

Results achieved by the SEI Process

In partnership with Jim Smith, the Principal of Enterprise Management Group and owner of the proprietary Sustained Earnings Improvement (SEI) process, Adroit Management Group is localising the 10-week process and introducing the 10-week process into the Asia-Pacific region.

The SEI process evolved from the need to reduce current IT costs in order to fund new initiatives without a budget increase. After several years of success with the SEI approach primarily within the influence of the IT department, EMG executed an enterprise wide SEI project and found that the human nature aspects of the process worked for the entire enterprise too.

Since that initial enterprise wide project, EMG has focused only on total company wide expense reduction projects. The process has now been used very successfully for more than 15 years, and has been continuously improved over the years.

The following are a sample of the results that have been achieved by the SEI process.



Northern States Power - a major US energy company located in the Northern Midwest was attempting to forgo a rate case to increase billing rates. Their overhead expenses had been flat for several years, but energy and fuel costs were rising. EMG executed its Sustained Earnings Improvement program over a ten week period and generated a sustainable overhead expense reduction of 10% and the rate case was avoided.

The Principal Financial Group, a \$9 billion dollar mutual insurance and financial company was attempting to do an Initial Public Offering but felt their expenses placed them at a disadvantage. EMG was selected over several major US consulting companies and during an eight week period generated operating expense reductions of \$35 million.

Seabury & Smith, a claims processing company owned by **Marsh & McLennan** hired EMG to perform SEI. Two consultants working only eight weeks produced a \$12 million expense reduction.



Micron Electronics, a \$2 billion computer manufacturing company selected EMG to execute an SEI project. The project lasted eight weeks and produced a sustainable 18% overhead expense reduction.

American Electric Power a \$13 billion energy company selected EMG's SEI approach over five of the US' largest consulting companies. The ten week project, using only ten consultants, resulted in a sustainable SG&A reduction of \$289 million, a \$200 million reduction in the current capital plan and a \$45 million coal inventory reduction.

Otter Tail Corporation chose EMG for their expense reduction initiative. The result was a 10% overhead expense reduction for their Otter Tail Power Company.

