

THE ALIDADE WAY



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Points of Interest

- Dunn & Bradstreet's Open Ratings system (which surveys past customers) ranked ALIDADE in the upper 10% of consulting firms; achieving a score of 96%.
- Consultants who have worked with ALIDADE would do so again; survey results 94% very satisfied with their ALIDADE experience.
- In a struggling economy, 2010 was ALIDADE's best year ever; 2011 outlook is even better.

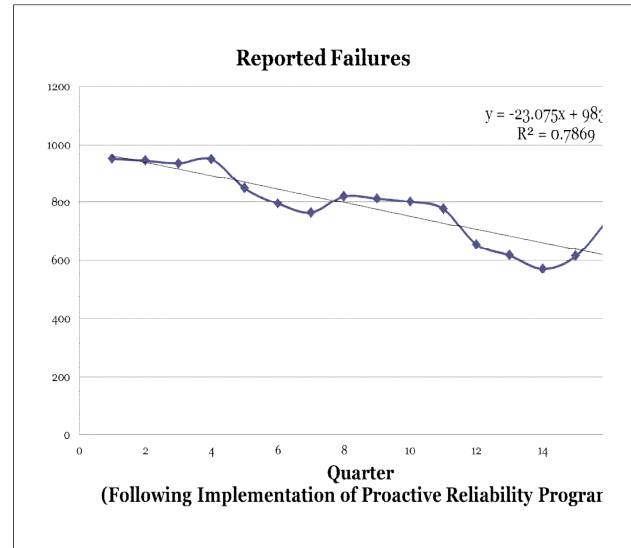
ALIDADE'S BUSINESS MODEL

ALIDADE's business model has been developed to provide experienced, knowledgeable professionals to maximize client return on assets (ROA). Assets include physical plant, personnel and data.

The Organizational Reliability Model (ORM) was developed to align senior leadership, mid-level managers, line supervisors and workforce personnel in their understanding of how elements of operations, engineering, maintenance, finance, EHS and other functions contribute to high organizational performance.

The ORM focuses on the importance of establishing control & stability of management processes to enable data-driven decision support.

The ALIDADE Way is to select professionals matched to the industry and client needs, provide them with above



Can you achieve a 5.4% recurring reduction in equipment failures?

average compensation and to the freedom to deliver what the client needs within the ORM framework.

ALIDADE is a lean organization; we don't have corporate offices or extensive advertising expenses.

The result is empowered consultants, excited about delivering results for clients at very competitive rates. Empowered professionals deliver tangible, sustained results for our clients.

WORKING WITH ALIDADE MER, INC.

ALIDADE is a lean organization. We are flexible in how we structure relationships with clients. We maintain excellent insurance coverage and can often respond on short notice.

Initial engagements are often discrete projects that allow the client to get to know ALIDADE and our network of professionals. In such cases a contract can be put in place to deliver a specific task.

We are also open to more involved, longer term projects with optional tasking that can be activated as needed. ALIDADE is always interested in master service contracts with pre-negotiated rates for multi-year periods.



*ALIDADE MER, Inc.
has been in business since
2004.*

*Our business has been
growing at an average
annual rate of 28% year
over year.*

*Since instituting The
ALIDADE WAY
business model in 2007, we
have had a 71.4% repeat
customer rate. We expect
this number to increase as
current customers identify
additional opportunities to
get ALIDADE involved.*

CREATING VALUE

There are five critical elements that all businesses must manage:

- Cash flow
- Margins
- Velocity
- Customer satisfaction
- Sustainable growth

Maintenance and reliability projects can have a direct impact on all of these elements.

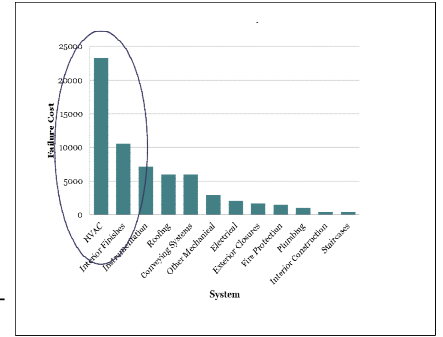
Cash flow is increased by on-time delivery of product and high quality rates. Margins can be expanded as unit production costs

are reduced by reliable equipment and reduced planned and unplanned downtime.

Velocity increases as increased margins provide pricing flexibility, marketing campaigns that drive sales.

Customer satisfaction increases with quality and lower pricing.

Having robust processes and process discipline provide stable platforms to build upon. Data generat-



Know where opportunities for improvement are, capitalize on them and increase value.

ed from consistent practices allows more accurate forecasting and planning to grow business at a sustainable rate. The five critical elements are the focus of cross-functional team work and business success.

ANATOMY OF A RECENT FMECA PROJECT

A manufacturing facility had two very complex, critical systems that were experiencing high failure rates; operators were unable to get more than 3 hours of run time between failures.

ALIDADE was hired to lead a Failure Modes, Effects Analysis and to provide a report

with recommendations for improving the system.

A cross-functional team of operators and maintenance technicians, with ALIDADE facilitation, completed the analysis in 3 weeks. A total of 654 failure causes were identified and the recommendations report were both

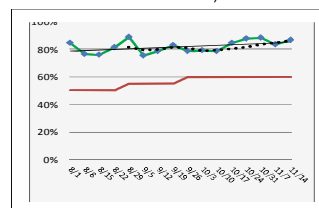
delivered on time, resulting in 160 recommended actions.

Within one year the systems were operating flawlessly for well over 30 day intervals without disruption; a 16.4 to 1 cost : benefit ratio was achieved in one year.

STRATEGIC PROJECT EXAMPLE

A recent client organization with a \$105M maintenance budget had 18 maintenance shops and zones with little control over work management. ALIDADE was selected to facilitate the design and implementation of a comprehensive work management program. A six month project resulted in the pilot area maintenance costs being reduced from

\$21M by \$1.68M annualized (recurring) with a project cost of under \$800K. The project deliverables included a suite of performance measures, coach-



Work Order Completion percentage increased to 86% in 3 months

ing of line supervisors and mid-level managers and a model for the client to self-facilitate future projects. The performance improvement allowed the client to expand operations without hiring additional employees, provided data with which to support capital project requests and implementation of proactive reliability engineering program.

THE ORGANIZATIONAL RELIABILITY MODEL[©]

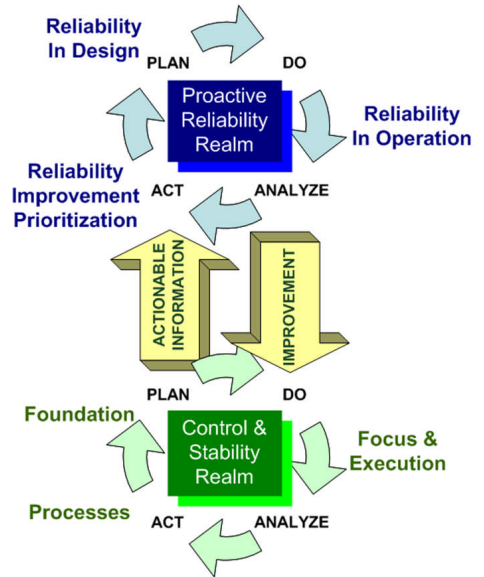
ALIDADE holds a copyright for the Organizational Reliability Model (ORM[®]). The ORM[®] is based on the idea that organizations must first establish control and stability of the work management processes (the green box) in order to generate actionable information.

Establishing control and stability provides the framework for daily and weekly coordination with operations, and for effective backlog management. It also supports consistent performance measurement and leadership & management activities.

We emphasize leadership, accountability and coaching in our

approach. Once control & stability have been achieved, actionable information is created from the data that is generated. Actionable information is what the proactive reliability realm (blue box) can use as inputs.

The proactive reliability realm consists of the tools and techniques to select improvement opportunities, diagnose causes, prescribe corrective actions and format them for implementation. This is the continuous improvement loop using tools such as Reliability Centered Maintenance (RCM), Failure Modes, Effects and Criticality Analysis (FMECA), PM Optimization and Root Cause Analysis (RCA).



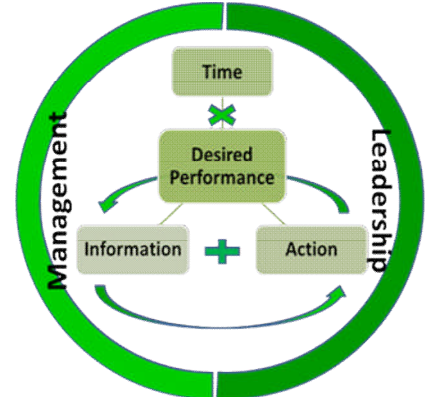
PERFORMANCE OPTIMIZATION MODEL[©]

Often times organizations develop good processes and practices, but fail in establishing or sustaining new behaviors.

The Performance Optimization Model[©] (POM[®]) was developed to address how changes get implemented. The hard part of any change is providing managers and supervisors with the tools they need to establish and maintain new processes and behaviors.

Information is needed so people understand what needs to be done, how to do it, and how well the team members are performing. **Action** refers to what managers and supervisors do with performance information; providing positive feedback, and/or correcting non-conforming behaviors in the proper way.

When the right actions are taken for an extended period of time **desired behaviors** become the new culture.



ALIDADE's president, Tom Moriarty, PE, CMRP has a monthly feature in Plant Services Magazine, having been awarded the American Business Publication Editors Gold Award in 2010, and has presented numerous papers at multiple industry conferences since 1999.



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Insight, Advice and Support



ATMOSPHERIC HYDROXYL RADICAL TECHNOLOGY

Alidade has been a partner with HGI Industries, representing the ODOROX® atmospheric hydroxyl radical technology. The technology is effective in eliminating various odors and is highly effective in sanitizing surfaces. Applications have been successful in food and beverage filling lines, product and by-product micro-organism control and odor control in chemical processing, control rooms, and wastewater treatment facilities.

GRAPHICAL KNOWLEDGE MANAGEMENT SYSTEM

Alidade has a partnership with FacilityONE, a cloud computing, software as a service.

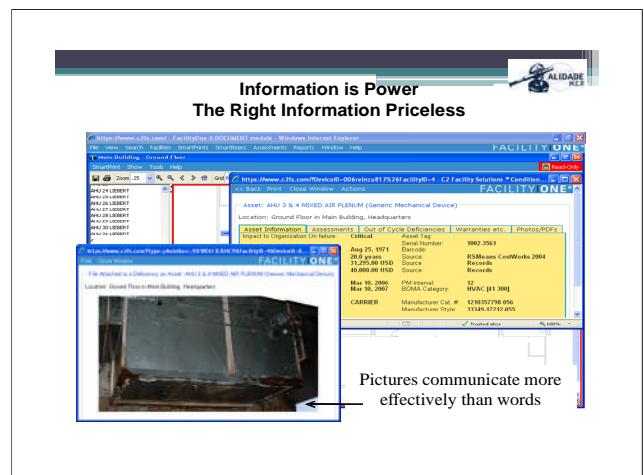
The system appears on your computer screen as a SmartPrint which is similar to a CAD drawing, but it is extremely easy to work with.

FacilityONE is easy to learn, there is no software to buy, so there are no IT issues to navigate.

There is one low account activation fee, and an annual fee for using the system. Customers own the data; there is no limit

on the volume of data, and no per-seat fees. The system allows users to link information to assets; such as maintenance task descriptions, pictures of the asset, operating manuals, condition

reports, safety information... anything you can create electronically can be linked. A simple work order management system and facility condition assessments are also available.



Linking Information to Assets