had already delivered 25% of the savings they needed. Three years later the plant's still there and thriving.

Metrics: *Now let's talk about a recent engagement in a laboratory. What was unique about it?*

MS: We were asked to work within the raw materials, final release, and stability labs to identify available capacity in terms of machine and analysts' time. The Quality Operations group wanted to sell any unused capacity to other lab groups within the company. They wanted to make their labs into a profit center or at least get them to be budget neutral. So we had to categorize all the products, raw and finished, for testing and look for similarities in the way those products were tested. We then mapped those tests and, in the process, assigned standard blocks of time to each product and test. Then we took each standard block of time, including equipment and analyst time, and connected the blocks to establish a reasonable expectation for that product through that lab. All products were assigned reasonable expectations, which were then run through a newly created resource capacity planning guide to identify machine and analyst capacity. Lab managers meet weekly to review which labs have work and which labs have excess capacity, then assign available analysts and/or machines to the work. You may be working in the stability lab one week and in the raw material testing lab the next week, depending on the work flows. And all of this was done as part of a larger site-wide Lean/Sigma initiative. We also created a visibility board for each lab, which allowed anyone to walk into the lab and receive visual feedback telling them how much work was in the lab, what's on schedule, what's not, and why not. This is all now part of the Gemba Walk throughout the site. They are now in a position to solicit work from other labs. It's a great example of the successful application of Lean/Six Sigma tools in a non-manufacturing environment.

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Metrics: *So look into your crystal ball and predict what'll emerge as major areas of opportunity in the future.*

MS: I'm going to go back to the uncertainty stemming from new government regulations. Continuing political pressure on prices is going to place short-term restraints on the business for the remainder of this year and probably into 2011. But the real impact of all the reforms they're talking about will be felt post-2011. Again, high profitability is making the pharmaceutical industry a target of regulators and politicians, so the major issue is what will ultimately shake out as the result of health care reform. That's what's concerning the industry right now.

Metrics: *If the one constant is continued political pressure to keep the cost of products down, what should life sciences companies be doing today to prepare for that eventuality?*

MS: They need to renew their efforts to look into all aspects of all their processes and determine where they can cut costs without sacrificing quality, and without violating validated processes. They need to get into the minutia of each step in their processes and determine how long it takes to do, who's involved in it, and how can they reduce their resource requirements, whether machine or human.

Metrics: *What never ceases to amaze you about your work with life sciences clients?*

MS: That the people involved are truly dedicated to making a quality product. From the third shift sanitation operator to the site director, they all realize how important their products are to people in need and how they help them in the long run. And they take pride in making a quality product that can

sometimes save a life. I'd like to think that USCCG also helps by making that process more cost-effective, competitive, and sometimes able to deliver lifesaving devices and/or drugs to people in need of them.

Metrics: *So has your body of work in life sciences over nearly three decades made you more sanguine or more cynical about the industry's prospects for the future?*

MS: I'm optimistic that there will always be new opportunities for life sciences companies and new opportunities for USCCG. I'm confident that USCCG will be able to drive real value for any of our life sciences clients in the future. I think it's a perfect marriage between USCCG and life sciences clients.

**“...every process,
no matter how
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Metrics: *What one piece of advice would you give to life sciences decision makers reading this interview?*

MS: As good as their processes are, it still comes down to execution by people using the right tools at the right time. That's where USCCG lives. We make sure that processes are predictable and repeatable by creating the right environment for people to execute within them.

Metrics: *Any other message or piece of information that you want the readers to take out of this interview?*

MS: Many times pharmaceutical companies, and sometimes medical device manufacturers, believe they understand their processes and have made them as efficient as possible. They think that because USCCG does not work outside of validated processes, we're not capable of helping them further improve their processes. We can and frequently do. Just look at the examples I cited earlier. There are always opportunities in pharmaceutical manufacturing. The key is allowing us to take a look at them through our own eyes. But we as a company have a hard time getting beyond the perception that if you don't work outside of validated processes, you can't add value. Nothing could be further from the truth.

Metrics: *So I guess the point is that every process, no matter how efficient it is perceived to be, can still be improved?*

MS: I would say that every process, no matter how regulated and efficient it's perceived to be, can be improved.

Metrics: *To wrap up, please summarize USCCG's life sciences value proposition in a single sentence.*

MS: USC Consulting Group helps life sciences companies constrained with limited capital, equipment, and human resources develop, manufacture, and deliver superior products while maximizing current asset utilization and return on invested capital.

Capitalizing on Recession and Volatility

By Tom Klebeck, USCCG VP Finance and Private Equity Practice Leader



As Vice President of Finance for USC Consulting Group, Tom Klebeck is responsible for the firm's financial oversight, as well as for providing targeted financial analyses for clients. In addition, he is head of USCCG's Private Equity Practice, which involves new business development initiatives in the areas of private equity and distressed investment.

Mr. Klebeck, who holds a BA in accounting and an MBA, is an ardent profit improvement driver. He has more than 25 years of experience in roles ranging from corporate accounting to senior financial positions with New York Stock Exchange publicly traded companies. He has extensive experience in GAAP accounting, financial analysis, acquisitions and divestitures, operational consolidation, asset valuation, government bidding, public company launches, and process reengineering. He is a member of the Turnaround Management Association and holds a Certificate of Mastery in Reengineering.

Harkening back to Alan Greenspan's rocking of investment markets with the two-word phrase "irrational exuberance," this past July 21st Federal Reserve Chairman Ben Bernanke reported that Fed officials recognized that the economic outlook remains "unusually uncertain." The S&P 500 dropped 2% in an hour. The next day, strong corporate earnings from stalwarts Caterpillar, 3M, and AT&T led the market 3% higher in the first half-hour. Volatility and uncertainty clearly rule the day.

While we contend that certainty or uncertainty is binary and that uncertainty in economic outlook is ever present, we also understand the Chairman's comment, since the degree of predictability of the future path is very low. Almost a couple years removed from the market quakes of September 2008 and March 2009, strong contrary influences on the market still remain.

Consider the positives:

- Over three-quarters of the companies reporting second quarter results have exceeded revenue expectations with an even greater number exceeding earnings expectations.
- The S&P 500 is perceived by many as undervalued based on earnings expectations, which are thus far being exceeded.
- Accordingly, there are an abnormally high number of share buy-back programs being executed.
- Manufacturing activity expanded in July for the twelfth month, with 10 of 18 sectors reporting growth.

- There is a sizeable amount of cash waiting on the sidelines, out of equities.
- Even with interest rates at all-time lows, Chairman Bernanke has indicated there is still more the Central Bank can do, if need be, to spur growth.
- Inflation is contained without strong indication of a disconcerting risk of deflation.
- M&A activity has increased, although bargain pricing didn't materialize as might have been predicted.
- Oil prices remain relatively low, at least compared to prior spikes.
- Although varying impacts are felt by multinationals, the dollar has strengthened from its lows.

Still, anxiety is well founded:

- Most stimulus measures have expired.
- While the ultimate fate of the expiring Bush tax cuts is unknown, many predict the impact to be anti-growth and anti-business.
- The Fed continues to report that the recovery is "bumpy" and far less robust than desired.
- There were 8.5 million jobs lost in 2008 and 2009 and unemployment remains around 9.5%.
- The growth in payrolls has been insufficient to reduce unemployment.
- There is anxiety and lack of clarity of the impact of health care reform.
- There is anxiety about the ultimate impact of the Dodd-Frank financial regulatory overhaul.
- There has been a sovereign debt crisis and Europe was forced to support laggard countries.

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- The ultimate economic impact of not only the Gulf oil spill, but the effect on offshore drilling and all of the impacted infrastructure is yet to be seen.
- Concern regarding the Washington legislative agenda cannot be underestimated.
- Housing starts are at an eight-month low and the expiration of the home buyer credit has halted sale activity. (A side note: Although we understand the trickle effect of homebuilding, given the vacancies, we're not sure stagnant housing starts is all bad.)
- There is a lot of discussion regarding state and municipal budget deficits, declining credit ratings, and risks of bankruptcy.
- The degree of under-funded pension plans and their correlation to broad market values creates added stress.
- There remains an insufficient availability of debt to foster business growth.
- Many feel there may yet be a commercial real estate debt effect not dissimilar to the residential real estate debt issues faced and that that industry's high vacancies, low effective rental rates, and depressed valuations are an important headwind.
- Ongoing political and physical conflict with Iran, Iraq, North Korea, Afghanistan, and China appears an everlasting discomfort.
- The timing and extent of the impact of this cycle of tremendous budget deficits and easily predicted continued deficit spending is unknown, but widely perceived to be unprecedented.

Given that perspective, "unusual uncertainty" seems a reasonable summary. Thank you, Mr. Chairman.

We believe that the old cliché holds binarily true: the future is uncertain; volatility will rule. We happen to believe that the risk of a double-dip recession is lower here than internationally and that the economic recovery will continue, albeit slowly. As always, employment and consumer spending will be the ultimate fuel that provides speed and momentum.

“The very tenet of ‘buy low and sell high’ requires that you buy when others are selling and sell when others are buying.”

Notwithstanding our belief in recovery and stronger corporate earnings fueling market valuation growth, we remain very concerned about the longer term view. Countries with high deficits will have to cut them sharply. Yet, politically, that's very hard to do. Tax increases are inevitable at some level and the magnitude and approach will dictate longer term macroeconomic constraint.

Concurrently, severe cuts in Medicare, Social Security, and defense have to be made to bring the deficit down to reasonable levels. There is nobody in Congress powerful enough to get something like that through, and President Obama lacks the political capital. Yet the United States cannot afford a strong military, health care for all, an adequate retirement program,

and full employment while maintaining the current level of revenue generation from taxes. With other developed countries, we have created problems for everyone from 1945 to 2007, and now we have to solve them. It is not the end of the world; it is just the end of the world as we know it.

It's easy to speak of stock market valuations as an important economic scorecard, because the timely visibility of the value makes it easy. But remember, there's near as much value in private equity holdings, where results are not reported publicly and value fluctuations are not reported in seconds, as in the entire S&P 500.

We admire private equity managers and have similarly enjoyed the response of several of our public company clients who see uncertainty and recession as opportunity, not disaster. Economic cycles cycle. The very tenet of "buy low and sell high" requires that you buy when others are selling and sell while others are buying.

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Letters to the Editor

We invite *Metrics* readers to share their thoughts with us in writing. If you've got a comment to make or observation to share, an 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@uscgg.com or write to us c/o USC Consulting Group, 3000 Bayport Drive, Suite 1010, Tampa, FL 33607.

We have teamed with private equity clients during this cycle by performing operational due diligence, integrating purchased assets, even participating in ownership and financing.

But beyond capitalizing on deflated asset valuations, at times like these, operating models need to be updated based on the adjusted volume norms. And optimal management operating systems need to be installed during the trough to ensure that maximum sustainability and profitability occurs upon exit.

We have worked with private equity managers, as well as public conglomerates during the downturn to reset the entire cost structure of their businesses. Also, we have implemented time-proven effective operating disciplines that will ensure optimal productivity and provide the framework for them to emerge from this cycle, whenever that may occur.

The future is uncertain and asset values remain too low. Whether you're capitalizing on buying assets at a favorable price or positioning to emerge more successful in recovery, you should be taking steps now to shore up your operations based on the new normal.

USCCG Tops in Client Satisfaction Ratings

USCCG clients continue to demonstrate solid satisfaction with the consulting firm's performance. Here are the latest survey results.

Overall Satisfaction95.7%
95.7 percent of USCCG clients expressed overall satisfaction with the firm's work, while 79.7 percent said they were "extremely" or "very satisfied".

Willingness to Rehire90.6%
90.6 percent of its clients would consider hiring USCCG for other engagements, while 69.6 percent said they were "extremely" or "very likely" to do so.

Learn more about what USCCG's clients have to say about the company's work by visiting their website at www.usccg.com.

Personnel90.6%
90.6 percent rated USCCG personnel as "exceptional" or "very good."

Willingness to Recommend87.7%
87.7 percent of the firm's clients said they were "very" or "somewhat willing" to recommend USCCG to a friend or professional colleague.

Results88.4%
88.4 percent of clients said the results the consulting firm achieved for them "met" or "exceeded expectations".



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

For more information contact us at **800-888-8872** or www.usccg.com.

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