

The Quantum Group, Inc.



**“Crafting Tomorrow’s Business Architectures ...Today!”**

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Thank you, for your request concerning information about **The Quantum Group, Inc.** Enclosed is a portfolio that includes the following sections:

OVERVIEW OF COMPANY .....	3
INVESTMENT BANKING & FINANCIAL SOLUTIONS ... ..	5
MERGERS & ACQUISITIONS ... ..	6
BUSINESS REVITALIZATION... ..	8
SURVEY & ASSESSMENTS... ..	10
ORGANIZATIONAL DEVELOPMENT .....	11
ENTERPRISE LEARNING ... ..	13
MARKETING, COMMUNICATIONS & BRANDING PROGRAMS... ..	15
BENEFIT SOLUTIONS.....	16
HR CONSULTATION ... ..	17
INFORMATION TECHNOLOGY... ..	18
PRINCIPALS/PARTNERS .....	19
SECTOR LISTINGS ... ..	20



## OVERVIEW OF COMPANY

Our organization is a small business firm established in 1990 that provides total consulting services to our clients. We also have a large portfolio of standalone workshops and seminars that support the necessary activities for Integrated Alignment. Our philosophy is to form a strong partnership with our clients for achieving their vision.

Recognizing the client requirements for expert consultation in a dynamic economic environment, **The Quantum Group, Inc** provides the following services: organizational development, human resource management & benefits, enterprise learning, investment & financial solutions, revitalization, M&A, communication marketing & branding, surveys & assessments and knowledge management.

The Quantum Group provides a specific focus on “strategic thinking, planning, and learning”. Our international experience is working with clients in Canada, Far East, Mexico, Europe as well as the USA.

All our materials are designed in modular format, permitting our client’s unlimited flexibility in the creation of a training curriculum to meet their specific requirements. Programs vary in length, but most require a one or two day initial session. These programs can be tailored for an organization’s specific audience: senior management, middle management, supervisors, individuals or work groups. In addition, The Quantum Group is experienced in delivering client’s internally developed programs.



## **INVESTMENT BANKING & FINANCIAL SOLUTIONS**

**The Quantum Group, Inc.** will provide its clients access to capital markets, venture capital firms and private funding through its financial contacts both domestic and international. We will arrange and place financing both in equity, debt or a combination of transactions including traditional or incentive, simple or complex.

We will also arrange bridge type financing, mezzanine, partial debt, partial equity and other financial solutions as necessary.

Quantum can arrange financing with both domestic and international sources and institutional investors that could include insurance companies, banks, specialized funds, venture capital sources and financial organizations.

When public or equity or debt markets are appropriate The Quantum Group will assist and advise clients in negotiating and arranging underwriting through its sources.

A major advantage of working with The Quantum Group is the relationships we have with lenders, investors and merchant banks to which we have access.

When your financing needs fall outside of the normal scope of a traditional lender, we can tailor a solution to meet your unique needs.

We supply funding from \$1.0 million up to \$2.0 billion dollars for start-up's, growth, M&A, management takeovers and chapter eleven (11) situations.

As your strategic partner, we can provide:

- All inclusive approaches to financing as we have the ability to finance all facets of a transaction, saving clients time and money.
- We provide financing as an integral component of revitalization and restructuring solutions.
- We seamlessly help clients to achieve their ongoing business and financial solutions.

## MERGERS & ACQUISITIONS

**The Quantum Group, Inc.** will evaluate any offer made to a client company and advise them based upon independent research and analysis as to the financial, balance sheet and income statement implications, marketing, operational value of the opportunity from a short and long-term investment and market growth criteria.

The Quantum Group, Inc. will:

- offer advice on expansion, mergers, acquisitions, joint ventures, integration and sale of a division or part of a company.
- review the opportunity from a P&L, balance sheet, free cash flow, market analysis and organizational fit prospective until completion of the transaction.
- review the cultural climate of both organizations and determine if there is any synergy and what is its long-term value.
- assist in the integration of any merger, acquisition, joint venture opportunity from an organizational perspective to eliminate any issues and develop the new structure, establish a direction and mission objective, teach, train, open lines of communication and assist in developing cost reduction and consolidation plans.
- review each organization from an HR compliance, organizational and operational perspective basis and develop a financial plan for the integration of the venture.
- use its expertise to strengthen a business by seeking domestic and international ventures, partnerships, outsourcing and adding value on a worldwide basis. We may suggest partnerships, partial ownership, a joint venture or acquisition on a global basis.
- use its financial, marketing, organizational and operational expertise including some outside sources to establish a value for all possible mergers, acquisitions and joint ventures either public or private to determine the best possible candidates.

In addition, The Quantum group, Inc. will also review the following issues:

Determine if an asset should be bought or sold and at what price.

- Is there an international value to the asset or venture?
- What restructuring needs to be accomplished within the organization from a financial perspective to reduce any forward issues?
- Are there any stock issues, preferred or common, or IPO potential in the merger, acquisition or joint venture?
- Finally yet importantly, does the merger, acquisition or divestiture make sense financially or from a marketing perspective that will strengthen the organization and its balance sheet and income statement?

## The Quantum Group, Inc.

The Quantum Group, Inc. through its venture capital, banks and equity contacts will arrange financing both simple and complex in nature. We will review the equity markets, debt and other financial issues to insure a positive outlook for investors, banks, lending institutions and financial organizations.

We will review the debt and equity markets to determine what are the most suitable under the present conditions.

As we all are aware one of the major reasons for the failure of a merger, acquisition or joint venture are the cultural differences in an organization. Goals, objectives and personality issues arise. The Quantum Group, Inc. has an expertise in integration of organizations, teaching, training, development and communications skills that will smooth the rough waters and allow for a successful transaction.

## **BUSINESS REVITALIZATION**

The Quantum Group, Inc. is an organization of professional executives with successful experience increasing the operating income and achieving the management objectives of profitable companies. We also work with companies as business revitalization and crisis management, with startups, mergers/acquisitions, investment alternatives, organizational development, HR compliance issues and quality program development.

The Quantum Group, Inc. is dedicated to the successful preparation of Corporate growth strategies. Our professional executives have the ability to execute the requirements of today's fast paced domestic and international market competition that are necessary to gain control and increase the bottom line objectives of a successful business, start a new venture, capture new and existing markets, fix short term management and revitalization operational issues.

For underperforming companies and companies in crises hemorrhaging cash, eroding profit margins, decreased sales revenues and increasing costs our professional team will establish priorities to improve performance and recommend strategies to restore profitability.

After rapid evaluation of the management team and the financial situation the Quantum revitalization team will work with the senior and middle management team to establish a new direction and purpose for the company using the Quantum Services Review Procedure to evaluate senior management, operational, financial, materials/supply chain and sales/marketing issues.

During the initial crisis stage, Quantum will work with management to stop the cash flow hemorrhaging, turn the cash flow positive by reducing unnecessary expenses and stabilizing the operation.

For companies that are profitable Quantum will review your short and long-term strategies, team build with your senior and middle management organization, develop your resources, review your cost structure, fine tune your operations and supply chain, review low cost labor and overhead alternatives to insure you are ahead of your competition.

The Quantum Group, Inc. provides the following services: (Revitalization Management cont.)

### SENIOR MANAGEMENT REVIEW

Management & organizational analysis.  
Financial review, operational & business assessment.  
Business Revitalization execution plan and recommendations.  
Board of Director review.  
Chapter 11 planning and guidance.  
Exit strategy recommendations.  
IPO analysis and alternatives.  
M&A and consolidation options  
HR compliance and legal issues.  
Interim executives.  
Strategy and market position

OPERATIONAL ISSUES

Overhead review and cost reduction analysis.

JIT manufacturing procedures.

Lean manufacturing techniques, Kanban, Kaizan, 5S programs.

Quality procedures, SPC, TQM, SIX SIGMA.

Demand flow, pull systems.

Short run high mix analysis and cell manufacturing review.

Enterprise learning

FINANCIAL ANALYSIS

P&L and balance sheet review

Cash flow review

Payables and receivables analysis.

Debt analysis

Investment and financial alternatives.

SALES AND MARKETING ISSUES

Customer review and service level.

Product review and elimination of loss leaders

International market applications

Make VS buy alternatives.

Implementation and review of the above strategies will reposition and restructure a company, stop the bleeding, gain control of the financial and other issues, restore management credibility and profitability of the business for the coming years.

Working with existing or new management, we will leave behind a stable company, capable of growth in sales, profits and people.

In summary, The Quantum Group, Inc. will work with your management team to analyze your issues, suggest changes and make recommendations that will benefit a profitable company, one that is at break even, or losing money. The recommendations we suggest will benefit the company for years to come.

## **SURVEY & ASSESSMENTS**

We provide consultation in all phases of the assessment process. We have experience with The Malcolm Baldrige, ISO 9000 and The President's Award. We also furnish generic business assessments to measure any phase of organizational effectiveness, both qualitative and quantitative. We have global experience in survey design, analysis, display and in the implementation of action plans for areas such as employee satisfaction, customer satisfaction, management effectiveness and business results.

Our capabilities include computer assisted data base administration, as well as all other types of data collection and administration as dictated by client requirements. We furnish analysis in all formats: Graphs, charts and/or tables; including discussions of potential meanings, recommendations and follow up plans of action and implementation schedules.

### **Services Provided**

#### Customer Surveys

Measurement of perception of all of the organizations' customers: direct, indirect, the end user and every member of the customer process chain. Done frequently (every 60-90 days), contains quantitative and qualitative questions.

#### Employee Surveys

Measurement of the perception of the workforce inside an organization. Done frequently, contains quantitative and qualitative questions.

#### Business Assessment Surveys

Malcolm Baldrige, ISO 9000, President's Award or generic business/organization criteria that identify processes critical to an organization and set standards by which they will be measured. Values Surveys, to identify the core values of an organization and/or of the individuals in the organization. A utility for understanding alignment to an organizational vision and mission.

#### Management Effectiveness Surveys

360 Degree surveys, allows self-assessment and assessment from peers, managers, customers, and suppliers. Standard or custom designed to meet specific requirements of an organization. Can also be utilized as part of a performance appraisal process.

### **Evaluation Process**

#### Development of the Survey

- Training on giving and receiving feedback
- Administration of Feedback Process
- Analysis and Scoring
- Report Generation
- Development of Action Planning Process
- Coaching of Participants
- Post Survey Process

## **ORGANIZATIONAL DEVELOPMENT**

Below is a brief description of the types of interventions that The Quantum Group, Inc. chooses from in partnering with organizations and their leaders to create "planned change".

### Applying criteria to goals

Leadership establishes objective criteria for the outputs of the organization's goal-setting processes. Then people become/are accountable not only for stating goals against those criteria but also for producing the desired results.

### Establishing inter-unit task forces

These groups can cross both functional parts of the organization (the "silos") as well as employee levels. They are temporary in nature. They are ideally accountable to one person and are appropriately rewarded for completing their assigned task effectively. Then they are disbanded.

### Experimentation with alternative arrangements

Today organizations are subject to "management by best-seller". We attempt to get leaders to look for changes that may take 3-5 years to work through and complete. The meta-goal in these interventions is to create a "learning organization," one that performs experiments on organizational structure and processes, analyzes the results, and builds on them.

#### Identifying "key communicators"

In this endeavor, we carefully determine who seems to be "in the know" within the organization. These people often do not know that they are, in fact, key communicators. This collection of individuals is then fed honest information during critical times, one-on-one and confidentially.

### Identifying "Fireable Offenses"

This intervention deepens the understanding of and commitment to the stated values of the organization. We facilitate the work of the organization's leaders to answer the critical question, "If we're serious about these values, then what might an employee do that would be so affrontive to them that he/she would be fired?"

### Visioning

This is actually a set of interventions that leaders plan with our help in order to "acculturate" everyone in the organization into an agreed-upon vision, mission, purpose, and values. The interventions might include training, goal setting, organizational survey-feedback, communications planning, etc.

### Team Building

This intervention can take many forms. The most common is interviews and other pre-work, followed by a one to three-day offsite session. During the meeting, the group diagnoses its function as a unit and plans improvements in its operating procedures.

This intervention usually involves working with the one, two or multiple groups separately before bringing them together. They establish common goals and negotiate changes in how the groups interface.

### Management/leadership Training

Many of our OD professionals come from a training background. They understand that organizations cannot succeed long term without well-trained leaders. Their contribution here can be to ensure that the development curriculum emphasizes practical, current situations that need attention within the organization and to monitor the degree to which training delivery is sufficiently participative as to promise adequate transfer of "learning's" to the job.

### Setting up Measurement Systems

The total-quality movement emphasizes that all work is a part of a process and that measurement is essential for process improvement. The QUANTUM GROUP is equipped with tools and techniques to assist leaders and others to create measurement methods and systems to monitor key success indicators.

### Studies of Structural Causes

"Root-cause analysis" is a time-honored quality-improvement tool, and we often use it to assist organizational clients to learn how to get down to the basis causes of problems.

### Survey Feedback

This technology is probably the most powerful way that The QUANTUM GROUP involves very large numbers of people in diagnosing situations that need attention within the organization and to plan/implement improvements. The general method requires developing reliable, valid questionnaires, collecting data from all personnel, analyzing it for trends, and feeding the results back to everyone for action planning.

### "Walk-the-talk" Assessment

Most organizations have at least some leaders who "say one thing and do another." This intervention, which can be highly threatening, concentrates on measuring the extent to which the people within the organization are behaving with integrity.

## **ENTERPRISE LEARNING**

Below is a description of the learning process and savings that The Quantum Group will implement in organizations with respect to “Organizational Learning”.

### Savings with E- Learning implementation

E-learning after its implementation will produce results that enable a corporation to channel information and expertise back to the organization as corporate knowledge and expertise in the form of E-learning and Enterprise learning systems. The integration of the E-Learning and knowledge management system technology, links business with its partners, employees and management staff. This marriage results in creation of learning that will increase employee, management and business partners efficiency, reduce waste, labor and overhead and add financial value to the bottom line while increasing the quality of work.

### What is E Learning?

E learning has its roots in traditional training and education, which, based on industrial era concepts. These pre-computer concepts cannot meet the needs of today’s information age and internet enterprise systems. E Learning is the development of skills to perform certain tasks. It embraces various training methods including:

Instructor led classroom learning

- Self paced learning
- On the job training
- Distance education (outside the work place)

E learning injects just enough (JE) learning, just in time (JIT) to the employee. E learning teaches an employee, old or new, how to perform a specific task, configure information in a desktop computer application in the enterprise resource planning (ERP) system.

### What is Enterprise E- Learning?

Enterprise E Learning is the Quantum response to the shortcomings of public education and learning gaps in traditional enterprise training.

Enterprise e-learning takes complete responsibility and ownership for training and educating employees, old and new who must work together to accomplish business objectives within the organization.

Enterprise E Learning employs the best of traditional training and educational methods and integrates them with innovative technologies to create a new learning experience. This experience is based upon the premise that any employee associated with the organization, whether a professional, manager, staff worker, business partner, customer or supplier will benefit from the enterprise e-learning experience in financial terms, increased employee efficiency, increased worker output and reduction in work time per task and overhead.

Enterprise E Learning will acquire a knowledge and understanding of your business systems, procedures, forms and business practices. E Learning will establish a learning process to simplify the existing systems and procedures into routine cost saving procedures. This means learning how to simplify the most detailed, complicated procedures or new reporting system into a cost effective e-learning process.

## The Quantum Group, Inc.

After utilization of the Enterprise e-learning systems it will not be necessary to send employees to offsite training seminars to learn new applications. All the necessary information will be captured in the e-learning system on and on a computer disc that can be used again to train other employees.

E-learning requires that information to be available anytime for employees to utilize, study, refresh their learning experience and be able to study and understand on their own terms. The progress of an employee using the e-learning system can be measured on the learning management system (LMS) that will track the employee's progress over time. This allows performance appraisal of the employee and can be utilized as part of the review process.

### E- Learning and Knowledge Management

Most companies find their organization with a glut of information that is not classified, or organized efficiently, unfiltered and in useless format and is sometimes not documented. E-learning fits into the knowledge management system (KMS) by inputting specific information, business processes, new procedures, training manuals and adding to the information chain. By continually inputting information into the (KMS), we are creating and continually adding to the knowledge management system.

E Learning will organize and format information to serve more than one audience. It does so by interfacing with the knowledge management system making information available on a just in time basis.

Taking the next step to classify, document and organize information into the 21<sup>st</sup> century in an efficient and easily used format will save time, employee workload, increase efficiency and will reduce cost and increase profits. In addition, the quality of the information will be correct and reduce mistakes.

Taking this step from information acquisition to knowledge management is what generates real business growth and increased bottom line profits and share holder equity.

## **MARKETING, COMMUNICATIONS & BRANDING PROGRAMS**

The Quantum Group, Inc. is an organization of experienced professionals that employ integrated communications in their business management practices. Accomplished in developing and protecting a brand, as well as determining a cost-efficient approach to launch a new product or service. We deliver recommendations that are actionable, focused and effective.

Our Fortune 50 senior management experience provides us with the experience and expertise that is necessary to compete in today's competitive market place.

Our areas of professional expertise include:

### Creating Image

Message and image design including Web sites, advertising development and placement, and branding are the tools we use to ensure that your organization is noticed.

### Building Reputation

Managing media contact, presentations, speeches, events, executive coaching, feature stories and news releases are the methods we use to build a reputation with your target audience to make sure you are remembered; and

### Marketing Support

Brochures of all types, exhibits-domestic or international, video, Web-casting, direct mail and customer-focused programs deliver sales to your bottom line.

#### -Business Plan Development

- Marketing strategies/plans (target markets & segments)

- Sales programs, promotions and strategies

- Product launch and business development programs

- Advertising campaigns, market research, public relations programs

- Media programs

- Competitive analysis for products and markets -

#### Marketing and sales consulting

- Positioning of products, pricing and distribution

- Market segmentation and targeting

- Promotion of products and product offerings

- Customized marketing, training and sales programs

- International and domestic business expansion development

- Marketing /sales organizational development

In conclusion The Quantum Group, Inc. with over 15 years of marketing experience is ready to help your company create and implement marketing plans, new product introduction, advertising, promotions, sales programs, business development and on line marketing design programs while building your brand and company recognition.

Quantum offers customized and cost effective marketing programs that will increase your market share and increase your bottom line. We have a variety of experienced executives that deliver results.

## **BENEFIT SOLUTIONS**

The Quantum Group, Inc. specializes in the review and placement of coverage for all your insurance needs. We are affiliated with leading insurance companies nationwide. This allows us to match a company with the individual needs of our client. We provide you with products such as employee benefits, business liability, estate planning and financial investment review. Our strength lies in our experience, customer service and ability to obtain the best coverage at the least cost to our clients. We are dedicated to quality, integrity, long-term relationships and service after the sale is our commitment.

Employer sponsored health insurance provides coverage for employees and, their dependent. The employer pays a portion of the total cost for medical expenses, such as doctor visits, hospital stays, prescription medication, vision and durable medical equipment. Each plan contains different benefit programs. Employers may offer group health insurance, individual health coverage, long-term health and many other options. Quantum will review each type and combination of coverage to determine the best alternative for the company and employee at the best possible cost option.

There are several types of health insurance products ranging from restrictive networks to complete freedom of choice in employee benefits. Some of these coverage's are HMO's, POS's, PPO's and major medical programs. The Quantum Group, Inc. works with many health insurance companies rather than a single industry source. We deal with organizations throughout the United States. This allows us to compare products and price to assure the most cost effective program for your company and employees.

The world of health insurance is complex, confusing and costly. Products are constantly changing and legislation continues to shape the industry and their products. The Quantum benefit section is continually reviewing health care alternatives, options and benefit solutions to supply our clients with the best coverage at the most efficient cost. By understanding your goals, we will provide the correct coverage for you and your employees. Let us guide you through the "world of insurance." We will be support your company and employee every step of the way. *"Our Integrity Is Your Best Policy."*

## HR CONSULTATION

According to a recent Franklin Covey study, “only 44 percent of U.S. workers indicated they clearly understand their organization’s most important goals. Contributing to this fact is an employee’s lack of knowledge of the business and lack of awareness or not understanding both the short and long term objectives of the business.”

The Quantum Group, Inc. is a world-class human resource-consulting firm. We will provide services to create a unique "Blueprint" and Design" specialized for your organization, to optimize its cost effectiveness. We provide specific focus on "Strategic Thinking, Planning and Learning.”

### **Specific Areas of Practice are:**

- Strategic Management Consultation.
- Human Resources Management Consultation
- Human Resources Management Technology Services
- Merger and Acquisitions (HR Due Diligence) and cultural issues
- Employee & Customer Surveys
- Employee Relations Consultation
- Succession Planning
- Executive Coaching
- Leadership Development
- Training Workshops
- Business Metrics

Virtual Human Resource Services are available and designed with an expertise for small to medium-sized independently owned businesses and organizations where a full-blown human resource department is not cost effective. The Quantum Group, Inc. will provide your organization with services, resources and knowledge equal to a Fortune 100 company. These services are available to you for a fraction of the cost of a mid level six-figure executive.

Receive these HR services in areas such as: Recruiting; Selection; Interviewing; Employee Policy Manuals; Compensation & Incentives; Functional Organization Structure; Job Descriptions; Standards & Measurements of Performance; Attitude Surveys; Performance Reviews; Motivation & Productivity; Turnover Control; Discipline & Termination; Supervisory Training; Management Development; and interim executives..

## INFORMATION TECHNOLOGY

The Quantum Group, Inc. will evaluate the effectiveness and efficiency of a client company's information technology (IT) infrastructure in the following four major sub-areas:

- Hardware Assets—Management of central servers, PCs, architecture planning, upgrades, security
- Applications development—Core applications, proprietary applications, development staff, use of consultants, integration of external solutions
- Help Desk—procedures for identifying and resolving problems
- Network/Telecom—Management of resources for voice and data communications between sites and outside the company.

We will compare the client company's current IT management practices with best practices for a company its size and stage of maturity. For any areas determined not to be operating at best practice, we will assess the performance degradation resulting from the deficiency and outline a plan to correct the deficiency. This can include an assessment of the effectiveness of the IT management team itself.

Subject to client approval, The Quantum Group, Inc. will provide needed IT management services to the client company on an interim basis.

The Quantum Group, Inc. will:

- offer advice on how to merge IT capabilities, people and cultures in the event of a merger or acquisition that necessitates combining the IT departments of two or more companies.
- review plans for Business Continuity/Disaster Recovery at both the individual application/process level (e.g., server crash) and at the worst-case enterprise level (i.e., fire, flood or bombing that destroys a major IT facility).
- evaluate the client's IT governance system if there is one, and will institute a governance system if one does not exist. IT governance is the process for ensuring alignment between a company's strategic goals and the IT projects and systems that will help achieve those goals. Good IT governance means that all project ideas compete against each other for resources in the open and with full knowledge of the company's executive team. It will guarantee that the right projects are being worked, within the company's budget constraints, and that no "rogue" projects get done below the radar.
- review a client's IT security policies, procedures and effectiveness. QUANTUM will assess risks of systems and data being compromised from internal (employee) or external (hacker) sources. This will include the protection of data with legally enforceable privacy protections. Where weaknesses are observed, QUANTUM will recommend corrective action.
- provide appropriate performance metrics for measuring the effectiveness of the IT function in the client company. These will also affect improvement over time.
- provide a framework for ensuring compliance with major regulatory requirements affecting the client company. These requirements can include Sarbanes-Oxley, HIPAA and other audit and validation requirements.

**PRINCIPALS/PARTNERS**

\*Richard W. Russo  
(CEO/Partner) OD, HR and Enterprise Learning

\*Lewis Friedman  
(President/Partner) OD, HR and Surveys & Assessments

Howard Abbott  
Enterprise Learning

Carl Vogt  
IT Programs

Alex Sapountzis  
Graphic and Database Services  
Biographies are available on request only.

## SECTOR LISTINGS

- Legal
- Education
- High Technology
- Health Care
- Bio-Technology
- Tele-Communication
- Utilities
- Government (Federal, State)
- Finance
- Small Business
- Construction
- Real Estate
- Religious Organizations
- Transportation
- Pharmaceutical
- Manufacturing
- Automotive