

*file
cc file*

DATE: March 24, 1992

TO: Ken Senior

FROM: Win Hindle *West
and*

RE: HOW TO TURN THIS COMPANY AROUND

I would like to have these to go into the
Executive Committee minutes.

dab
/attachment

SUMMARY OF FINANCE RECOMMENDATIONS

TO WIN HINDLE ON

HOW TO TURN THE COMPANY AROUND

THE NEW STRUCTURE IS AN IMPORTANT STEP IN THE RIGHT DIRECTION.

IT MUST BE ALLOWED TO STABILIZE.

IT IS CRITICAL THAT THE NEW COMMITTEES, AND THEIR MEMBERS, OPERATE AS THE COMPANY'S PRIMARY INTEGRATION POINTS, WITH ACCOUNTABILITY.

HOWEVER.....

The new organization, and the new committees, do not yet go far enough to ensure the company a customer orientation, energized employees, efficient processes, with focus on the market opportunities, and permit a rapid link of our resources to those opportunities.

1 - ARTICULATE THE COMPANY DIRECTION

WE MUST ARTICULATE A CLEARER MARKET AND PRODUCT FOCUS TO ALL EMPLOYEES AND TO CUSTOMERS.

DEFINE :

The market segmentation,
What businesses we're in,
The product/service strategy.

CLARIFY THE INVESTMENT/DISINVESTMENT DIRECTION FOR :

Markets,
Products,
Businesses,
Technologies and Competencies.

Need a dominance strategy for a few (4+) industries/applications, visibility in many others.

2 - MOVE TO A CUSTOMER-ORIENTED STRUCTURE

**ENSURE A CUSTOMER ORIENTED, INTEGRATED STRUCTURE
RESPONSIVE TO CUSTOMER NEEDS, WITH NO FUNCTIONAL
BARRIERS, BASED ON INTERDEPENDENT BUSINESS UNITS**

**BUSINESS UNITS TO BE GROUPED INTO LOGICAL TEAMS
HAVING ACCOUNTABLE MANAGERS.**

**ACHIEVE CUSTOMER ORIENTATION THROUGH THE INDUSTRY
FOCUS, WITH A STRONG LINK TO ACCOUNTS.**

**EMPOWER A SMALL CENTRALIZED MANAGEMENT
STRUCTURE HAVING ACCOUNTABILITY TO ENSURE VISION
AND STRATEGY.**

LET THE NEW STRUCTURE SETTLE AND STABILIZE

3 - DISCIPLINED BUSINESS PROCESSES

- CORPORATE ROLE.** Recognize existence of legitimate Corporate role which the BUs are unable to perform. Role includes integration of the BUs, selection of markets, technologies, businesses, strategic investment/disinvestment.
- LINKAGE PROCESS.** Install disciplined planning process linking ACCOUNTS \longleftrightarrow INDUSTRIES \longleftrightarrow ENG.
- CHANNEL STRATEGY.** Get a simple channel strategy, key for success of the volume businesses.
- INVESTMENTS.** Install a deliberate corporate investment process, funding investments from disinvestments.
- BUSINESS MODELS.** Establish simple business models for anticipated market dynamics by product/service, market/industry, channel, geography.
- FINANCIAL REPORTING.** Meaningful, simple, and directive, pointing to clear accountability.

4 - PEOPLE

ACCOUNTABILITY. Hold managers accountable for promised results (with formal reviews).

EMPLOYEE RELATIONS. Managers accountable for, and measured on, positive employee relations, having succession plans, and plans for development of employees.

RESTRUCTURING. Complete the downsizing quickly, lessen employee anxiety, revitalize.

The Business Units, alone, cannot achieve the turnaround. Corporate leadership is required.