



THE ARC CONSULTING GROUP, Inc.
A Profit Enhancement Firm
Providing Educational and Consultative Services to the
International Business Community

Fact Sheet

Product Cost System Development Services

Are you selling more products, but not reaping higher profits? Are your profitable products becoming “loss leaders?” Has your overhead gone out of control? Has your organization grown into a multi-product producer, but not your accounting system? Are variances all over the map? Then you need more than another accountant, you need the services of the product cost specialists at The ARC Consulting Group. We are not just accountants, but a firm of seasoned, experienced financial and business professionals that bring a unique service to your company.

Our Product Cost System Development team is committed to assist you identify the true cost of production. Through our unique approach, we can rapidly identify the key drivers of overhead, identify unique work centers, and rapidly determine each product’s actual profitability. We then work with your operational and financial management teams to develop turnkey solutions. In short, we teach you what we know.

Who We Are:

The ARC Consulting Group, Inc. (ARC) is an internationally recognized, multifaceted profit enhancement firm. We provide audit and consultative resources to the international business community. Established in 1988, ARC combines expertise from accounting, auditing, sales and marketing, executive management, and information technology to bring our clients cooperative solutions.

The Mission of ARC is to assist our clients realize their strategic objectives and goals. We provide value-added professional services to our clients, associated organizations, and individuals whom we serve. We are internationally recognized as a leading provider of custom-tailored audit, financial and executive management professional services.

We measure the success of ARC through the success of our client organizations, and their employees. ARC evaluates every individual and associated organization, which works with ARC based on their ability to assist in our client’s business goal achievement. That is why every engagement is custom-tailored to meet the specific objectives of the client.

What We Do:

Our Product Cost System Development Team defines your true manufacturing process flows. We identify the unique events that make you spend money. We are committed to “Profit Enhancement”, not just rampant cost cutting. We analyze the causes of overhead; how your conversion processes consume overhead; and the benefit each product receives.

Then, rather than just allocated it better, we envision changes to eliminate the need for overhead. We provide you will future-looking, profit enhancing recommendations that your team can implement.

We believe that only by helping the employees of our clients to incorporate the total vision of the organization into their day-to-day activities, can those employees be empowered to assist the organization achieve its long-range goals and mission. This is the commitment of employee involvement that we bring to every engagement.

We believe that our audit services must be driven to assist the key members of your organization achieve the components of their value plan. In every engagement we:

- Understand your firm's strategic and value objectives
- Identify the events that affect your processes, both directly and indirectly
- Define the specific products and customers of your key processes
- Perform risk-based evaluations of those key processes
- Provide workable, profit-based solutions on a cooperative basis with your key personnel

How We Are Unique:

Our approach is unique. We don't use your organization to train our professional staff. Every member of our professional staff has more than 15 years of direct experience in their respective field of specialization. They have well known reputations for their accomplishments as industry leaders, educators, and consultants. Together, we provide our clients with consultative services that focus on developing solutions that enhance long-term shareholder value. The backgrounds of our staff include audit, accounting, engineering, sales and marketing, information technology, product costing, strategic outsourcing, activity-based costing, strategic management, and tactical decision-making.

Our Consultative Services employ a structured Nine-Step Framework that ensures the profit-enhancement effectiveness of the engagement. This Framework, developed by ARC, centers around the development of control-based, cost effective solutions the root causes of our client's challenges, not just a "Quick Fix." Past successes has proven this approach results in a long-lasting, systemic, solution to the current situation, as well as a prevention against future similar challenges.

How We Do It:

In conducting every audit engagement, we:

- Develop a long-range plan that focuses on the opportunities and threats affecting your business processes
- Work with operational and financial personnel to define the critical control points of each process
- Define the operational controls currently inherent in the processes that prevent or detect threats
- Develop systemic solutions which eliminate the causes of specific threats, and which, in turn enhance the total value chain of your organization.

What You Gain:

An audit should provide three specific deliverables:

- 1) Value-Driven Recommendations that enhance your firm's ability to achieve specific and

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- long-range objectives
- 2) A clear road map of how to manage the change process during the implementation of those recommendations
 - 3) The ability to recognize the need for change in the future, coupled with the ability to do it right the first time.

At ARC, we do this and much more. ARC represents a personal dedication to our clients. As a professional services firm, our future is solely dependent upon our clients' total satisfaction. We are proud of our professional reputation, both personally and as a firm. We bring that level of distinction to every engagement. Because of our efforts, your staff will be empowered with the knowledge of not only what to do, but how to do it; both now and in the future.

We feel it is not enough just to fix it for today, you staff must be ready to handle the challenges they will face tomorrow. As stated above, we work with your staff, empowering them with the skills and perspective we bring to every engagement. We believe that every member of your organization should be able to share in the vision of management, and to take ownership of the processes and products for which they have responsibility.

As we complete our engagement, each process-owner will possess:

- An increased level of ownership of the processes for which they have responsibility
- An enhanced level of confidence in their abilities to achieve their value goals both today and in the future
- The ability to constantly evaluate their processes to increase the potential of "Doing it Right the First Time."
- The power to envision "What Can Be", rather than "What Is."

We are confident that the investment you make in selecting ARC to perform Operational Audits for your organization will continue to provide a significant return far into the future.

For additional information, please feel free to call or email our President, Rick Balog, at one of the contact points listed below.

Due to the strategic importance of many of our consulting engagements, many of our clients wish to maintain the nature of our work as confidential. However, a partial listing of references is available upon request. Please visit our web site at www.arconsultinggroup.com for additional information regarding the products and services provided by ARC.

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