

News Release

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Thomas Group Releases July PVM Minute: Focus on Capital Investment *Combine Process Optimization with Capital Improvements to Drive Growth*

Irving, TX, July 29, 2005. Thomas Group Inc. (TGIS.OB) today releases the July edition of the ***Process Value Management Minute***, an information series addressing timely issues in process improvement. This month, **Gary Morrison, Senior Vice President** of the firm's Health Care practice, discusses achieving bottom-line results on capital investments with operational improvement strategies.

"Organizations should be prepared to drive process change to assure a return on capital when investing in IT and capital programs," said Morrison. "Simply accelerating and investing in inefficient processes will not deliver the best results for your company."

Morrison suggests business leaders consider the following when implementing IT and capital improvement projects:

- ***Have you started process improvement programs in conjunction with your IT upgrade?*** In our experience, implementing a process improvement initiative, concurrent with a technology upgrade, enables the organization to capture enhanced quality and efficiency.
- ***Are user demands for software customization compromising the organization's capacity to optimize efficiency?*** Has the cost of customizing each new software release been calculated and budgeted? Thomas Group raises these issues to assure organizations fully understand the implications of seemingly simple near-term decisions to total project cost.
- ***Are you replicating past practices due to cultural bias and tradition, accelerating the problems of the legacy processes?*** Thomas Group initiatives drive to the core of cultural impediments to change. Through our tools we enable organizations to visualize, address and sustain cultural changes maximizing productivity and quality.
- ***When designing new facility space, does your organization challenge current operational practice?*** Current processes are often the result of constraints imposed by existing bricks and mortar. In our experience, process improvement initiatives begun in tandem with design initiatives result in more efficient new construction, as well as enhanced staff satisfaction.

Thomas Group leads client projects to streamline processes in advance of capital improvements or major technology installations. For example, Thomas Group helped a major manufacturing distributor hone its processes before a SAP installation.

As a result, the company improved inventory turns by 30%, IT staff responsiveness by 30%, and gross profits by 20%.

About Process Value Management

Process Value Management (PVM) is a proven methodology for achieving operational excellence for the entire business enterprise. PVM links and extends processes across the organization and throughout the supply chain, achieving short-term operating results, as well as long-term systemic business enhancements.

About Thomas Group

Thomas Group, Inc. is an international, publicly traded operational improvement firm (TGIS.OB). Thomas Group's unique brand of process improvement and performance management services enable businesses to enhance operations, improve productivity and quality, reduce costs, generate cash and drive higher profitability. The firm's clients have included American Airlines, Boeing, Burlington Northern Santa Fe, Centura Healthcare, Dresser-Rand, EDS, FAA, GE Medical, Hewlett Packard, IBM, Kimberly Clark, Kodak, Lufthansa Technik, McDonnell Douglass, Motorola, National Semiconductor, Overhead Door, Pep Boys, Rubbermaid, Siemens, Texas Instruments, US Army, US Navy, Xerox, and many more.

Thomas Group creates and implements customized improvement strategies for sustained performance improvements in all facets of the business enterprise. Thomas Group has offices in Dallas, Detroit and Hong Kong. For additional information on Thomas Group, Inc., please go to www.thomasgroup.com.

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