

Clean Air Engineering

To be recognized, worldwide, as the company providing
the highest value products and services
for air quality management.

Today's Overview - Page 1

- ☒ Safety - Priority 1
- ☒ Integrity - Including our Values
- ☒ Quality - Value - Profit
- ☒
- ☒ Introductions
- ☒
- ☒ Commitment + Methods + Training

Today's Overview - Page 2

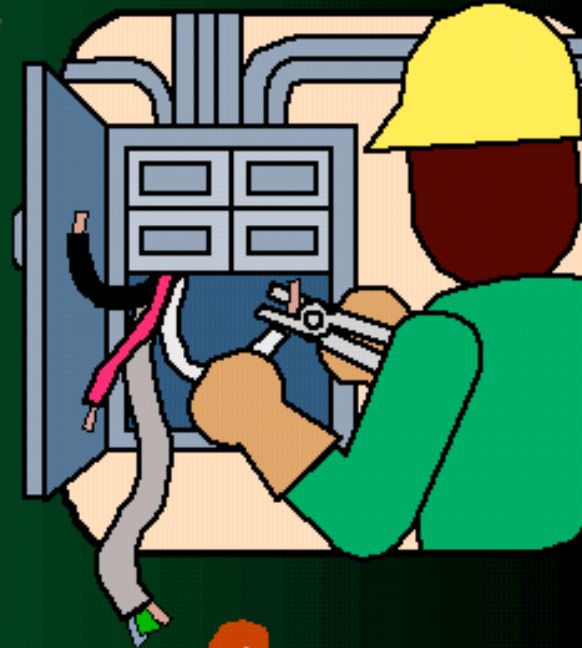
- ☒ History
- ☒ Metrics
- ☒ Products and Services
- ☒ Philosophy
- ☒ Strategy and Tactics
- ☒ Team Model
- ☒ Feedback & More

Priorities

- ☒ #1 Safety
- ☒ #2 Integrity - Including our Values
- ☒ #3 Quality - Value - Profit
- ☒ #4 The Environment
- ☒ #5 Growth
- ☒ #6 Throughput - TOC -

Organizational Overview

■ TEAM WORK

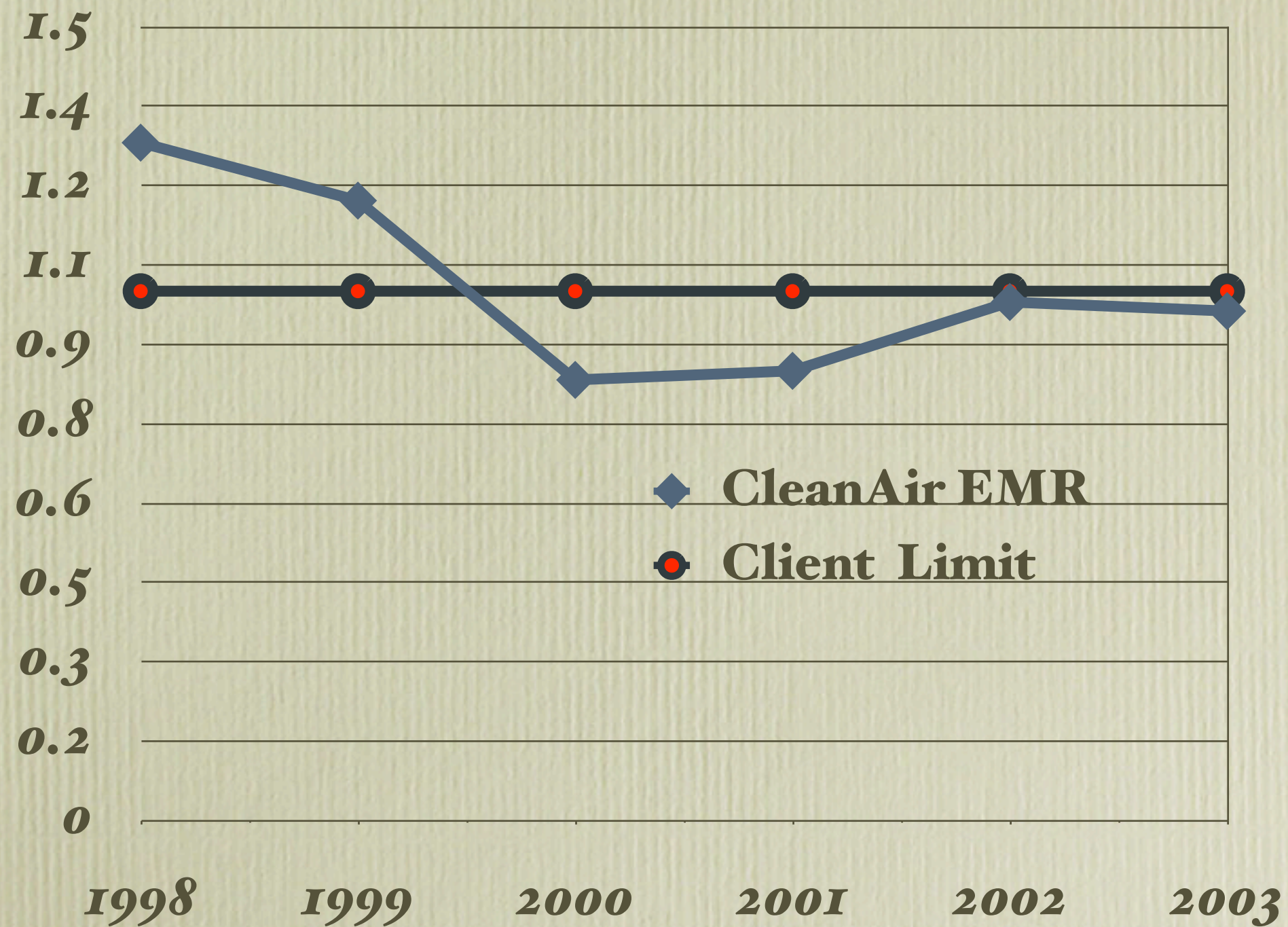


New Employee?

- ☒ According to data* from OSHA, the most dangerous time on the job is the first year on assignment?
- ☒ In other words YOU are our highest risk for an injury.

* Not quality assured.

Experience Modification Rate



Integrity

- **“The Spirit & The Letter of Our Commitment”**
- **Global Policy**
- **Other Policy**
- **Rules**

Quality - Value - Profit

- Three legs
- Symbiotic
- Equal importance



CleanAir Quality

- Constant Improvement of Everything
- Culture of Commitment to Truth
- Willingly Share Knowledge
- We Use Defined Methods
- We Keep it Simple
- Push & Pull
- Friends

CleanAir Quality

- Constant Improvement of Everything - BWM?
- PDSA - Plan Do Study Act
- TOC - Eliminate main “Constraint”
- RCA - Eliminate Root Cause
- SPC - Get processes in control (3 sigma)
- Commitment to Q

CleanAir Quality

- Constant Improvement of Everything
- Culture of Commitment to Truth - not easy!
- Willingly Share Knowledge
- We Use Defined Methods
- We Keep it Simple
- Push & Pull
- Friends

CleanAir Quality

- Constant Improvement of Everything
- Culture of Commitment to Truth
- **Willingly Share Knowledge - Grow Team CleanAir**
- We Use Defined Methods
- We Keep it Simple
- Push & Pull
- Friends

CleanAir Quality

- Constant Improvement of Everything
- Culture of Commitment to Truth
- Willingly Share Knowledge
- **We Use Defined Methods - Over 3000 documented methods**
- We Keep it Simple
- Push & Pull
- Friends

CleanAir Quality

- Constant Improvement of Everything
- Culture of Commitment to Truth
- Willingly Share Knowledge
- We Use Defined Methods
- **We Keep it Simple - One Page is Best!**
- Push & Pull
- Friends

CleanAir Quality

- Constant Improvement of Everything
- Culture of Commitment to Truth
- Willingly Share Knowledge
- We Use Defined Methods
- We Keep it Simple
- Push & Pull - Feedback & Feed Forward
- Friends

Overview - Quality

- Constant Improvement of Everything
- Culture of Commitment to Truth
- Willingly Share Knowledge
- We Use Defined Methods
- We Keep it Simple
- Push & Pull
- Friends give friends feedback!

CleanAir Quality Metrics

- Customer Feedback & Calls
- Green - Yellow - Red- dots
- Smiley - Frown - UCK
- Value Measurement
- Credit for Warranty
- Late payments & A/R aging

CleanAir Value

- Don't confuse Value with values.
- Value is in the eye of the beholder.

CleanAir Value

- CleanAir Value is in the book value and market cap of our customers financials.
- CleanAir Value encourages environmental responsibility & sustainability.

CleanAir Value

- CleanAir Value is determined as follows:
 - NPV of Total Benefits \div Our Invoiced Amount
 - CleanAir Value = 10x

CleanAir Value

- How do we do it?

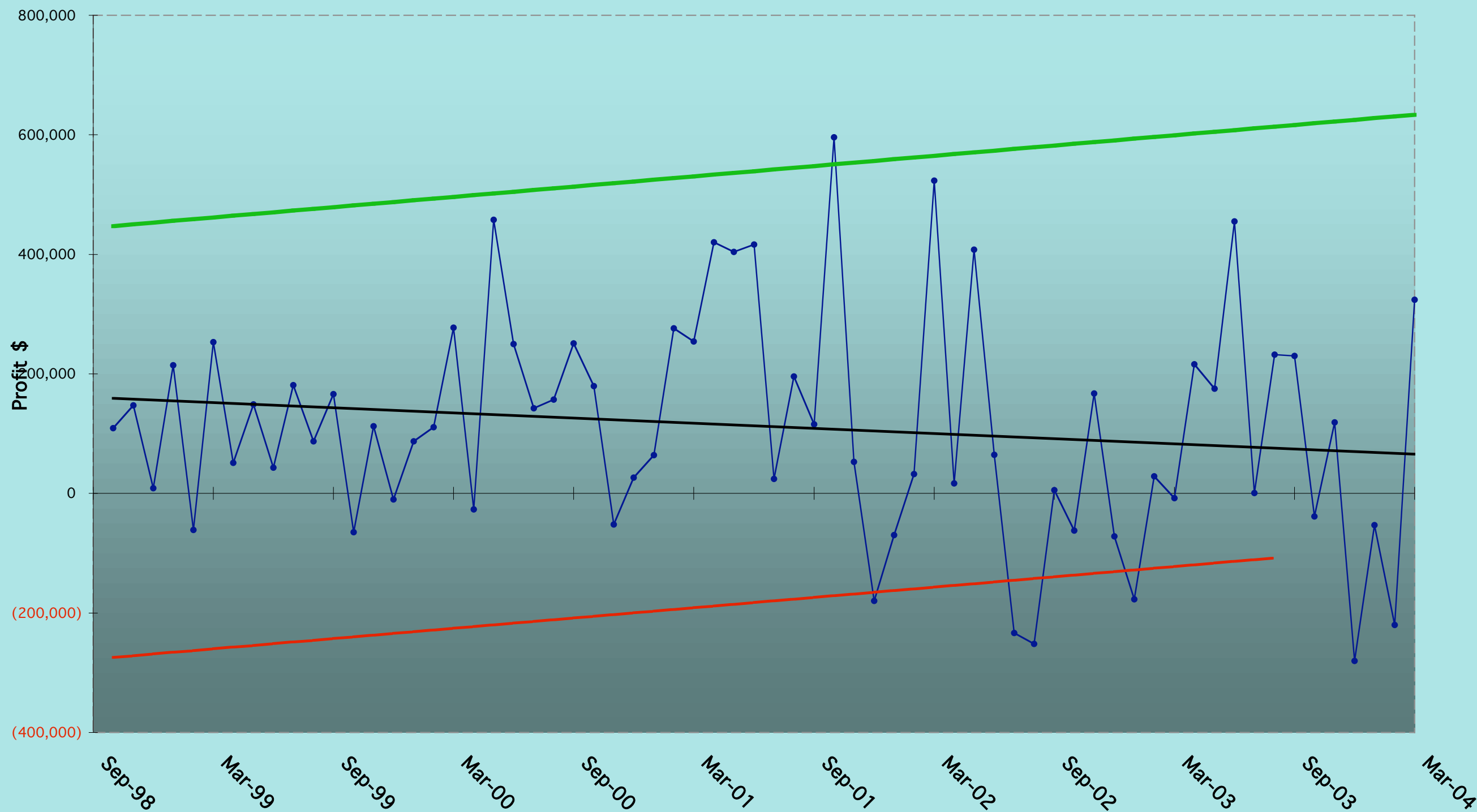
CleanAir Value

- Consultive Selling
- Value Delivery Process

Value

Profit Metric

Monthly Profit SPC Chart with Trend

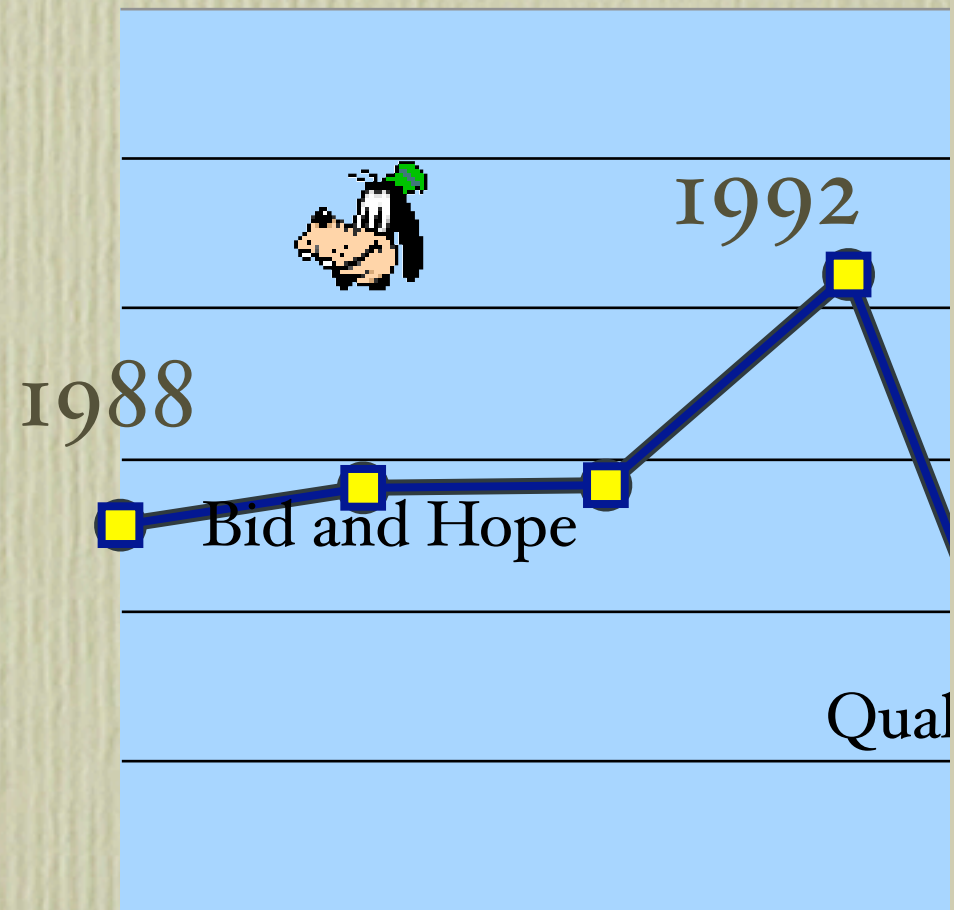


Profit Metric

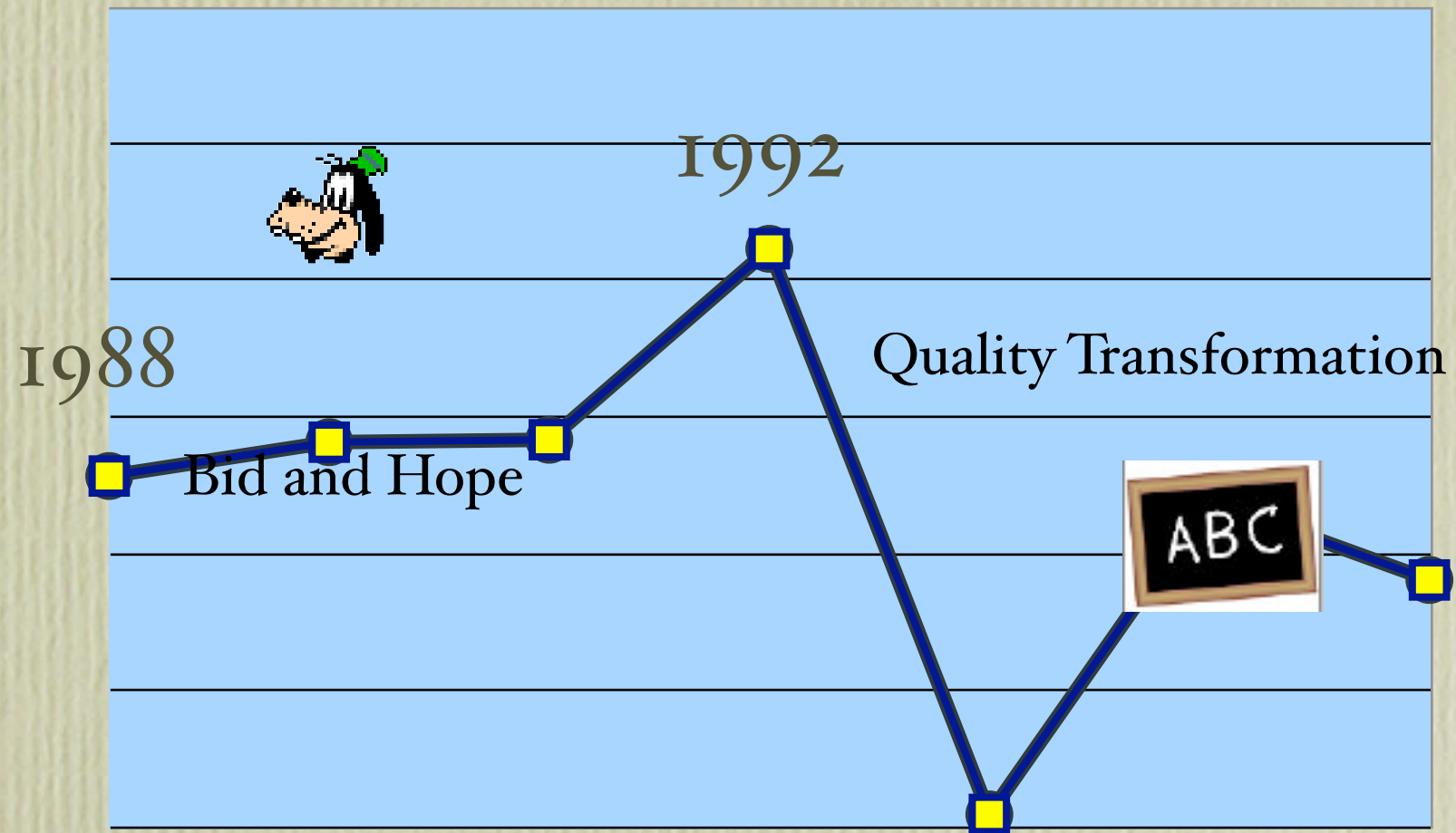


Bid and Hope

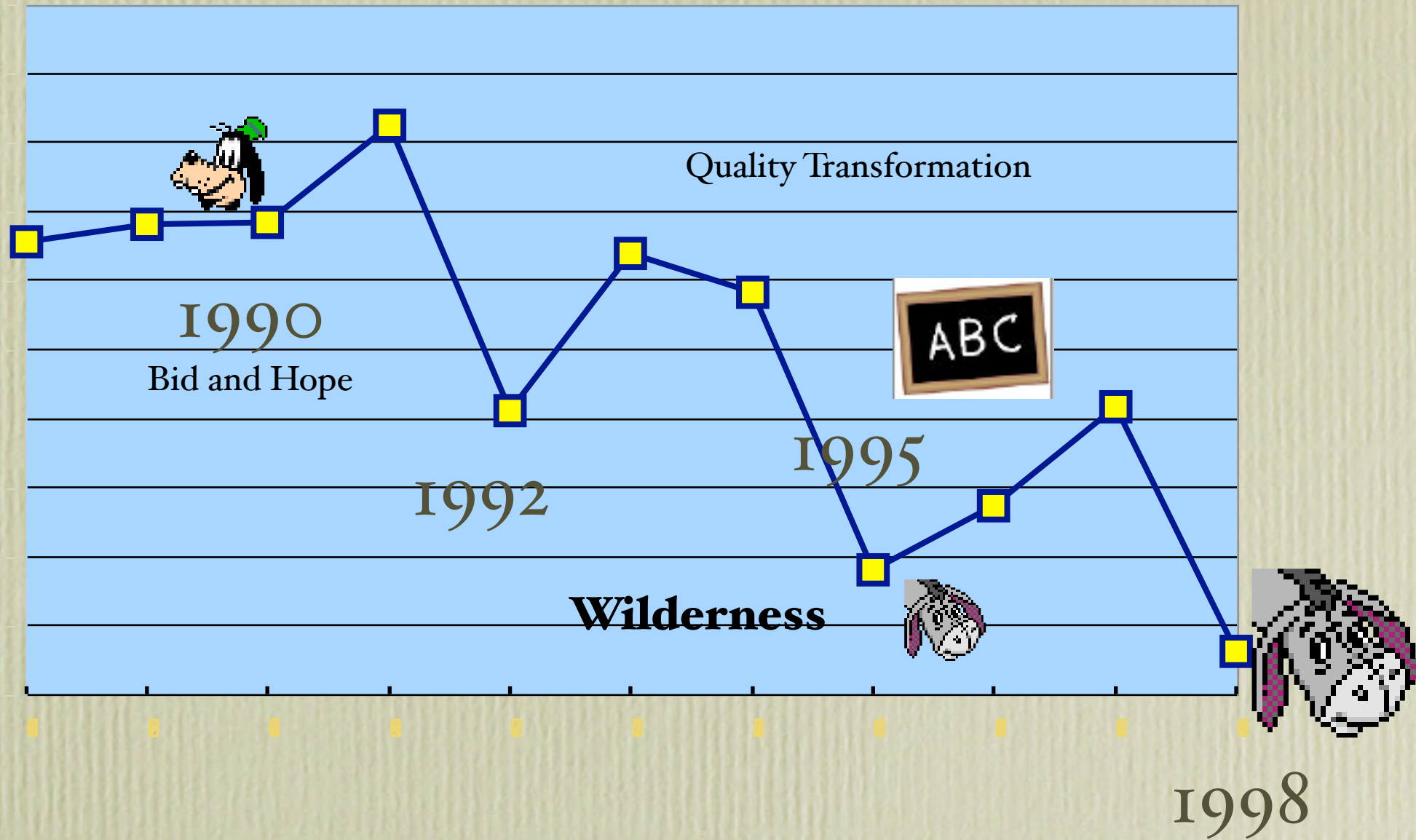
Profit Metric



Profit Metric



Profit Metric



Profit Metric

Yearly Profit vs Sales



Products and Services

- We lead with Air Quality Management
- Our Market Targets Define our Products
- We Don't Target the Middle
- We have a Synergistic System

Overview - Philosophy

- Original Philosophy
- Motorola Deming Others 1991- 1996
- Current Philosophy
 - ☒ Our Aim
 - ☒ Our Values
 - ☒ Our Vision & Credo
- Not as easy as it looks!

Overview - Strategy

- Corporate AIM - Value target is 10X invoice amount. Why?
- Level Sales
- Spread Political Risk
- Work Higher Up
- Sell Our Unique System Advantages
- Deliver Better Data

Overview - Strategy

- Corporate AIM
- **Level Sales - Use capacity every quarter**
- Spread Political Risk
- Work Higher Up
- Sell Our Unique System Advantages
- Deliver Better Data

Overview - Strategy

- Corporate AIM
- Level Sales
- Spread Political Risk - More international work.
- Work Higher Up
- Sell Our Unique System Advantages
- Deliver Better Data

Overview - Strategy

- Corporate AIM
- Level Sales
- Spread Political Risk
- **Work Higher Up - Move out of purchasing.**
- Sell Our Unique System
- Deliver Better Data

Overview - Strategy

- Corporate AIM
- Level Sales
- Spread Political Risk
- Work Higher Up
- **Sell Our Unique System Advantages. Sell combination projects with our teams and partners.**
- Deliver Better Data

Overview - Strategy

- Corporate AIM
- Level Sales
- Spread Political Risk
- Work Higher Up
- Sell Our Unique System Advantages
- **Deliver Better Data - Target clients that care.**
Don't work with mules.

Tactics



Too numerous to learn in 20 minutes. Just be aware that we have them on our System

The CleanAir Tactics

Company Confidential - Do not disclose or discuss these concepts outside of CleanAir!

- **Business Tactic - Part 1**

Explore & Discover - Identify New Market Opportunities

Inspect - Identify Our Core Competencies

Align - Identify Market Needs For These Core Competencies

Rearrange - Package Competencies For Competitive Advantage

Pilot - Confirm Market Case For Package (Use Client's Metrics of Value)

Specify - Identify Target Client Characteristics

Market Research - Find All Target Clients

Advertise - Communicate Message To All Target Clients

The CleanAir Tactics

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- **Business Tactic - Part 2**

Sell - Create More Demand Than Can Be Met

Have Guts!! - Manage Sales at Capacity Using Price To Maximize Profits

Deliver - Exceed Customer Expectations Using Defined Processes

Reinvest - Use Most Profits To Grow Business

Create - Invest Some Profits In Innovations To Stay Ahead Of Competition

Switch - Bale When Profits Dip Below LCL Or Stays Below Desired Profit For 3 Consecutive Quarters. Start a new team.

The CleanAir Tactics

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- **Relationship Tactic**

Explore & Discover - The best market opportunities are helping our present clients who get it. We must build trust so that they will share the information we need to identify their constraints and market opportunities.

Pilot - We should use our most trusted clients for pilots to protect our proprietary technology and to identify value.

Reinvest - We must reinvest profits to benefit our business partners.

Create - We need to innovate using all tools available. Partners are a great source of ideas. Encourage, listen and act.

The CleanAir Tactics

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- **Globalization Tactic**

Intro - Establish name recognition using distributor(s) for products.

Beachhead - JV or acquire small engineering service company to start a beachhead.

Replicate - Plan and schedule for each major market worldwide.

The CleanAir Tactics

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- **Quality Tactic**

Define - Identify System And Boundaries.

Low Hangs - Identify Major UDE's And Constraints And Fix using root cause analysis.

Interfaces - Identify Stake-holders.

Identify Stake-holders Main Quality Indicators (QI's)

Data - Select Measurement Which Encompass As Many QI's As Possible

CI - Constantly Improvement Of Processes By Those In The System (Self Directed Teams).

Innovation - Management Uses Skunkworks For Paradigm Shift Or Process Reinvention

The CleanAir Tactics

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- **New Team Tactic**

We use the W. L. Gore & Associates Amoeba Principle for New Teams. See: www.gore.com

- **In addition to a champion a team needs:**

Entrepreneur or Business Leader

- **Technical Leader**
- **Sales or Market Leader**
- **D.I.S. and C. bases covered**

Since team members can wear several hats the team can start with as few as one full time and 2 part-time members.

The CleanAir Tactics

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- **Day to Day for Everyone**
 - **Understand the CleanAir Tactics.**
 - **Be constantly aware that everyone's job is to know and support the steps in the Tactics.**
 - **Provide feedback for all steps in the CleanAir Tactics.**

Overview - Team Model

- Team Sub-Culture - Ever team is a little different. Just look at their greenleaf page or spend a week with them. They are CleanAir people BUT, they are just a little bit different.
- Processes
- Methods and Procedures > 3000
- Incentives - (mainly intrinsic)
- Policies (OK unless forbidden)

Overview - Team Model

- Team Sub-Culture
- **Processes**
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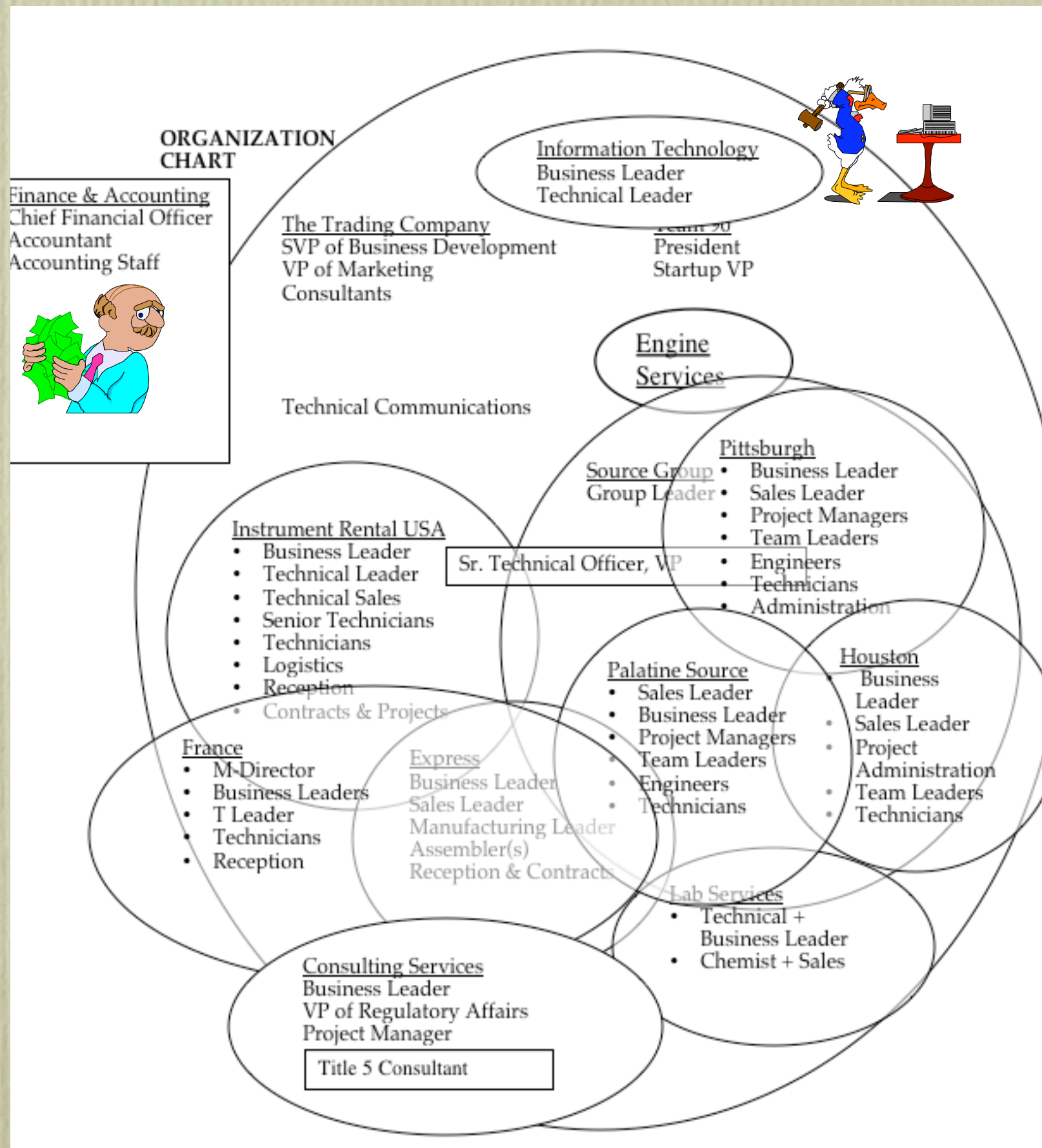
Overview - Team Model

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- Processes
- Methods and Procedures > 3000
- Incentives - (mainly intrinsic)
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Innovation & risk taking are encouraged.

Team Organization Diagram



Overview - Differentiators

- We are focused on delivering maximum value
- We are not a low price provider
- We have a System & Sub-Systems tuned for value
- Our teams support each others value
- We don't compromise our Values or Q

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Our Target Customer Profile

- ☒ They are not commodity driven
- ☒ They have a lot to gain or lose and they know it
- ☒ We have a process for identifying them
- ☒ They are the generally the top 1 or 2 quality companies in their industry
- ☒ We are proactive on partnershiping
- ☒ Not all industries have a Q driven company

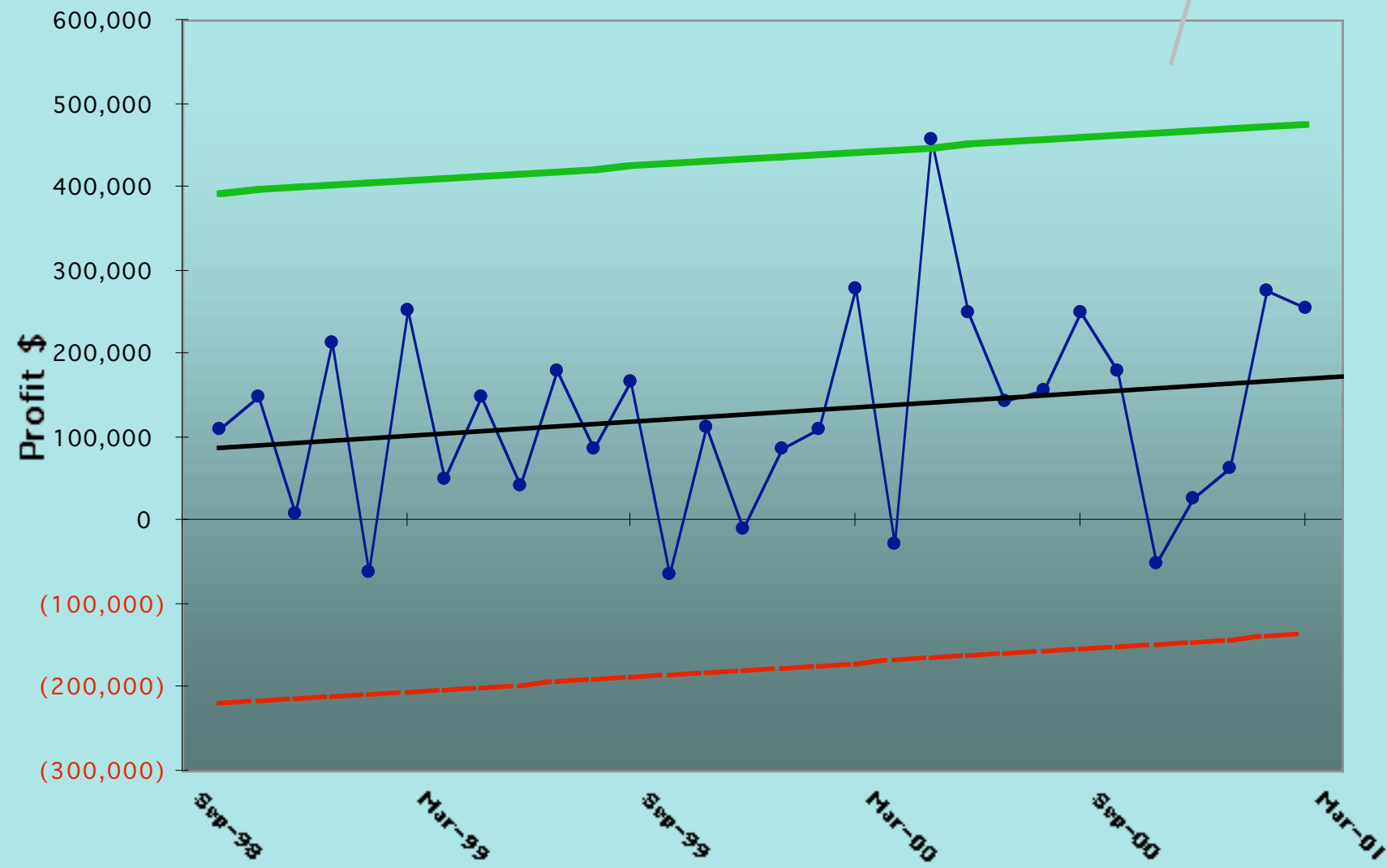
Financial Performance

- ☒ Sales
- ☒ Profit
- ☒ Growth

Profit

- Long Term Profit is always in focus
- We eliminated end of quarter penny wise thinking
- We use trailing 12 months to start a new year ever month and every quarter

Profit SPC Chart with Trend



Growth

- By necessity we put Equity Creation ahead of Revenue Growth

☐ We learned!!

Culture

- ☒ Professional
- ☒ Work hard
- ☒ Play hard
- ☒ We consider CleanAir a Family
- ☒ Take Pride in what we do

Policy

- ☒ Worldwide limited to 10
- ☒ USA employee handbook
- ☒ Team and HR Procedures

Incentives



- Pain & Profit Sharing
- Profit Sharing for Teams
- 401(k)
- Accumulated Time & ATO or PAID
- Intrinsic Pride

Innovations

-  Partnerships
-  Products
-  Services

Constraints/Problems/Opportunities

- ☒ Problems are classified - See the Team Handbook
 - Common Cause
 - Special Cause
- ☒ We eliminate root of Special Cause Errors (when?)
- ☒ We improve systems to eliminate Common Cause
- ☒ We open constraints (Bottlenecks) (see TOC)

Our best asset is the worldwide need for....

CleanAir!

Feedback on Indoctrination

- Why do we need an “Order of Importance” list?
- List the 6 highest in order of importance.
- List five of the six CleanAir values.
- Define CleanAir High value.
- Where & how would you do you share ideas?
- How do you plan to impact CleanAir?

Feedback on Indoctrination

- Who do you work for?
- For the purpose of this feedback, who is your client?
- Explain the following:
 - PDSA
 - TOC
-

Feedback on Indoctrination

- Why do we use DISC ?
- Are you a high D,I,S or C ?
- What is your DISC pattern?
- According to DISC what is:
 - “Your Value to the Organization”

Strategic Process Owner Opportunity List

- S.P.I.N Training - _____
- ASTM Internal Audits - _____
- Narrow the Focus - _____
- Deming Revisited - _____
- Cleanair System Component Trainer - _____
- New Team - _____

Evangelist Opportunity List

- Values - _____
- Integrity - _____
- Culture - _____
- Innovation - _____
- Word Wide Standardization - _____
- Leadership - _____

The End.