



Enterprise Performance Improvement The Lean Way

Our philosophy is to create truly lean companies through systems that integrate the development of leaders and people, the pursuit of perfect quality, and the constant, aggressive improvement of work, all within a framework that contributes significantly to the communities in which they operate.

We are ILS and this is how we deliver Enterprise Performance Improvement.

Why EPI?

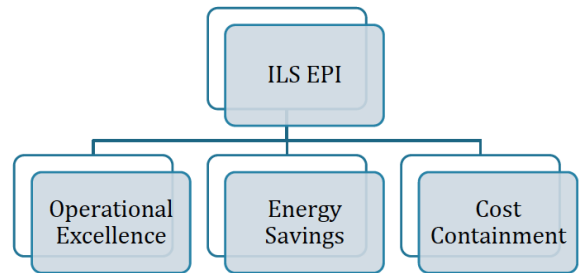
Organizational performance improvement initiatives in most companies are done piecemeal in silos. At its best, these initiatives lead to improvements in certain areas, but generally fall well short of total enterprise potential. Enterprise Performance Improvement (EPI) challenges the status quo to achieve breakthrough performance across the enterprise. Our team has developed a process that delivers an integrated solution for total Enterprise Performance Improvement. We have successfully implemented this value creation process in a wide variety of manufacturing industries, product design and development, insurance and other service industries, and private equity portfolios.

What is EPI?

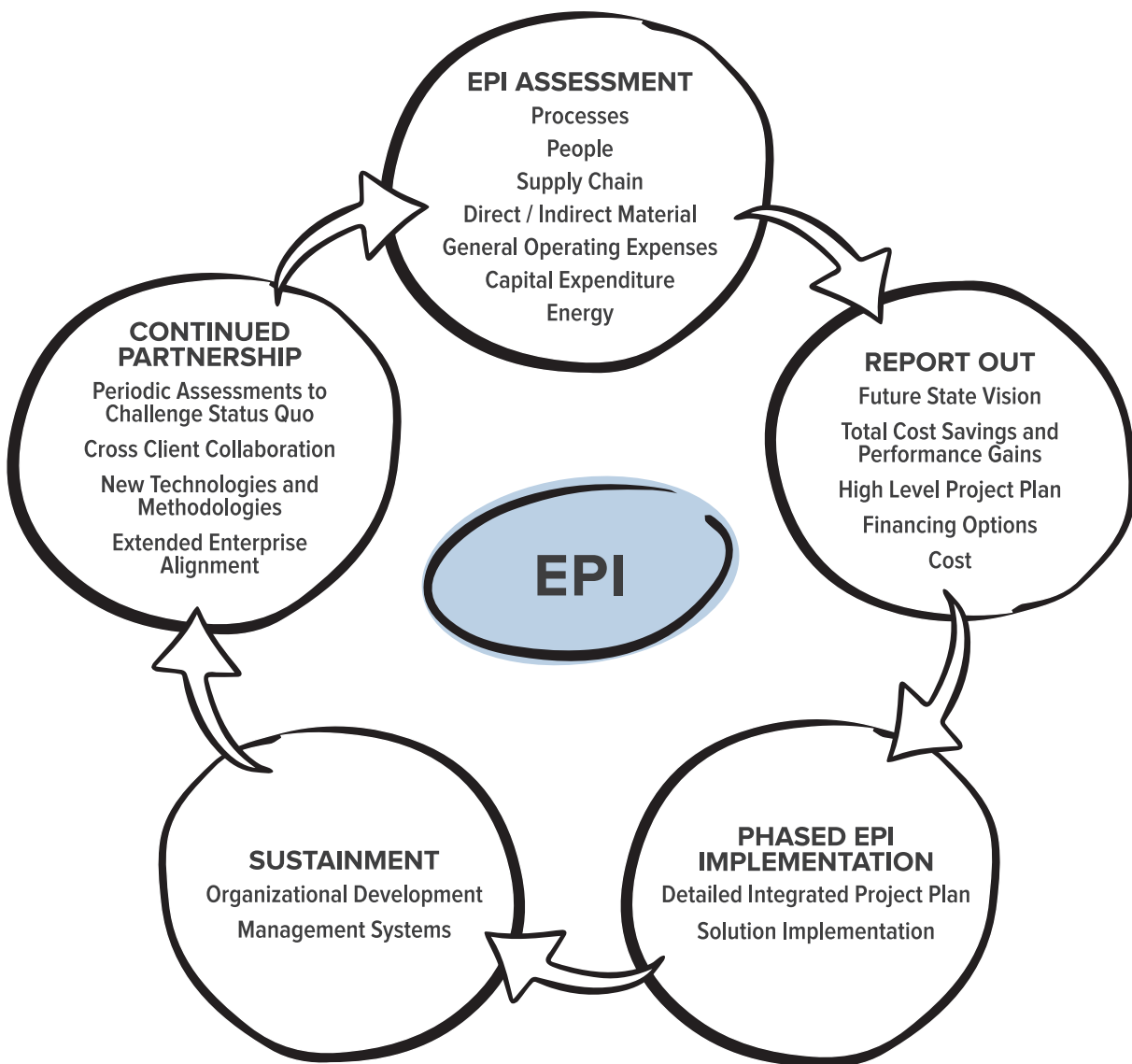
EPI is about enhancing the value of the enterprise. Value is defined as worth/cost. Value is enhanced by reducing cost in the areas of labor, safety, energy, direct and indirect material, warranty, capital and general operating expenses. Value is also enhanced by increasing worth via hiring, retaining and developing people, enhancing management systems, developing better products, reducing time to market, improving quality and creating a unified, customer-focused organizational culture, all of which results in increasing brand value. The EPI process actively engages clients to create and sustain a competitive advantage by enhancing value of the products and services of their enterprise.

How do we deliver EPI?

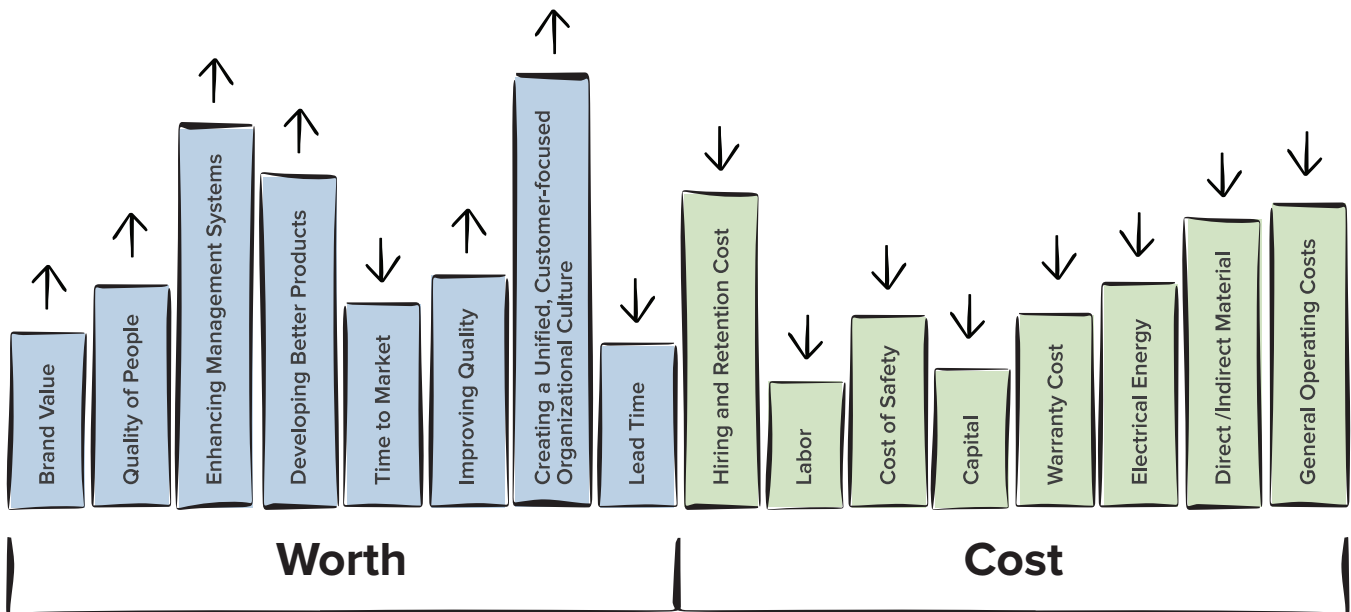
We perform detailed assessments of processes, people, supply chain, direct/indirect material, general operating expenses, energy, capital expenditure, and use the data to develop an integrated solution to deliver EPI. During the EPI assessment, ILS develops a vision of customer's future processes that eliminate waste and deliver maximum value.



ILS helps build better organizations, clearing a path through the jungle of complexity and giving you the internal systems, processes and skills required for growing and sustaining your business.



$$\text{Value} = \text{Worth}/\text{Cost}$$



Our Approach to Manufacturing

We apply the ILS System™ to take your operations, business, and people from their current state to a more competitive, higher-performing future state. ILS System™ is a structured process for working with clients that starts by creating a clear vision of what true operational excellence would look like in your business, a vision that incorporates lean, six sigma, and ILS-developed principles, practices, and technical tools. The future state is then implemented by ILS in collaboration with your team that results in rapid transformation in an enhanced learning environment. This process results in a sustainable change and a strong foundation for future improvements.

Our Approach to Private Equity

We work in partnership with our private equity clients across the entire ownership timeline from pre-acquisition due diligence to exit. During the initial restructuring phase, we focus on the smooth implementation of aggressive and high-impact change. As we continue to learn more about the business and operations, substantial new improvement opportunities are identified. Implementation of these improvements - at this point largely the responsibility of the internal leaders whose skills we have developed - will proceed under a structured improvement program. Accordingly, value creation occurs at a strong rate throughout the ownership cycle.

Our Approach to Healthcare

We begin with educating the executives and helping them lay out a transformation plan. We schedule and conduct a detailed assessment of your current state. This assessment provides the absolute truth about what is really happening and identifies a series of activities to launch the transformation process. The assessment report will include firm estimates of the savings these activities will produce and costs involved in achieving those savings. Working closely with the medical staff - from the administrators, through the physicians and nurses, all the way to the support staff - we will prioritize and schedule those activities. During the execution of each of these, typically as a part of our strategic transformation partnership, we will be sharing with the participants the principles, practices, tools, techniques and underlying theories behind everything we are doing so they will be equipped to continue driving improvements long after we are gone. ILS will actively stay involved in your transformation, coaching your people, helping set new goals, evolving your management system and minimizing back-sliding until you are confident enough to go it alone.

Results from selected EPI Operational Excellence Engagements

Aluminum Casting 1 Project timeline: 12 weeks Project annualized savings: \$2,620,000 Payback: 4.0 months	Aluminum Casting 2 Project timeline: 20 weeks Project annualized savings: \$10,100,000 Payback: 3.2 months	Distribution and Warehousing Project timeline: 23 weeks Project annualized savings: \$1,200,000 Payback: 6.5 months
Electromagnetic & Plastics Project timeline: 35 weeks Project annualized savings: \$1,423,557 Payback: 5.4 months	Foundry Project timeline: 26 weeks Project annualized savings: \$2,589,689 Payback: 6.0 months	Glassware Manufacturing Project timeline: 35 weeks Project annualized savings: \$4,000,000 Payback: 2.5 months
Printer/Copier Supplies Distr. Project timeline: 28 weeks Project annualized savings: \$924,000 Payback: 7.5 months	Auto Aftermarket Parts Distr. Project timeline: 21 weeks Project annualized savings: \$786,400 Payback: 2.3 months	Auto Transmission Fr. Plates Project timeline: 30 weeks Project annualized savings: \$3,000,000 Payback: 3.1 months
Furniture Manufacturing Plant Project timeline: 35 weeks Project annualized savings: \$3,663,000 Payback: 4.0 months	Hardwood Plywood Mfg. Project timeline: 56 weeks Project annualized savings: \$49,000,000 Payback: 0.7 months	Automotive Steel Stamping Project timeline: 20 weeks Project annualized savings: \$10,000,000 Payback: 2.9 months

Our Customers



Testimonials

"The greatest accomplishment is the cultural change our people have experienced. We have established strong teamwork, broad participation in improving operations and problem-solving and better communication. For many employees, the improvement philosophy has even carried beyond the workplace. This type of transformation could never have been achieved without the lean educational program championed by ILS."

Brad Denning – CEO
Skier's Choice, Inc, Maryville, TN

"We never could have made the transformation to Lean without ILS. They guided us through the whole transformation process. We worked closely with Parthi (Damodaraswamy, ILS director of operations). In fact, Parthi's leadership was so critical to our success that we even named him an honorary Director of Lean Transformation at Columbia Forest Products."

Bill Duarte – CFO
Columbia Forest Products