

PACIV



total instrumentation and control systems engineering solutions

“How Change Drives Growth”

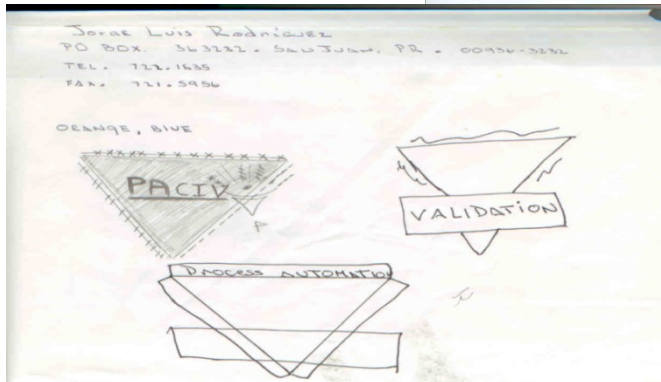
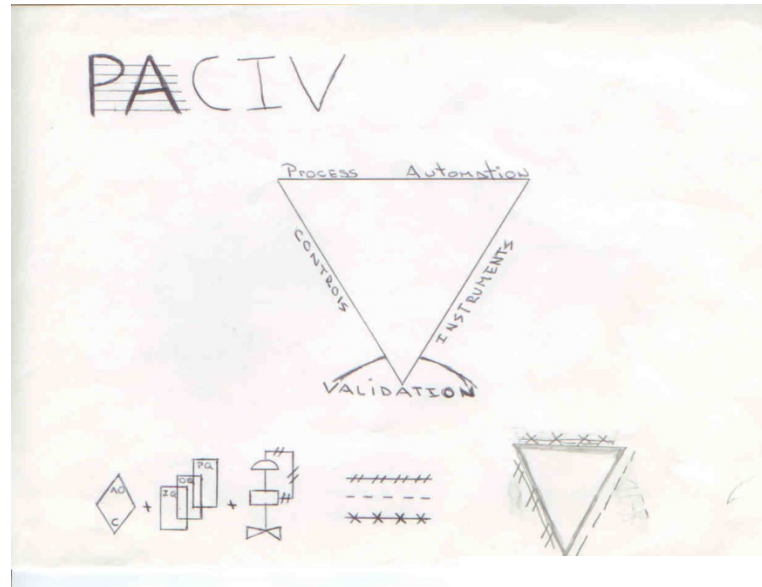
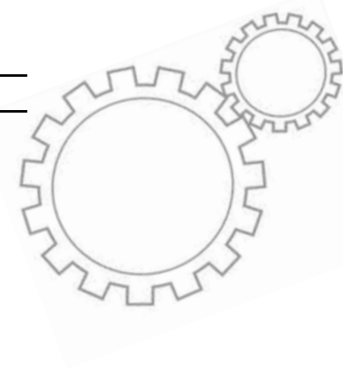
March 18, 2014

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The idea



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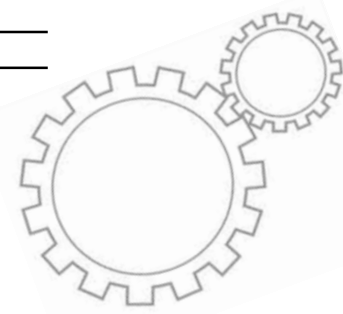
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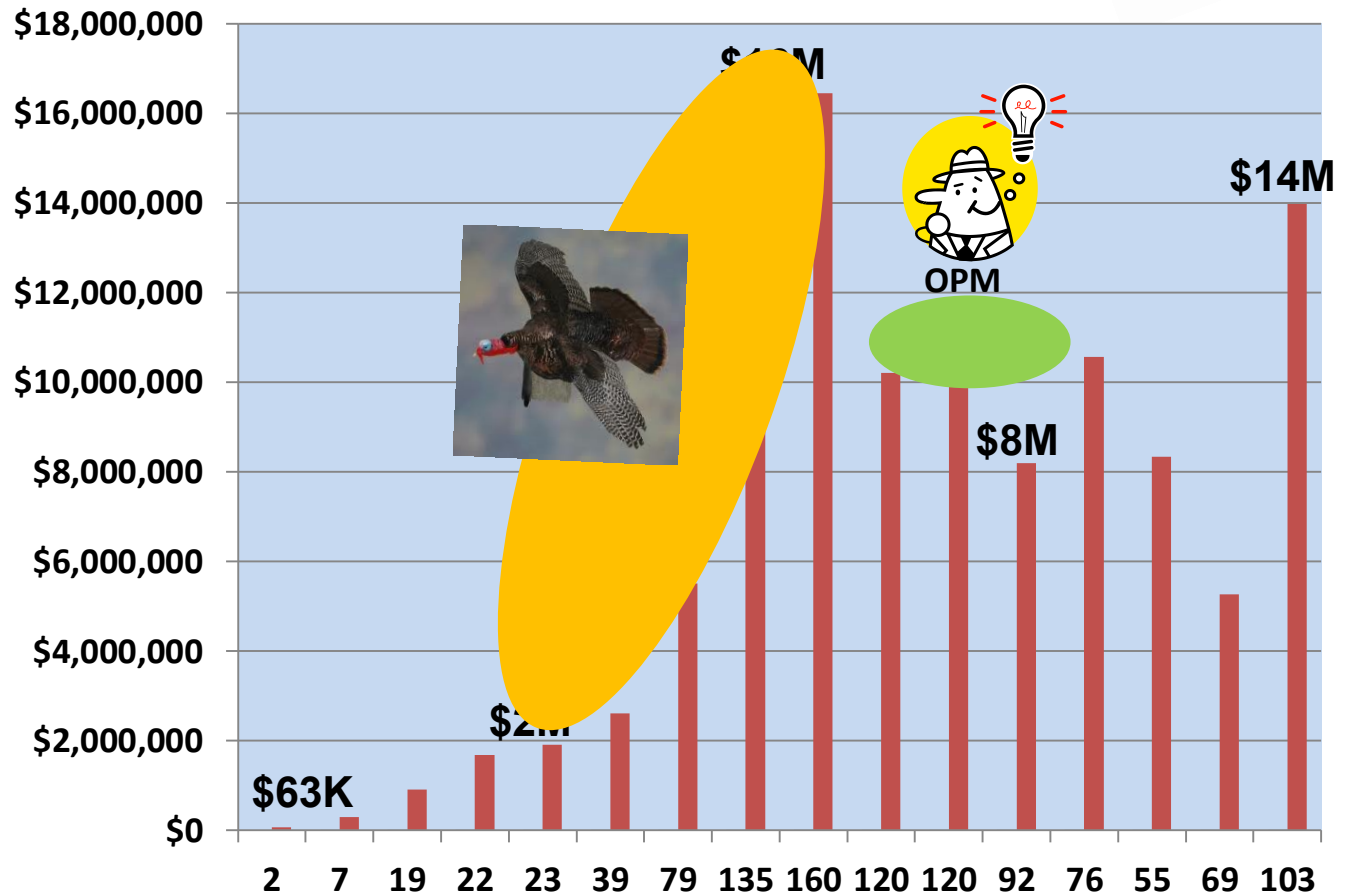
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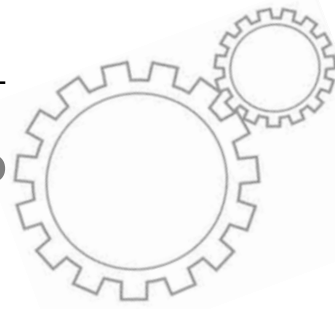
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- 26+ Pharmaceutical Clients
- \$110M revenues
- 16 year span



Why Companies Need to Grow?



✓ **Economic Reasons**

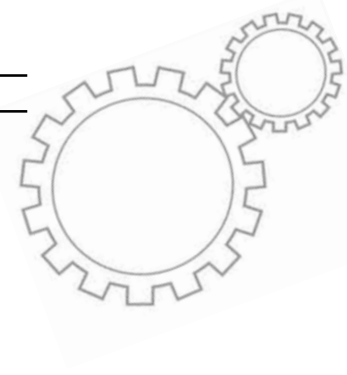
- Wealth Creation (individual, employees, community)
- Job Creation

✓ **Firms**

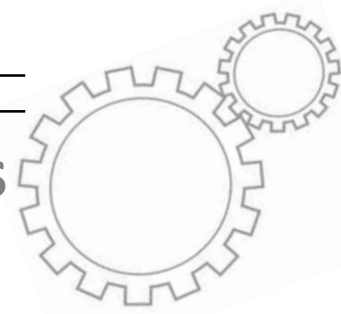
- Value Creation/Innovation/Entrepreneurship
- Building a sustainable and competitive advantage

✓ **Individuals/Family**

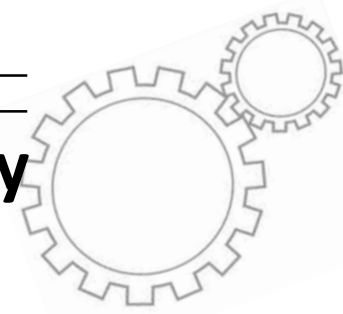
- Feeling of Being Relevant, Accomplishment/Success
- Achievement, Meaning to Life – if stop learning, we die mentally, physically, emotionally and spiritually



- New members on DMU – Procurement, HQ's
- HQ's Negotiating Globally, Centralization
- Some services been commoditize (Prize is King!)
- Strong Buyer
 - ✓ Price Reduction (e-bids, volume discounts, etc.)
 - ✓ Payment Terms Increase
 - ✓ Reducing Suppliers (“Preferred Vendor” Status)
- No Large Capital Projects



- In some areas, “Trusted Brand” more relevant (Outsourcing)
- Outsourcing increasing
- Client Willing to Take More Risk, more focus on value and cost-effective
- Client Looking For Efficiencies – Pay Based on Performance
- Barrier of Entry Increase – some services
- “Too Large” and “Too Small” competitors left the market

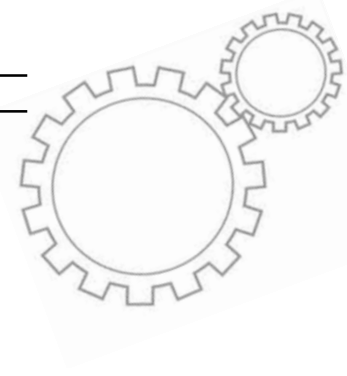


Vision 1997

“To be the preferred outsourcing solution provider of our business partners **in the areas of process automation, instruments and computer system validation**”

Vision 2011

“To be the preferred solution provider of our business partners’ **control system engineering needs**”



1997-2008

All Associates

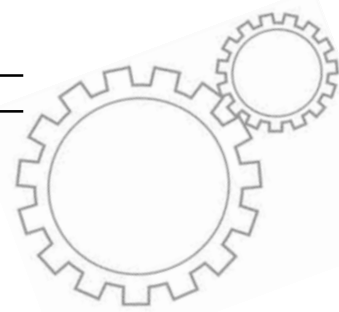
2009

Associates + **Professional Services**

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Change – Trusted Brand



2007 - Present

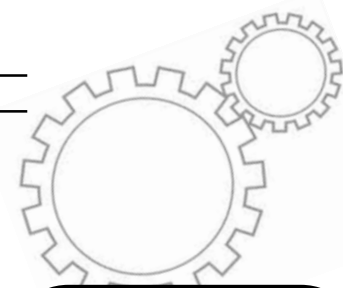
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Change – Market Segments



Lilly
Johnson & Johnson

Pfizer

P&G

Bristol-Myers Squibb

Honeywell® AstraZeneca

Boston Scientific
Delivering what's next.™

Roche

BD AMGEN

Wyeth MERCK gsk GlaxoSmithKline

Schering-Plough

Dow AgroSciences

COOK®
PHARMICA

Abbott
pharmadule

Genentech
IN BUSINESS FOR LIFE

Patheon
Performance the World Over

AES

VEOLIA
WATER

Coca-Cola

kraft foods
make today delicious

COMISIÓN REGULADORA DE ENERGÍA ELÉCTRICA DE PUERTO RICO
SELLADO OFICIAL
Autoridad de Acueductos y Alcantarillados
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1997-2002

2003-2008

2009-2010

PACIV – PR

PACIV – UK

1997

2003

2007

2011

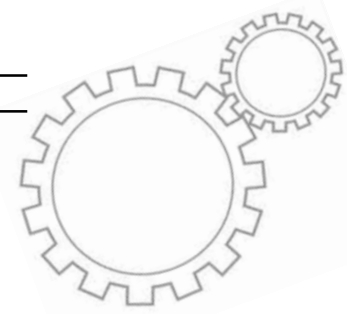
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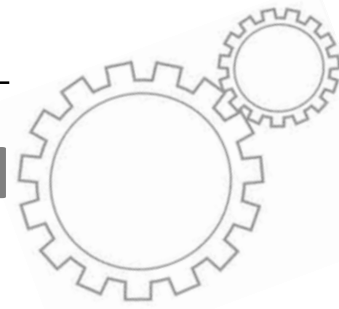
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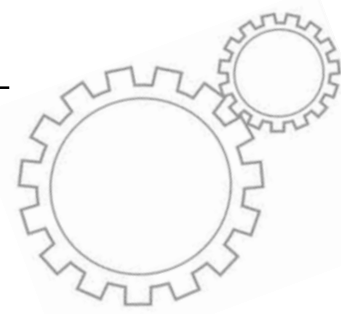
Changes = Growth



LESSONS LEARNED



- Took Me a Full Year (April 2007 – March 2008)
- Needed to Developed Metrics, Budget
- Sugar Coating, Doing Little and Expecting Big
- No Tools To Monitor and Understand Market Current Situation
- Evaluate Business Quarterly At Most
- Had Managed Growth for 11 years...Did Not Know to Managed For Retrenchment
- Reactive not Proactive – A Market Follower not a Market Leader

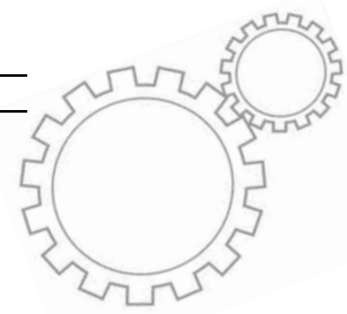


“Do not let a recession go to waste, do not think retrenchment, think growth!”

– Lynda Applegate, HBS Article Building Business in Turbulent Times, OPM38 2 Yr Class, Welcoming Remarks 2008

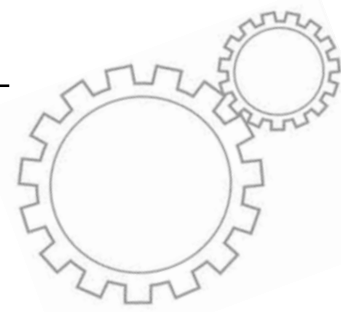
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KNOW WHO YOU ARE

Stay true to your North!



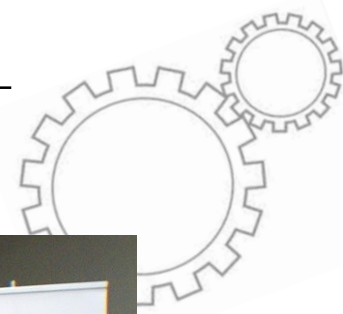
Who ARE
you?



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Our Most Important Asset

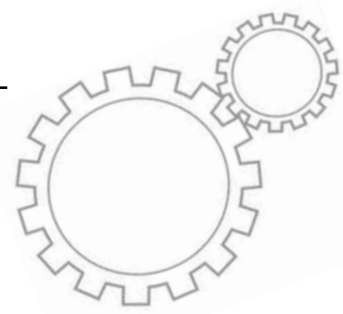


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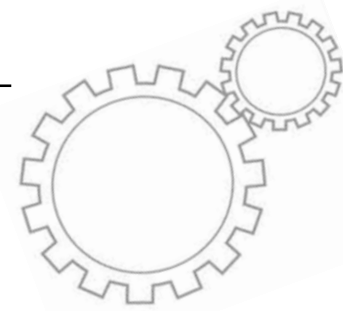
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Our Other Asset



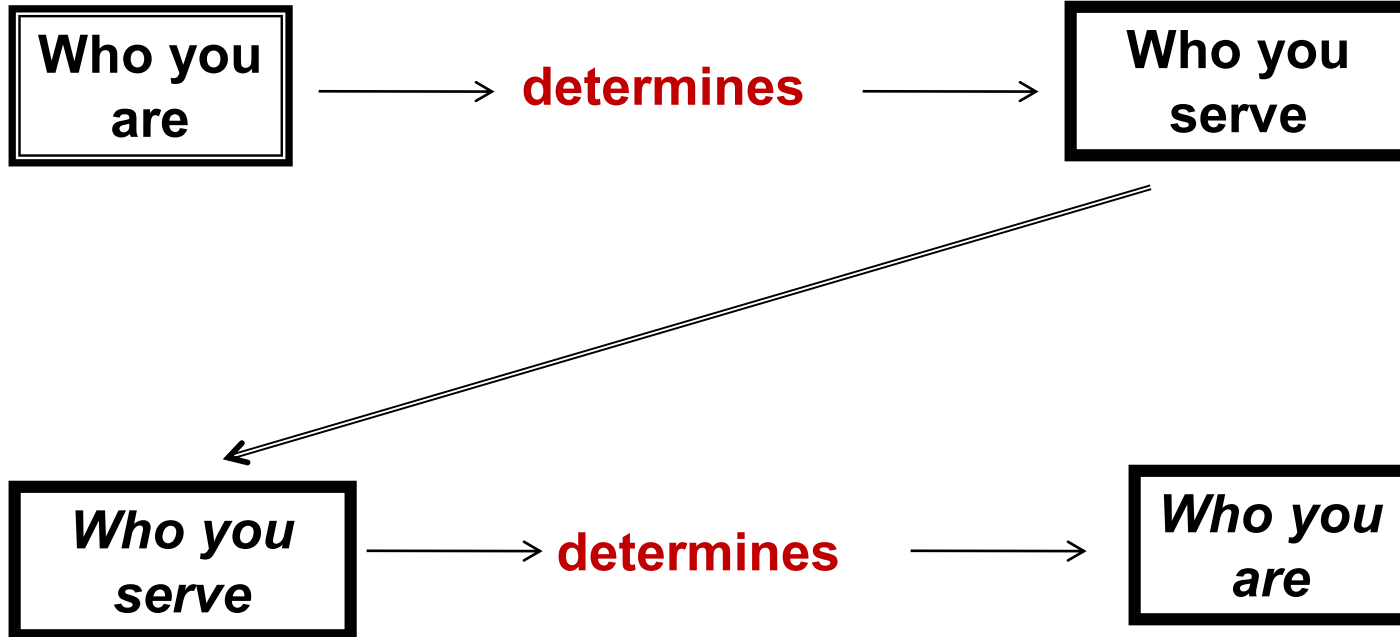
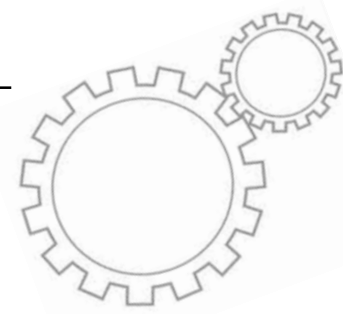
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Who you are

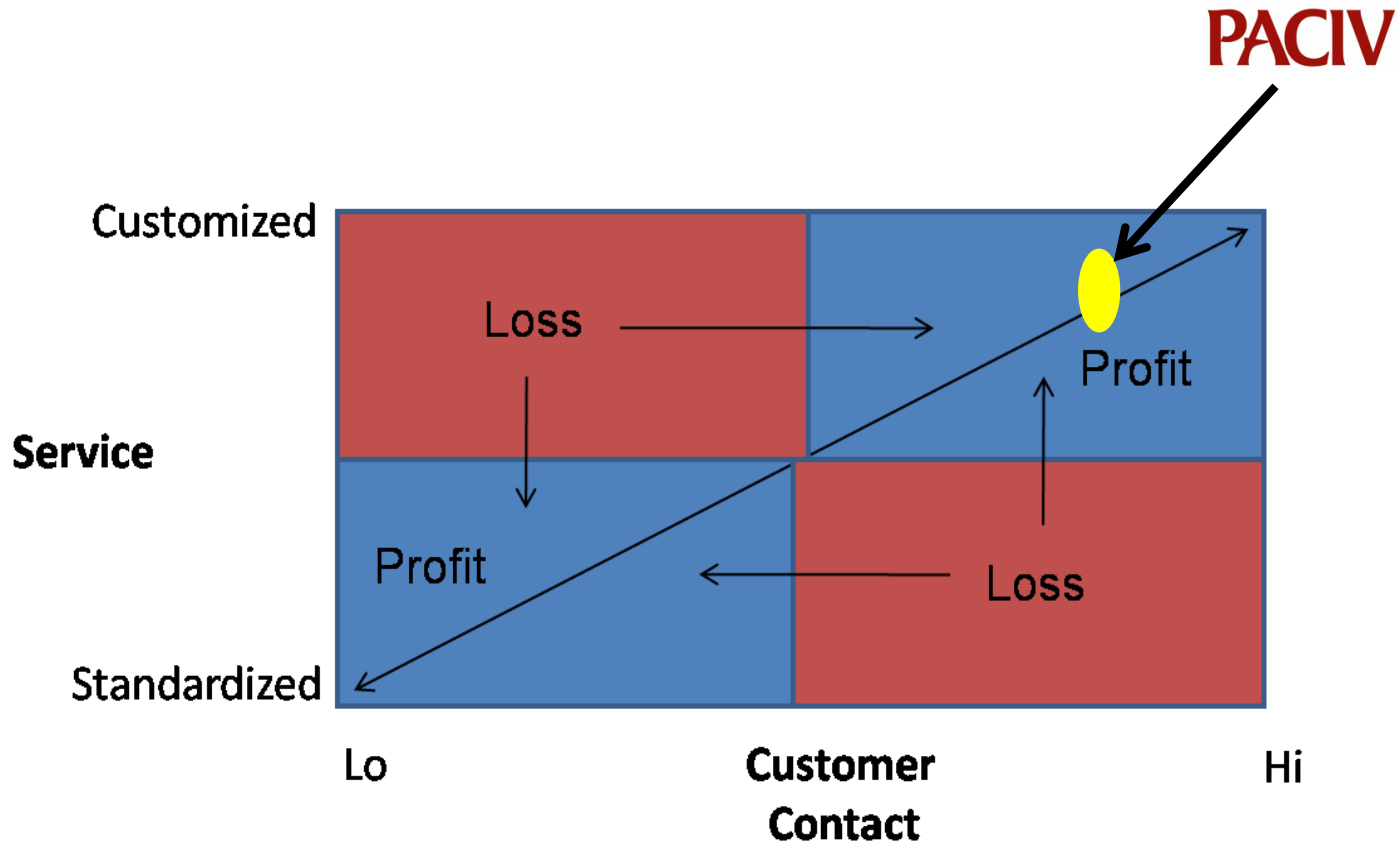
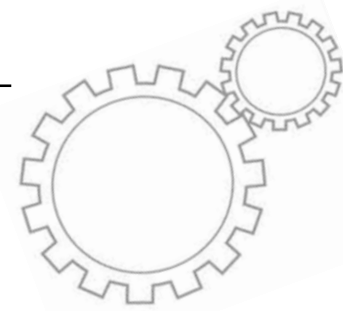


Protects you from Scud Missiles,
From Reactive Change!!!

Who You Are

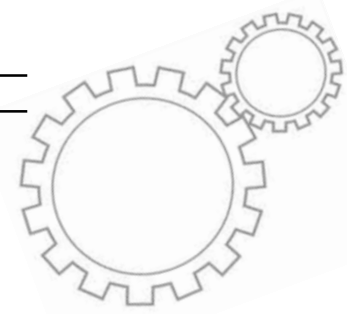


Who You Are

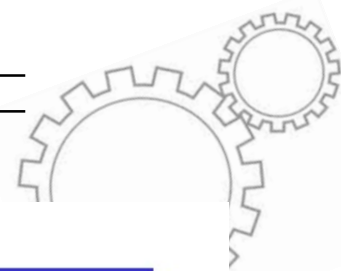


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Articulate Your Vision



Need 2-page short story two days.

--Telegram from Mark Twain's publisher

No can do 2 pages two days. Can do 30 pages

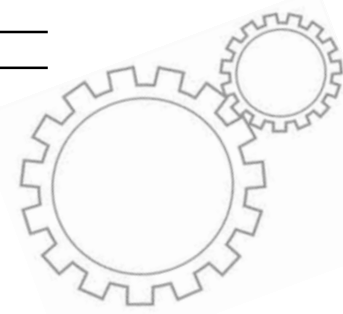
2 days. Need 30 days to do 2 pages.

--Mark Twain's reply

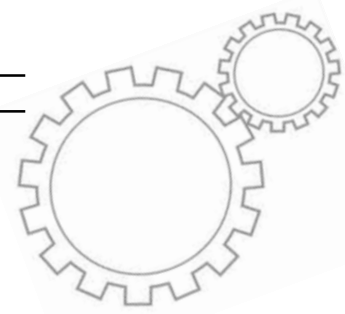
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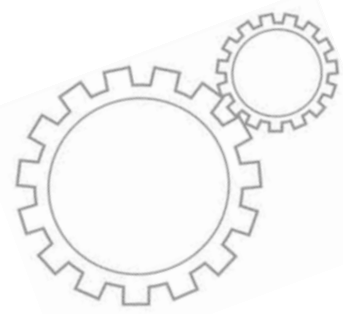
Vision



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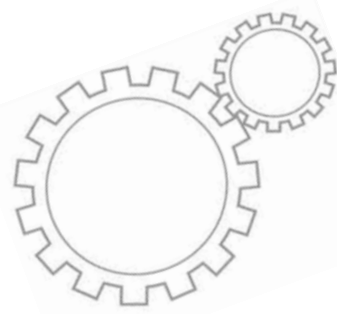


Strategy before Execution (Think before Doing)



“Strategy is the purposeful creation of a favorable inequality in a landscape of changing conditions.”

- Alexander D. Ferguson, HBS OPM37 Alumni

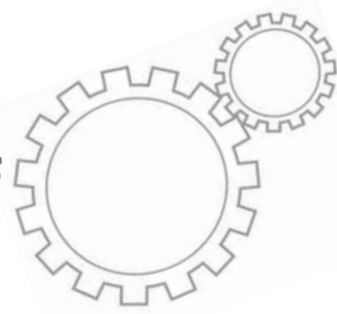


Strategy is an integrated set of choices about:

- where a company will play,**
- how it will play,**
- what it wants to accomplish..**

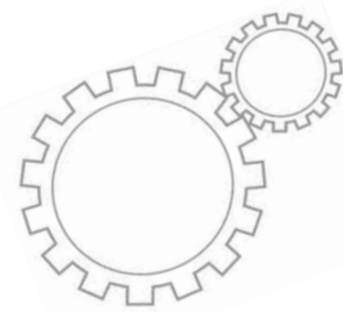
- Cynthia Montgomery, HBS Strategy Professor

President, Architect of Organizational Purpose



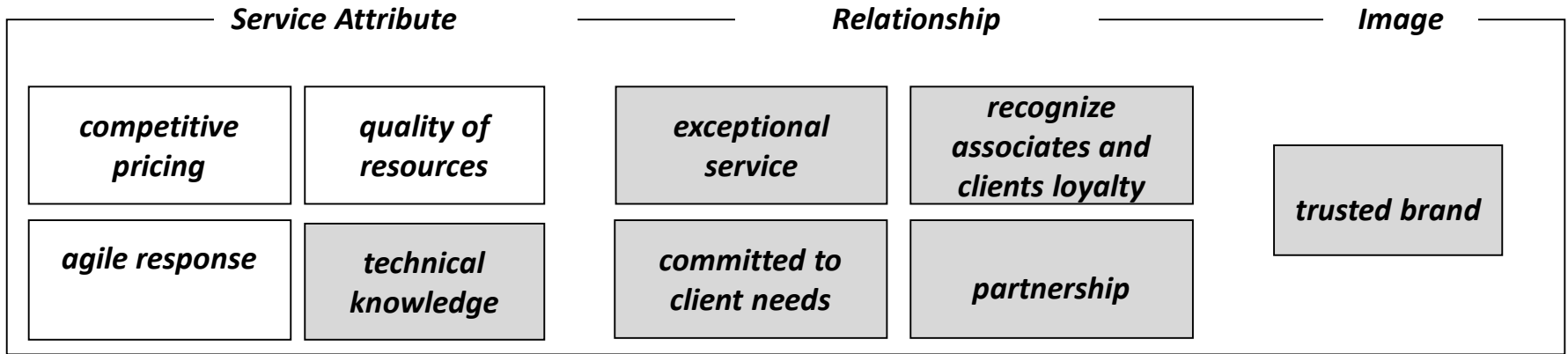
The installation of purpose in place of improvisation and the substitution of planned progress in place of drifting are probably the most demanding functions of the president.

(Business Policy: Text and Cases, Christensen, Andrews, Bower, Irwin Press, 1978)

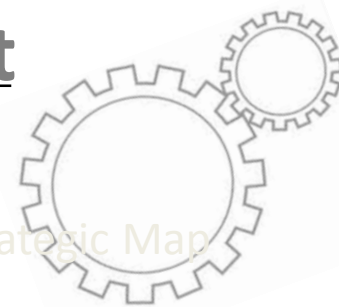


Customer Perspective

Customer Intimacy



Delight the customer



Strategic Map

Increase PACIV and its clients value

Company's revenue

Company's net margin

Financial Perspective

Revenue Growth Strategy
understand customer needs and differentiate accordingly

Productivity Growth Strategy
maximize the use of existing assets;
reduce total delivery cost

Enhance Customer Value

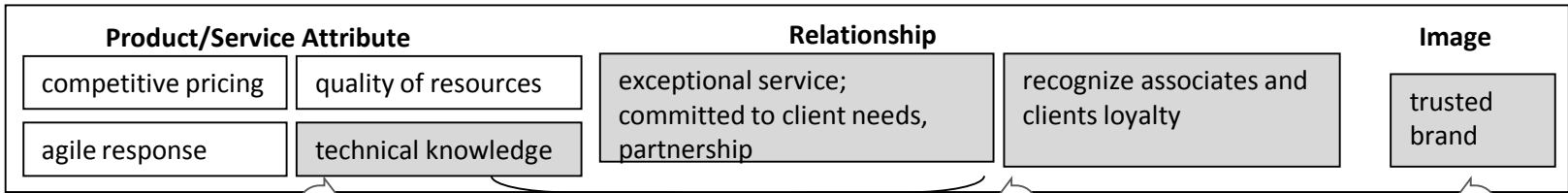
Expand Revenue Opportunities

reduce company's cost structure

Maximize employees productivity

Customer Perspective

Customer Intimacy



Delight the customer

Internal Process Perspective

Innovations

Customer Value

Operational Excellence

Corporate Citizen

- New Business Models
- Alliances
- Social Media
- Marketing/Sales

- Technical Competency
- Relationship Management
- Turnkey
- International Automation.Inst/Validation

- Multi-level sales
- Resource Utilization
- Controls
- Recruiting/Training
- Benefits

- Org. Struct.
- P&P
- Communication
- Marketing Tools

- CSR
- Industry voice
- PACIV CSR

Learning and Growth Perspective

Associates Competencies

Technology

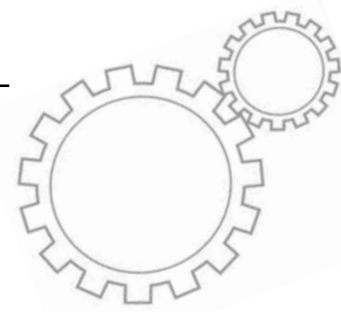
Corporate Culture

- Dvlp. Skills on Automation/Inst/Validation
- Training
- Associates integrated view of company

- Client's survey * Social Media
- CRM/NetSuite

- Vision, Mission, Value
- Family culture, Transparency
- Strategy

What Not To Do - Strategy



Sign on a Photocopies Store in Boston

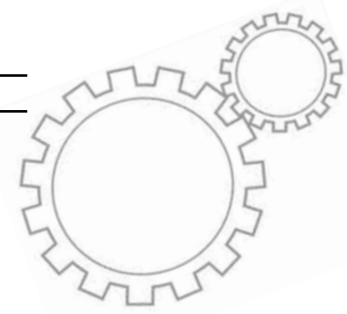
We will deliver your project

Fast, Accurate and Cheap

(Pick any two)

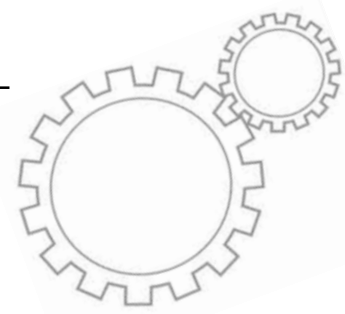
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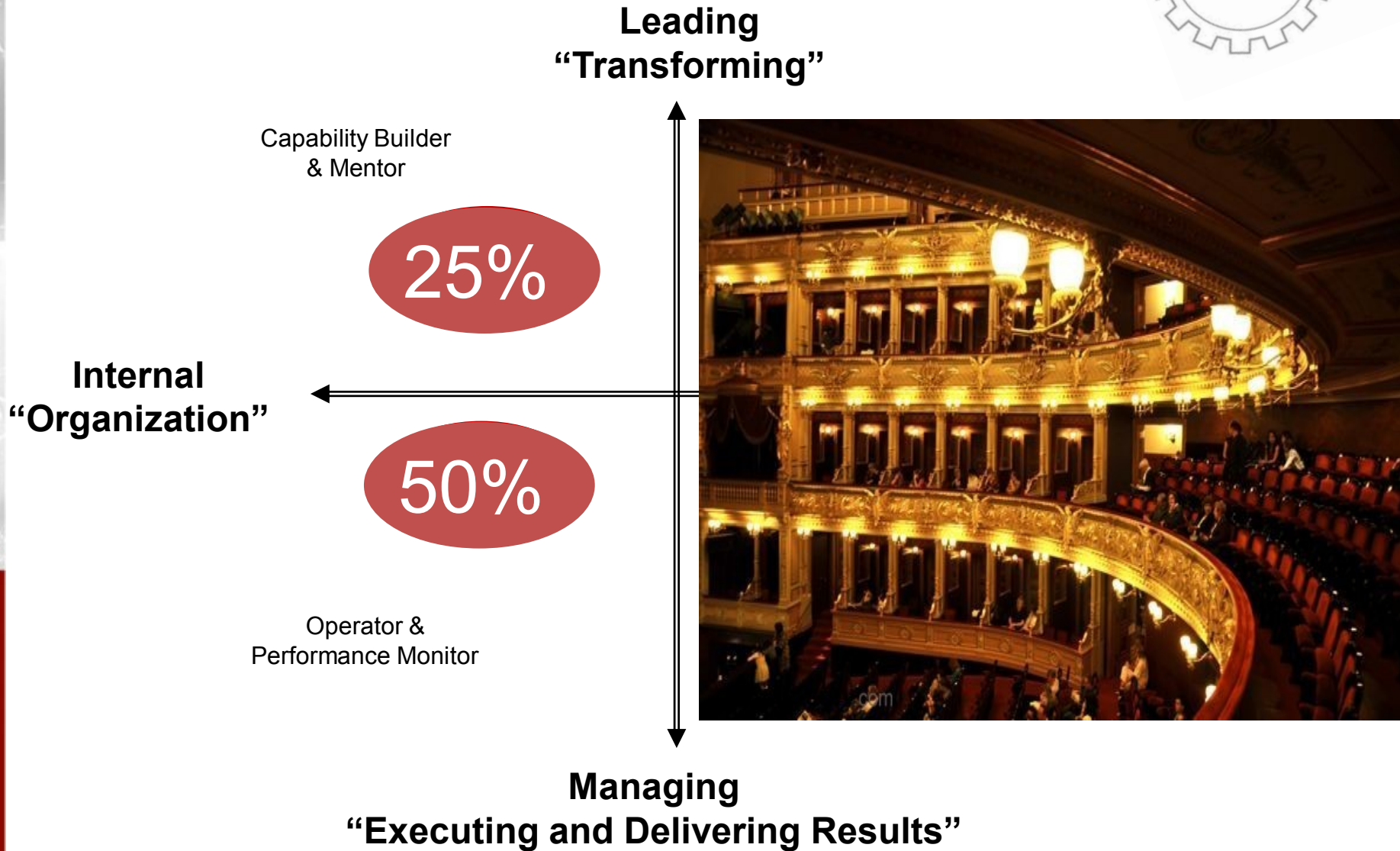
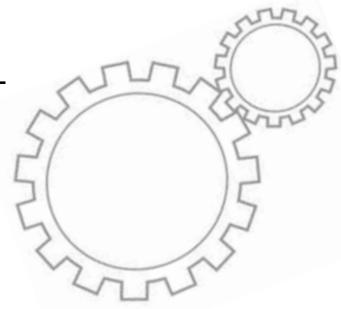
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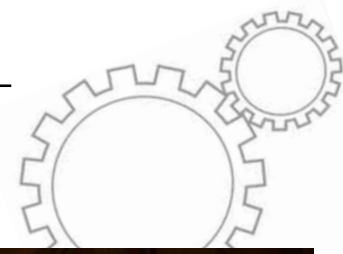


Style (the how) MATTERS

Leadership Style





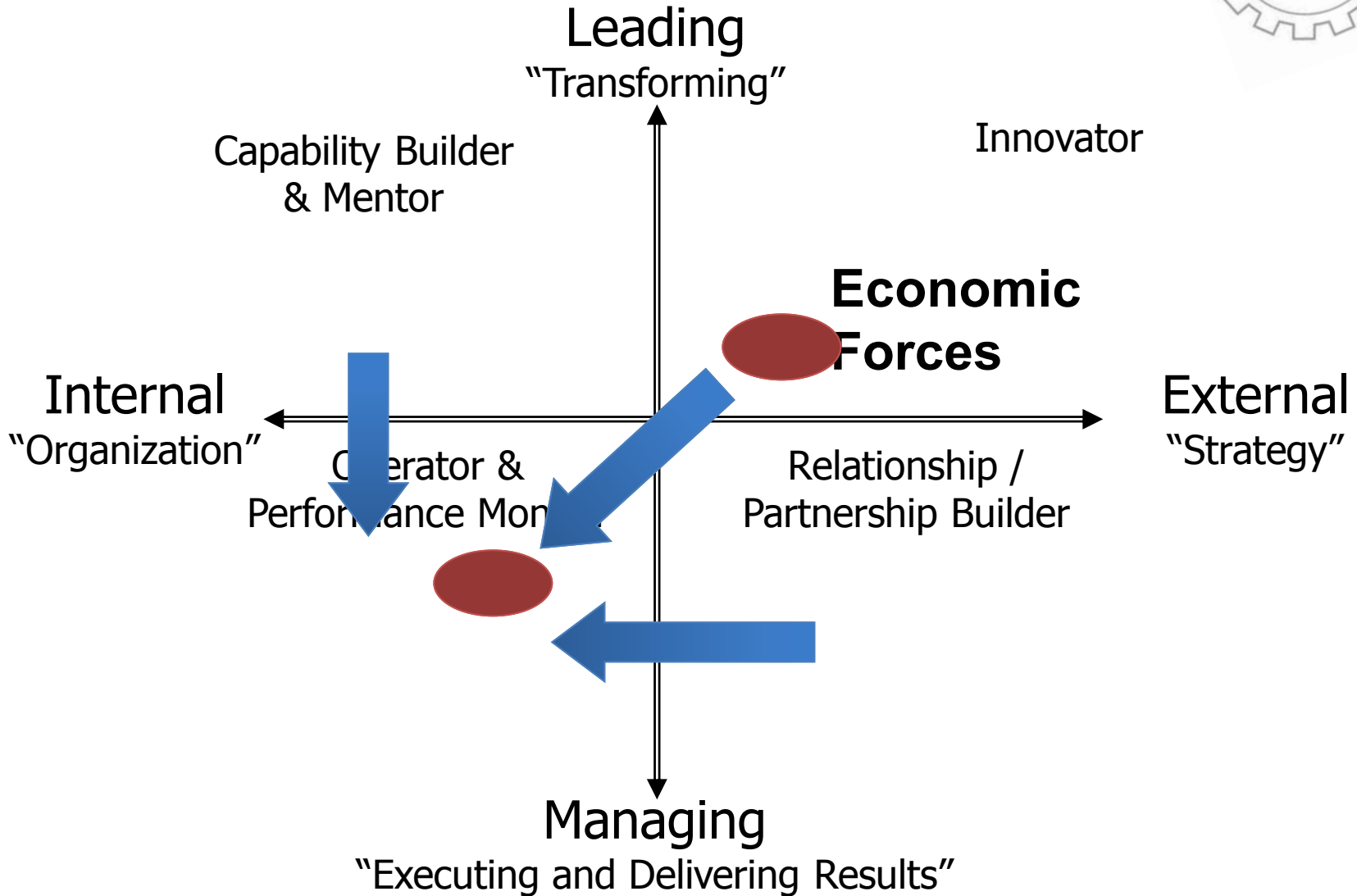
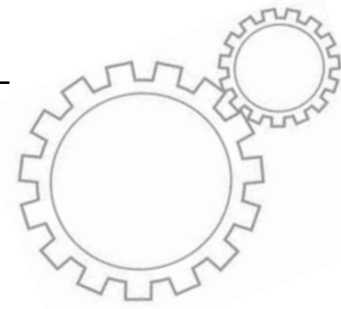


“In the dance floor some details are evident, and there are a lot that you can learn, but it is not until you get out of the dancing multitude and you move to the balcony that you can observe the complete view. Patterns become evident, and a new perspective emerges, and with it, new opportunities to make different – and in many occasions, better decisions.”

(see: Leadership Can Be Taught
Sharon Daloz Parks)

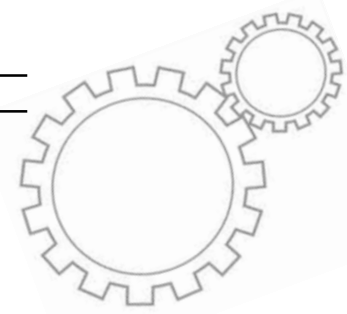


Leadership Focus



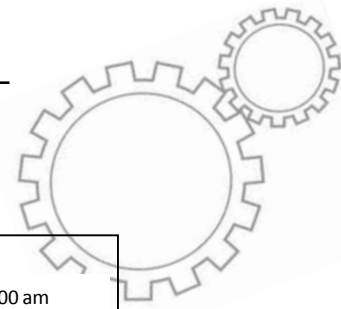
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COMMUNICATE, COMMUNICATE, COMMUNICATE,...

Communication



Meetings to discuss operational aspects of all three offices and any administrative issue that impacts entire organization.

- (1) President overview/pending issues
- (2) Business Development effort per region
- (3) New projects per region (Proposed, Granted, Not Granted, Pending)
- (4) Existing projects per region (any major issues)
- (5) Major Administrative Issues – HR, Acc., Admin., Marketing, Trade Shows, Training
- (6) Pending Issues/Feedback Lead Team/Associates

Directors' Meeting

Monthly Director's Meeting
Lead: President & CEO
Participants: Directors (and Dept. Leads when needed)

Tri-weekly, Wed. 9:00-10:00 am
 (PACIV. Conf. Room – via Conf. Call)

FEEDBACK from "Staff Meetings" and "Local Administrative Meetings"

Week 2

Local meetings VP's and Administration to discuss local office administration aspects

- | | |
|--------------------|----------------------|
| Accounting | HR |
| - Budget | - Perf. Evaluation |
| - PO Status | - Trainings |
| - P&L per Project | - Associates' Issues |
| - Proposal List | - HR Initiatives |
| - Acc. Receivables | |

Administrative Meetings¹

Monthly Administrative Meeting
Lead: Accounting/HR Lead
Participants: Acc., HR Lead and VP's

Monthly, PACIV Conf. Room

FEED FORWARD information from Directors' Meeting and FEEDBACK from Staff Meetings

Week 2

Local meetings between VP, Site/Project Leads, HR and Acc Leads to discuss local project and administrative issues

- Feedback for Directors Meeting
- Feed forward administrative matters
- Project's issues

Staff Meetings

Monthly Staff Meeting
Lead: VP's
Participants: Acc./HR Lead, Site/Project Leads

Monthly, PACIV Conf. Room

FEED FORWARD information from Directors' Meeting and Administrative Meeting and FEEDBACK from Site/Project Meetings

Week 3

Local meetings Site/Project leads and it's team to discuss project status and issues

Site or Project Meetings²

Monthly Site or Project Meeting
Lead: Site/Project Lead
Participants: Team members

Site or Project Meetings²

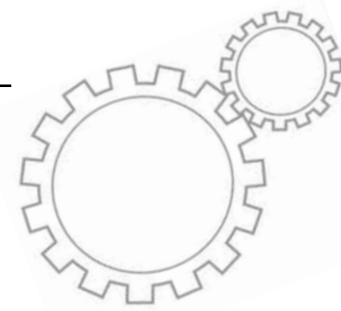
Monthly Site or Project Meeting
Lead: Site/Project Lead
Participants: Team members

Site or Project Meetings²

Monthly Site or Project Meeting
Lead: Site/Project Lead
Participants: Team members

Monthly, Project/Site Area

FEED FORWARD information from Staff Meeting and solicit FEEDBACK from associates



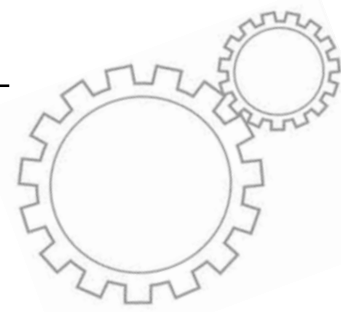
Be a value-driven company by being a one source provider of instrumentation, control systems and regulatory compliance services

for our global clients' manufacturing sites in the pharmaceutical, biotechnology, and medical device industry

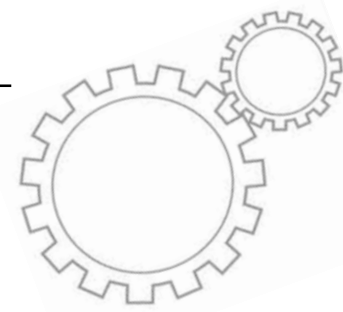
by applying our unique combination of technical expertise, commitment culture and trusted brand.

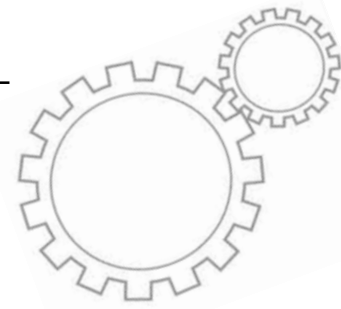
We achieve customer trust through honesty, integrity, and accurate responses to clients' needs with cost-effective and reliable solutions

while being a great company in which to work and a valuable corporate citizen to our communities.



- **Excellence and innovation in all we do**
- **Honesty and integrity are the foundation of who we are**
- **Relentless commitment to serve is our way of life**
- **Listen to our client's and associate's needs**
- **We are a family; respect, loyalty and teamwork is our company culture**
- **We are an integral part of the communities in which we live**





PACIV's Policies, Procedures, Form

Client Logo: _____ Date: 08/04/06 Page: 297 of 432

Computer System Validation IQ/OQ Protocol for the FETTE Tablet Press 20901 Machine No. _____
Computer System _____

Document No. XXXX-IQ-1037-V1.0

3.2 System Logical Security Verification

Step	Test Procedure	Lo
5	User's Account Configuration Select "LOG IN/OFF" option from the Main screen.	o
6	From the Login screen select "OPERATOR LIST" button.	d
7	Create a new user for a particular user level. Activate the option to change the password after the first login.	s
8	Attempt to create a user for a different user level with the same user name and different password than the created in step 11.	t

Comments/Observations: _____
Reviewed By: _____

Client Facility	DeltaV Control Network Operational Verification Test	DeltaV Production OQ and S&T Phase 2 Control Room Package
System Number:	Test Case Form Number: DVP-TPS-TCS-CNT- [controller, server or workstation number]	Run Number: _____
<input type="checkbox"/> 1 - Fermentation/Isolation <input type="checkbox"/> 2 - Purification <input type="checkbox"/> 3 - Plant/Clean Utilities	Control Room Number: [enter control room number]	

Item	Exp	Prerequisite Met / Performed by / Date
Test Pre-Requisites		
TP Test1 IQ Completion Verification	IQ testing for [error or Disposition] has been	
TP Test2 OQ Tests Completion Verification	DeltaV Diagnostic C being tested [enter]	
Section 1: Redundant Control		
LC Test1 Primary Control Network Loss Communication Test	Pri	
	Connec	
	Primary	
	Seco	

Client Facility	Test Case Description	Prerequisite Met / Performed by / Date
	Completed its IQ A	<input type="checkbox"/> Yes <input type="checkbox"/> No, TPR No: _____ <input type="checkbox"/> Yes <input type="checkbox"/> No, TPR No: _____

TEST CASE PROCEDURE
DeltaV Control Network Operational Verification Test
Test Case Procedure Number: DVP-TPS-TCS-CNT- []

Objective:
The objective of this test is to verify that the control network is operating as intended. At the same time, the redundancy capability of the DeltaV Control Network is verified during this test.

Procedure:
This test is executed for each of the Node components (Servers, Workstations and Controllers) on a per Control Room basis.

Evaluation Instructions

- For each test, compare the as found results as documented in the "As Found Results" column with the "Expected Results" specified.
- If the "As Found Results" meet the "Expected Results", check the "Yes" box, initial and date on the "Expected Results / Performed by / Date" column. If the "As Found Result" does not meet the "Expected Result", check the "No" box, provide a Test Problem Report number, and initial and date.
- At the "Acceptance Criteria", answer "yes" if Acceptance Criteria is met. If not, do as follows:
 - If any of the test items failed but the remaining test items are not affected by the test failure, leave the "Acceptance Criteria" open and use the "Comments/Observations" section to briefly describe the failure with a proposed plan to complete the test case and document the Test Problem Report (TPR) number. Once the failed test has passed, to a posterior run, write "yes" if the "Acceptance Criteria" with a comment in the "Comments/Observations" section explaining that the failed test passed in a posterior run. Document the run number where the test passed.
 - If any of the test items failed and the remaining test items are affected by the test failure, write "no" and use the "Comments/Observations" section to briefly describe the failure with a proposed plan to resolve it, and to repeat the test case. Document the TPR number.

Acceptance Criteria
For all test scripts, the as found results as documented in the "As Found Results" column with the "Expected Results" specified.

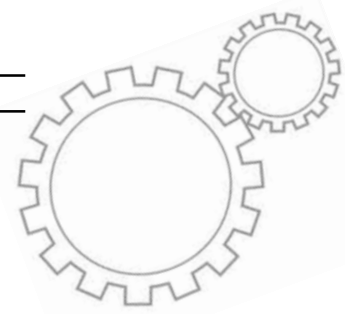
Test Pre-Requisites

TP Test1 - IQ Completion Verification: IQ A Disposition has been approved

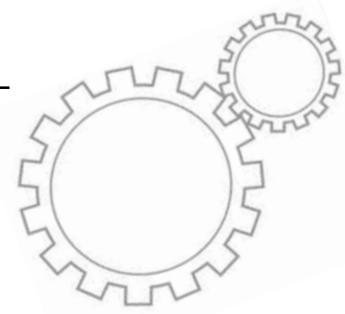
- Disposition has been completed and approved including the approval of the Lilly Quality Unit.
- If the IQ A Disposition has not been completed and approved, do not proceed with the OQ tests until the IQ A Disposition is approved.
- If the IQ A Disposition has been completed and approved, complete the "Prerequisite Met / Performed by / Date" column following the Evaluation Instructions.

PACIV

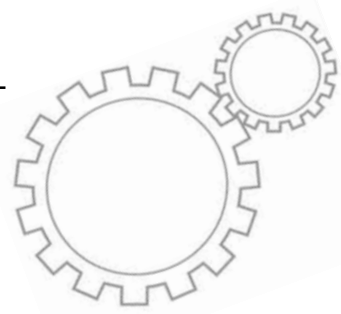
Puerto Rico • United States • UK • Ireland



“Marketing is Everything, Everything else is Cost”

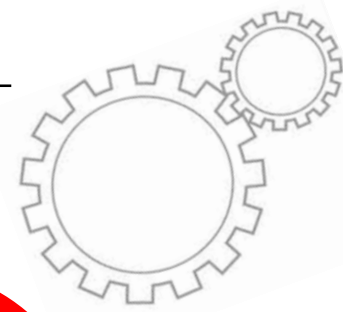


I have never close a deal from my desk

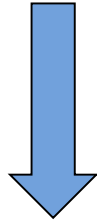


GOB to GOB

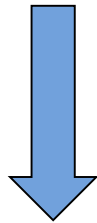
Sales



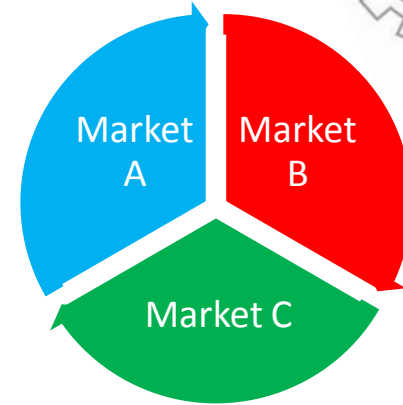
Manage Market

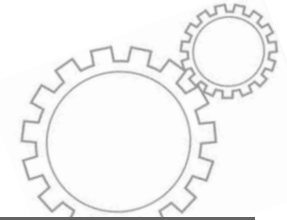


Manage Segments



**Manage Clients
within Segment**





Calendar

Newsletter

- Associate
- Customer

PACIV News

- Continuing Growth

e-Cards

- Welcome New Associates
- Happy Birthday
- Happy Anniversary
- Interesting Fact
- Did you know
- Events/Meeting/Activities
- News

Stationaries

- Business Cards
- Envelopes
- Letterhead
- Creed

Social Media

- Facebook
- LinkedIn
- Twitter

NetSuite CRM

Website

Client Survey

Intranet

- Employee Directory
- Departments
 - Procedures
- PACIV's Policies
- Forms
- PACIV's Templates
- Vendors Directory
- Calendar
- President's Blog

Gadgets

- Backpacks
- Screwdrivers
- Pens
- Key Change
- Post-Its

e-mail Signature

Articles

- Technical Articles
- Business Articles

Displays

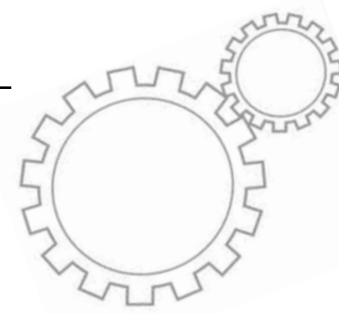
- Booth
- Table Top
- Stand Up Banner

Brochure

- Press Releases
 - Global Supplier of the Year
 - 20 Best Employers
 - HBS Case Study
 - PACIV/Rockwell
- Informational Folder
- Fact Sheet

Uniform

- Shirts
- Helmets
- Glasses
- Vest



1st Quarter- January 2012

PACIV CUSTOMER NEWSLETTER

Puerto Rico • United States • UK • Ireland

total instrumentation and control systems engineering solutions

SERVICES

- Automation Project Management
- Instrumentation Services
- Commissioning & Qualification (C&Q)
- Control Systems Integration
- Computer System Validation

VISION

To be the preferred solution provider of our business partners' control system engineering needs

VALUES

- Excellence and innovation in all we do.
- Honesty and integrity are the foundation of who we are.
- Relentless commitment to serve is our way of life.
- Listen to our client's and associates' needs.
- We are a family, respect, loyalty and teamwork is our company culture.
- We are an integral part of the communities in which we live.

MISSION

To be the best control system, instrumentation and compliance service firm by applying our unique combination of technical expertise and commitment culture. We will achieve unparalleled cost-effective and reliable solutions for our business partners while being a great company in which to work and a valuable corporate citizen to our communities.



Connect with us

Our Organization
Outsourcing
Core Competencies
Clients
Commitment Culture
Contact Us

or visit us at

www.paciv.com

A Harvard Business Case Study



<p>PR P.O. BOX 363232 San Juan, PR 00936-3232 T. 787.721.5290 F. 787.721.5938</p>	<p>USA 2507 Boyd Avenue Indianapolis, IN 46218 T. 317.423.8819 F. 317.423.8968</p>	<p>UK Unit 2, Tower Industrial Estate Tower Lane, Eastleigh, Hampshire, SO50 6NZ T. 02380 016235 F. 02380 015949</p>	<p>IE No. 9 Pearse Street Kinsale, Co. Cork T. 021 4709479 F. 021 4777374</p>
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PACIV-USA is proud to announce our partnership with the Indiana State University School of Technology. We currently have engineering intern Clayton Taylor working with us on a major Animal Health Automation project. Clayton is a senior at ISU and will graduate in May 2012. Dr. Joe Ashby, who leads the school's technology department, is also working with us part time to lend his 30+ years of automation experience and to oversee the internship. We hope to add additional interns over the coming months and certainly in the summer.

CONTROL SYSTEM ENGINEERING | INSTRUMENTATION



PACIV News...

Continuing Our Growth

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total instrumentation and control systems engineering solutions

www.paciv.com

Juan Moline, Automation Consultant (moline@paciv.com)



George Porter, Sr. Automation / Validation Engineer (porter@paciv.com)



Enrique Medina, Automation Consultant (medinae@paciv.com)



Alberto Quinchaneque, Automation Engineer II (quinchaneque@paciv.com)

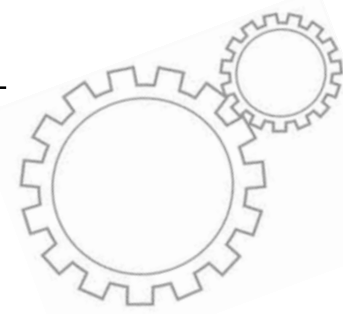


Lara de Torres, HR Lead (detorresi@paciv.com)

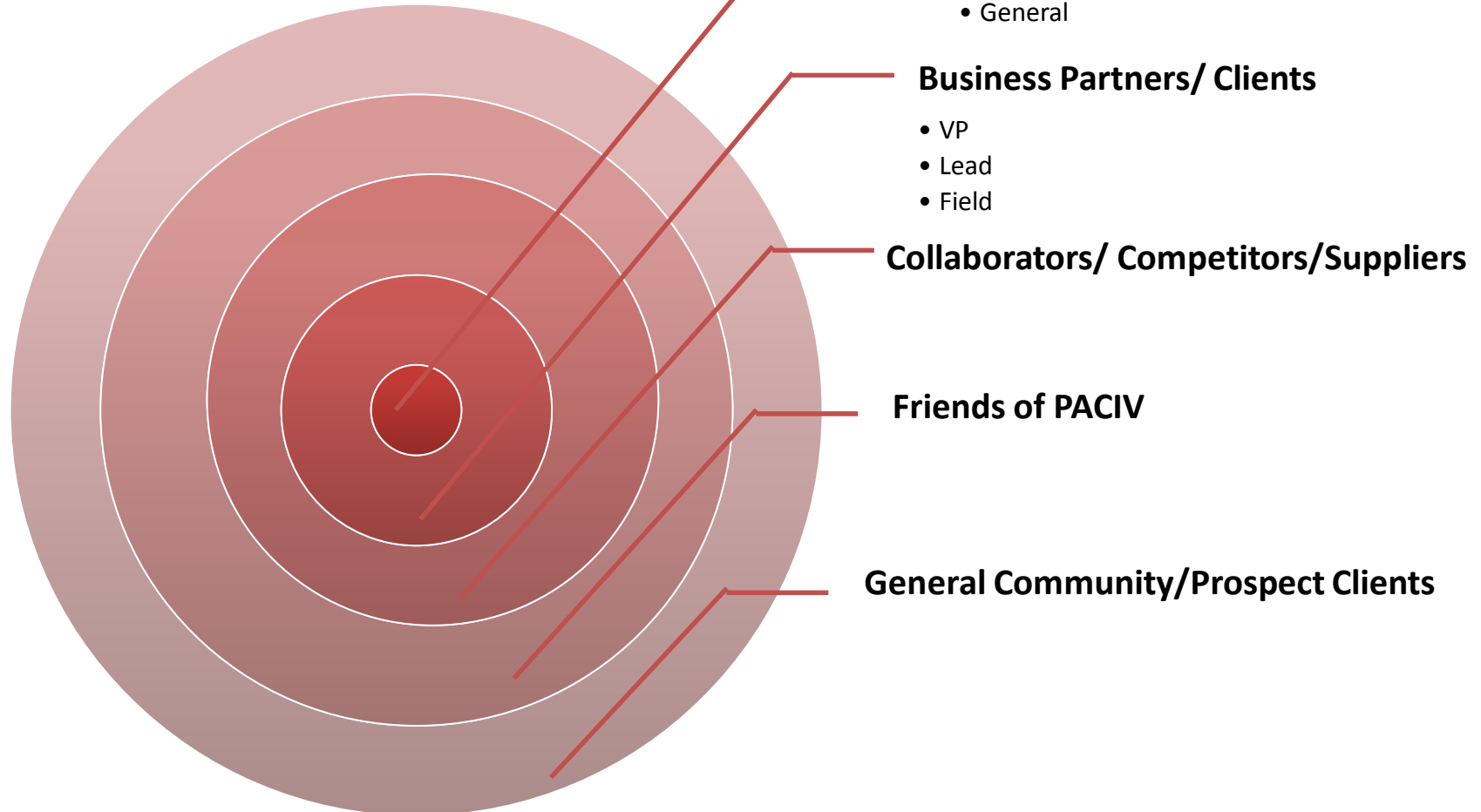


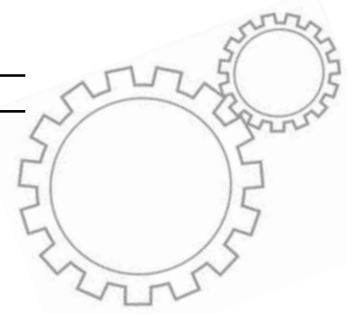
Angel Roman, Automation Engineer II (romano@paciv.com)





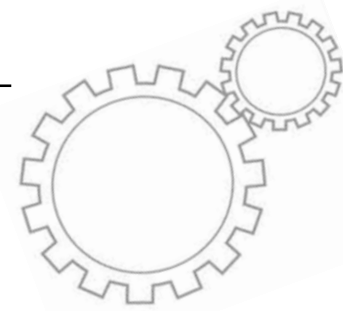
Laser Gun (not shotgun)!





“What Gets Measures Gets Done”

Metrics – Navigation System



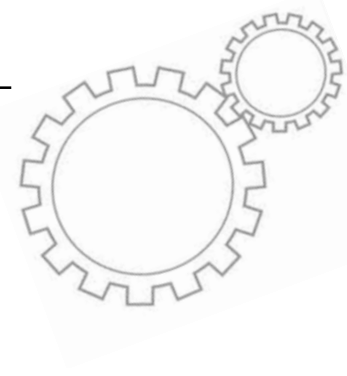


KPI's



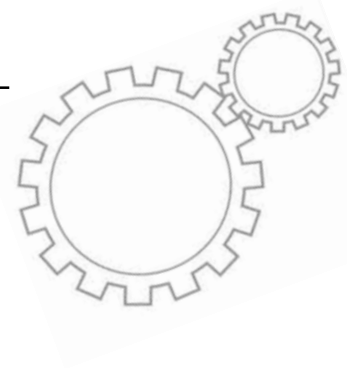
Vice-President REPORT

OBJECTIVE	MEASUREMENT	UNIT OF MEASUREMENT	MEASUREMENT	COMMENTS
CUSTOMERS VISITS	Visit existing & new clients	NUMBER OF CLIENTS VISITED PER MONTH	1	Ensure all existing client are visited every three (3) weeks by Ops Manager. Visit existing clients every six (6) weeks. Italy based clients should be visited every 8 weeks.
PROPOSALS	Submitted on time every time	% OF PROPOSAL SUBMITTED ON OR BEFORE RFQ DATE	100%	All proposals must be submitted on time every time that are generated from the Ireland office.
REVENUE GROWTH	Obtain 15% growth YTD from previous year	% YTD REVENUE OVER/UNDER PREVIOUS YEAR	15%	Support Operations Manager in business development, proposal preparation and associated marketing strategies.
PROFIT MARGIN	Obtain a minimum of 25% profit margin for the year.	YEAR PROFIT MARGIN	>25%	
OPERATIONAL MEETING	On time meetings	% ON TIME MEETINGS	100%	Bi-weekly operational meeting with JLR, attend PACIV Ireland monthly team meeting.
	Bi -Weekly Operational Reports, Proposal flow etc.	BI WEEKLY	24	Proposal deal flow, business development tracker, efficiency reports are issued by Ops Manager.
	Completed Reports	% COMPLETED REPORTS	100%	Proposal deal flow, business development tracker, efficiency reports.
PROJECTS EFFICIENCY	Projects efficiency over 90%	% OF PROJECTS WITH EFFICIENCY OVER 90%	100%	
DIRECTORS MEETING	Meetings attendance	% OF ATTENDANCE	100%	
LEADERS MEETING	Meetings performed	QTY	12	Ensure Ops Manager conducts Team leaders meetings once a month.
ADMINISTRATION MEETING	Meetings performed	QTY	12	Meet with Operations Manager HR/Accounting Leader minimum once per month.
ASSOCIATES MEETING	Meetings performed	QTY	12	Ensure Ops Manager conducts associate meetings once a month.
PERFORMANCE EVALUATIONS	Evaluations performed	% COMPLETED	100%	All performance reviews to be conducted within 12 - 13 months of due date for all associates
POLICIES & PROCEDURES	All company policy and procedures are implemented and followed	QTY	100%	
RECRUITMENT	Resource capacity meets project demands	QTY	4	Review quarterly, or more if required based on volume of projects granted, support Ops Manager in resourcing strategy
LEADERSHIP REVIEW	Successful completion of KPI's for Ops Manager and HR/Accounts Leader	EVENT	1	Review KPI execution



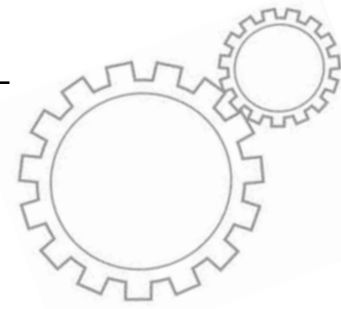
A Leaders Must Do What it Has To Do Regardless of The Consequences

(Everyone is Watching)



“People do business with people they
like and trust”

- Jorge L. Rodriguez



Variety-Based

One Service Excellently

Produce a subset of an industry's products/services. For most customers, the product/service will only meet a subset of their needs.

EXAMPLE:

To be the BEST AUTOMATION services provider for complex and regulated manufacturing processes that demand engineering excellence by ...

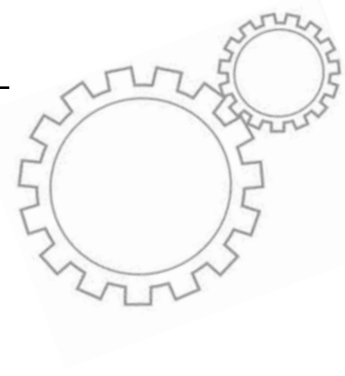
Needs-Based

One Customer Excellently

Serves most or all the needs of a particular group of customers. It is based on targeting a segment of customers and meeting all of their needs within a certain industry (e.g. home furnishings or control services).

EXAMPLE:

To be the MOST INTIMATE partner for biotech & pharma manufacturing, meeting all of their control system needs by...



“Have patience toward all that is unsolved in your heart. Try to love the questions themselves. Do not seek for the answers that cannot be given to you... because you would not be able to live them. And the point is to live everything. Live the questions now.”

- Rainer Maria Rilke, Letters to a Young Poet