



Kim Korth To Deliver Keynote Speech At Management Update Conference

Ms. Kim Korth, management consultant and founder of IRN, Inc., will present the keynote speech at the PMPA Management Update Conference. The conference will be held February 26-28, 2006 at the Wyndham Buttes Resort in Tempe, Arizona.

Ms. Korth's presentation is titled, "How Suppliers Can Survive And Prosper In An Increasingly Volatile Marketplace." The president of IRN, Inc. will discuss how small- to medium-sized companies develop and implement strategies to cope with volatile customers and markets.

"A lot of small- to medium-sized suppliers are seeing customers that are under distress or filing Chapter 11," says Ms. Korth. "I will talk about how they can deal with those situations and how they can avoid finding themselves in the same position. I will also be emphasizing how suppliers can both select and evaluate their customers, with a focus on what companies can do to improve their competitive positions.

"One of the big issues from a distress perspective is that a lot of suppliers don't proactively examine when a company is starting to have difficulties with one of its customers," Ms. Korth points out. "I encourage companies to periodically do a financial review of their key customers."

The keynote speaker will also show how to recognize the early warning signs of customer distress and how to cope with a distressed customer. "One of the more obvious warning signs is when a customer starts

to stretch payments to you," she says. "You should also be keeping track of your customers from their competitive position. For example, if they start to lose some big bids or if you're hearing a lot more about a competitor of theirs, these are warning signs that a customer might be in trouble."

Ms. Korth stresses that suppliers can address situations before it's obvious to everybody that a particular customer is under distress. "You begin to do things like manage your receivables more aggressively," she advises.

As part of her program, Ms. Korth will also review the overall characteristics of successful suppliers. "One of the best characteristics is a high degree of customer and market diversification," she states. "A company that has 25 percent or more of its business invested in a single customer is certainly more vulnerable, especially when there's a volatile external market."

Another of her examples of a successful supplier is one that is focused on lean implementation. "If a company can credibly say that they've started to go in a lean direction, that's a good sign," Ms. Korth says. "I'm not talking about a company simply reducing its costs. I mean a supplier that has figured out how it can consistently take costs out of its system."

Ms. Korth will explain how to determine when a change in the marketplace is an opportunity or a threat. "If a company is in Chapter 11,"

she says, "that's a threat for certain customers if they have a lot of accounts receivable or payables that were due at the time of the filing.

"However, it can be an opportunity if you've been a supplier to the distressed company and you'd like to move up the product food chain. For example, if you were producing a component that went into that company's product, you could potentially do the assembly and deliver it to the end customer yourself.

"Another example of finding an opportunity in a Chapter 11 situation is if the distressed company is a competitor," Ms. Korth says. "You can be very proactive to try and go after that company while it's in a vulnerable position."

Ms. Korth will deliver her keynote speech on Tuesday, February 28, 2006 at 8:15 a.m. to close out the Management Update Conference. For more information on the conference, as well as the other scheduled speakers and presentations, visit www.pmpa.org/meetings/update.

Kim Korth is president and owner of IRN, Inc., a well-known consulting firm specializing in strategic advisory services to middle market manufacturing. Since she founded IRN in 1983, her work has centered on helping suppliers understand the dynamics and structure of their industries so they can better position themselves to compete in an increasingly volatile worldwide market. IRN, Inc. is headquartered in Grand Rapids, Michigan, with offices in Southfield, Michigan and Zurich, Switzerland. The consultancy provides ongoing market intelligence and strategic support to more than 200 clients. To learn more about IRN, Inc. and its services, visit: www.think-irn.com

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