



February 13, 2001

To Whom It May Concern:

I am pleased to write this letter to share with you the very positive experience that we have had at Thomas Jefferson University Hospital as a result of the decision that we made to contract with Renoir Corporation. They have provided us with invaluable assistance in reviewing and revising our materials inventory and distribution systems throughout the Hospital.

Generally, I am not one to quickly look to consultants for assistance. However, I was significantly concerned with our supply cost per case and, therefore, I began to consider utilizing a consultant in early 2000. I was particularly skeptical about turning to firms that were vendor-based or whose team consisted primarily of former hospital materials managers. By chance, I came into contact with Renoir in March of 2000. While they had very little experience in health care, and no experience in the United States, they had significant experience in supply management and recognized that what I needed to be successful was not a quick fix, but a process that would foster behavioral change in a very complex environment.

While I was somewhat anxious about utilizing a firm with almost no health care related consulting experience, I was intrigued by their approach. They conducted a detailed preliminary assessment of our inventory and distribution systems at two campuses at a modest cost to the organization. Based on their assessment, they proposed a comprehensive program for one campus and suggested the other campus would not benefit from their intervention. While we were under no obligation to proceed with this program, I was impressed enough with the people involved and the approach that they took during the preliminary assessment, I was anxious to consider their proposal.

The program they proposed for our main campus was designed to be an intensive twenty-six week program that included further analysis of our inventory and distribution systems through dedicated business improvement teams. Each team was carefully selected and included staff from various levels who were trained in process improvement by Renoir and then supported in their efforts to identify problems, create and pilot solutions and implement control and monitoring systems.

The individuals that Renoir assigned not only demonstrated specific technical knowledge of inventory control and distribution processes and technology, they demonstrated the ability to listen and understand our environment and then facilitate group processes. As a result, although the project is not complete, we have seen a noticeable change in the attitudes and behaviors of the employees directly and indirectly involved in the several pilot projects that are underway.

Members

- Albert Einstein Healthcare Network
  - Albert Einstein Medical Center
  - Belmont Behavioral Health
  - Germantown Community Health Services
  - MossRehab
  - Willowcrest
- Frankford Hospitals
  - Bucks County
  - Frankford
  - Torresdale
- Main Line Health
  - Bryn Mawr Hospital
  - Bryn Mawr Rehab
  - Lankenau Hospital
  - Mid County Senior Services
  - Paoli Memorial Hospital
  - Wayne Center
- Magee Rehabilitation
- Thomas Jefferson University Hospital
  - Methodist Hospital
  - Methodist Hospital
  - Nursing Center

Jefferson HealthCARE physicians

Jefferson HomeCARE

Jefferson SeniorCARE

Alliance Partners

- AtlantiCare
- Christiana Care Health System
- Pottstown Memorial Medical Center
- Riddle Memorial Hospital
- Underwood-Memorial Hospital

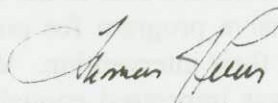
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There are two things that I believe have been critical to the success of this project to date. First, Renoir insisted that we identify several internal leaders and assign them full time to the project. While this was a real challenge for us at the time and required that we actually find a replacement for one of the participants, we now have two people who have received significant training that will be invaluable to us once Renoir completes its twenty-six week engagement. Second, they insisted that a senior management advisory group be appointed and meet weekly to provide support and direction. This has been critical to demonstrating the importance of the project and moving it forward.

In conclusion, I am very impressed with what we have been able to accomplish with the dedicated assistance of Renoir. They have delivered on all of the commitments they made in developing the project schedule – often ahead of schedule – and turned around even those most skeptical about the ability of consultants to provide added value. I am sure that we will be turning to Renoir again to help us in other areas where there are disconnects between systems and people and where critical processes impact on our productivity and efficiency.

Sincerely,



Thomas J. Lewis  
President and Chief Executive Officer

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