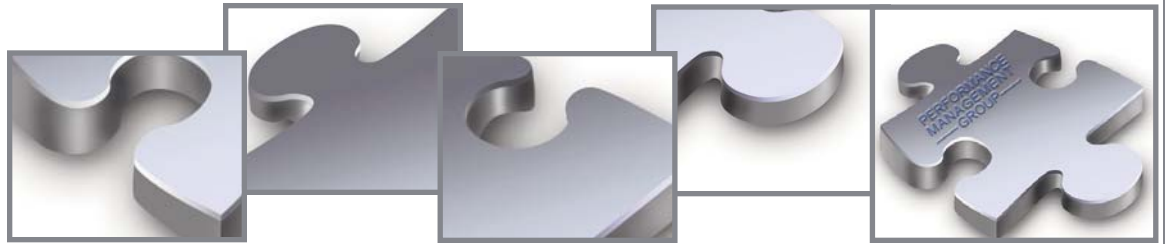


PMG's Cost Reduction & Cost Value Services

PERFORMANCE MANAGEMENT GROUP

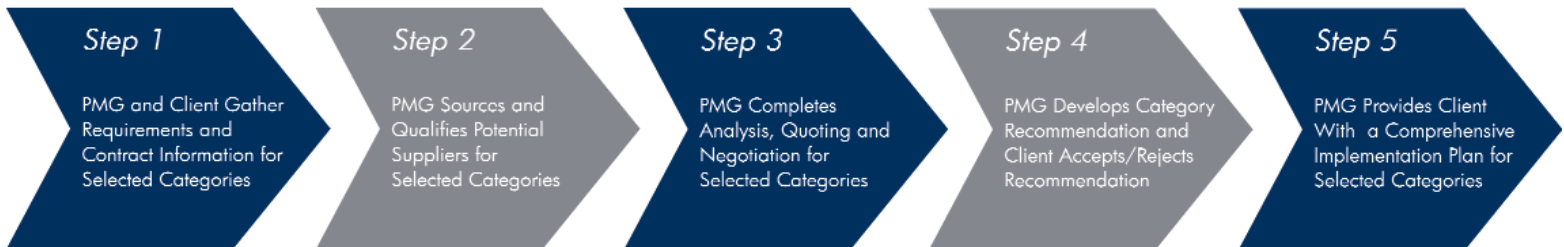
Innovative Purchasing
Solutions



PMG's Cost Reduction Services With Immediate Impact

Designed for the client who is interested in immediate and more tactical purchasing results, Performance Management Group's (PMG's) Cost Reduction and Cost Value services deliver quick returns with a short-term commitment. These purchasing strategies allow clients to focus on cost savings in a specific expense category or as a project approach in which ten expense categories will be managed. Clients maintain full purchasing control and implement each category implementation plan as provided by PMG.

Our knowledgeable PMG team assists Cost Reduction and Cost Value clients in gathering expense category requirement and contract information. Experienced PMG personnel will then source and qualify potential suppliers for the selected categories. Upon completion of the quoting and negotiation process, the client will receive expense category recommendations which may be accepted or rejected by the client. Clients receive a comprehensive implementation checklist for each accepted expense category recommendation that assists the client in executing the category recommendation successfully.



Actual Client Examples of Category Savings With PMG

Shop Supplies

- ▶ Cost: 34% Cost Reduction
- ▶ Supply Base Reduction: 31 to 1

Credit Card Processing

- ▶ Cost: 24% Cost Reduction/\$90K Annually
- ▶ Supply Base Reduction: 2 to 1

Car Wash - Spot Buy (1 Time Purchase)

- ▶ Cost: \$22K Savings Against All Quotes

Uniforms

- ▶ Cost: 26% Cost Reduction/\$120K Annually
- ▶ Supply Base Reduction: 2 to 1

These services provide immediate cost savings and increased bottom-line profits with benefits.

- ▶ Immediate Price Reduction(s)
- ▶ Supply Base Reduction(s)
- ▶ Increased Purchasing Confidence
- ▶ Improved Purchasing Management And Control
- ▶ Competitive Advantage With Increased Profitability

PMG's Cost Reduction & Cost Value Services

Innovative Purchasing Solutions

Cost Reduction Services Flexible Enough To Meet The Needs Of Any Client.

PMG offers two purchasing services to handle the short-term purchasing needs for any client wishing to benefit quickly with a limited commitment. PMG listens to client needs and recommends a solution to relieve critical challenges and offers immediate expense reduction to the client. Our highly qualified team of sourcing specialists, auditors, and client service managers help clients procure supplies, services and equipment more efficiently and cost effectively than they can typically do themselves.

Clients may elect to partner further with PMG after the short-term engagement in utilizing PMG's Cost Value or Cost Reduction services. PMG's Strategic and Integrated Purchasing Management Solutions offer sustainable purchasing results to expense management and process development areas.

PMG Cost Value and Cost Reduction Service Comparison

Purchasing Service	Cost Value Service	Cost Reduction Service
Client Employee Introduction	✓	
Spend Analysis (all in-scope categories)	✓	
Category Requirements Gathering	✓	✓
Supplier Sourcing and Qualification	✓	✓
Quoting, Negotiation and Analysis	✓	✓
Certified Supplier Category Recommendations	10 Categories	1 Category
Category Implementation Checklist	✓	✓
Category Implementation Assistance	Optional	Optional
Category Audits	Optional	Optional
Purchasing Management Assistance	Optional	Optional
Custom Policies and Procedures	Optional	Optional
Executive Tools™ - Web-based Management Tool	Optional	Optional

About PMG

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 the 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.