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## **PELION CALLS ON AUTOMOTIVE INDUSTRY TO 'LEAN FORWARD'**

*Software Provider Organizes Executive Roundtable to Debate Need for  
Operational Performance Standards in Automotive Manufacturing*

BOULDER, Colo. – August 2, 2006 - Pelion Systems, a market leader in Manufacturing Operating Systems powered by Lean principles, today announced that it has organized an executive roundtable intended to propel the automotive industry forward in the adoption of new production and supply chain strategies that will help manufacturers and suppliers become more competitive in the global marketplace. The event, titled “Lean Forward: Exploring a New Operational Performance Standard for the Automotive Industry,” will take place on September 28, 2006, at the Lean Learning Center in Novi, Michigan. A group discussion featuring leading industry experts will seek to answer the increasingly important question: “Are automotive manufacturers and suppliers as Lean as they need to be?”

Findings from a recent study conducted by the global advisory firm AlixPartners suggest the answer is no, indicating that no less than 38 percent of all auto suppliers in North America are in “fiscal danger” and providing further evidence that aggressive steps need to be taken to improve industry performance.

Attendees will examine the issue from the operational executive’s perspective and discuss what the limitations are to realizing bottom-line benefits from Lean initiatives and how they can be overcome. The event will conclude with a debate on whether standards should be established to accelerate the adoption of Lean principles and facilitate the achievement of target levels of industry-wide performance. The outcomes of this discussion may form the basis of a business case to be submitted to the Automotive Industry Action Group (AIAG).

“The automotive industry has made great strides in recent years in pursuing Six Sigma and other quality initiatives that have provided managers with greater control over the manufacturing process,” said Ralph Rio, research director at ARC Advisory Group focused on continuous improvement strategies for manufacturers. “However, research has shown that many Lean initiatives designed to streamline and improve processes are still under water in terms of the bottom-line benefits being gained. We believe the time is right to pursue a set of standards for the industry that will compel manufacturers to take action in driving greater performance. The reality is that Six Sigma only takes you so far without value stream mapping, kanban management and other methods to create a true pull-based, Lean manufacturing environment.”

Beyond the organization’s foundation in Lean principles, Pelion is currently working with Tier One automotive suppliers to accelerate Lean value and achieve profitability, making the company a natural fit to lead the discussion around standards development. Pelion is using its status as an industry leader to bring other experts to the table to debate the topic, such as Jamie Flinchbaugh, founder and partner of the Lean Learning Center and co-author of the book *The Hitchhiker’s Guide to Lean*, and Bob Djuvoric, director of automotive services, North America, for DNV Certification.

“There is a major business performance gap right now between practicing Lean and operating a Lean enterprise. Many automotive companies recognize this fact but have yet to fully come to terms with the issue,” said Kevin Fallon, CEO of Pelion Systems. “We are excited to be facilitating this industry-changing event, the outcome of which will benefit automotive manufacturing well into the future.”

Seating for this event is limited. If you are interested in attending, please visit [www.pelionsystems.com/resources/reg\\_seminar.html](http://www.pelionsystems.com/resources/reg_seminar.html) to register or contact the company at 1-888-LEAN-FWD. The event is scheduled to run from 8 a.m.-10 a.m., and breakfast will be served.

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#### About Pelion Systems

Pelion Systems provides a Manufacturing Operating System for executives, plant and material managers, change agents and operators to power and sustain world-class business performance through Lean principles. Pelion integrates easily with existing systems and delivers rapid business value through exceptional operational and customer service performance. Teams using Pelion solutions make better and faster strategic, tactical, and operational decisions with a smart operations model that represents the value stream. Pelion Systems is headquartered in Boulder, Colorado, with sales offices in Detroit and Chicago. For more information about Pelion’s product and service offerings visit: [www.pelionsystems.com](http://www.pelionsystems.com)