

NEWS RELEASE



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For immediate release

NORTHEAST HEALTH EMPLOYS ACHIEVEMENT DYNAMICS TO LEAD LEAN INITIATIVE

Palm Beach Gardens, Fla., June 10, 2004 – Achievement Dynamics, a nationally-recognized lean management consulting firm, has been contracted by Northeast Health, a provider of senior care, hospital services, specialty services, and retirement living in the greater Capital Region of Upstate New York, to lead the company on its new lean business initiative. Achievement Dynamics, in conjunction with affiliate company The Lean Learning Center (Novi, Mich.), will provide the lean roadmap for Northeast Health as well as leading training events and lean education classes.

According to Northeast Health Vice President of Corporate Affairs Tricia Brown, the company conducted an in-depth review process of various providers and methodologies before making its decision. “Our choice of Achievement Dynamics to lead our initiative was based upon the company’s extensive experience in implementing lean within the healthcare industry,” said Brown. “From the first lean exercise, the potential for applying lean thinking to our business processes became obvious.”

Northeast Health began its lean journey in April 2004 with a two-day Champion Development Workshop involving 30 senior management members of the company. Teams were assigned to visit the company’s two hospitals -- Samaritan Hospital and Albany Memorial, and two of the company’s nursing homes -- Eddy Heritage House & Eddy Memorial Geriatric

Center. By following various clinicians or even medications through a flow process, participants were able to observe, document and assess the possibility for improvement through lean implementation.

Other elements of Northeast Health's lean plan include four Kaizen events; one at each of the hospitals to evaluate the Operating Room scheduling process, one at a nursing home to study laundry and linen usage, and one at a homecare division to improve the HMO authorization process. In addition, the company will establish a Lean Learning Laboratory, where one particular area is selected as a living laboratory for the company to learn, experiment with, and apply the rules, principles and tools of lean.

The final piece of the lean initiative is the establishment of an internal lean leader. "Our goal," says Achievement Dynamics President Andy Carlino, "is to transfer our skills and knowledge base to the client within a year, enabling them to independently continue along their lean journey and share their success throughout the enterprise." Northeast Health has appointed a key individual to become its Lean Master. This requires attending a series of classes at the Lean Learning Center and applying what is learned to the Northeast Health work environment with the demonstration of tangible results, in addition to being intimately involved in the running of the Kaizen events and the Lean Learning Laboratory.

Carlino believes that today's skyrocketing healthcare costs can be controlled by incorporating the principles and practices of lean systems. "By employing lean methodologies, the healthcare industry can streamline processes, improve patient care and reduce costs for hospitals, clinics, insurance companies and medical device manufacturers."

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Notes to editors:

Northeast Health was formed in 1995 by the merger of Samaritan Hospital and The Eddy and joined by Albany Memorial Hospital in 1997. Serving 15 counties in the Capital Region of Upstate New York, it is the region's most comprehensive, not-for profit network of healthcare supportive housing and community services, serving approximately 350,000 people each year. It is the sixth largest private-sector employer in the region and employs over 4,000 individuals.

Achievement Dynamics was founded as a management consulting firm in 1991. It is known for its expertise in the principles and practices of lean manufacturing, organizational development, process improvement, and human resource development. In combination with its affiliate company, The Lean Learning Center (Novi, Mich.), a provider of lean curriculum, the companies provide a full complement of lean transformation services.

Industries served include aerospace, automotive, communications, public utilities, health care, food processing, retail and more.