

Origin and destination of freight is extremely important, as well as customer base. In many instances, transportation company executives quote freight rates at the same prices as their competitors, not understanding or knowing what the economic impact is to their company. In many instances, a company cannot determine profitability by shipper lane. In some instances, a company cannot even determine their true cost of operations.

An operational review by Ahern & Associates, Ltd. will:

- Identify specific problem areas.
- Provide a realistic approach to reduce operational expenses.
- Identify true operating costs of a company.
- Provide direction.
- Strengthen communication between departments.
- Assist and develop a well-formulated game plan going forward.
- Redirect the commitment on the part of company employees.

The net result will be that management will be able to identify and establish:

- Revenue per mile
- Lane profitability
- Customer profitability
- True operating costs
- Strategic planning
- Sales performance criteria
- Budget for all areas of responsibilities
- Reduced dead head mileage

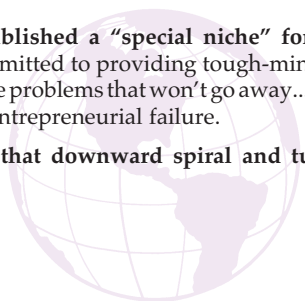
All facets of an operation will be reviewed to improve bottom line profitability.

The Ahern & Associates team recognizes that the people who are running businesses, which they either created or took over at an early stage, started their search for success with a vision of what they wanted to achieve, how they were going to do it, and what ongoing rewards they expected to enjoy.

But the business world of the millennium will become a different place from the one in which most of these entrepreneurs started out. We understand where they have been and where they are today. We can help redirect their efforts to get them to the success level that is possible in the near future.

We have established a "special niche" for ourselves in this area, committed to providing tough-minded, fast track solutions to the problems that won't go away...the difficulties that presage entrepreneurial failure.

We can stop that downward spiral and turn it upward again!



OPERATIONAL REVIEW / AUDIT



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INCREASE CASH FLOW

Ahern & Associates, Ltd., is a diversified transportation management consulting firm that has — since its founding in 1987 — accumulated a significant track record of handling complex assignments for entrepreneurial owner/managers and the companies they created. Our successes have resulted from working with each client to structure their organization to benefit from their capabilities, while supporting them in those areas of the day-to-day business where they lack technical expertise or real personal interest.

It is not uncommon for an executive to lose objectivity and the aggressive focus that accompanied his/her early drive for success. It is also not unusual for an executive's key managers to deliberately conceal harsh realities in order to perpetuate their privileged positions.

Ahern & Associates has been called upon to assist companies in:

- Increasing their cash flow
- Decreasing their operating cost
- Improving their bottom line profitability

Ahern & Associates has also been called upon to intercede at critical times in the financial and operational cycles of many transportation companies. We have diagnosed, prescribed and helped to administer the strong medicine of operational cut-backs, staff reductions and major compensation deferrals and reductions.

The staff of Ahern & Associates has extensive experience in the management of transportation companies. We have the ability to face the realities of the marketplace, tough regulatory environments, soaring direct and indirect labor and benefit costs and, lagging receivable collections. **Our key people are pragmatic and “down to earth.” They have the “scars” of their years as front line managers and owners.**

In all of our operational reviews:

We put a proviso in all of our contracts that if we cannot offset 100% of our fees through savings or cash flow, then you are only responsible for 50% of the quoted fee.

All of our assignments are on a “flat charge” basis.

We have established a special niche for ourselves in the transportation area, and we are committed to providing tough-minded, fast track solutions to the problems that won't go away...the difficulties that presage the transportation industry.

If your company is experiencing problems; you desire to increase your profitability; you are concerned about exposure to regulatory bodies; you are concerned about your company's future; or just want an analysis of your company to compare it against industry standards, take the time to visit with Ahern & Associates. This could be the most important decision of your life.

Ahern & Associates' approach to increasing the efficiency of a transportation company generally begins with an operational review. We examine every facet of operations and productivity, marketing and sales, customer service and

DECREASE OPERATING COST

satisfaction. In reviewing a company, we do a complete financial and operational review of the firm. This includes:

I. **Operational Review** — We provide an “on-site” audit to assist in reviewing an operation from the standpoint of an observer. We review an organization for savings in:

- Dispatch Procedures
- Marketing/Sales/Traffic Lanes
- Computer Systems in use
- Maintenance
- Loads per week
- Revenue per load
- Revenue per mile - loaded
- Revenue per mile - all miles
- Empty mile ratio
- Customer Base
- Recruitment and Training
- Driver Pay Scale
- All personnel salaries
- Internal Purchasing
- OSD Department Claims

II. **Financial Audit** — We do an analysis of balance sheets and income statements to include the review of:

- Current ratios
- Net worth to debt ratios
- Sales/Receivables
- Net profit to sales ratios
- Operating ratios
- Capital employed ratios
- Fixed property ratios

III. **Personnel** — We provide in depth analysis of existing management detailing/critiquing:

- Assessment of capabilities
- Areas of Expertise
- Ability to grow within your firm

IV. **Insurance** — Although we are not an insurance agency or brokerage, we have associates that are contracted with our firm that have specific expertise in the transportation business. In numerous instances, they can suggest creative alternatives to:

- Increase cash flow
- Reduce operational costs

V. **Secured Lien Holders** — We review/analyze all credit terms/payments and offer alternatives (if available) to reduce monthly payments. This increases your ability to cash flow money into your business and shore-up your long term ability to perpetuate your company.

IMPROVE BOTTOMLINE

VI. **Unsecured Debt** — We again review/analyze your trade payable/vendors to ensure that:

- Initial costs
- Terms
- Service...do not exceed Industry Standards.

VII. **Cash Flow Enhancements** — Ahern & Associates often times has the ability to secure receivable financing for a client. This financing is frequently at substantially lower percentage rates than an individual could secure on his own.

In essence, we review every aspect of your company.

As part of our operational review, if you have a company fleet, we provide an extensive review of your maintenance department. Historically, many trucking companies have an excessive amount of waste in their maintenance department because the departments have been:

- Ineffectively managed.**
- Historically had no direction/control of any of the purchasing of:**

- supplies
- inventory; and
- parts.

- The trucking company had no continuity within the department.
- Driver accountability was not implemented into the maintenance program which, in many cases, can substantially reduce operating costs for a company.

Before your company can address the problems of the Maintenance Department, it is important that you structure your department to function in a:

- Concise; expeditious; and profitable direction.

Sales and marketing is another area that is extensively reviewed. In many instances, a Chief Executive Officer is directly responsible for managing the sales/marketing department on a daily basis. In certain situations, the departments are not effectively managed because:

- The sales department has no direction.
- The sales department had not been given specific accountability for their actions.
- The sales personnel have not been provided with monthly, quarterly and yearly objectives.
- Sales personnel are not required to excel in their territories.

In most instances, there is no consistency in reference to:

- how to prospect;
- how to look for appropriate freight; and
- production goals and objectives.