

The Future Looks Bright

Overview of Our Results

We are excited to update you on the progress of Performance Improvement Partners since we commenced our business on June 1, 2003. Our objective from the start has been to build a firm that increases the value of portfolio companies through very pragmatic solutions. We market our services through relationships that we establish with high quality Private Equity (PE) firms. Although there are many firms in the market place that provide "consulting" services, we differentiate our services by acting in the best interest of both the PE firm and Portfolio Company. Our experience tells us that Private Equity firms and their portfolio companies are: a) concerned that their businesses are not operating efficiently, b) confused as to what their technology options really are and c) nervous about systems implementations. Since our inception in June, we have worked with nine (9) portfolio clients. We have become the trusted advisor that identifies and provides operational and process solutions that are pragmatic, cost effective and in the end are completely aligned to each company's exit strategy. In addition, our Private Equity relationships have led to numerous referrals into other PE firms with several new portfolio company projects in advanced discussions. We are off to an incredible start, thanks to you the recipients of this newsletter, however there is much rewarding work ahead of us as we strive to be your partner in building companies and increasing value.

Private Equity Firms Demand Value

Performance Improvement Partners works closely with Private Equity firms to increase the profitability and value of their portfolio companies through operational and technology improvements. Our activities are driven by client business priorities and satisfying their innate business needs. Integrity and a compulsive approach to managing and implementing projects, on-time and on-budget, will consistently be the determining factors in maintaining our solid track record.

We feel our value system is unprecedented because we always act with the highest level of integrity and honesty. This has proven to be a significant competitive differentiator.

Clients: Private Equity Company or Portfolio Company? Both!

First of all it is important to note the distinction between the Private Equity firm and the Portfolio Company. The PE firm is in essence our referral source and the actual client is the Portfolio Company, which in most cases is the ultimate decision-maker. However, we work closely with both to help build companies and create value. Our strategy is to become the trusted advisor and "top notch" resource to the Private Equity firm and their Portfolio Companies.

We have relationships with over 20 Private Equity firms in the past seven (7) months. Our nine (9) portfolio companies/clients range in size from \$40 million to \$400 million in revenue. The industries for the most part have been manufacturing/distribution, retail and healthcare.

Delivering Profitability as a Service

In the most general of terms, our services are about eliminating administrative/operational excess within a company and reducing the risk technology has on a business. Whether we are looking strictly at the operations/process and/or technology view of a business, we take a very pragmatic approach. Typically we start with a high level view to quickly determine the "real" opportunities, quantify the value to the business, and implement the solutions that are value based.

Our services include due diligence efforts, business and IT roadmaps, systems selection and implementation, software development, IT function management, and business process review and improvements.

While the services we perform are important, how we perform the services is key. Our services are fast paced and result in solutions that are unique, pragmatic, cost effective, and always fulfill the best interest of our clients.

Coming in Our Spring Update (ERP for \$350,000? Yes!)

Future additions of this newsletter will be informational and focus on approaches to implementing process and technology solutions that will increase the value of your companies. The next edition will provide you with a cost effective and safe approach to implementing a new enterprise system. As always this will be written from a business person's perspective.