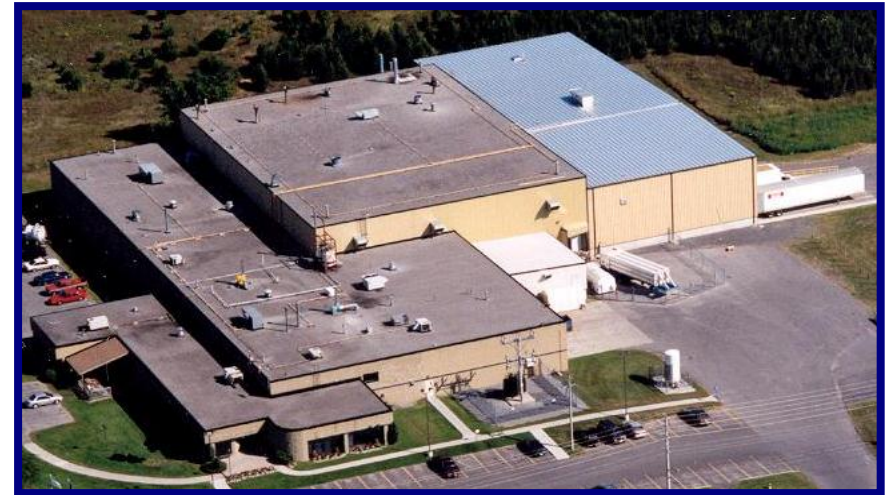


Contingent Workforce Management

Halla Climate Control Canada, Inc.

IS2 Workforce Solutions



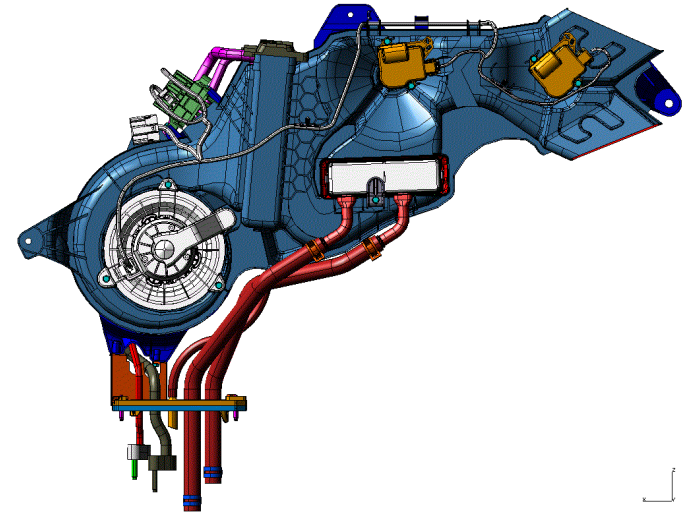
- Who is Halla Climate Control?
- Why We Use Temporary Staffing?
- Issues with Our “Current State” in 2011
- From “Temps” to Contingent Workforce Management
- How We Manage Our Workforce Today
- Q&A



- Supplier of automotive air conditioning assemblies since 1989
- Shipping approx. 6 million end items/year
- Annual sales of approx. \$100 million
- Operating 2 facilities in Belleville with 200K ft² in floor space
- Customers served include:



- Manufacturing operations include:
 - Tube cutting & metal forming
 - Brazing & welding
 - Crimping, leak testing & assembly



- Team Member Distribution:
 - Staff & Indirect Team Members: 117
 - Production Team Members: 255
 - Contingent Workers: 171



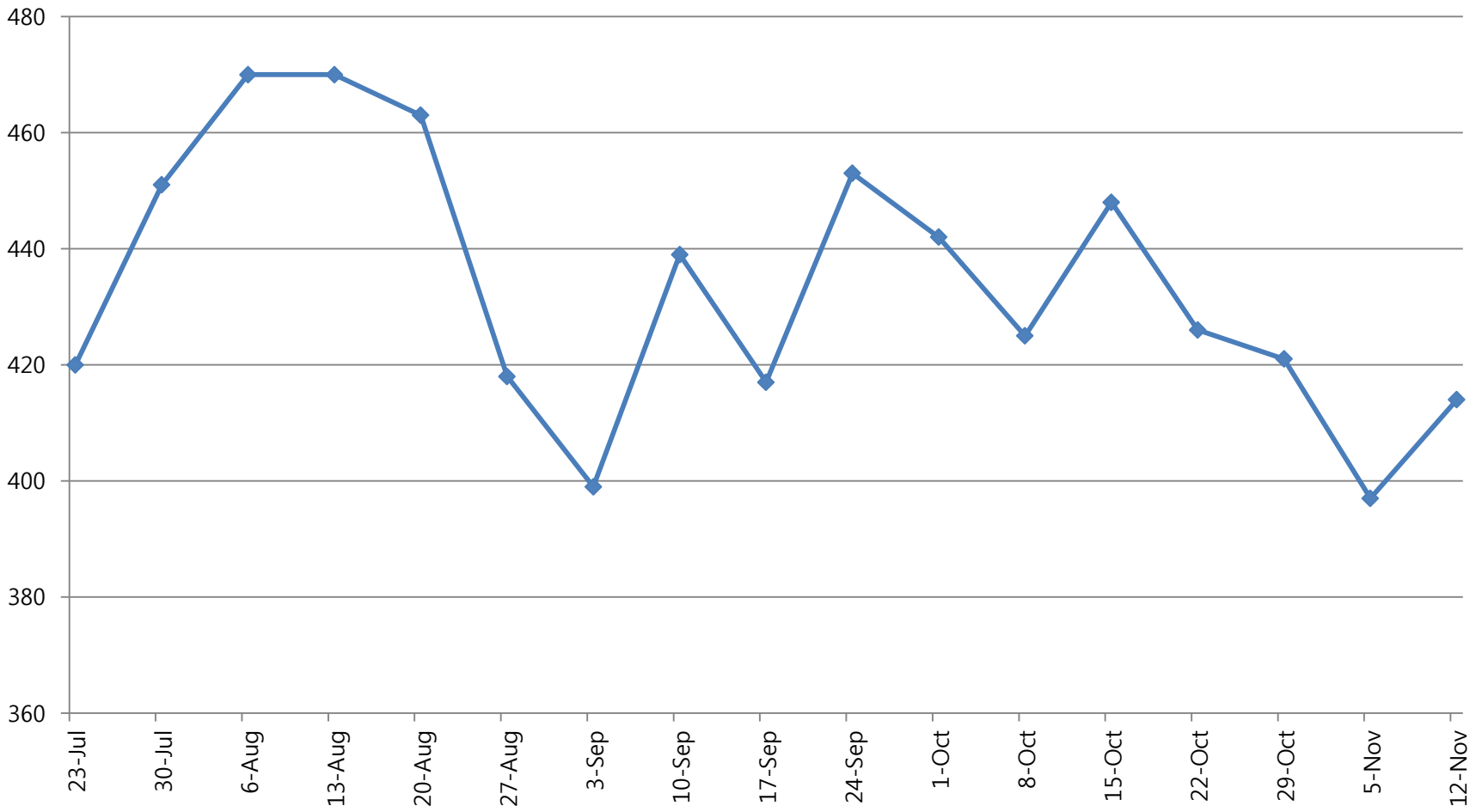
Why We Use Temporary Staffing



- Automotive AC business has seasonal volumes (ie. service season)
- Assembly plants have annual shutdown periods
- Annual program launches ramp down/ramp up over 4-6 weeks
- Automotive OEMs manage inventory through plant shutdowns
- To avoid frequent full time team member lay offs & recalls
- Overall cost control & maintenance



Why We Use Temporary Staffing



Issues with our “Current State” in 2011



- Multiple programs with increasing volumes & assembly plant OT



- Contracted with 4 staffing agencies to meet high demand (150+)
 - Different mark up rates with all 4 agencies (financial planning)
 - Order placement was time consuming & complicated
 - Dedicated Halla resources to manage agencies
- Constant "agency jumping" within the workforce
 - Micro-managing 'Do Not Return' lists, performance issues, etc.
- Increase in absenteeism issues with agencies



- Weekly manning meetings became "internal negotiations"
- Workforce morale began to decline
 - Measured through our annual climate survey
 - "too hard to control temp staffing changes"
 - "managing temps is too difficult & too complex"
- Round Table Meeting in Dec. 2011
 - All 4 agencies had representation
 - Open dialogue on risks, issues & opportunities for both sides
 - Multiple suggestions by agencies for improvements
 - Expectation was for Halla to decide & coordinate



From “Temps” to Contingent Workforce Management



- Halla’s desired state:
 - Reduce agency absenteeism levels
 - Improvement in experience & skill level of agency workers
 - Eliminate ‘agency jumping’ activities
 - Streamline the process of managing agencies
 - Improve team member stability
 - Drive cost savings through process improvements



- Our solution:
 - Consolidate from 4 agencies to a single agency for staffing needs
 - Select an agency that will provide a more ‘integrated solution’ (manpower planning, reporting, supervision, etc.)



- IS2's commitment to deliver:
 - On-site support team 100% dedicated to Halla's CWMP
 - Support from multiple recruiting locations
 - Comprehensive candidate screening process
 - Aligning of IS2 & Halla time keeping systems
 - Proactive programs to address absenteeism & turnover
 - On demand reporting & statistics with quarterly performance reviews



- IS2's observations & suggestions:
 - Halla needs to work to remove the stigma of being a 'temp'
 - Transition our culture to appreciate the benefits of a well managed Contingent Workforce
 - Open up plant access to include Contingent Workers
 - Allow for additional training opportunities for Contingent Workers
 - Create an environment that supports a blended workforce



- The plan:
 - Dec. 2011: Sign the contract
 - Jan. 2012: Recruit & place IS2 team at Halla
 - Feb. 2012: Transition existing agency employees to IS2
 - Mar. 2012: Business as usual



- The execution:



On time, with some excitement but no production disruptions



How We Manage Our Workforce Today



- IS2 office on-site, located near Halla's HR offices
(On-shift supervisor to manage issues with Halla operations team)
- IS2 representation at Halla's weekly MPS (manning) meetings
- All IS2 team members have access badges to enter Halla plants
- Integration into Halla's time keeping system (Kronos)
- Quarterly Key Performance Indicator reviews at Halla
- Cost effective management of a combined workforce



- Improvements:
 - Significant reduction in absenteeism from 2011 to 2012
 - Marked improvement in skills/abilities of contingent workforce
 - Reduced turnover of contingent workers (team stability)
 - Aligned management of combined workforce (IS2 is a fully integrated supplier)
 - Improved morale within the production teams



Thank you

Q&A

