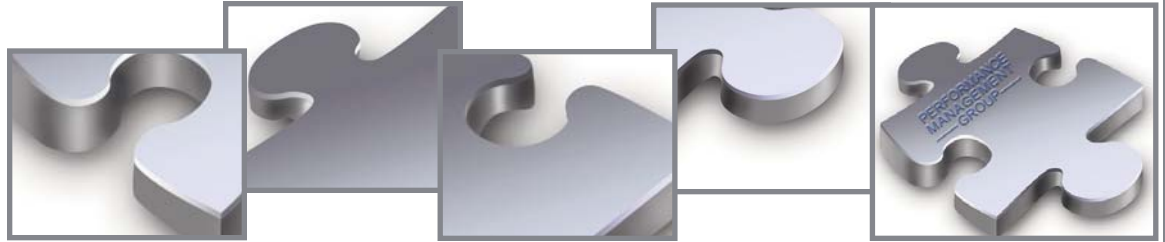


PMG's Strategic Purchasing Services

PERFORMANCE MANAGEMENT GROUP

Innovative Purchasing Solutions



A Strategic Solution That Offers Sustainable Long-Term Results

Designed for the client who is interested in a strategic long-term comprehensive purchasing solution, Performance Management Group's (PMG's) Strategic Purchasing Service (SPS) offers real results through a valuable partnership. This purchasing strategy allows clients to have a comprehensive integrated purchasing solution, without adding internal resources. SPS allows clients to focus on their core business while relying on PMG, one of the leading Purchasing Service Providers (PSPs) in the industry to provide detailed research, analysis, and expense category recommendations that reduces costs, optimizes suppliers, improves controls, minimizes risk and improves organizational effectiveness – all resulting in increased performance and profitability.



Telecom Category Recommendation					
CRP Background Information					
Date:	9/25/2008	Client:	XYZ Auto	Category:	Tele-Cell(TE-C)
Cat. Owner:	John Doe	CSM/S.Spec.	PMG Personnell	CRP ID#:	1586
Current Supplier(s):					
Client Category Objectives:					
XYZ Auto wants to implement a local cell phone plan only for all non-executives in the company.					
Client Category Strategy					
RFQ:	X	Renegotiate:		NewSpec/Other	
PMG Recommendation					
Client Benefits					
Area of Benefit	Previous	Proposed	# Change	% Change	
Spend - FIRST YEAR Cost Savings	\$195,311	\$108,233	\$87,077	45%	
Spend - SECOIND YEAR Cost Savings	\$195,311	\$129,880	\$65,430	34%	
Spend - TOTAL 2-YR Cost Savings	\$390,621	\$238,113	\$152,508	39%	
Supply Base Reduction	2	1	1	50%	
Other Benefits					
Avoid Directory Assistance calls (\$1.79 per call) by using one of the following methods:					
<ul style="list-style-type: none"> Use Google Text to look up information. For users with a text plan it's included. Without a text plan it's \$0.15. Use your cell phone internet access to look up information. Call 1-800-FREE411, this is a company that provides 411 information after listening to just a few short ads. 					
New Devices:					
<ul style="list-style-type: none"> Eligibility for newphones is based upon the individual contract status of each user and the date on which the user last had a phone upgrade. Phone lines with expired contracts are eligible for new flip phones, or discounted PDA's. Discounts are only available at the time of new service or at future contract renewals. 					
Key Assumptions					
<ul style="list-style-type: none"> Sprint termination fees are \$200 per line. PMG assumes that any phone line expiring by the end of 2008, can be allowed to expire (as opposed to paying a termination fee). T has termination fees for lines with 2008 expiration dates are referenced as zero termination fee. Savings are based on volume from the billing account, not the individual handset user, and require the recommended changes taking place. However, even when all recommended changes occur, seasonality and fluctuating individual usage patters can and will alter the level of savings presented in this analysis. Taxes, Surcharges & Fees have been removed from this analysis because PMG cannot effect these charges. 					

Category Recommendation Example

Strategic Purchasing Service

Our knowledgeable team of purchasing professionals and client service management and support personnel assists clients in gathering expense category requirements, contract and last price paid information. Experienced sourcing personnel with deep retail automotive expense category expertise will then source and qualify potential suppliers for selected expense categories. Upon completion of the quoting and negotiation process, clients receive expense category recommendations which may be accepted or rejected by the client. Clients then receive a comprehensive implementation checklist for each accepted expense category recommendation that assists PMG and the client in executing the category recommendation successfully with the suppliers. Truly a win/win/win purchasing strategy.

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SPS Client Benefits

- ▶ "Best in Class" Pricing
- ▶ High Performing Suppliers
- ▶ Immediate Price Reduction
- ▶ Supply Base Reductions
- ▶ Centralized Purchasing Control
- ▶ Accessible Information 24/7
- ▶ Improved Employee Focus
- ▶ Supplier Audits
- ▶ Improved Policies, Processes and Controls
- ▶ Clients Focus on Core Business

Solutions To Fit Your Organization

PMG's comprehensive Strategic Purchasing Services provide clients with the short-term benefits of immediate expense relief, while at the same time, long-term benefits of a fully integrated purchasing solution. PMG listens to client needs and recommends integrated purchasing solutions to relieve purchasing challenges to realize measurable cost savings and supply base reductions. Our highly qualified team of sourcing specialists, auditors, client service management and support personnel help clients procure supplies, services and equipment more efficiently and more cost effectively than they can typically do themselves – allowing you to focus on selling more cars and taking care of your customers.

PMG's SPS Offering	
Purchasing Service/Function	SPS
Client Employee Introduction	✓
Client Overview & Training	✓
Spend Analysis (all in-scope categories)	✓
Category Requirements Gathering	✓
Supplier Sourcing and Qualification	✓
Quoting, Negotiation and Analysis	✓
Certified Supplier Category Recommendations	✓
Category Implementation Checklist	✓
Category Implementation Assistance	✓
Category Audits	✓
Purchasing Management Assistance	✓
Custom Policies and Procedures	✓
Web-based Information Management	✓
Monthly Purchasing Management Updates	✓
Contract - Agreement Tracker	✓
Supplier Management	✓
Client Support Specialist	✓
Executive Tools™ - Web-based Management Tool	✓

PMG – Proven Purchasing Expertise

Performance Management Group (PMG), a supplier independent Twin Cities based Purchasing Services Provider (PSP) was founded in 1992 to improve purchasing processes, optimize suppliers, reduce costs and transform business efficiencies; all resulting in improved operational performance and increased profits. As a leading PSP, we offer results-oriented, experienced purchasing professionals with extensive national, regional and local expertise in 100+ operating expense categories of supplies, services and equipment. Our list of satisfied clients includes some of the largest single store, multi-location, and mega clients in the nation.