

THE ROLE & RESPONSIBILITY

OF MSSC

RESTRUCTURE MSSC TO ALIGN BETTER WITH THE NEW ORGANIZATION

RATIFY THE CHARTER

M/SSC

PROPOSED STRUCTURE AND CHARTER

MEMBERSHIP:

GROUP

MEMBER

1. CHAIRMAN	*JACK SMITH / JACK SHIELDS
2. LEGAL	TOM SIEKMAN
3. A&SP	TBH
4. FINANCE	DICK FISHBURN
5. U.S.	CHICK SHUE
6. EUROPE	PIER-CARLO FALOTTI/BRUNO D'AVANZO
7. GIA	DICK POULSEN
8. FIELD SERVICES	DAVE GRAINGER
9. SOFTWARE SERVICES*	DON BUSIEK
10. CHANNELS*	JACK MACKEN
11. BASIC INDUSTRIES	JERRY WITMORE
12. SERVICE INDUSTRIES	BOB HUGHES
13. GOVERNMENT	HARVEY WEISS
14. APPLICATIONS MKTG.*	PETE SMITH
15. LOW END SYSTEM*	JEFF KALB
16. HIGH PERFORMANCE SYSTEMS*	BOB GLORIOSO
17. NETWORK SYSTEMS*	BILL JOHNSON
18. MID-RANGE SYSTEMS*	BILL DEMMER
19. SYSTEMS TASKFORCE	BILL STRECKER
20. STORAGE SYSTEMS	GRANT SAVIERS
21. TERMINALS	BOB HUETTNER
22. SECRETARY	KEN SENIOR

} PARTICIPATION AS REQUIRED.

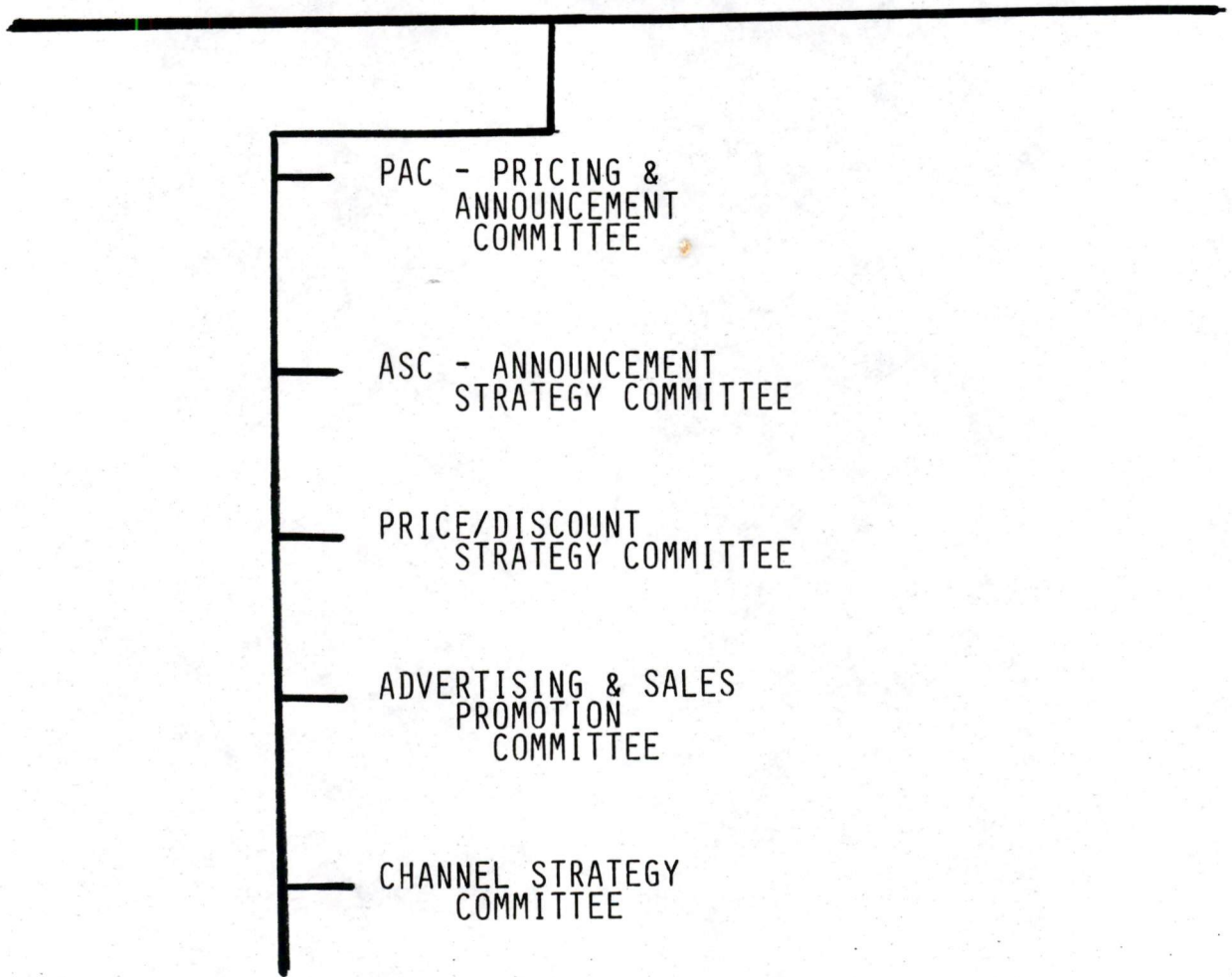
* P/MSC MEMBERSHIP

MSSC CHARTER

- o INSURE THAT INDUSTRY MARKETING STRATEGY, CHANNEL STRATEGY AND GEOGRAPHIC PLANS ARE INTEGRATED WITH THE SYSTEMS AND APPLICATION STRATEGIES
- o PROVIDE A FORUM FOR DISCUSSION/RESOLUTION OF KEY PRODUCT POSITIONING STRATEGIES
- o APPROVE PRODUCT PRICING STRATEGY, WORKING CLOSELY WITH P/MSC AND EXECUTIVE COMMITTEE AS REQUIRED
- o APPROVES ANNOUNCEMENT STRATEGIES FOR ALL PRODUCTS
- o APPROVES PROMOTION STRATEGIES FOR ALL PRODUCTS. USES ADVERTISING AND SALES PROMOTION SUBCOMMITTEE
- o APPROVES AND REVIEWS THE IMPLEMENTATION OF MAJOR MARKETING AND GEOGRAPHIC SALES PROGRAMS

MANAGEMENT
COMMITTEE
STRUCTURE

M/SSC



M/SSC SUBCOMMITTEE

PRICING AND ANNOUNCEMENT COMMITTEE

CHARTER

THE PRICING AND ANNOUNCEMENT COMMITTEE MEETS AS A SUBCOMMITTEE OF MSSC TO VERIFY ANNOUNCEMENT READINESS AND APPROVE PRICE.

- PAC ESTABLISHES AND PUBLISHES CRITERIA FOR:
 - PRODUCT READINESS (HAVE WE ESTABLISHED AND TESTED ALL THE TOOLS AND PROCESSES REQUIRED TO EXECUTE THE MANUFACTURING STRATEGY SUCCESSFULLY?)
 - SALES READINESS (ARE ALL THE TOOLS AND TRAINING IN PLACE TO EXECUTE THE DISTRIBUTION STRATEGY SUCCESSFULLY?)
 - SUPPORT READINESS (ARE ALL THE SERVICE, SUPPORT AND ADMINISTRATIVE CAPABILITIES IN PLACE AS REQUIRED BY THE MANUFACTURING AND DISTRIBUTION STRATEGIES?)

PRICING AND ANNOUNCEMENT COMMITTEE

MEMBERSHIP

- PETE SMITH - CHAIRMAN
- ED SULLIVAN - SECRETARY
- AL HUEFNER - INTERNATIONAL (EUROPE/GIA)
- STEVE DAVIS - CSSE/SERVICE MARKET GROUP/TPL/CSS
- BILL HOWERTON - CORPORATE PRICING MANAGER
- ELAINE REILLY - CUSTOMER ADMINISTRATION
- BILL KOTEFF - ENGINEERING/MANUFACTURING
- CARY ARMISTEAD - LEGAL
- BARRY YANES - AUG
- BOB ALESSIO - U.S. AREA OPERATIONS/CORPORATE SALES
- DICK WRIGHT - U.S. AREA OPERATIONS/CORPORATE SALES
- RICH WHITMAN - LCG
- DAVE CHASE - SOFTWARE
- DANA LAJOIE - GOVERNMENT GROUP
- DICK HEATON - OEM
- HENRY ANCONA - BOS
- JIM DALE - CAEM
- HOWARD FINEMAN - TBU
- JOHN GIUDICE - TECHNICAL MARKET GROUP
- DAN RIORDAN - BCG

PRICING AND ANNOUNCEMENT COMMITTEE

PROCESS

- 0 PAC MEETS EVERY OTHER WEEK.
- 0 PRODUCT MANAGEMENT HAS THE INITIATIVE ON MAKING PRICING PROPOSALS TO PAC.
- 0 PROPOSALS ARE MADE IN A STANDARDIZED FORMAT THAT IS VERY COMPREHENSIVE, COVERING COMPETITION, PRODUCT POSITIONING, PROFITABILITY, OVER TIME.
- 0 PAC MAKES DECISIONS IN THE FOLLOWING WAY:
 - DISAPPROVAL, USUALLY REQUIRING REWORK OF A PROPOSAL.
 - APPROVAL, CONTINGENT ON SOME ADDITIONAL WORK BEING DONE.
 - APPROVAL AS PRESENTED WITH A CLEAR UNDERSTANDING OF IMPLEMENTATION.
 - APPROVAL AND SUBMISSION TO MSSC - THIS IS REQUIRED FOR ALL PAC PROPOSALS WHERE THE FIRST TWELVE MONTHS OF REVENUE EXCEED \$25 MILLION DOLLARS.

M/SSC SUBCOMMITTEE

ANNOUNCEMENT STRATEGY SUBCOMMITTEE

CHARTER

1. DEVELOP, INTEGRATE AND PROPOSE NEW PRODUCT INTRODUCTION AND ANNOUNCEMENT STRATEGIES WORKING WITH ENGINEERING, MANUFACTURING, MARKETING, SALES & SERVICE, PAC AND OTHERS.
AS PART OF THIS PROCESS, THE ASC:
 - REVIEWS RELEVANT COMPETITIVE PRODUCT POSITIONING AND ANNOUNCEMENT STRATEGY.
 - ASSURES THAT DIGITAL PRODUCTS ARE CORRECTLY POSITIONED AGAINST COMPETITIVE PRODUCTS AND POSITIVELY POSITIONED WITH OTHER DIGITAL PRODUCTS (PRICING, PERFORMANCE, ETC.).
2. SUCCESSFULLY IMPLEMENT ANNOUNCEMENTS INCLUDING MESSAGES AND PROGRAMS FOR:
 - PRESS
 - FINANCIAL COMMUNITY
 - FIELD (INCLUDING TRAINING)
3. DEVELOP A SALES PLAN TO INSURE THAT DEMAND IS EQUAL TO, OR GREATER THAN, INITIAL SUPPLY

ANNOUNCEMENT STRATEGY SUBCOMMITTEE

MEMBERSHIP

- BOB ALESSIO - PRODUCT OPERATIONS
- DICK BERUBE/JOE CODISPOTI - PUBLIC RELATIONS
- STEVE DAVIS - CSSE
- CECIL DYE - SALES TRAINING
- GARY EICHHORN - PRODUCT MANAGEMENT
- SANDY KIMBALL - ADVERTISING & SALES PROMOTION
- KEITH MYLES - PRODUCT OPERATIONS
- BRUCE RYAN - CHAIRMAN

ANNOUNCEMENT STRATEGY COMMITTEE

PROCESS

- 0 MEETS EVERY TUESDAY AFTERNOON WHERE NEW MAJOR PRODUCT ANNOUNCEMENTS ARE DISCUSSED IN DETAIL.

- 0 INTERACTION WITH MSSC:
 - o CONCEPTUAL PRESENTATION - WELL BEFORE AN ANNOUNCEMENT
 - o DEFINES SPECIFIC DELIVERABLES INCLUDING POSITIONING, CONFIGURATIONS, MESSAGES, TIMING, AVAILABILITY, FIELD ANNOUNCEMENT ACTIVITIES, SALES TRAINING, ETC. - DONE ONE TO TWO MONTHS PRIOR TO ANNOUNCEMENT.
 - o FINAL RESOLUTION OF PRICING USING THE PAC PROCESS, - ACCOMPLISHED TWO WEEKS TO ONE MONTH BEFORE ANNOUNCEMENT.

- 0 THE ANNOUNCEMENT STRATEGY COMMITTEE WORKS WITH PAC TO INSURE THAT ALL OF THE ADMINISTRATIVE CRITERIA CONCERNING ANNOUNCEMENT READINESS IS ACCOMPLISHED.

M/SSC SUBCOMMITTEE
PRICE/DISCOUNT STRATEGY SUBCOMMITTEE
CHARTER

1. DEVELOPS AND PROPOSES A PRICING & DISCOUNT STRATEGY FOR DIGITAL PRODUCTS.
2. ASSURES THAT PRICING & DISCOUNT STRATEGIES SUPPORT THE CORPORATE BUSINESS MODEL AND CONTRIBUTE TO THE ACHIEVEMENT OF CORPORATE GOALS.
3. REVIEWS COMPETITIVE PRICING AND DISCOUNT POLICIES AND STRATEGIES.
4. COORDINATES CLOSELY WITH THE CHANNEL STRATEGY COMMITTEE (JACK MACKEEN).
5. WORKS WITH THE PRICING & ANNOUNCEMENT COMMITTEE (PETE SMITH) TO ASSURE THE TACTICAL IMPLEMENTATION OF THE PRICING & DISCOUNT STRATEGIES.

PRICE/DISCOUNT STRATEGY COMMITTEE

MEMBERSHIP

- JERRY WITMORE - CHAIRMAN
- PETE SMITH
- BOB HUGHES
- JACK MACKEEN
- HARVEY WEISS
- DON BUSIEK
- DICK FISHBURN
- GEORGE CHAMBERLAIN

WORKING GROUP:

- JERRY PAXTON
- BILL STEUL
- LOU YOUNG
- ELI LIPCON
- JOHN BUCKLEY
- PETER MERCURY

M/SSC SUBCOMMITTEE

ADVERTISING AND SALES PROMOTION SUBCOMMITTEE

CHARTER

U.S. A & SP COMMITTEE FOR THE REVIEW, APPROVAL AND AUDIT OF MAJOR STRATEGIES, MESSAGES, PROGRAMS, PROJECTS.

- CHAIRED BY THE FIELD A&SP MANAGER TO INSURE THE RELEVANCE OF ALL ACTIVITY TO CURRENT FIELD CONDITIONS AND ACHIEVEMENT OF THE SALES PLAN.
- SENIOR REPRESENTATION FROM THE BASE PRODUCT, APPLICATION/SOLUTION, INDUSTRY, CHANNEL, SERVICES MARKETING AND CORPORATE MARKETING COMMUNICATIONS.
- STAFF SUPPORT PROVIDED BY CORPORATE GROUP.

MEMBERSHIP

- CHAIRMAN - (TO BE DESIGNATED)
- PETER JANCOURTZ
- DICK BERUBE
- PETER SMITH
- JACK MACKEEN
- JERRY WITMORE
- HARVEY WEISS
- BOB HUGHES
- CHICK SHUE
- PIER-CARLO FALOTTI
- DICK POULSEN
- DON BUSIEK
- DAVE GRAINGER

M/SSC SUBCOMMITTEE
CHANNEL STRATEGY COMMITTEE

CHARTER

1. RESPONSIBLE FOR DEVELOPMENT AND A PROPOSAL TO MSSC FOR THE STRATEGY AND PURPOSE OF EACH CHANNEL WITHIN OUR CORPORATE MULTI-CHANNEL STRATEGY AND CORPORATE BUSINESS MODEL.
2. REVIEWS PRODUCT DISTRIBUTION PATTERNS THROUGH CHANNELS OVER TIME AND THE EFFECT OF THESE PATTERNS ON PERFORMANCE.
3. COORDINATES CLOSELY WITH THE PRICING AND DISCOUNT STRATEGY COMMITTEE.

MEMBERS:

- JACK SHIELDS
- PETE SMITH
- JACK MACKEEN
- JERRY WITMORE
- BOB HUGHES
- CHICK SHUE
- KEN SENIOR
- TOM SIEKMAN

d i g i t a l

INTEROFFICE MEMORANDUM

TO: Ken Senior
CC: Jack Shields
Ken Swanton
DATE: 28 December 1984
FROM: Win Hindle
DEPT: Corporate Operations
EXT: 223-2338
LOC: ML10-2/A53

SUBJ: MSSC Sub-Committees

Thanks for sending me a copy of your MSSC proposal. Here are some thoughts:

1. Your introduction is an excellent analysis of what we need - new marketing skills, particularly in applications.
2. The idea of sub-committees is excellent.
3. The pricing hierarchy is confusing - I do not know how you give philosophy to the Strategy Committee, strategy to MSSC, and implementation to PAC. That's too many cooks making the same soup. The problem is that pricing needs a committee composed of Marketing, Sales, Engineering, and Finance, and we don't have a committee with that make-up. This area needs more work - it won't function well as proposed.
4. In the promotion area, I think the idea of a committee is excellent. However, I do not believe it can "flesh out and develop promotion programs." Committees like this are only good for approving or modifying proposals, not for creating new programs. I believe the Central Communications Group should bring proposals to the Promotion Committee.
5. I do not believe a Products Committee will work - that's the Strategy Committee in our current set-up. The previous PSC did not survive for the same reason. Jack Smith is planning to have very strong Systems Managers in Engineering. They should provide the product positioning we need.
6. I like the idea of a Channels Committee, but I do not believe it can "develop plans." It should approve plans, but not initiate them.
7. Your thoughts on an agenda for Jan. 9 sound fine to me - to focus on the "field's execution of Marketing's applications strategy and develop measurement methods to track this."

WH:vh

WH1:S1.24

Manuel Copy to

* * * * *
* d i g i t a l *
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INTEROFFICE MEMORANDUM

TO: Jack Shields

DATE: December 12, 1984
FROM: Ken Senior
DEPT: Field Operations
EXT: 276-9893
LOC/MAIL STOP: OG01-2/R12

SUBJECT: SOME THOUGHTS ON IMPROVING MSSC EFFECTIVENESS

SHIFTING FOCUS FROM PRODUCTS TO SOLUTIONS

Digital's strength as a company has been built on the products it makes. For many years, we were leaders because of the low cost and high technology in our products. With time, it has become increasingly difficult to succeed with a strategy based on low cost manufacturing or technological leadership. Today, the industry we pioneered is filled with competitors who want to do the same thing that we have done. For the future, it would seem that we must adopt a strategy of adding more value to the systems and components we build, such that customers achieve solutions to their problems. Solutions means a mix of hardware, software (especially applications software), and services.

Achievement of this new strategy mix requires that we develop a new level of marketing and management skill. The key is to focus on customers over products and on applications rather than technology. Within Digital, marketing is a function that is tacked on to sell the output of manufacturing and engineering. We need to learn how to apply marketing skills across each of the major functions so that it can influence critical decisions within Manufacturing and R&D.

Applications strategy is key to customer solutions. Applications are not necessarily DEC owned. Strategic partnerships with others can accomplish the same end. The direct and indirect strategy must be integrated with an applications focus.

Good Marketing dictates that we understand the economics of applications from the customers viewpoint. A total solution can command a premium price over the sum of the piece parts. Indeed, investments in marketing should be based on our ability to command premium prices for our value-added.

How do we move toward a company that develops and executes better marketing plans? Not an easy task, but one that could be accomplished with a step by step process over time. One observation about the company is that we have evolved to a structure with two significant power centers, the products end of the company - Engineering and Manufacturing, and "the field". The Marketing organization is spread over several SMU's and indirect channels. The first step in making a change would be to use the MSSC forum to assert more judgment, approval, and control over the marketing applications strategy and implementation. To be practical, we need to find a way to focus collectively on

applications marketing, product marketing, and channel strategy. They represent reality today and we should treat them as different disciplines.

Industrial marketing is a more abstract concept, and while needed, may be useful primarily in the area of promotion, including high level selling to accounts. The 'meat', however, is in what we sell to solve customer problems. An "industry" has needs for many applications, and should not be stereotyped.

PROPOSED CHANGES

I believe MSSC would benefit by streamlining some of its current operations. MSSC could effectively delegate much of the staff work and decisions to groups that would operate as sub-committees. At the same time, the size of MSSC could be slimmed down to the key managers who are responsible for the applications marketing plan, the product marketing plan, channel management, and sales geographic management.

I would propose that MSSC be made up of members representing the following groups:

- o Chairman (Shields)
- o Office Automation Applications (Hughes)
- o CAEM Applications (Smith)
- o Small Business Applications (MacKenzie)
- o Technical Applications (Kramer)
- o Base Product Marketing (Bruce Ryan?)
- o Channels Management (Select one - John A.
Jerry Paxton
Jay Atlas
Other??)
- o Sales Geographic Management - Area Sales Management
(rotating) 1 Europe
3 USA
1 GIA
- o Service Management (Busiek)
- o Strategic Planning (Senior/Wetmiller)

This change would reduce the number of MSSC members, currently 23, down to 15.

The MSSC sub-committees are proposed as follows:

1. PRICING & ANNOUNCEMENT COMMITTEE

Pac already exists as a subcommittee for MSSC. What MSSC must do, is to give PAC high quality direction with respect to pricing strategy. We

must also strive to improve the quality of communications with PAC so that we know that they are getting good direction, and that we can adequately supervise the quality of their work.

The management of pricing in the company seems to be developing toward the following model:

<u>COMMITTEE</u>	<u>PURPOSE</u>
Strategy Committee	Determine overall pricing philosophy (objectives)
MSSC	Translates corporate pricing philosophy into pricing strategy that fits with our current business objectives
Pricing and Announcement Committee	Translates <u>MSSC strategy</u> into appropriate <u>specific product</u> pricing and announcement decisions

PAC MEMBERSHIP

CHAIRMAN	MARKETING VP (ROTATING)
Other Members	(Since PAC is an operating committee, membership is presumed adequate.)

2. PROMOTION COMMITTEE

Establishment of a subcommittee to work issues related to advertising and promotion programs. The charter of this subcommittee should be flesh out and develop promotion programs as directed by MSSC. The existence of this committee would allow more opportunities for MSSC to give more specific direction to our promotion programs. Hopefully, this would also ease frustration that exists because of the difficulty in reaching consensus on this type of issue.

MEMBERSHIP

CHAIRMAN	SENIOR SALES OR MARKETING VP (MEMBER OF MSSC)
Functional Manager	Dick Berube
Marketing Members	(Selected (all?) Managers of Marketing promotion groups)
Sales Members	(Representatives from geographic and channels management)

3. MARKETING PRODUCTS COMMITTEE

MSSC needs to have more specific involvement in our product marketing strategy. While much of the strategy comes from product management, perhaps being focused by Strategy Committee, marketing groups and the field sales force needs to understand this strategy as a coherent set of messages that serve to maximize our market opportunities. The Marketing Products Committee would ensure that we worked towards a common set of assumptions for how products would be positioned across all markets and channels.

MEMBERSHIP

CHAIRMAN

MSSC MEMBER

(Bruce Ryan is a potential candidate for this position).

Marketing Members

Managers from Marketing Groups who are currently working product marketing issues in each segment

Sales Members

Representatives from field captains, and channels management

4. CHANNELS MANAGEMENT COMMITTEE

The channels subcommittee of MSSC would develop plans based on MSSC strategy to maximize our market opportunity in a multi-channel marketplace. This committee would ensure that we had an integrated set of channel policies that would be clearly documented. This committee would operate similar to PAC, in that under MSSC direction, it would review proposals for changes in channels strategy, including discount curves, and tiering. This committee would be expected to clarify our strategy with respect to value-added across the various channels as well as setting expectations for sales productivity in each of these environments.

CHAIRMAN

SALES VP (MSSC MEMBER)

Marketing Members

Selected Managers from several SMU's

Sales Members

Sales Functional/Channel Managers
Jay Atlas, John Alexanderson,
Jerry Paxton, US Government Sales
Manager, 1 Area Sales Manager

MSSC FOCUS ON APPLICATIONS

This memo has dealt primarily with some of the structural issues of the MSSC committee organization. It leaves unanswered questions about how MSSC members would specifically improve our collective applications marketing performance. I believe that, if the direction is right, we can work through this issue during the coming months.

On January 9th, Ken Swanton has organized an MSSC Woods to discuss Marketing/Sales roles and goals. Ken contends, that if we intend to take marketing seriously, we must have stronger implementation plans, including measurements. He is currently putting forward a series of

ideas that would help in this area. I would propose that we focus particularly on the field's execution of marketing's applications strategy, and develop measurement methods to track this.

I suggest that we use the meetings on December 17th and January 9th to seek consensus for this direction and develop a process for moving ahead.

Regards.

/ho

d i g i t a l

Al Crawford Talk File
Interoffice Memo

Committees
4:32 PM EDT

TO: ROBERTA BERNSTEIN
AL CRAWFORD
cc: STRATEGY COMMITTEE:

DATE: THU 16 AUG 1984
FROM: KEN OLSEN
DEPT: ADMINISTRATION
EXT: 223-2301
LOC/MAIL STOP: ML10-2/A50

MESSAGE ID: 5245886554

SUBJECT: COMMITTEES AND PRESENTATIONS

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I would like your idea of making this project a test of the committee and decision-making structure. I would suggest that, first of all, you work on the presentation and the attitude of the presenter. Too often, the feeling left by a presenter is that he is testing the management and proving how poor the system is. See if you can make a proposal and develop a system that will be so simple, so well-done, and so clear that people will buy it without any discussion.

At Ford, they use a standard, obvious, outline for all proposals. Many proposals go to each Board meeting. Most of them are left to the end when people are hungry and tired and they will vote "yes" to them en masse, because after reading them, they understand exactly what is proposed, who is making the proposal, who is taking the obligation, what tests there will be before each amount of money is committed, and what the arguments are against the proposal.

Proposals at Digital and to our own Board are often "sales" jobs presented with all the charm and, sometimes intimidation, that can be mustered - often, with an entourage who have nothing to contribute, except to make the committee or the Board feel that if this much effort has been put into the problem, and if this many people have been waiting in line to present, surely we should feel very guilty if we delay the project anymore.

Please develop a format for our presentations that we could use for all committees, no matter how many we have and who staffs them, and the same format could be used to go before the Board of Directors. Also, make a set of rules for presentations and written proposals. Please insist that the negative arguments also be presented, and when the arguments are very serious, that someone is there to present them.

We sometimes take too long on a subject at our Board, but indeed, it is true of all Boards, they sometimes spend a long time on certain issues. Sometimes, this is because they have a lot of opinions on them, but often it is because they do not have

confidence in the presentation and they feel obliged to keep asking and asking and asking until they develop confidence.

Much of these questions can be answered if the format requests simple statements of the obvious simple questions. For example, who is making the presentation? Is he proposing that he wants permission and resources to carry out this project, and that he will be responsible for it, and that he will be measured for it, and he will take a positive response as an approval for him to go the next step and that he is taking all the obligations for his proposal?

Or, is he proposing that someone else be forced to carry out the presenter's proposal, or is he proposing that the Corporation, or the committee, or that Ken Olsen be forced to carry out what he is proposing? If so, he then has to propose how that individual, or that committee should be measured, and on what schedule they should operate in order to be measured?

Normally, presentations should be limited to one person, and we should never bring people from all over the world to sit in on a presentation after waiting two or three hours to make the presentation.

If it is a request for capital expenditure, what pay back is proposed and what dates are set for measuring. This will not often be actually done, but it should be part of the proposal.

If it is a business plan, it should be clear who takes the obligation: does his boss take the obligation, and his boss take the obligation for that business plan? The risks, the competition should be all identified. What unique contributions we bring to that business should be made clear.

Too often, the implication of a proposal is that if it is accepted, the Company has made that commitment to that group forever, regardless of whether they produce their part or not. This question is carefully hedged in most proposals, and the results are most unpleasant to management, after the fact, when they realize the understanding was that they took an obligation when they voted "yes", but the presenter had no obligation.

Proposals should be done in a very, very small number of pages. Sometimes, we feel that weight is a measurement of quality. Too often, our presentations have nothing or they have so much that if you read through the whole proposal, you could not remember what the subject was when you started.

We probably should make the rule that every single business plan, every single small product, and every piece of capital equipment all the way down to some lowly small number gets proposed with a standard format and a commitment, and that normally these are not presented personally, but are read off by a senior administrator to the committee, or to the Board of Directors, and normally, they are approved en masse.

When we start a product, we either should have the marketers

committed to that product, or we should have the President of the Corporation say he believes we should go ahead with a product and we will commit to marketers later on, but that, of course, means he has to be truly convinced and not just that he was intimidated by threats of resignation in doing it.

KHO:blk

K03:S12.56

Dictated but not read

d i g i t a l

F.C. cabinet
W. C.
Committees
Interoffice Memo

TO: PRODUCT STRAT COMM:

DATE: THU 4 OCT 1984 8:53 AM EDT

cc: PRODUCT STRAT INT:

FROM: WILLIAM KOTEFF

DEPT: ENG. PROD. PLANNING

EXT: 223-3123

LOC/MAIL STOP: ML012-1/T39

MESSAGE ID: 5250748632

SUBJECT: CANCELLATION OF MEETING...

The PSC meeting scheduled for October 8th has been cancelled.

4-OCT-84 9:06:58 S 01944 MRTG

MRTG MESSAGE ID: 5250701577

Committees

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I n t e r o f f i c e M e m o

TO: see "TO" DISTRIBUTION

DATE: WED 5 SEP 1984 10:42 AM EDT
FROM: KEN OLSEN
DEPT: ADMINISTRATION
EXT: 223-2301
LOC/MAIL STOP: ML10-2/A50

MESSAGE ID: 5247808735

SUBJECT: COMMITTEE STAFFING

CONFIDENTIAL - DO NOT DISTRIBUTE OR COPY

It has become clear that with the present set of senior committees, there is some overlap in apparent responsibilities and some people are members of too many of the committees. Sometimes, there is also confusion as to which committee to bring any one question.

We will redefine committees to keep any one individual's responsibility to no more than two committees, and to make more obvious what the responsibilities are for each committee.

The new Strategy Committee will consist of the senior marketing managers and the senior engineering managers, but are most responsible for the key Corporate strategy. The new Strategy Committee will consist of: Bob Huettner, Bill Johnson, Pete Smith, Bob Hughes, Ed Kramer, Ward MacKenzie, Jeff Kalb, Bill Demmer, Bob Glorioso, Grant Saviers, Bill Heffner, Jack Smith, and Bill Strecker. Ken Olsen will be the chairman.

KHO:blk
K04:Sl.16
DICTATED BUT NOT READ

"TO" DISTRIBUTION:

AL BERTOCCHI
BOB GLORIOSO
*WIN HINDLE
BILL JOHNSON
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BILL STRECKER

AL CRAWFORD
BILL HANSON
BOB HUETTNER
JEFF KALB
WARD MACKENZIE
PETER SMITH

BILL DEMMER
BILL HEFFNER
BOB HUGHES
ED KRAMER
GRANT SAVIERS
JACK SMITH

Copy Ron Smart.

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I n t e r o f f i c e M e m o

TO: KEN OLSEN
cc: see "CC" DISTRIBUTION

DATE: MON 10 SEP 1984 8:51 AM EDT
FROM: WIN HINDLE
DEPT: CORPORATE OPERATIONS
EXT: 223-2338
LOC/MAIL STOP: ML10-2/A53

MESSAGE ID: 5248314199

SUBJECT: COMMITTEES

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Some comments on your September 5th Committee proposal:

1. I believe there still is a need for a very senior group (Smith, Shields, Sims, CFO, Hanson, Hindle and yourself) to meet when there are truly corporate issues that do not fall into one of the other Committees (such as Corporate Philosophy, Committee Structures, filling senior positions and other unforeseen major emergencies that need a forum). We could leave this as an informal group and call it together when needed, (thereby running the risk of having it called a "Kitchen Cabinet"), or we could name a specific committee. One other task for this group would be to act as a tie-breaker between senior people in the company or between committees when necessary. Otherwise you will have to be the tie-breaker yourself.
2. The Strategy Committee should have one or two Sales people, I think, to keep a focus on the needs for products this year and next year.
3. The Charter for Strategy Committee and MSSC still needs work. It is not clear where certain issues should go, (for example, BI sales and manufacturing rights, use of retail channel, micro-dealer plan, etc.)
4. I suggest that we make the Jack Shields/Bill Hanson Tuesday morning group an official Corporate Committee to round out the structure.

WH1:S5.56

"CC" DISTRIBUTION:

ROBERTA BERNSTEIN
JACK SMITH

AL CRAWFORD

JACK SHIELDS

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I N T E R O F F I C E M E M O

TO: Win Hindle
Jack Shields
Jack Smith

Date: 5 September 1984
From: Ken Olsen
Dept: Administration
MS: ML010-2/A50 Ext: 223-2301

SUBJ: COMMITTEE STAFFING

NOTE: PLEASE REVIEW AND GIVE ME YOUR FEEDBACK ON THIS MEMO AS
SOON AS POSSIBLE.

CONFIDENTIAL - DO NOT DISTRIBUTE OR COPY

It has become clear that with the present set of senior committees, there is some overlap in apparent responsibilities and some people are members of too many of the committees. Sometimes, there is also confusion as to which committee to bring any one question.

We will redefine committees to keep any one individual's responsibility to no more than two committees, and to make more obvious what the responsibilities are for each committee.

The Management Committee will be responsible for reviewing all management capability and management development programs, space plans, financial, business, personnel, legal questions and will review the financial results of each part of the Company. Win Hindle will be the chairman.

The Strategy Committee will consist of the senior marketing managers and the senior engineering managers, but are most responsible for the key Corporate strategy. The Strategy Committee will consist of: Bob Huettnner, Bill Johnson, Pete Smith, Bob Hughes, Ed Kramer, Ward MacKenzie, Jeff Kalb, Bill Demmer, Bob Glorioso, Grant Saviers, Bill Heffner, Jack Smith, and Bill Strecker. Ken Olsen will be the chairman.

The Engineering Management Committee will be enlarged to include the Manager of Quality and Standards, and will be responsible for all the administrative activities necessary to carry out the strategies that are developed by the Strategy Committee. This administration role should improve preparation for and follow-through on strategic decisions. Jack Smith will be the chairman.

There probably would be no need for the Product Strategy Committee.

The MSSC will continue to be responsible for marketing plans and pricing, and will be chaired by Jack Shields.

KHO:blk

K04:S1.16

DICTATED BUT NOT READ

Attachments (2)

Confidential

d	i	g	i	t	a	l
---	---	---	---	---	---	---

I n t e r o f f i c e M e m o

TO: ~~Ken~~ Olsen

CC: Win Hindle
Ron Smart

DATE: 4 September 1984
FROM: Al Crawford
DEPT: Corporate Planning
EXT: 223-4842
LOC/MAIL STOP: ML02-2/T98

SUBJECT: Committee Structure and Staffing

Reference your memo of 4 September. Here are my comments:

1. There clearly is a need to clarify scope and charters of the Corporate committees. Roberta and I have been working on that with the committee secretaries, and frankly finding it difficult to eliminate the overlap.
2. I suggest retitling the "Management Committee" to be the "Corporate Operations Committee" with all of the oversight and decision-making responsibilities covering the operational areas you mention (financial, business, personnel, and legal) plus other cross-organizational and administrative areas as well.
3. Your newly constituted Strategy Committee does not include any Field or Financial representation. The committee is also already quite large and adding any more members would obviously make it unmanageably large. One alternative is to assure that the precommittee staff work adequately covers Field coordination and financial analysis/ impacts; that will take discipline we haven't yet displayed.
4. It is not just Engineering as a function which needs a top-level management committee within the function. Jack Shields already has his Field Management Committee. I guess you could equate the Bill Hanson staff and the Al Bertocchi Staff to the "top of the house" functional committees therein. I personally believe that a comparable Marketing Management Committee or forum is needed as well. My observation is that the several Market Group VPs attend the MSSC as individuals and without necessarily a coordinated Marketing perspective on any issue. This is as opposed to Jack Shields, who has his FMC to iron out the kinks on particularly contentious issues before bringing it to the Strategy Committee or the MSSC.
5. I agree that the Product Strategy Committee becomes redundant.
6. The current MSSC is a smooth functioning body, but as you probably know dominated by Jack Shields. Its membership is also over balanced with Field representation. I believe we should tactfully but firmly look for a way to put a better balance to that committee behavior. This is particularly true with the Pricing responsibility. I would not, for

example, support a senior Field VP chairing the Pricing and Announcement subcommittee, but would keep one of the Marketing VPs in charge -- probably not Ward MacKenzie any longer, in view of the perception of our pricing being biased toward the OEM channel.

7. We also need to assure that Manufacturing gets suitable representation and visibility in the senior committees.

Call Al Crawford

Call Jack Smith

SEP 04 1984

Committees

Any hint of one committee being the Senior Com.?

+-----+
: : : : : : : :
: d : i : g : i : t : a : l :
: : : : : : : :
+-----+

INTEROFFICE MEMO

TO: Al Crawford
Win Hindle
Ron Smart
Jack Smith

Date: 4 September 1984
From: Ken Olsen
Dept: Administration
MS: MLO10-2/A50 Ext: 223-2301

SUBJ: COMMITTEE STAFFING

NOTE: PLEASE REVIEW AND GIVE ME YOUR FEEDBACK ON THIS MEMO AS
SOON AS POSSIBLE.

CONFIDENTIAL - DO NOT DISTRIBUTE OR COPY

It has become clear that with the present set of senior committees, there is some overlap in apparent responsibilities and some people are members of too many of the committees. Sometimes, there is also confusion as to which committee to bring any one question.

We will redefine committees to keep any one individual's responsibility to no more than two committees, and to make more obvious what the responsibilities are for each committee.

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The Strategy Committee will consist of the senior marketing managers and the senior engineering managers, but are most responsible for the key Corporate strategy. The Strategy Committee will consist of: Bob Ruettner, ✓ Bill Johnson, ✗ Pete Smith, ✗ Bob Hughes, ✗ Ed Kramer, ✗ Ward MacKenzie, ✓ Jeff Kalb, ✓ Bill Demmer, ✓ Bob Glorioso, ✓ Grant Saviers, ✓ Bill Heffner, Jack Smith, and ✓ Bill Strecker. Ken Olsen will be the chairman.

7 The Engineering Management Committee will be enlarged to include the Manager of Quality and Standards, and will be responsible for all the administrative activities necessary to carry out the strategies that are developed by the Strategy Committee. Jack Smith will be the chairman.

There probably would be no need for the Product Strategy Committee.

The MSSC will continue to be responsible for marketing plans and pricing, and will be chaired by Jack Shields.

KHO:blk

K04:S1.16

DICTATED BUT NOT READ

SEP 04 1984

* d i g i t a l *

INTEROFFICE MEMORANDUM

TO: Ken Olsen
cc: Win Hindle
Jack Smith
Al Crawford

DATE: September 4, 1984
FROM: Ron Smart
DEPT: MC Secretary
LOC: ML010-1/F41
EXT: 223-7011

SUBJ: COMMITTEE STAFFING

Your committee assignments and memberships provide a good basis for a change for the better.

Management Committee: suggest adding "Review of management capability and management development programs" (part of "Personnel" I suppose). Also add review of "space" plans.

Strategy Committee: excellent to have Engineering participation.

Engineering Management Committee: good, this administration role should improve preparation for and follow-through on strategic decisions.

? MSSC: o.k. (Marketing-Sales interaction).

We might need a "Strategic Marketer's Committee" as a subcommittee of the Strategy Committee, but with Strategic Marketers (Applications Segments experts, not Market Group Managers,) to beef up Product Line capability and improve synergy (I'll follow through on this question).

mr
P10.30

Confidential

I n t e r o f f i c e M e m o

d i g i t a l

TO: Ken Olsen

DATE: 4 September 1984

CC: ✓ Win Hindle
Ron Smart

FROM: Al Crawford *ALC*

DEPT: Corporate Planning

EXT: 223-4842

LOC/MAIL STOP: ML02-2/T98

SUBJECT: Committee Structure and Staffing

Reference your memo of 4 September. Here are my comments:

1. There clearly is a need to clarify scope and charters of the Corporate committees. Roberta and I have been working on that with the committee secretaries, and frankly finding it difficult to eliminate the overlap.
2. I suggest retitling the "Management Committee" to be the "Corporate Operations Committee" with all of the oversight and decision-making responsibilities covering the operational areas you mention (financial, business, personnel, and legal) plus other cross-organizational and administrative areas as well.
3. Your newly constituted Strategy Committee does not include any Field or Financial representation. The committee is also already quite large and adding any more members would obviously make it unmanageably large. One alternative is to assure that the precommittee staff work adequately covers Field coordination and financial analysis/ impacts; that will take discipline we haven't yet displayed.
4. It is not just Engineering as a function which needs a top-level management committee within the function. Jack Shields already has his Field Management Committee. I guess you could equate the Bill Hanson staff and the Al Bertocchi Staff to the "top of the house" functional committees therein. I personally believe that a comparable Marketing Management Committee or forum is needed as well. My observation is that the several Market Group VPs attend the MSSC as individuals and without necessarily a coordinated Marketing perspective on any issue. This is as opposed to Jack Shields, who has his FMC to iron out the kinks on particularly contentious issues before bringing it to the Strategy Committee or the MSSC.
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6. The current MSSC is a smooth functioning body, but as you probably know dominated by Jack Shields. Its membership is also over balanced with Field representation. I believe we should tactfully but firmly look for a way to put a better balance to that committee behavior. This is particularly true with the Pricing responsibility. I would not, for

example, support a senior Field VP chairing the Pricing and Announcement subcommittee, but would keep one of the Marketing VPs in charge -- probably not Ward MacKenzie any longer, in view of the perception of our pricing being biased toward the OEM channel.

7. We also need to assure that Manufacturing gets suitable representation and visibility in the senior committees.

Committees -

! ! ! ! !
! d ! i ! g ! i ! t ! a ! l !
! ! ! ! !

I n t e r o f f i c e M e m o

TO: KEN OLSEN
cc: *WIN HINDLE

DATE: TUE 11 SEP 1984 1:39 PM EDT
FROM: BOB HUGHES
DEPT: B.O.S. MARKET GROUP
EXT: 264-SELL
LOC/MAIL STOP: /MK02-2A14

MESSAGE ID: 5248518142

SUBJECT: COMMITTEE STAFFING

RE: YOUR EMS OF 9/5/84

This sounds like a "System Strategy" committee. If it is, why don't we call it that? If it is not, how can we have a "Corporate Strategy" committee without Sales and Service?

RCH

12-SEP-84 1:59:34 S 00385 MKEM
MKEM MESSAGE ID: 5248454821

Drawn

Copy to: Al Crawford

File - Committees

d i g i t a l

Interoffice Memo

TO: KEN OLSEN

DATE: WED 5 SEP 1984 1:41 AM EDT

cc: ANN JENKINS

FROM: HARVEY WEISS

DEPT: US AREA

EXT: 223-2132

LOC/MAIL STOP: PK03/

MESSAGE ID: 5247808307

SUBJECT: COMMITTEE STRUCTURE

JUST WHAT YOU NEED--ANOTHER OPINION

MY (FIRST) IMPRESSIONS:

- 1. STRATEGY COMMITTEE LOOKS LIKE IT WILL FOCUS ON MARKETING ISSUES AND THEIR INTERSECTION WITH THE ENGINEERING PLANS, CAPABILITIES, TECHNOLOGIES, PRODUCTS.

MARKETING ISSUES WOULD INCLUDE MARKET SEGMENTATIONS WHICH SHOULD OR DESERVE TO HAVE A BUSINESS MODEL FOR EVALUATING RETURN ON INVESTMENT OR ASSET UTILIZATION,

MARKETING AND PRODUCT PLANS THAT WOULD BE GIVEN TO THE FIELD/AREAS FOR THE CREATION AND EXECUTION OF SALES STRATEGIES.

- 2. THE ENGINEERING MANAGEMENT COMMITTEE WILL MANAGE AND EXECUTE THE ENGINEERING STRATEGIES OF THE STRATEGY COMMITTEE. EMC WOULD ALSO PRESENT THE TECHNOLOGY AND PRODUCT ALTERNATIVES TO STRATEGY COMMITTEE FOR CONSIDERATION.

EMC WOULD AS YOU INDICATE BE RESPONSIBLE FOR THE ADMINISTRATIVE MANAGEMENT AND DIRECTION OF THE ENGINEERING PROCESS INCLUDING QUALITY AND TRANSITIONS TO MANUFACTURING.

- 3. MSSC WILL BE RESPONSIBLE FOR THE MANAGEMENT OF THE INTERSECTION BETWEEN MARKETING THE FIELD STRUCTURE TO INSURE THE EXECUTION OF MARKET STRATEGIES CREATED AT STRATEGY COMMITTEE.

MSSC WILL CONSIDER THE OPERATING ISSUES OF THE AREAS AND CUSTOMER SATISFACTION THROUGH BACKLOG MANAGEMENT, NOR FLOW THROUGH, COMPETITIVE PRICING, SERVICE POLICIES, SERVICE REVENUES AS WELL AS GROSS MARGIN FOR HAEDWARE PRODUCTS.

- 4. MANAGEMENT COMMITTEE WILL BE THE OVERALL REVIEW OF THE VARIOUS FUNCTIONS RESPONSIBLE FOR REVENUE AND MARGIN GENERATION, AS WELL AS MAINTAINING A READINESS EVALUATION/RESPONSIBILITY FOR THE COMPANY.

MANAGEMENT COMMITTEE WILL BE RESPONSIBLE FOR A WIDE VARIETY OF

ISSUES AND CONDITIONS MAINTAINING DILIGENCE IN PRODUCTIVITY IMPROVEMENTS, EFFECTIVENESS AND EFFICIENCY.

BECAUSE OF THE WIDE VARIETY OF ISSUES TO BE COVERED BY THE MANAGEMENT COMMITTEE, A CORE MEMBERSHIP SHOULD BE CONSIDERED WITH TWO OR THREE ADJUNCT CONFIGURATIONS OF MANAGERS TO WORK SELECTED ISSUES FOR THE MANAGEMENT COMMITTEE. THAT WAY, SKILLED AND KNOWLEDGEABLE MANAGERS WOULD WORK ONLY THE ISSUES THEY PREPARE AND MC WOULD AVOID WORKING ISSUES WITH SHALLOW DATA AND NO INFORMATION OR INTELLIGENCE.

SECOND IMPRESSIONS:

YOUR SELECTED CHAIRMANSHIP LOOKS GOOD. I WOULD RECOMMEND THAT YOU ADD SOME AREA MANAGERS TO EACH COMMITTEE TO KEEP A SENSE OF FIELD SENSITIVITY AND CUSTOMER SATISFACTION AND EMPLOYEE SATISFACTION.

IN NO WAY SHOULD AN AREA MANGER BE ON MORE THAN TWO COMMITTEES OF WHICH MSSC IS ONE.

(THIS MAY BE A LITTLE SELFSEEKING AS I AM INTERESTED IN PARTICIPATING IN PRODUCT ISSUES AT THE HIGH END AS WELL AS MARKETING STRATEGIES AS IMPLEMENTED BY THE GOVERNMENT SYSTEMS GROUP).

IT IS CLEARLY YOUR CHOICE, BUT I WOULD LIKE TO POINT OUT TO YOU THAT ON THE STRATEGY COMMITTEE YOU HAVE THREE LEVELS OF MANAGEMENT OF THE ENGINEERING ORGANIZATION. IF THERE ARE PEOPLE THAT YOU NEED OR WANT TO HAVE INPUT INTO THE COMMITTEE PROCESS, YOU SHOULD HAVE THEM AS ADJUNCTS TO THE CORE STRUCTURE. IT IS VERY DIFFICULT FOR THREE LEVELS OF MANAGEMENT TO DISCUSS, PERHAPS ARGUE, AT LEAST DISAGREE IF NOT VOTE AGAINST A BOSS' ISSUE. YOU MAY NOT GET THE OPENNESS YOU NEED.

I THINK YOU SHOULD ADD GSG TO STRATEGY COMMITTEE BECAUSE GSG CONTINUES TO BE A TRUE "INDUSTRY MARKETING" GROUP. "INDUSTRY MARKETING" WILL EVOLVE TO BE AN ACCEPTABLE ORGANIZATION ALTERNATIVE FOR THE CORPORATION TO CONSIDER OVER TIME. (AGAIN, A LITTLE PERSONAL OPINION FROM ME).

5-SEP-84 2:32:07 S 00135 HZEM
HZEM MESSAGE ID: 5247803752

Committees

Met with Roberts -
in early Sept

handout
Sept 10-11am
251-1905

CORPORATE COMMITTEE CHARTERS

REVISED 10 AUGUST 1984

NOTES:

1. All charter statements include a worldwide responsibility.
2. Any unresolved issues escalate to the S.C.
3. The PSC has been renamed to be the Manufacturing Engineering Strategy Committee (MESC) to more accurately reflect its scope of responsibility.
4. The core of each committee's responsibility is strategic and long or longer range with short-term operating responsibilities residing in the functions.

CHARTERS

COMMITTEE

RESPONSIBILITY

STRATEGY

To provide overall Corporate Strategic direction and goals.

To provide corporate approval authority on:

1. Proposed new and revised functionally specific strategies, (e.g., product, marketing, etc.) *at what level*
SC threshold
2. All proposed large dollar product investments, (greater than \$10m in one year or \$20M total) proposed product investments with potentially high revenue generation (greater than \$500m life of product), and proposed capital expenditures greater than \$2M. ✓
3. Proposed plans for extraordinary events including financial results, DECTown, external alignments, competition, product slips. ✓
4. Proposed organizational changes and movement of senior managers. ✓

To facilitate corporate integration through the LRP process by:

1. Approving for consistency the LRP's of designated business units. ✓
2. Establishing and reviewing strategic measurements and timeless business models.

MANAGEMENT

To act as an objective (non-functionally aligned) unit with operations and financial oversight authority by:

1. Reviewing and approving corporate budgets, business models and operations plans. ✓
2. Review corporate performance against budget including *area?* district sales by product and product line. ✓

3. Reviewing and approving corporate policies not included within MSSC or MESCC such as space, administration personnel, compensation and benefits. ✓
4. Determining management development needs across the corporation and reviewing the associated plans. ✓
5. Establishing customer satisfaction standards and reviewing corporate performance. ✓
6. Maintaining oversight of cross-functional business processes and administrative systems. ✓

MANUFACTURING/
ENGINEERING

To determine the strategies by which Manufacturing and Engineering develop and produce product by:

1. Recommending new product and systems strategies. ✓
2. Recommending revisions to existing product strategies. ✓
3. Approving operating strategies for product cost and quality. ✓
4. Approving product investments below the SC threshold. ✓
5. Approving significant make/buy decisions. ✓
Threshold?
6. Recommending major commitments with external vendors. ✓
7. Maintaining oversight of beyond 12 months material forecast. ~~??~~ ?

To monitor performance against plan including major phase review milestones and timeliness of product strategy implementation.

MARKETING/
SALES

To determine the strategies by which Marketing and Sales get product to the customer by:

1. Proposing marketing and sales strategies and plans and ensuring the coordination of both. ✓
2. Approving plans that coordinate across geographies and market segments including pricing strategies, product announcements and account plans. ✓
3. Resolving differences between Marketing and Sales. ✓
4. Approving pricing and announcement recommendations from PAC. ✓
5. Recommending proposed external vendor and joint marketing commitments. ✓
6. Approve the 12 month materials forecast. ✓

To monitor performance against plan including product sales.

SECRETARIES/
SECRETARIAT

To expedite the orderly flow of information up and down the committee system. ✓

SECRETARIES

1. Set all meeting agendas and develop briefing packages. ✓
2. Log and communicate all decisions to other committees and to the functions. ✓
3. Track disposition of results. ✓
4. Ensure acceptable meeting processes.

SECRETARIAT

1. Assess document completeness.
2. Coordinate agendas across committees.
3. Develop detailed and precise charters.
4. Develop criteria for consistency across committees.
5. Develop sequence of decision making, (e.g., investment strategy prior to budget) ✓
6. Recommend committee membership using the following guidelines:
 - avoid dual membership except for chairperson or critical resource ✓
 - use representatives on a rotating basis where feasible ✓
 - select participants for their expertise and corporate credibility. ✓
 - place cross-functional representation on each committee ✓
7. Provide overall staff support.

match

SUMMARY

SC APPROVAL

SOURCE

Functional specific strategies

- new and revised product strategies
- marketing plans
- sales plans

MESC
MSSC
MSSC

Extraordinary events

MC

MESC

MSSC

Organizational changes

MC

MESC

MSSC

Senior management moves

MC

MESC

MSSC

Designated LRP'S

MC

MESC

MSSC

Strategic measurements

MC

MESC

MSSC

MC APPROVAL

SOURCE

Corporate budgets

MESC

MSSC

Corporate operations plans

MESC

MSSC

Corporate policies

Functions

External vendor commitments

MESC

Joint marketing agreements

MESC

MESC APPROVAL

SOURCE

Operating strategies

Manufacturing & Engineering

Materials forecast

Manufacturing

Product investments

Engineering

MSSC APPROVAL

SOURCE

Marketing plans

Marketing

Sales plans

Sales

Geographic plans

Geographies

Pricing & announcements

PAC

GENERAL CHARTER STATEMENTS AND MEMBERSHIP

STRATEGY COMMITTEE

To provide overall corporate strategic direction by integrating across the functions.

Olsen, Ken (chair)	Bertocchi, Al
Hanson, Bill	Hindle, Win
Hughes, Bob	Johnson, Bill
Kalb, Jeff	Kramer, Ed
Mackenzie, Ward	Shields, Jack
Smith, Jack	Smith, Pete
Crawford, Al (Secretary)	

MANAGEMENT COMMITTEE

To act as an objective (non-functionally aligned) unit with operations and financial oversight authority.

Hindle, Win (Chair)	Hanson, Bill
Poulsen, Dick	Ryan, Bruce
Schwartz, Ed	Sims, John
Smith, Pete (Rotate)	Thompson - Replacement
Smart, Ron (Secretary)	Engineering Representative

MARKETING/SALES COMMITTEE

To determine the strategies by which Marketing and Sales get product to the customer.

Shields, Jack (Chair)	Alexanderson, John
Busiek, Don	Falotti, Pier-Carlo
Gaviglia, Lou	Grainger, David
Huettner, Bob	Hughes, Bob
Kramer, Ed	MacKenzie, Ward
Paxton, Jerry	Smith, Pete
Witmore, Jerry	
Wetmiller, John (Secretary)	

MANUFACTURING/ENGINEERING COMMITTEE

To determine the strategies by which Manufacturing and Engineering develop and produce product.

Smith, Jack (Chair)	Chamberlain, George
Fuller, Sam	Kramer, Ed
McCabe, Frank	O'Keefe, John (Rotate)
Saviers, Grant	Stone, David
Strecker, Bill	Weiss, Harvey
Koteff, Bill (Secretary)	Hanson Representative

CORPORATE COMMITTEES

AGENDA

1. CONTEXT - PURPOSE AND PROBLEM
2. THE SYSTEM - TWO EXAMPLES
3. THE CHARTERS - DETAILED STATEMENTS
4. THE MEMBERSHIP - TENTATIVE LIST
5. DECISION ALTERNATIVES
 - ACCEPT
 - ACCEPT WITH MODIFICATIONS
 - REJECT

15 AUGUST 1984

CORPORATE COMMITTEES
CONTEXT
PURPOSE & PROBLEM

PURPOSE OF COMMITTEE STRUCTURE

- SYSTEM OF CORPORATE DECISION-MAKING
 - STRATEGY
 - INVESTMENTS
 - OPERATING PLANS & RESULTS
- EXPEDITE FLOW OF INFORMATION

CURRENT PROBLEMS

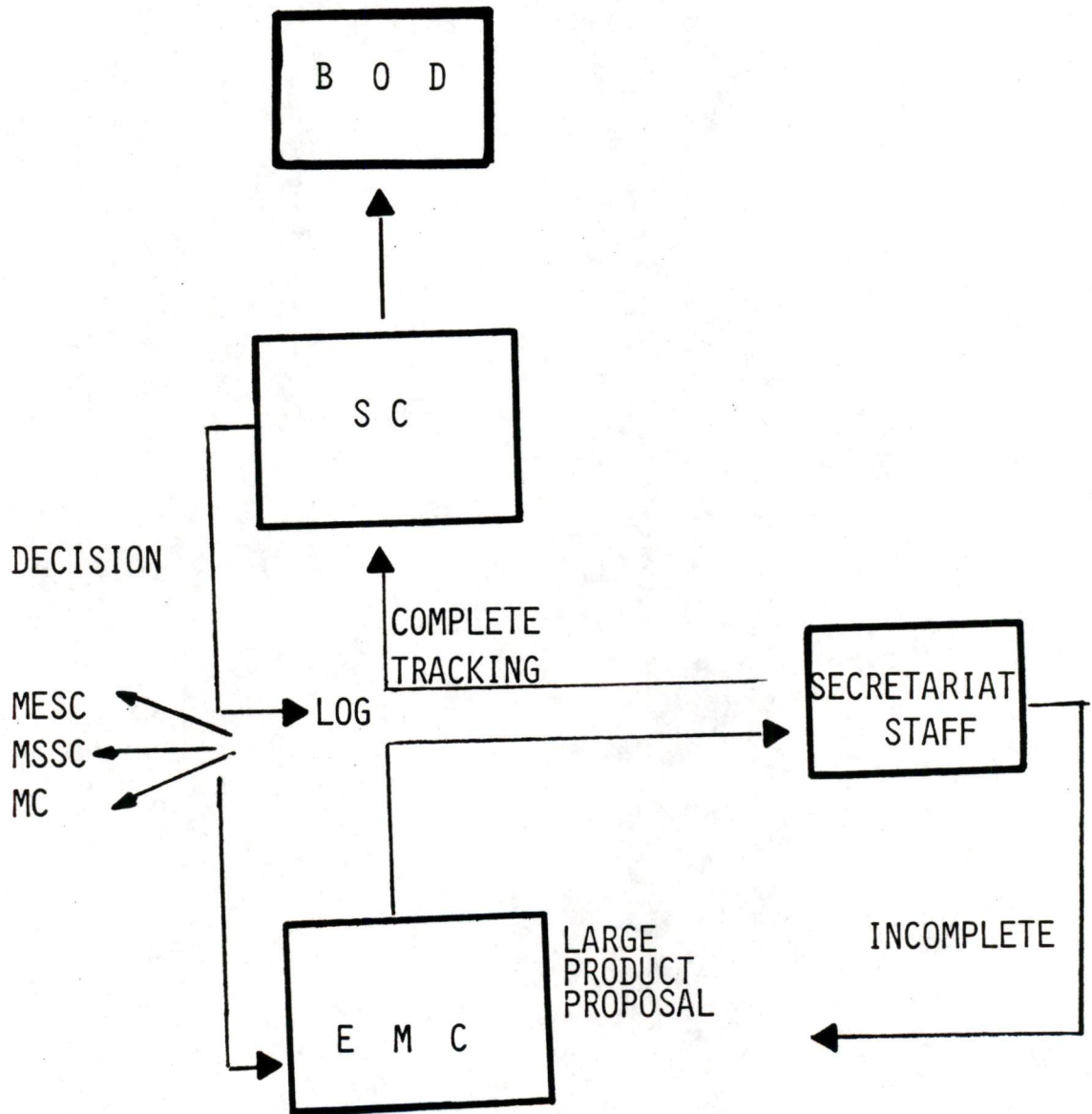
- INFORMAL PROCESSES
- UNCLEAR CHARTERS
- LACK OF INFORMATION SYSTEMS
- DECISION-MAKING

15 AUGUST 1984

CORPORATE COMMITTEES

THE SYSTEM (EXAMPLE 1)

PRODUCT PROPOSAL



15 AUGUST 1984

CORPORATE COMMITTEES
CHARTERS (KEY WORDS)
MEMBERSHIP

RESPONSIBILITY

1. Key Areas

STRATEGY	MANAGEMENT	MFG - ENG	MKTG - SALES	SECRETARIAT
Strategic directions	Corporate budgets	Prod. & Sys. strat. // (new & revised)	Mktg & Sales strat.	Agendas
Hi investment thresh- olds	Corp. business models	Prod. cost & quality //	Geog. & segment Plans	Briefing pkgs
Extraordinary events	Corp. operations plans	Lo investment thresh- olds	Pricing & announce- ments	Log & comm. decisions
Org. changes	Corp. performance	Make vs. buy	Joint marketing	Track dis- position
LRP consistency	Corp. policies Management Devel.	External vendors Beyond 12 months materials forecast	12 mo. forecast	Meeting mgmt Staff support
	Customer satis. standards			
	Cross-func. processes			
2. Measurements	Strategic meas.	Performance ag. plan See above	Performance ag. -prod. sales	

put names on p. 2

MEMBERSHIP

15 AUGUST 1984

CORPORATE COMMITTEES
DECISION

"WHAT GOES UP MUST COME DOWN"

ACCEPT

ACCEPT WITH MODIFICATION

REJECT

15 AUGUST 1984

1.48

d i g i t a l

AUG 13 1984

INTEROFFICE MEMORANADUM

DATE: 10 August 1984
FROM: Roberta Bernstein
DEPT: CORPORATE PLANNING
EXT: 251-1405
LOC/MAIL STOP: CF02-2/J34

R.B.

TO: Strategy Committee:

SUBJECT: Briefing Package
- Proposed Corporate Committee Structure
- Strategy Committee Agenda 8/15/84

The attached briefing package will help expedite the presentation on the 15th. The package summarizes the following:

1. Proposal Objective
2. Current Problems
3. Design Principles
4. Proposed System
5. Charter Statements
6. Membership

By reviewing this prior to the presentation, we can focus the discussion on the system and detail.

Thank you for your attention.

BRIEFING PACKAGE

PROPOSED CORPORATE COMMITTEE STRUCTURE

AUGUST, 1984

PROPOSAL OBJECTIVE

The objective of this proposal is to effect an efficient and orderly flow of information into and out of the corporate committees. Within a system of corporate decision - making, each major company activity will either be formally reviewed, approved or rejected. The charters of the committees are designed to reflect these major activities and membership is designated accordingly.

CURRENT PROBLEMS

There are four predominant problems with the existing system and structure:

1. The process by which information flows and decisions are made are ill-defined.
2. The existing charter statements present unclear and potentially overlapping responsibilities.
3. Because of the unclear charters, the relationship between the committees and between the committees and functional organizations are not defined.
4. It is often difficult to reach and maintain a decision without multiple presentations.

DESIGN PRINCIPLES

Based on an analysis of the current problems, several principles were developed to design a system, clarify charters and determine membership. On the following page the principles are segmented by:

1. System
2. Charters
3. Membership

System

1. The existing committees will be maintained.
2. Information will flow according to the principle of "what goes up must come down."
3. A presentor/proposer need only go to one committee for a decision (perhaps just one).
4. Whichever committee makes a decision, reviews the progress.
5. Decisions are coordinated across committees.
6. A secretariat/staff group will serve as a gatekeeper.
7. Committees are not a substitute for good management practices.
8. The process begins at the functional committee level.

Charters

1. There are no overlaps between committees.
2. Each segment of the company will be covered.
3. Each committee has an approval, review and recommending function.

Membership

1. Membership on more than one committee will be avoided except for chairpeople.
2. Representatives from a function will be used where feasible.
3. Representatives will be selected for their competence and credibility.
4. Cross-functional representation will be adopted on each committee.

THE SYSTEM

See Appendix I

GENERAL CHARTER STATEMENTS AND MEMBERSHIP

STRATEGY COMMITTEE

To provide overall corporate strategic direction by integrating across the functions.

② Olsen, Ken (chair)	Bertocchi, Al
④ Hanson, Bill	Hindle, Win
④ Hughes, Bob	Johnson, Bill
③ Kalb, Jeff	Kramer, Ed
③ Mackenzie, Ward	Shields, Jack
① Smith, Jack	① Smith, Pete
Crawford, Al (Secretary)	

MANAGEMENT COMMITTEE

To act as an objective (non-functionally aligned) unit with operations and financial oversight authority.

Hindle, Win (Chair)	② Hanson, Bill
Poulsen, Dick	Ryan, Bruce
① Schwartz, Ed	Sims, John
① Smith, Pete (Rotate)	Thompson - Replacement
Smart, Ron (Secretary)	Engineering Representative

Ed Shue

MARKETING/SALES COMMITTEE

To determine the strategies by which Marketing and Sales get product to the customer.

Shields, Jack (Chair)	Alexanderson, John
Busiek, Don	Falotti, Pier-Carlo
Gaviglia, Lou	Grainger, David
Huettnner, Bob	④ Hughes, Bob
Kramer, Ed	③ MacKenzie, Ward
Paxton, Jerry	① Smith, Pete
Witmore, Jerry	<i>Gindano</i>
Wetmiller, John (Secretary)	

MANUFACTURING/ENGINEERING COMMITTEE

To determine the strategies by which Manufacturing and Engineering develop and produce product.

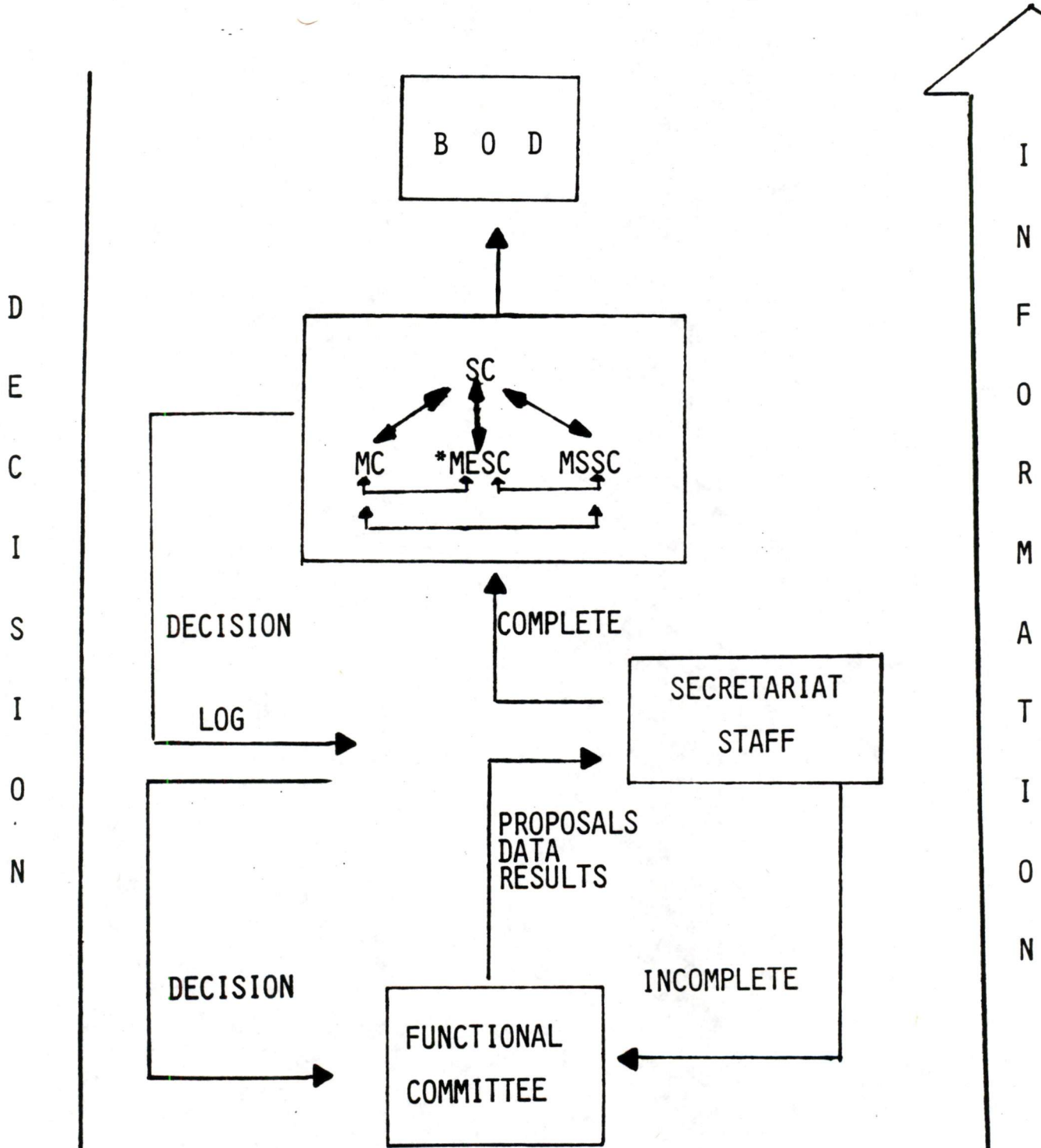
Smith, Jack (Chair)	Chamberlain, George
Fuller, Sam	Kramer, Ed
McCabe, Frank	O'Keefe, John (Rotate)
Saviers, Grant	Stone, David
Strecker, Bill	Weiss, Harvey
Koteff, Bill (Secretary)	Hanson Representative

See Appendix II for more detail.

APPENDIX I

THE SYSTEM

"WHAT GOES UP MUST COME DOWN"



*Note name change from Product Strategy Committee to Manufacturing Engineering Strategy Committee.

APPENDIX II
SUMMARY OF CHARTERS

SUMMARY

SC APPROVAL

SOURCE

Functional specific strategies

- new and revised product strategies
- marketing plans
- sales plans

MESC
MSSC
MSSC

- Extraordinary events
- Organizational changes - ?
- Senior management moves - ?
- Designated LRP'S
- Strategic measurements

MC MESC MSSC
MC MESC MSSC
MC MESC MSSC
MC MESC MSSC
MC MESC MSSC

MC APPROVAL

SOURCE

- Corporate budgets
- Corporate operations plans
- Corporate policies
- External vendor commitments
- Joint marketing agreements - ?

MESC MSSC
MESC MSSC
Functions
MESC
MESC

MESC APPROVAL

SOURCE

- Operating strategies
- Materials forecast
- Product investments ?

Manufacturing & Engineering
Manufacturing
Engineering

MSSC APPROVAL

SOURCE

- Marketing plans
- Sales plans
- Geographic plans
- Pricing & announcements

Marketing
Sales
Geographies
PAC



Committees
AUG 22 1964

STRATEGY COMMITTEE

To provide overall corporate strategic direction by integrating across the functions.

- | | |
|--------------------------|---------------|
| Olsen, Ken (Chair) | Bertocchi, Al |
| Hanson, Bill | Hindle, Win |
| Hughes, Bob | Johnson, Bill |
| Kalb, Jeff | Kramer, Ed |
| Mackenzie, Ward | Shields, Jack |
| Smith, Jack | Smith, Pete |
| Crawford, Al (Secretary) | |

To WIN HINDLE
When you get around to putting people on these, I'd like to get Henry on one of them.
RCH.
8/16

MANAGEMENT COMMITTEE

To act as an objective (non-functionally aligned) unit with operations and financial oversight authority.

- | | |
|------------------------|----------------------------|
| Hindle, Win (Chair) | Hanson, Bill |
| Poulsen, Dick | Ryan, Bruce |
| Schwartz, Ed | Shue, Chic |
| Sims, John | Smith, Pete (Rotate) |
| Smart, Ron (Secretary) | Thompson Replacement |
| | Engineering Representative |

MARKETING/SALES COMMITTEE

To determine the strategies by which Marketing and Sales get product to the customer.

- | | |
|-----------------------------|---------------------|
| Shields, Jack (Chair) | Alexanderson, John |
| Busiek, Don | Falotti, Pier-Carlo |
| Gaviglia, Lou | Giordano, Rose Ann |
| Grainger, David | Huettner, Bob |
| Hughes, Bob | Kramer, Ed |
| Mackenzie, Ward | Paxton, Jerry |
| Smith, Pete | Witmore, Jerry |
| Wetmiller, John (Secretary) | |

MANUFACTURING/ENGINEERING COMMITTEE

To determine the strategies by which Manufacturing and Engineering develop and produce product.

- | | |
|--------------------------|------------------------|
| Smith, Jack (Chair) | Chamberlain, George |
| Fuller, Sam | Kramer, Ed |
| McCabe, Frank | O'Keefe, John (Rotate) |
| Saviers, Grant | Stone, David |
| Strecker, Bill | Weiss, Harvey |
| Koteff, Bill (Secretary) | Hanson Representative |

Committees

Robert Brunker
I would be happy to review this with Rollita -

CORPORATE COMMITTEE STRUCTURE
THE GOAL

THE PROBLEM = PROCESS & OVERLAP

THE SYSTEM

- DECISION HIERARCHY - WHAT GOES WHERE
- DECISION PROCESS - HOW IT GETS THERE FEEDBACK

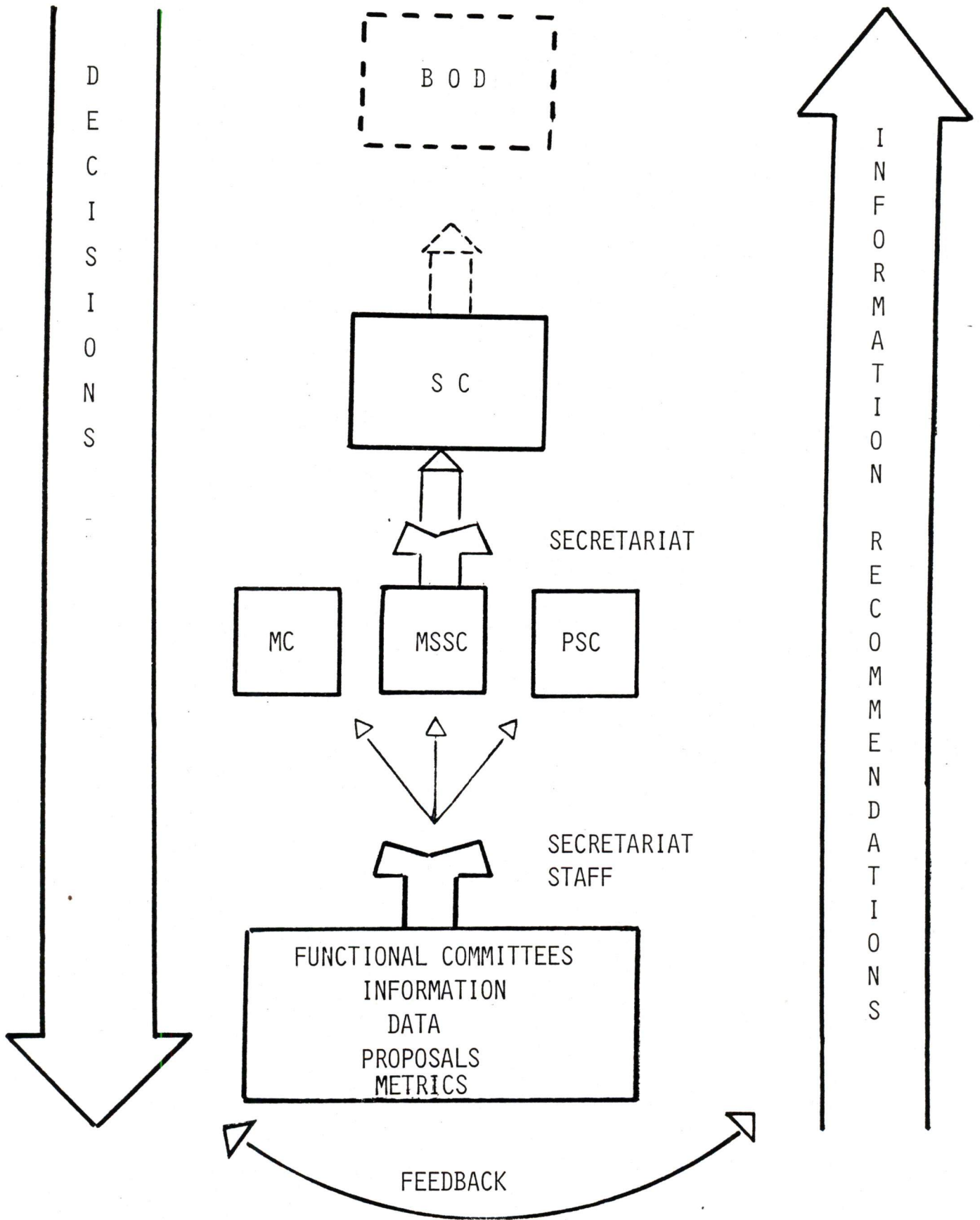
SYSTEM ATTRIBUTES

- ENHANCES EFFECTIVENESS THRU PREDICTABILITY
- DIAGNOSES AND INITIATES ACTIONS
- MAINTAINS CORPORATE (DIGITAL) PERSPECTIVE
- MEASURES PERFORMANCE

CORPORATE COMMITTEE STRUCTURE

THE PROCESS

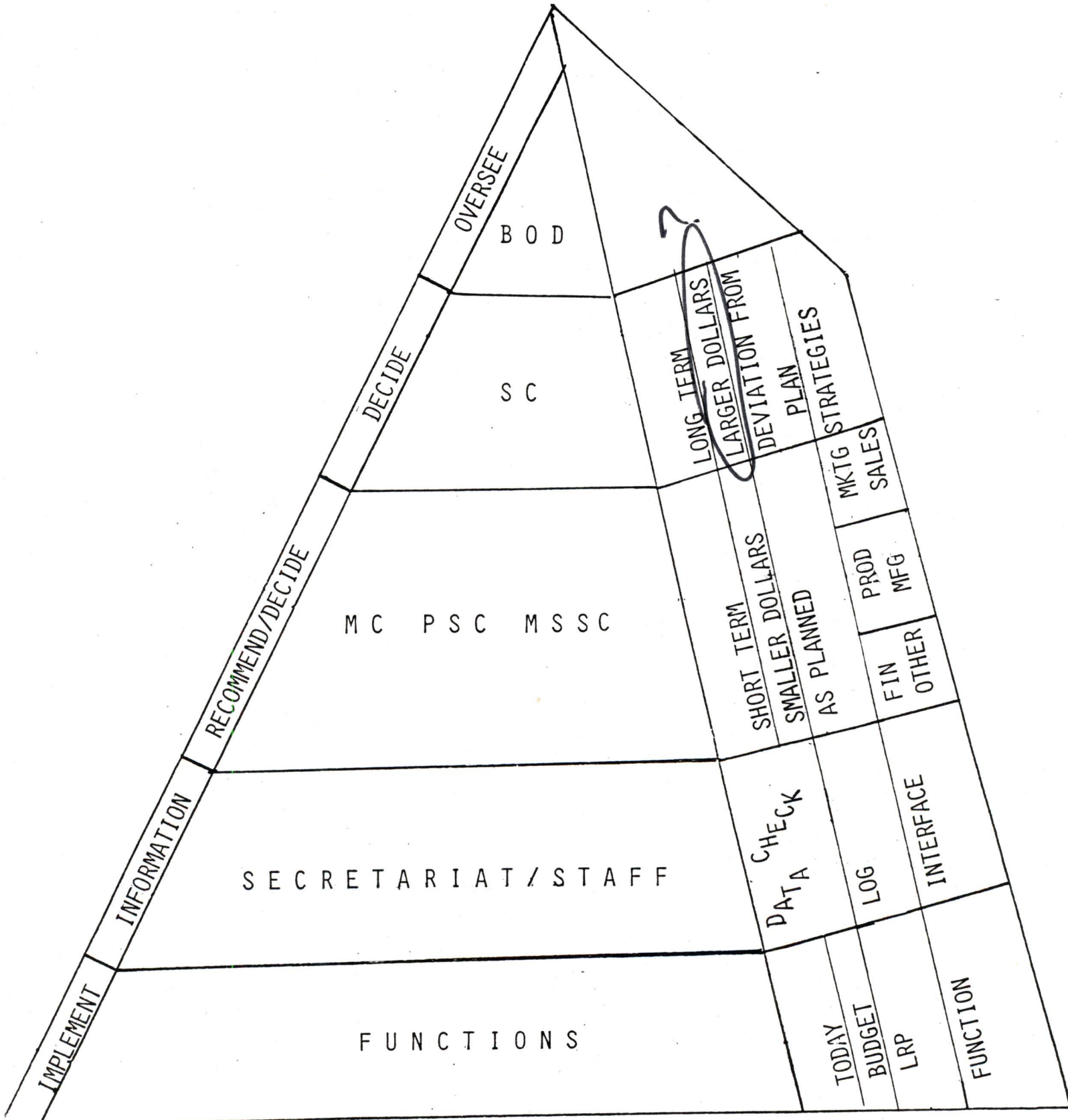
"WHAT GOES UP MUST COME DOWN"



CORPORATE COMMITTEE STRUCTURE

DECISIONS

CRITERIA



GENERIC PRODUCT FLOW

B O D

Key 4.

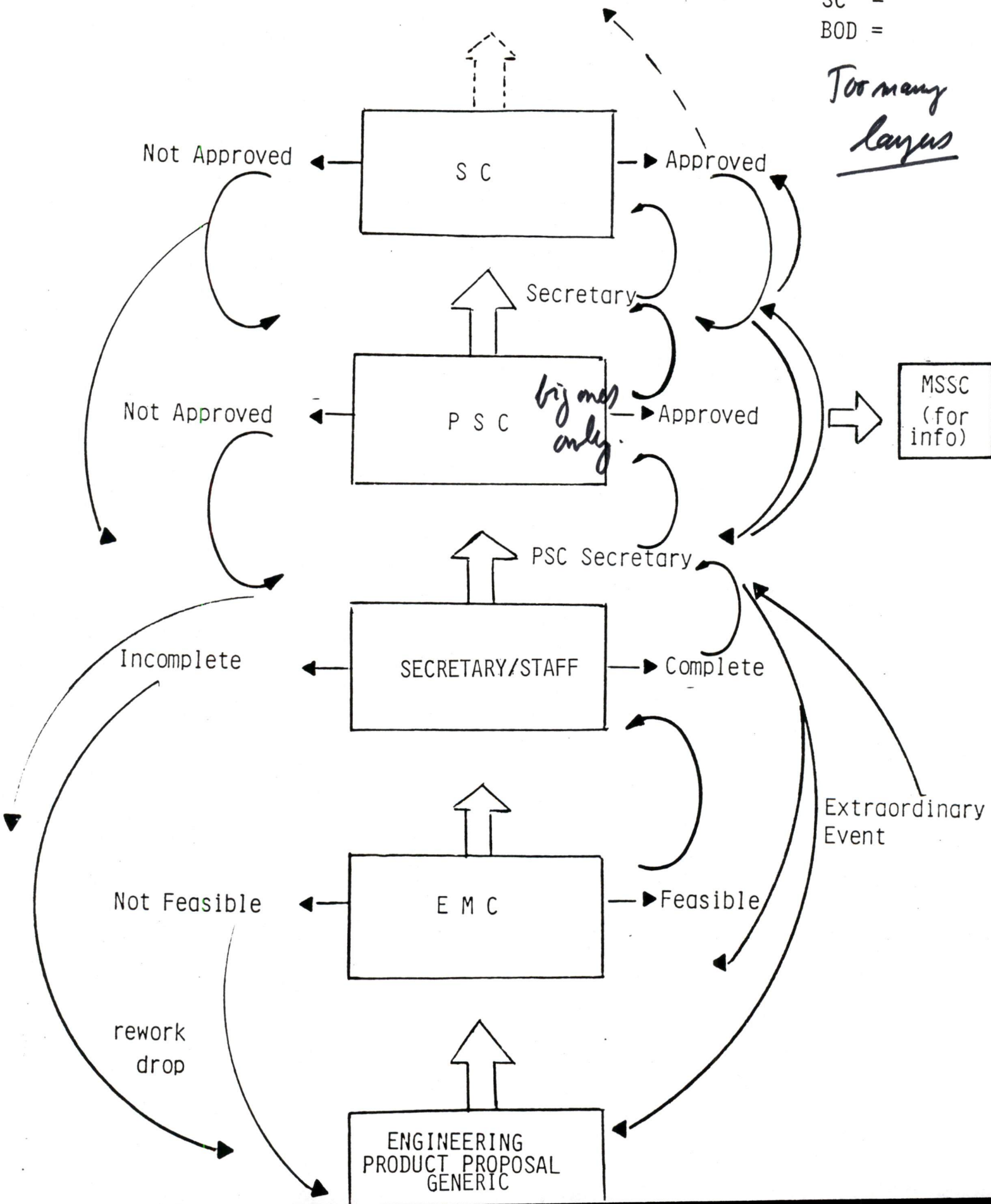
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PSC =

SC =

BOD =

Too many layers

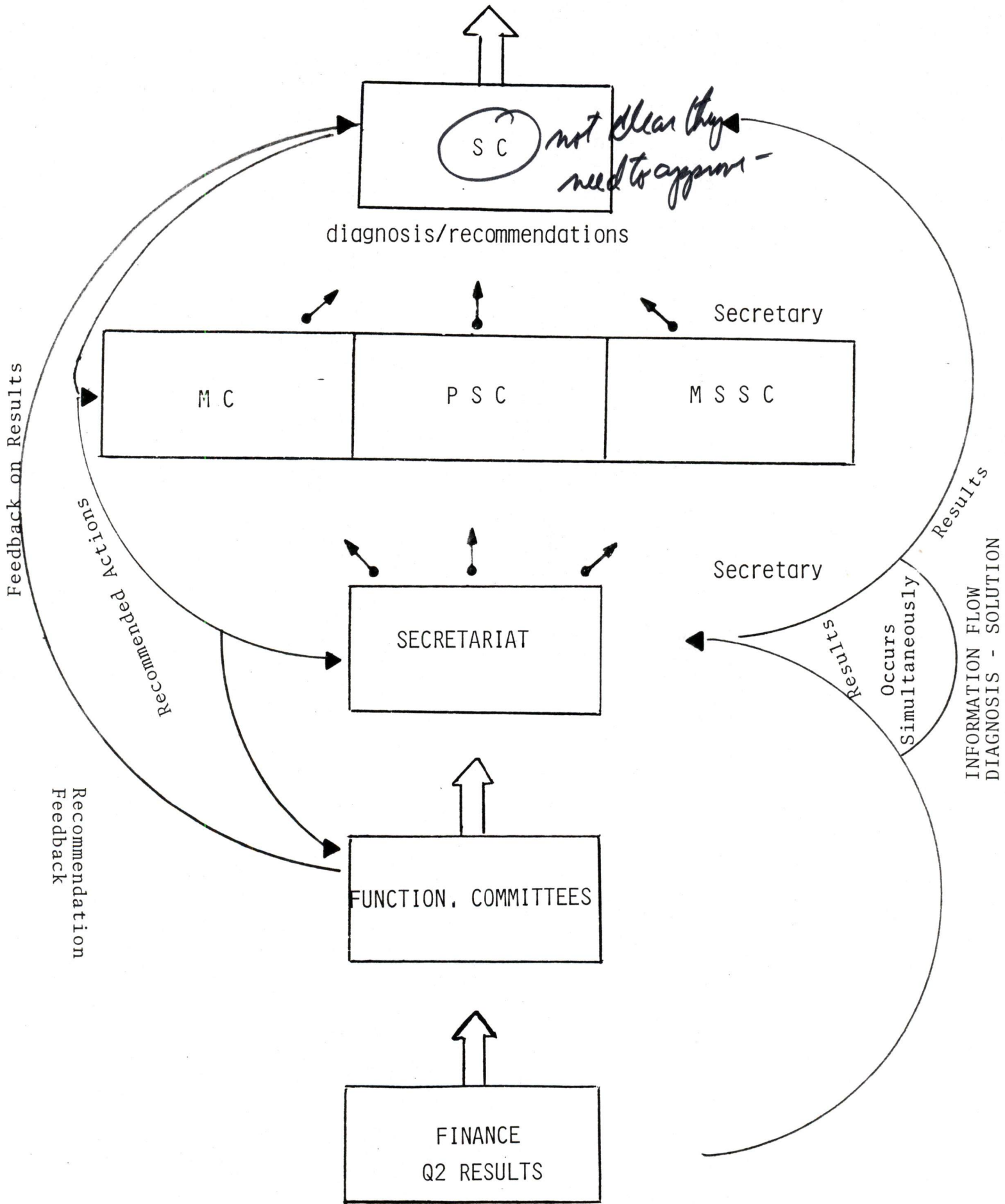


MSSC (for info)

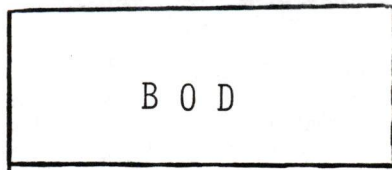
Extraordinary Event

big ones only

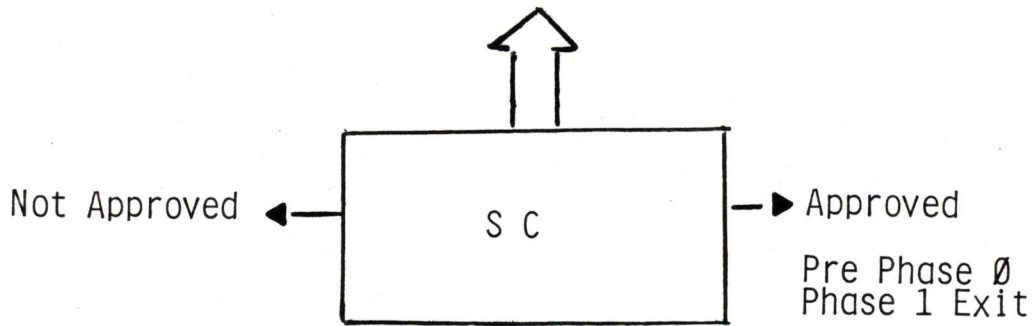
B O D



NAUTILUS



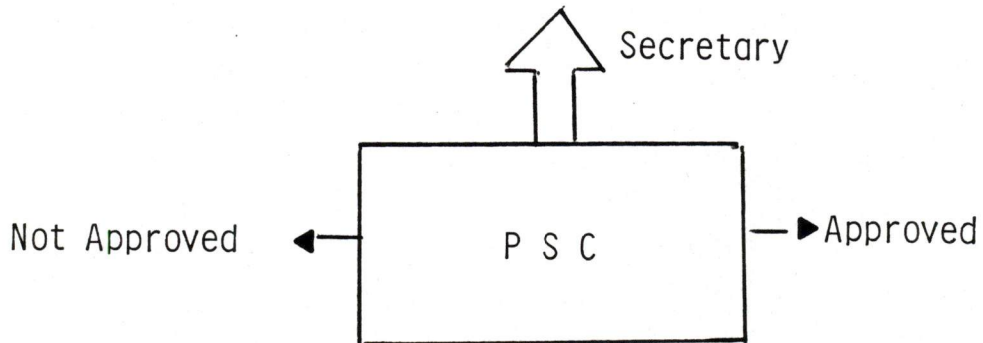
Pre Phase 0



Not Approved

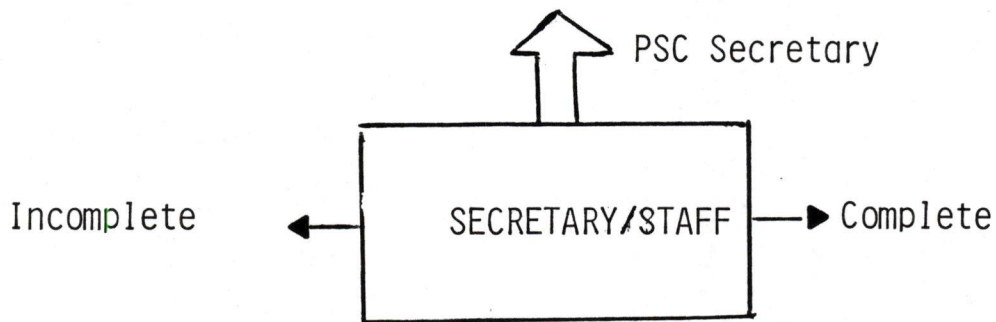
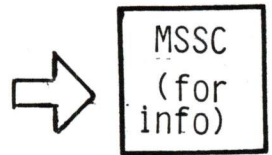
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Pre Phase 0
Phase 1 Exit



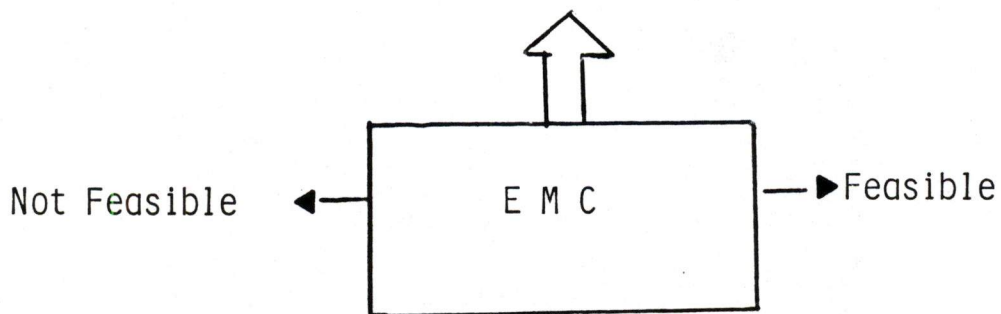
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Incomplete

Complete

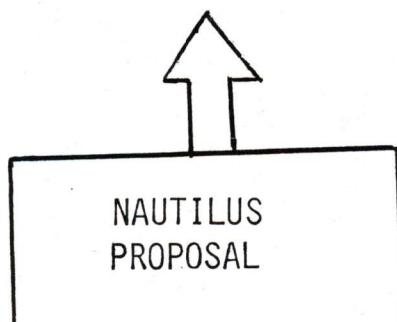


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Feasible

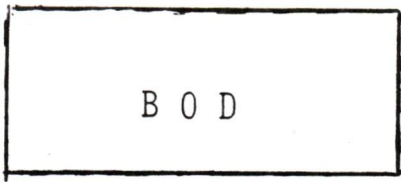
Extraordinary
Event

rework
drop



NAUTILUS
PROPOSAL

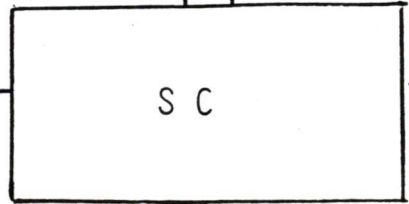
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Pre Phase 0



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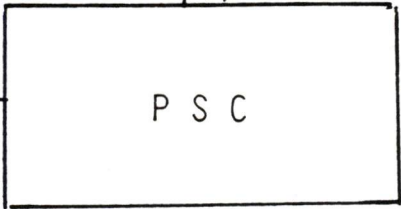
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Pre Phase 0

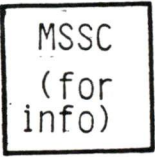


Secretary

Not Approved

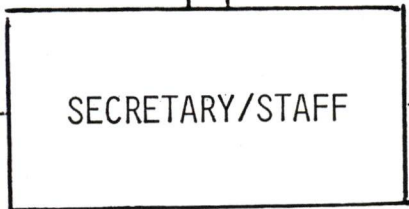


Approved



PSC Secretary

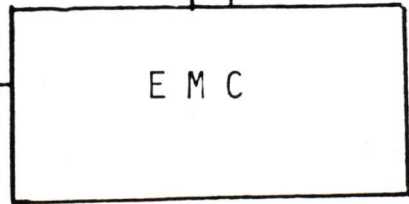
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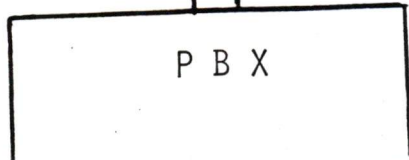
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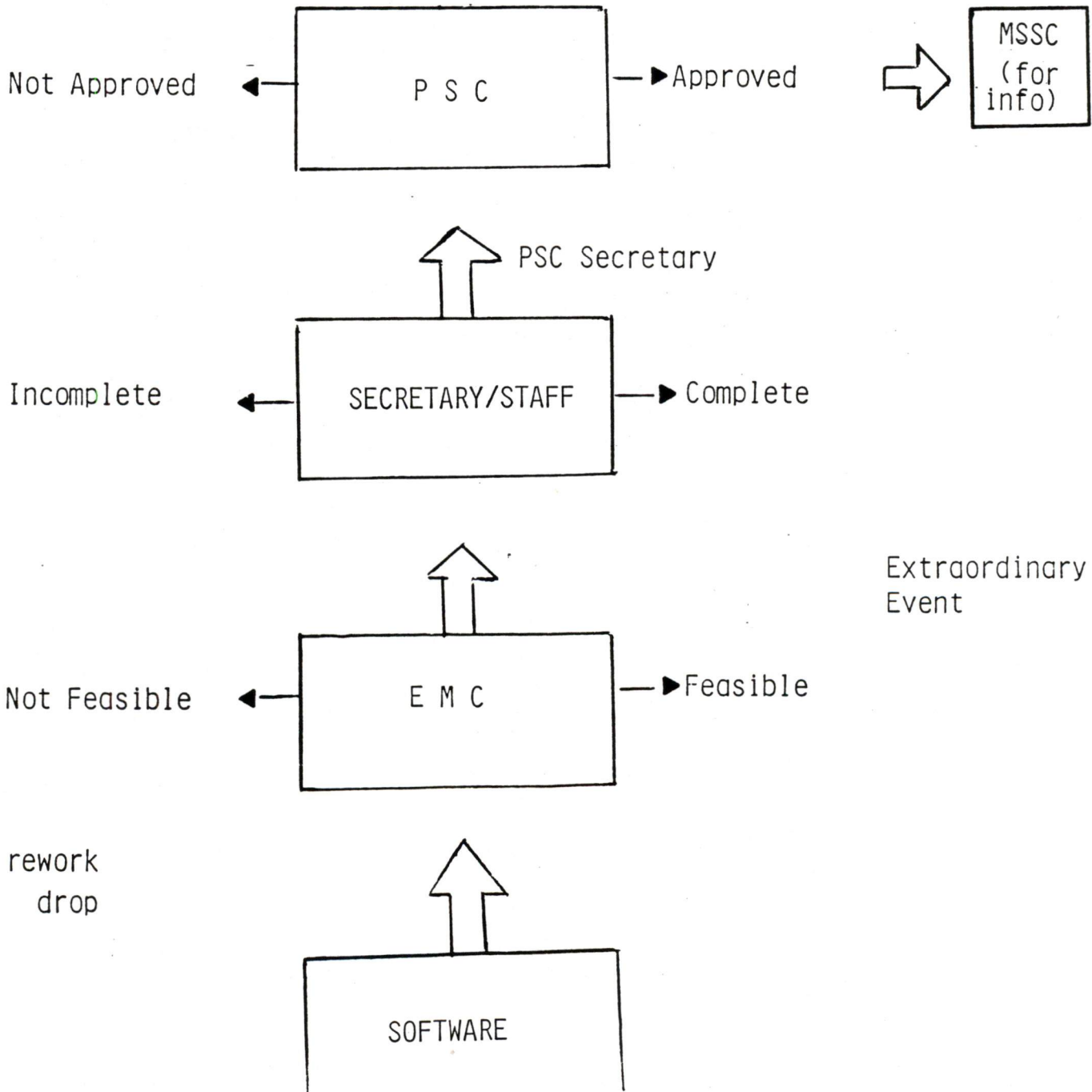


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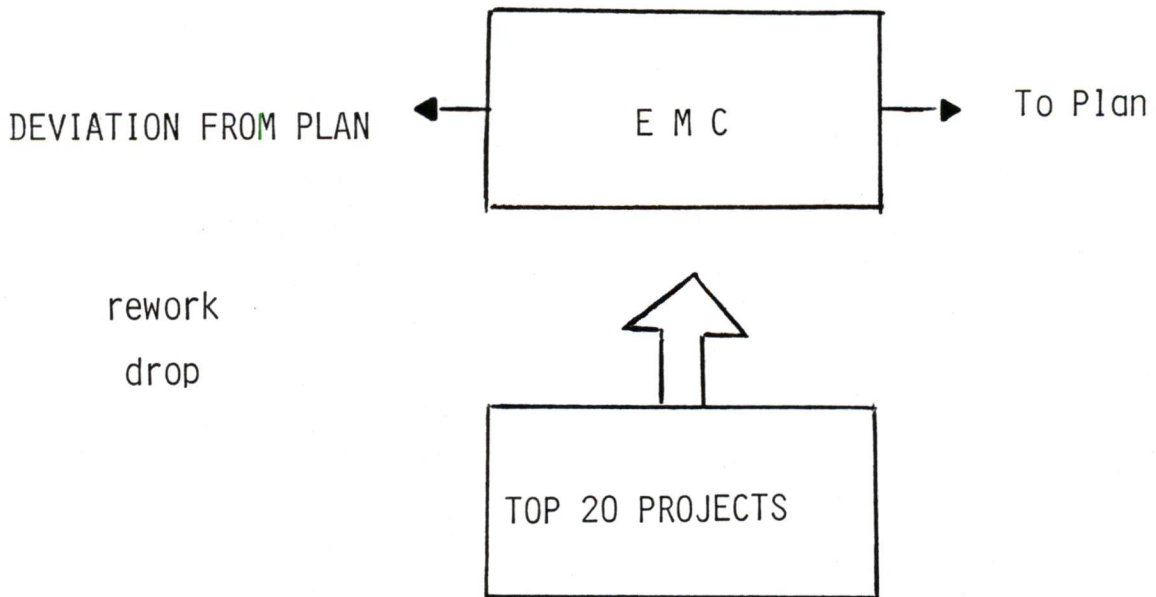
Extraordinary Event

rework drop





PROJECT REVIEW



CORPORATE COMMITTEE STRUCTURE
GUIDELINES FOR DETAIL

CHARTERS

- NO OVERLAPPING
- COVER ENTIRE COMPANY

COMPOSITION

- REASONABLE SIZE
- SINGLE MEMBERSHIP
- REPRESENTATIVE
- SINGLE CHAIRPERSON

DETERMINE

- TIME FRAME
- CONTENT
- INVESTMENT DOLLARS
- ACCORDING TO/DEVIATION FROM PLAN

APPROVE/REVIEW

- ACTUAL DECISIONS
- RECOMMEND TO HIGHER LEVEL

ADMINISTER

INFORMATION

- UP & DOWN THE SYSTEM
- ACROSS THE SYSTEM
- FORMAT
- COMPLETENESS

Eng/Mfg. Strategy Com.

	BOD	STRATEGY (SC)	MANAGEMENT (MC)	PRODUCT (PSC)	MARKETING - SALES (MSSC)	SECRETARIAT
CHARTER	Approve all Corporate plans Approve all Strategies Review all results (Data comes from SC)					
COMPOSITION (NAMES)	B O D	Olsen, Ken (Chair) Shields, Jack Smith, Jack Hindle, Win Bertocchi, Al Johnson, Bill MacKenzie, Ward (Rotating) /4 Mktg Hanson, Bill Crawford, Al (Secretary)	Hindle, Win (Chair) Sims, John Thompson, Bill Kalb, Jeff - <i>rotate</i> Poulsen, Dick - <i>rotate</i> Ryan, Bruce Smith, Peter - <i>rotate</i> Schwartz, Ed Smart, Ron (Secretary) David G. ... - rotate	Smith, Jack (Chair) O'Keefe, John (Rotating) Saviers, Grant Fuller, Sam - <i>rotate</i> Kramer, Ed - <i>rotate</i> Weiss, Harvey Stone, David - <i>rotate</i> Chamberlain, George Strecker, Bill Koteff, Bill (Secretary)	Shields, Jack (Chair) Grainger, David <i>Chair Share - rotate</i> Witmore, Jerry 4 Mktg. Falotti, Pier-Carlo Paxton, Jerry Alexanderson, John Huettner, Bob (Rotating) Hughes, Bob - <i>rotate</i> Busiek, Don - <i>rotate</i> Gaviglia, Lou - <i>rotate</i> Wetmiller, John (Secretary)	Crawford, Al (Chair) Smart, Ron Koteff, Bill Wetmiller, John Bernstein, Roberta (Secret.) Staff
DETERMINE (STRATEGIES, GOALS)		Corporate strategic direction Changes to existing product and marketing strategy ✓ Long term investment	Internal processes Corporate policies	New Product Strategy Systems Strategy Components Strategy Metrics - ?	Marketing Strategy Sales Strategy Add on Products Planning for New Products Metrics	N/A
APPROVE/REVIEW (DECISIONS)	Financial/Investment Strat. Overall Corporate Goals and Priorities Metrics Corporate Product Strategy	Proposals over \$xm All Strategies from 3 comm. Results <i>Xmr</i> Extraordinary events LRP Review	Internal Audit Reviews Personnel Policies Other Policies Operations Review - <i>results</i> Administration Review Compensation Plans	Products, Systems, Components Major Phase Review Milestones Mfg. Plans Phase in - Phase out	Marketing & Sales Plans Implementation Geog.- SMU Coordination Pricing Product Announcement Strat.	N/A
ADMINISTER (IMPLEMENTATION)	N/A	Only thru other committees	Budget Process Redbook Reviews	Oversee Functional Committees	PAC Oversee Functional Committees	As Staff Support
INFORMATION (PROVIDE DATA)		To MSSC, PSC, MC To BOD	To MSSC & PSC	To MSSC on New Products	To PSC	Filter - Consolidates Reviews (Criteria TBA) Help Maintain Log Secretariat-(Clearinghouse) Track disposition & results (control) Log all activities Coordinate Agendas Staff support for specific projects.

d i g i t a l

17 Feb 84
Bill Hanson -
Interoffice Memo
Pledge to Mr. in clinics with
2/9

TO: *WIN HINDLE

DATE: WED 8 FEB 1984 11:26 AM EST
FROM: BILL HANSON
DEPT: MFG OPERATIONS
EXT: 223-2238
LOC/MAIL STOP: MLO1-4/R14

[Handwritten signature]

~~Committee~~

MESSAGE ID: 5226805096

Committee

SUBJECT: A THOUGHT

For some time I have thought that it would be beneficial to us as a Corporation if there was an Operations Staff. At one level this is a function of the Management Committee. However, the Management Committee is focusing on much more than operational issues. It is also a very structured environment and it doesn't afford the freeing and creative discussions that I think would be beneficial to a group of operational managers.

I am pleased to see you taking on, as Vice President of Operations, two vital functions to us as operational managers, i.e. the Quality Function and the DIS Function. Neither of these functions is directly a part of the Management Committee and I don't suggest that they should be, but I think for both Frank and the person who takes on the DIS job, it will be important for them to link with some of us Operational Managers.

The thought I would like to propose to you is that periodically, once or twice a quarter, you hold an Operations Staff Meeting where you and your Direct Reports coupled with some of us operational people...myself representing Manufacturing, Poulsen representing the Field, one of the AMC's, Bruce Ryan and perhaps someone from Engineering...could get together to work and discuss purely operational issues. One area I still don't think we spend enough time on in depth is the review of the Red Book. This is a key document which we use to manage our operational results. Yet I don't think we collectively understand the data. I also believe that there will be major issues that both Frank and the new DIS Manager will want to drive and they will want a forum to drive them from. Again I think it is the operational folks that will provide that forum.

It is with great hesitation that I suggest another committee for we have too many already. However, one of the key reasons for our success in Q2 was the joint operation focus that existed between the Field and Manufacturing. To achieve the overall operational excellence, we really need to expand this integrated focus to include Engineering, Service, Finance, Quality and DIS.

/kn

Strategy
Hanson
Shields
Smith
Hindle
etc
}

MSSC

Hanson -
Poulsen -
Ryan -
Smith - ?
Shields - ?
Hindle

8-FEB-84 12:32:45 S 02917 CLEM

Ken Olsen
Committees

! _ ! _ ! _ ! _ ! _ ! _ ! _ !
! d ! i ! g ! i ! t ! a ! l !
! _ ! _ ! _ ! _ ! _ ! _ ! _ !

I n t e r o f f i c e M e m o

TO: see "TO" DISTRIBUTION

DATE: WED 19 OCT 1983 2:48 PM EDT
FROM: KEN OLSEN
DEPT: ADMINISTRATION
EXT: 223-2301
LOC/MAIL STOP: ML10-2/A50

MESSAGE ID: 5215642982

SUBJECT: COMMITTEES AND DECISION-MAKING

I am very disappointed that people haven't noticed the original Digital traditions for decision-making. I sometimes think that my managers are so confident that they can do better that they do not take note of the traditions we used to have.

First of all, we originally made decisions by having the people presenting a proposal also having the obligation to do it.

Secondly, we didn't have people who could say no, without taking responsibility.

We also, in general, only took proposals in our committees. The committees did not initiate programs.

I would like to add a little formality now to our committee structure to take care of some of the serious problems we now have.

I would like Rick, Cliff, and Ron to generate a standard format upon which all proposals are presented to a committee. This standard format should be very brief, and it should state who is making the proposal. It should also state who will carry the proposal out if it is accepted; it should identify the problem or need, list several alternatives, and then make a very simple, straightforward statement describing the proposal. Then, there should be a place indicating whether the committee signs off approval, or, whether it is modified or rejected. There should also be a place for the signature of the proposer, indicating that he accepts the committee's decision and understands either the modification or the rejection.

Today, quite contrary to the original Digital traditions, there seems to be an infinite number of committees. There also seems to be an infinite number of individuals who are like government agents, who make rules and police rules. Today, anyone making a proposal by tradition, and not by formal decision by the Corporation, must pass his proposal through all of these people and anyone can reject it. This is ridiculous. For each category, whether it be a product, a real estate investment, a marketing plan, or any other category, I would like the Secretary of the committee reviewing the proposal, to make a list of all of the people who should pass judgment on the proposal, or who should express an opinion on it. Each proposal should be sent to these

people ahead of time and their written comments should be presented to the committee at the time of the proposal.

If someone proposes a product which is safe, or safer than IBM, but which does not meet the safety standards, as developed by our own Safety people, it is wrong to never let that proposal see the light of day. It is wrong for groups to argue among themselves for months, and it is wrong not to listen to the Safety experts. A simple, straightforward way of doing this must be developed.

The Safety people should see the proposal; in the case of a piece of equipment, it is up to them to check on the equipment before the meeting. It is also up to them to present a written statement on their evaluation of the equipment. It is the responsibility of the proposer to be aware that a committee or a policeman will have comments as to whether the committee will accept or reject the proposal. The proposer should take care of this ahead of time, but, if he thinks he is right, he should reject the comments and propose what he thinks is right to the committee.

The net result should be that over a period of years every proposal going to this committee will be in a file that will contain the following information: who proposed it, what the committee did with it, and what people's comments were. This information will provide us with a good record of who has responsibility. We also should also identify, for the record: the time of acceptance, checkpoints in the future progress, and further decisions made.

I would like the three committee chairmen to propose a format or a set of formats at one of the next Strategy Committee meetings.

KHO:m1
KO3:S2.8

"TO" DISTRIBUTION:

CLIFF CLARKE
ED KRAMER
JACK SMITH

RICK CORBEN
JACK SHIELDS

*WIN HINDLE
RON SMART

HP Adds Duties To Opns. Council

PALO ALTO, Calif. — Hewlett-Packard Co. has expanded and given new decision-making duties to its operations council, which has been renamed management council.

The council, which now includes 23 HP officials, compared with the previous 20, has been given policy-making responsibility over personnel, manufacturing operations, and field marketing issues. Those policy-making duties previously were held by the five-member executive committee made up of president and chief executive John A. Young, and executive vice-presidents Robert Boniface, Paul C. Ely, Dean O. Morton, and William E. Terry. The executive committee retains policy-making responsibilities

over long-range planning and key strategic issues.

HP also has split the management council into three subcommittees to oversee each of its policy-making areas. Heading each of the subcommittees are Analytical Products group vice-president and general manager Lewis E. Platt on the personnel committee; Computer Products group vice-president and general manager Douglas C. Chance on the operations committee; and senior vice-president for HP International Richard C. Alberding on the field marketing committee.

New members on the management council are research and development vice-president John L. Doyle; manufacturing vice-president Harold E. Edmondson; and director of personnel William F. Craven.

My Committees

TO: Ken Olsen
 Gordon Bell
 Jack Shields
 Jack Smith
 Al Bertocchi
 Ed Kramer
 Bill Johnson
 John Sims
 Bill Hanson
 Henry Crouse
 Pier-Carlo Falotti
 Ron Smart
 Rick Corben
 Cliff Clarke

SUBJECT: Committees

A delightful article by
 Bruce Old written in 1946.
 Based on his work with Navy
 in World War II.

Win

ON THE MATHEMATICS OF COMMITTEES, BOARDS, AND PANELS*

By BRUCE S. OLD

ARTHUR D. LITTLE, INC., CAMBRIDGE, MASS.

THE present is considered to be a most appropriate time to study analytically, with a view toward improving, the efficiency of functioning of committees, boards, and panels in general. Two reasons supporting this stand are:

(1) The prosecution of scientific work during World War II was largely in the hands of committees, boards, and panels (*miserabile horribileque dictu!*).

(2) The security regulations still in operation, such as the Espionage Act, prevent the publishing of interesting treatises and force technical journals to accept almost anything.

The three items under consideration can be defined briefly in the following manner:

(1) *Committee*. A body of persons appointed to consider, investigate, or take action upon, and usually to report concerning some matter.

(2) *Board*. A council convened for business. (There is absolutely no authenticity to the definition "long, narrow, and wooden" sometimes applied.)

(3) *Panel*. A list or group of persons appointed for some services.

It is immediately apparent from these definitions that committees, boards, and panels are similar in that all are groups of one or more persons formed to accom-

* The able assistance of the members of the old staff of the Office of the Coordinator of Research and Development and the Office of Research and Inventions of the Navy Department and the assistance in critical review by the Applied Mathematics Panel of the NDRC are greatly appreciated.

Data were generously supplied from many sources. These, naturally, are still confidential so that no actual numbers could be used in this paper.

plish work. Thus they will be treated simultaneously in this paper.

There are numerous methods of expressing mathematically the objective of committees, boards, and panels: namely, to perform work. The most commonly applied formulae are the following:

(1) The utilization of the familiar time, force, and distance relationship where the object is to maximize the expression

$$\text{ComBulPac} = \frac{fd}{t}$$

in which ComBulPac = code name for power output of committees, boards, and panels, f = force, d = distance, and t = time.

This equation was the origin in 1812 of the expression "a powerful committee."

(2) A second and very appropriate method is the use of the gas law as a basis for the work expression. Here the attempt is made to maximize final minus initial gas volume:

$$\text{ComBulPac} = \int_{v_1}^{v_2} p dv$$

in which p = pressure and v = volume.

It is held by experts that Gay-Lussac first evolved from this relationship the phrase "a high-pressure committee." On the other hand, there is no foundation for the rumor that the current slang phrase, "the committee is cooking with gas," was derived from this equation.

(3) Another method which is very useful under certain circumstances is

$$\text{ComBulPac} = Le$$

in which $L = Fr$, F = force, r = radius, and e = angle.

This, the reader will recognize, is the well-known "revolving committee."

(4) A fourth method of setting down the work expression is becoming very common since the importance of air power has been realized:

$$\text{ComBulPac} = M(V) - C_D \frac{\rho AV^2}{2}$$

in which M = mass flow, V = velocity, C_D = drag coefficient, ρ = density, and A = area.

Recognizable immediately, here is the "committee with drag." (Drag is high for certain simple bodies.)

(5) A fifth method of calculating output has been evolved during World War II. This is to express the output for the widely used "joint" committee:

$$M = \frac{\gamma \sum Y^2}{y}$$

in which M = resistance to moment of a group of rivets in a riveted joint, γ = total allowable stress per rivet (or committee member), $\sum Y^2$ = sum of squares of distances from center of gravity of the group of rivets, and y = distance of outermost rivet from center of gravity of the group.

The reader will note that, although elastic bending under stress of great magnitude occurs, no work is accomplished by the joint committee.

In order to determine which of the five equations best expressed the output obtained, the performance since December 1941 of a large number of committees was analyzed. Very poor correlations were found between the actual and theoretical calculated work outputs. These results are plotted in Figure 1 for all five methods of calculation.

This poor correlation showing the actual output of wise decisions, good reports, and constructive accomplishments per year, always far below theoretical, led to the decision that a much more thorough analysis than had been made heretofore would have to be undertaken. The importance of this study to the war effort was such that an overriding priority was assigned. (By a fortunate error, the file clerk placed this problem

on the top of the growing pile of overriding priority projects so that it took an over-riding precedence and was completed only seven months behind schedule.)

Analysis. The most logical mathematical approach to the problem of calculating accurately the output of committees appeared to be the application of the method of multiple correlation. This tedious procedure was therefore used. Certain machines, such as the one at Harvard College, were of invaluable assistance in carrying out the calculations.

It was decided that the work output must be such that

$$W_a = E_2 W_t$$

where W_a = actual work, W_t = theoretical work, and E_2 = actual efficiency of the committee.

Since it was believed that W_t could be calculated quite accurately, it became obvious that a study of the factors affecting the efficiency of operation of committees, boards, and panels leading toward an accurate calculation of the efficiency, E_2 , was the key to the problem.

Therefore, as a first step an equation was written in the following form:

$$E_1 = f(n) f(i) f(c) f(hs) f(t) E \quad (1)$$

in which E = theoretical committee efficiency, E_1 = calculated committee effi-

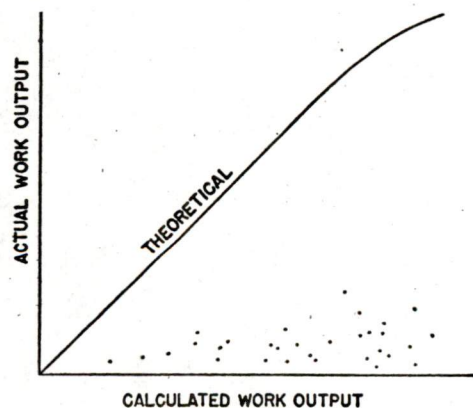


FIG. 1. WORK OF COMMITTEES

ciency, $f(n)$ = function of number of committee members, $f(i)$ = function of intelligence of committee members, $f(c)$ = function of type of committee chairman, $f(hs)$ = function of type of hecklers and saboteurs on committee, and $f(m)$ = function of the miscellaneous element; and where the calculated committee efficiency is expressed as a function of various parameters times the theoretical efficiency. The object is to arrive at the proper values of the various parameters so that

$$E_1 = E_2$$

where E_1 is the calculated and E_2 the actual efficiency.

A thorough study of the parameters in equation (1) will now be undertaken.

Many examples show that the number of men on a committee, $f(n)$, affects very materially the work accomplished. These data are plotted in Figure 2. It is apparent that it is best in many cases to have the membership limited to one, and membership of over five is usually fatal.

One striking thing to note about Figure 2 is the large scatter of points for any one value of the number of committee members. This was interpreted to mean that other parameters were affecting the data, such as the intelligence, etc., of the individual members. That this is actually the case will now be shown.

A large number of observations have been made of the effect on output of the

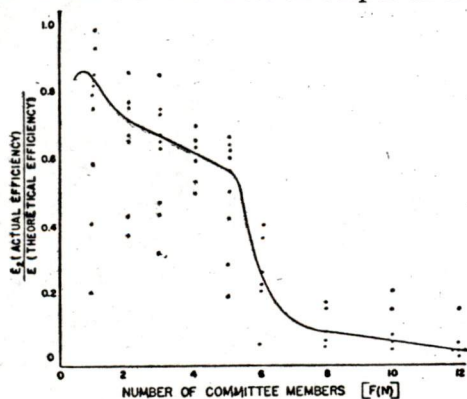


FIG. 2. EFFICIENCY VS. NUMBERS

intelligence, $f(i)$, of individual committee members. This matter of abilities of personnel on committees can usually be reduced to the following simple terms of division:

(1) Working-level personnel who know the details of the subject under consideration.

(2) Policy-level personnel who know no details of the subject under consideration.

Thus in forming a committee, one is confronted with the decision as to whether he wishes the membership to be composed of working- or policy-level personnel. The war has presented a unique opportunity for arriving at a proper answer to this question. It so happens that the rank of a military man is directly related to the degree to which he is a policy man, thus allowing an absolute measure to be applied. Pursuing this promising lead, a remarkably fine set of data was collected, thus allowing the establishment, as follows, of perhaps the most fundamental law discovered in this paper:

$$I = \frac{E}{R} \text{ (Old's Law)}$$

in which I = intelligence in any given subject, R = rank of individual, and E = a constant of very small magnitude of the order of $1/c$, where c is the velocity of light. This indicates that E has the dimensions of a wave "slowness."

As can readily be seen from Figure 3, there is little deviation from the law except at the extremities. (In this regard it maintains its similarity to Ohm's Law, $I = E/R$.) It follows that it is a simple matter to deduce the fact that if one desires to form a committee with high efficiency of work output, it is essential to select working-level personnel. Data supporting this statement are plotted in Figure 4. As would be expected, there are individual exceptions which appear as points off the curve, and those will now be analyzed.

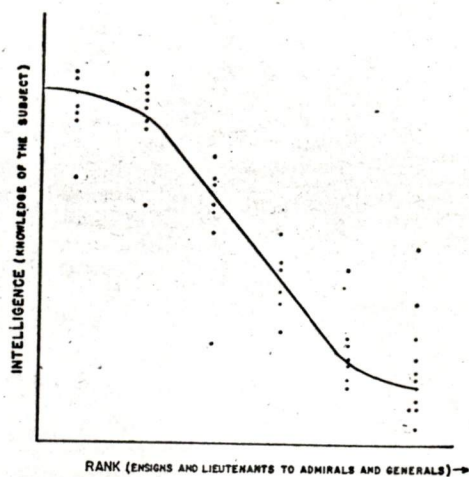


FIG. 3. INTELLIGENCE VS. RANK

One factor which affects strongly the ability of even an intelligent committee to do useful work is the capability of the chairman of the committee ($f(c)$). Let us type the characteristics of committee chairmen in the following manner:

(A) A really capable man who knows the subject, has well-prepared agenda distributed before the meeting, skillfully keeps people on the subject (but not to the extent that he does not allow both sides of questions to be thoroughly exposed), requires that action be taken on agreements reached, follows up on such actions, makes efficient use of the method

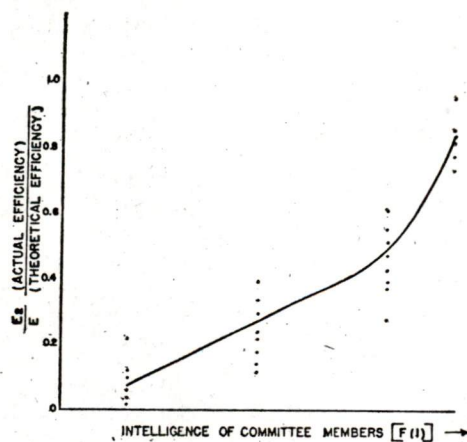


FIG. 4. EFFICIENCY VS. INTELLIGENCE

of task assignment to subcommittees, provides for periodic needling of the committee by outside experts, requires written comment on reports circulated to members, insists on a minimum of six committee meetings per year, and employs an efficient secretariat.

(B) A man similar to Type A in every respect except that he is too nice a fellow to interrupt ramblers, particularly if they happen to occupy a higher position or are older than he.

(C) The man who is one of the leaders in the field under consideration but who uses the committee merely as an instrument to second his ideas. In cases where questionable ideas have to be forced through, he lines up his votes beforehand or rudely interrupts all opposition.

(D) The chairman who is obviously too important for the committee. He sends a deputy to run the meetings with instructions to hold off on any really important decisions until he can find time to attend and whip things into shape.

(E) The chairman who opens the meeting by frowning slightly and saying: "Now, er, ah, let's see. Heh, hrrmph, ah. Who called this meeting? I mean, what are we here for today?"

The strong effect of the type of chairman, $f(c)$, on the efficiency of a committee is shown in Figure 5.

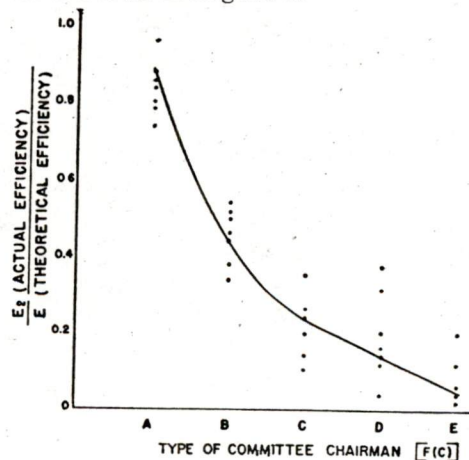


FIG. 5. TYPE OF CHAIRMAN

There are some conditions which can ruin the efficiency of a committee even though it may have intelligent members and a competent chairman. The most serious of these is the heckler-saboteur function, *f(hs)*. The main types of heckler-saboteurs, many of which are well known, are as follows:

(A) The normal man. (All *Homo sapiens* have some faults.)

(B) The jolly fellow who is always 22 minutes late and then holds up proceedings 7 more minutes telling (off the record) his latest joke. Although he never does any committee work between meetings, he is such a good egg he never fails to get reappointed.

(C) The man with an elephantine memory to whom all ideas are old and who can still quote all the reasons used to turn any one of them down 11 or 12 years ago. No chance for viewing anything in a new light is given—the mere fact that he had heard of it before is sufficient reason in his mind to vote against any idea.

(D) The man who is against initiating any work, because, since there is a shortage of scientific manpower, any new project undertaken is bound to interfere with the progress of all existing projects (particularly two of his pet programs).

(E) The poor fellow sent to represent his boss who has instructed him in such a manner that all he can do is sit there and say, "I don't know," or "I have no authority to speak for my agency."

(F) The policy man who is afraid the rest of the committee is trying to take away some of his power and authority. Thus, he views each question not from the standpoint of whether it is the best thing to do, but whether the answer given might possibly be misinterpreted by anyone as permission for someone to infringe upon his cognizant empire.

(G) The man who is on the defensive. He suspects the committee has been formed just to change (Note: for the better) his method of doing something.

His actions are almost bound to hew to the following pattern:

(1) Announces that his office carefully considered this idea, which is really not basically a new one, about a year ago, and decided to turn it down in favor of the design now in use.

(2) When (1) is attacked successfully, states rather emphatically that this new design is just the idea of some long-haired, impractical professor who doesn't understand the wear and tear on this gear out in operation.

(3) When (2) is successfully countered by the opposition, says proudly that the Fleet has never complained about the present equipment (but fails to say the fellows who should complain are all dead, or too busy, or don't know about the new idea).

(4) When (3) is slipping, reads a policy directive issued by the Chief of Naval Operations in 1924 which makes it somewhat doubtful whether regulations allow informal committees like this cognizance to recommend a change.

(5) When (4) is overruled, says confidently that the training program is so far advanced no design change could be tolerated.

(6) When (5) fails, pulls his ace and shouts that ship deliveries are being held up now because the production schedule on this equipment is way off, and no design change could possibly be accepted even if it were an improvement. After all, there is (or was) a war going on!

(7) If (6) fails and enough rope is given, goes all the way out and openly hangs himself by sneering that of course if you want to make this equipment so perfect the enlisted man using it doesn't even have to exercise any judgment (Note: such as doing double integrations in his head), he won't take the responsi-

bility for your having ruined the man by making it unnecessary for him to use his skill gained through supertraining.

The effect of the $f(hs)$ factor is plotted in Figure 6. The gain that can be made

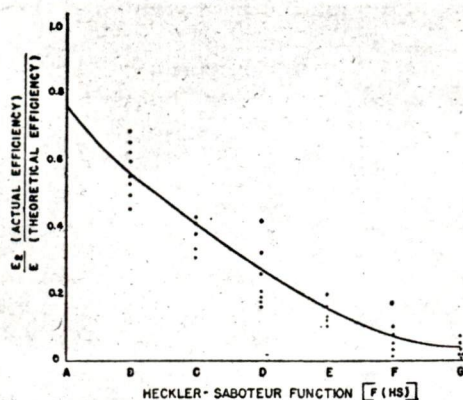


FIG. 6. TYPE OF SABOTEUR

by selecting *A* type committee members is very apparent.

Finally, there are several factors that can best be termed "miscellaneous" which upon occasion seriously affect committee efficiency. Among these are such things as the temperature of the conference room, the degree of comfort of the meeting chairs, the size of lunch served, the amount of time wasted during the meeting in arranging for train and hotel reservations, and whether a quorum of committee members happened to get together the night before the meeting and settle all the expected controversies of the morrow in the bar. The latter practice is recommended by many competent committee chairmen but requires more research before definite conclusions can be reached.

From the nature of the miscellaneous factor, $f(m)$, it is apparent that this parameter must be estimated for each special case.

Results. Using a slightly modified standard form of multiple correlation calculation to evolve the proper parameters for the several variables, a variance of 0.3 was obtained for correlation between calculated and actual committee efficiencies. Snedecor's test of significance showed this multiple correlation to be almost significant.

Employing corrected calculated efficiencies, the actual (W_a) and calculated ($E_2 W_t$) committee work outputs have been replotted in Figure 7. It will be noted that, while a distinct improvement has been made over the original data plotted in Figure 1, the actual work output of committees is still disappointingly far below theoretical.

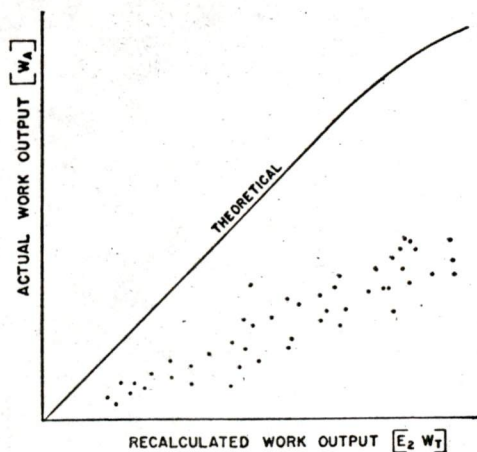


FIG. 7. WORK RECALCULATED

Conclusions. The lack of correlation achieved in this paper is regretted. It may be that the choice of parameters was completely unsound. One point which particularly baffles the author is the peaking of the efficiency of output of a committee versus number of committee members (Figure 2) at seven-tenths of a person. Obviously one must conclude that either further research is required or that people are no damned good.

Committees

I n t e r o f f i c e M e m o

! _ ! _ ! _ ! _ ! _ ! _ ! _ ! _ !
! d ! i ! g ! i ! t ! a ! l !
! _ ! _ ! _ ! _ ! _ ! _ ! _ ! _ !

TO: PRODUCT STRAT COMM:

cc: PRODUCT STRAT INT:

DATE: SUN 30 OCT 1983 4:26 PM EST
FROM: RICK CORBEN
DEPT: CORP PRODUCT MGMT
EXT: 223-3123
LOC/MAIL STOP: MLO12-1/-T39

MESSAGE ID: 5216762152

SUBJECT: MINUTES FOR MEETING OF OCTOBER 24, 1983

ATTENDEES: Bornstein, Chamberlain, Crawford, Fuller, Long, Marcus,
Metzger, Smith, Willis, Corben (recorder)

SUBSTITUTES: Adams for Courtin, Fagerquist for Johnson

ABSENT: Cudmore, Esten, Kramer, Olsen, Weiss

1. COMPACT DISK READ-ONLY MEMORY (CDROM) -- Ed Schmid

Ed Schmid, Linda Lemos, and Ken Sills from Storage Engineering presented an overview of the opportunity associated with developing a read-only storage peripheral device based on the consumer digital audio disk. Capacity would be around 550 MB (greater than an RA81) with a target price around \$1500. The replicated media cost would be around \$2 to \$4 per disk. Since the random access time is slow -- an average of about 2 seconds, there were concerns about performance for a number of information retrieval applications. Sam Fuller suggested developing a performance simulator. The Committee expressed enthusiasm for the product concept and agreed that Storage Engineering should continue developing plans in this area.

2. PLANNING PROCESS PROPOSAL -- Rick Corben

Rick Corben presented the general outline for a planning process in the context of the Digital committee structure. It is a year-round process. The Product Strategy Committee becomes the primary review and approval body for product strategy. It also is the forum for determining the allocation of the total Corporate Engineering budget among the individual groups. George Chamberlain proposed that the Committee also conduct Phase 1 business plan reviews for the major products. The Committee agreed with the basic planning concept as presented, subject to the reservation about the role of PSC discussed below.

3. ROLE OF PRODUCT STRATEGY COMMITTEE -- All

The Committee agreed with Bill Long's simple guideline that the Product Strategy Committee should decide what products DEC builds. There was a broadly-shared concern that the Committee could succeed only if the current ambiguity about the place where product decisions

are made is resolved. Jack Smith said that he would discuss this issue with Ken Olsen.

4. VAX STRATEGY -- Bill Demmer

Bill discussed the VAX product strategy. Several people expressed concern that there might be too many products and too many different technologies. In addition, questions were raised about our ability to provide software which is competitive across such a broad performance and price range. Since time ran out, Bill was asked to return and include in his next presentation both the software strategy and the competitive systems that we expect our products to face.

* d i g i t a l *

Committees

Ken Olsen

TO: OPERATIONS COMMITTEE:

Shields + 3
Smith + 3

DATE: TUE 21 DEC 1982 1:02 PM EDT
FROM: KEN OLSEN
DEPT: ADMINISTRATION
EXT: 223-2301
LOC/MAIL STOP: ML10-2/A50

MESSAGE ID: 5185441784

SUBJECT: MY SUGGESTED COMMITTEE STRUCTURE

C O N F I D E N T I A L
R E S T R I C T E D D I S T R I B U T I O N

I suggest that we have four committees and that we limit people to membership in only two committees.

The first committee is an Administration Committee. I propose that we have a rotating Chairman so that it does not appear that each of the functions represented reports to whoever is Chairman. I suggest that Ward MacKenzie be the first Chairman. This committee would review the plans for each of the members, and would consist of:

- Al Bertocchi
- Larry Bornstein - ?
- George Chamberlain
- Al Crawford
- Henry Crouse
- Dick Farrahar - ?
- Al Mullin
- Ed Schwartz
- John Sims - ?
- Bill Thompson
- Dick Walsh - ?

The second committee is a Marketing and Sales Committee. Jack Shields would be Chairman. It would consist of four of the six Group Vice Presidents, four area business managers, a GIA manager, and a European Manager, and would review sales plans and marketing plans.

Farahar

The third committee would be the Engineering and Manufacturing Committee, to be chaired by Jack Smith. It would consist of the four engineering managers, four manufacturing managers, four to six Group Vice Presidents. This committee would review the product plans and the manufacturing plans.

Bornstein

The Operations Committee would be chaired by Win Hindle and would consist of Al Bertocchi, George Chamberlain, Jack Shields, Jack Smith, and Bill Thompson, and they would review and continuously watch the operation plans and be responsible to make sure we make the goals of the next two quarters.

Sims

Shields + 3
Smith + 3

WORKING PAPER
ALFRED P. SLOAN SCHOOL OF MANAGEMENT

How to Improve Meetings

Edgar H. Schein

Chairman, Organization Studies Group

Sloan School of Management, MIT

March, 1975

WP 775-75

MASSACHUSETTS
INSTITUTE OF TECHNOLOGY
50 MEMORIAL DRIVE
CAMBRIDGE, MASSACHUSETTS 02139

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Introduction

In my consulting work I find a single recurring problem in almost every organization I encounter -- the problem of how to improve meetings. Whatever else is going on, managers complain that there are too many meetings, the meetings are not productive, the committees in the organization should be abolished, etc. Yet these organizations have meetings or committees or task forces because they need them to get certain tasks accomplished. The solution to the problem is not to abolish committees or meetings, but to make these vehicles more effective so that they get their job done in less time. The set of practical guidelines presented below is intended to be a first step toward helping a manager improve the meetings in which he is involved. I start with the assumption that the purpose of all meetings is to solve problems which require communications and teamwork. If the meetings have some other purpose, the points listed below might have to be modified (i.e. labor-management negotiations, gripe sessions, etc.) The points below are arranged in terms of a chronological sequence -- 1) The origin of the meeting 2) Designing and calling the meeting 3) Conducting the meeting, and 4) Follow-up after the meeting. Each stage has its pitfalls and problems which will be identified below.

A. The origin of a meeting

1. Why hold a meeting in the first place?

Someone in the organization must perceive some need for a meeting before a meeting should be called. If the need is a recurring need, then the meeting should be made a regular recurring part of the schedule, but meetings should never be held unless someone sees a clear need or purpose for the meeting.

Some meetings are clearly related to the day-to-day work of the organization. The need is clearly related to the organization's task performance. Another kind

of meeting might be called because of a need for mutual education, for information exchange, for policy setting, or for long-range planning. Thus a sales group may see a need to get together periodically to review the whole sales effort, to share information about clients and sales approaches, to engage in development activities, etc. Such a need is just as real as the operational need to pass a project from one stage to another, or to solve a specific operational problem, but again, the principle should be "no need, no meeting." If a group is meeting on a regular basis it may lose touch with the reasons why it started to meet in the first place. It is therefore desirable for any group to review periodically what needs are in fact being met by the meetings, and to decide on what basis to continue to meet.

The commonest trigger for having a meeting is that someone in a position of authority has a specific need, e.g. to give out information, or gather information, or check a policy, or get help in the creation of a policy, or assert a new policy, etc. In this instance, the person in authority should ask himself precisely what the need is and what kind of communication process or meeting is therefore needed. One of the commonest reasons for poor meetings is the fact that the person who called the meeting is not clear in his own mind about the need for a meeting, leading to the group "spinning its wheels" or otherwise getting confused and feeling that it is wasting time. If the person calling the meeting (hereafter called the "convener") is clear in his own mind about the reasons for the meeting, he can usually get this across to the members of the group and thereby create a more productive atmosphere for the meeting.

Why is it so important to establish a clear need for a meeting? Most people do not realize how much of an investment of time and energy is involved in attending meetings. We are asking a great deal of another person when we ask him to attend a meeting, especially when that other person is fully involved in his own job. If

the meeting turns out to have an unclear agenda or if the reasons for the meeting are vague, then the person will feel he has wasted his time and will be less disposed to attend future meetings. Even if the reasons or the needs for the meeting are clear, it is possible that some people attending the meeting will feel that their time has been wasted because they will not accept those reasons or needs as valid. If there is a risk of that happening, then the convener should consult a few potential attendees before the meeting as to whether or not they agree on the need for a meeting. If the need does not make sense to others, perhaps the person intending to call the meeting should reconsider or at least be prepared to persuade others of the need.

- Conclusions:
- 1) Don't have a meeting unless a clear need for the meeting exists
 - 2) The person who sees a need and intends to call a meeting should check out with a few others whether they also see the need.
 - 3) Groups which meet regularly should periodically check out what needs are being met by the meetings, if any.

2. Who should convene a meeting?

In principle anyone who sees a need for a meeting should be in a position to call a meeting. In practice this process often does not work out because too many meetings are called, schedules begin to conflict, and people begin to be lax in their attendance, leading to frustration on the part of the convener. The convener should therefore go through some preliminary steps before he actually calls the meeting:

- a) Consider how busy people are and what the likelihood is that they will attend if a meeting is called.
- b) Consider his own authority position and the likelihood that if people are feeling in conflict or too busy that they will skip the meeting.
- c) Consider his options -- is there some other way for the need to be met besides a meeting?

- d) Check out with other key people whether or not they also perceive the need for the meeting and elicit their help in giving the meeting legitimacy and importance; this often means checking things out with someone higher in the authority chain and enlisting their help in getting the meeting off the ground.

- Conclusion:
- 1) The convener should be very realistic in assessing how people will react to having a meeting called.
 - 2) The convener should enlist whatever aid he needs from others, especially in higher positions of authority before calling the meeting.

B. Designing and Calling the Meeting

Several of the questions addressed below have to be treated simultaneously in the convener's head -- 1) when to hold the meeting, 2) where to hold it, 3) whom to invite and for what length of time, 4) how the meeting should be designed -- what preparation the attendees and the convener should have, what audio-visual aids should be prepared ahead of time and what plans should be made for how the meeting is run, 5) how the meeting should be announced and in what form the agenda should be circulated and 6) how attendees should be followed up to insure their attendance. Each of these points will be discussed separately below but they are all inter-related.

1. When to hold a meeting. There are a number of considerations in deciding when to hold a meeting. Probably the most important of these is to develop empathy for the schedules of the people who are supposed to attend. To call a meeting on short notice for example, runs the risk of either grossly inconveniencing people (leading to possible resentment and less contribution to the meeting), or of simply having people not attend because of commitments they have made which have higher priority than the meeting. The only justification for meetings on short notice, therefore, is if there is a critical need which can be justified to the attendee. If such a critical need exists, it is still important to check out people's calendars to determine if there is a better or worse time to have the meeting. Even though it is time consuming to try to coordinate the calendars

of a number of people, it is time well invested if the attendee feels that the convener is concerned enough to put in effort to get people to the meeting without creating too many schedule conflicts. If people have some voice in when to hold the meeting, they are more likely to attend and more likely to be psychologically present and contributing to the meeting.

The next important consideration is time of day. The needs of the meeting have to be balanced against the needs of attendees to do their other work. It may be good for the meeting to start early in the morning when people are fresh, but that may also be the time when some members count on doing other critical work. Meetings often work well if they are put into time ordinarily viewed as non-working time such as lunch, but then it becomes critical to have good facilities for a luncheon meeting. There is nothing worse than a luncheon meeting which is cluttered by waiters or waitresses trying to serve while the group is trying to conduct business, or a meeting in a restaurant that is so noisy that people get distracted, or an in-house meeting with food that is so bad that people become pre-occupied with their resentment about the food and lose touch with the agenda. Here again, the best safeguard is to involve the potential attendees before the meeting and give them some opportunity to express their preferences. Even if no consensus is reached, the convener will still be better off taking into account the various opinions expressed rather than simply legislating a time and place in terms of his own needs.

Some people advocate late afternoon meetings on the theory that this minimizes probable conflicts with other duties. Before drawing such a conclusion the convener should check out several points -- how tired are people likely to be by the end of the day, are potential attendees in car pools or committed to certain commuting arrangements and hence would be dislocated by an end of day meeting, do people tend to schedule other important work for the end of the day, how do people

a meal depends on the nature of the meeting, its length, and the constraints on the attendees.

- 4) If a meal is involved in the meeting, the location and facility should be carefully chosen to facilitate informal communication.

2. Where to hold the meeting and in what kind of room? There are two basic issues in regard to meeting location -- whether or not to have the meeting on-site (at the place of work) or off-site, and what kind of meeting room to use for the meeting. The issue of on-site vs. off-site depends upon the agenda, the length of the meeting, and the facilities available. The more policy oriented, long-range, fundamental the agenda, the better it is to go away from the office so that prolonged work without interruption is possible. The more the meeting is directed toward immediate operational issues, is intended to be short, and may have to be called on short notice, the better it is to find a meeting room at the place of work. If there are many operational meetings of short duration, the company should build adequate meeting rooms which are sound-proof, permit square or circular seating to avoid a "head of the table effect", and permit adequate audio-visual presentations. Meetings in offices should be avoided as much as possible because of a) the difficulty of concentrating on the agenda, b) the fact that offices are typically not set up for meetings, and c) the likelihood of interruption by telephones or visitors.

If the meeting is to be held away from the office it is essential that the convener check out carefully the facility to be used. If each of a number of people are going to invest several hours in a meeting, it is important that the facilities support this degree of investment of time and effort. Make-shift meeting rooms in motels, small meeting rooms with long narrow tables, rooms with inadequate partitions which permit sound from adjacent rooms, loud air-conditioning all can ruin a meeting. It is well worth the convener's time to check out the facilities himself or have someone check them out for him before committing to a particular location. If the meeting is going to last a half day or more it becomes

particularly important to check out the chairs to insure that people will be sitting comfortably.

A final consideration for off-site meetings is the location and access to it. Some groups deliberately pick remote places for one or two-day meetings in order to feel that they are really away from the office. If such a decision is made it should be checked out with the attendees to insure that no-one is seriously inconvenienced either by the distance to be travelled or the nature of the facilities. For example, if a group decides to "rough it" by going to a mountain cabin where two or more people will be sleeping in a room and where very basic food will be prepared, it is important that all attendees be consulted in relation to special diets, special preferences regarding sleeping arrangements, etc. This issue may sound trivial, but one never should second guess who will be made nervous or anxious by what kinds of arrangements. The convener should be very sensitive to such issues because it is easy for group pressure to force someone into a situation where he will be uncomfortable and will, as a consequence, be less of a contributor to the meeting.

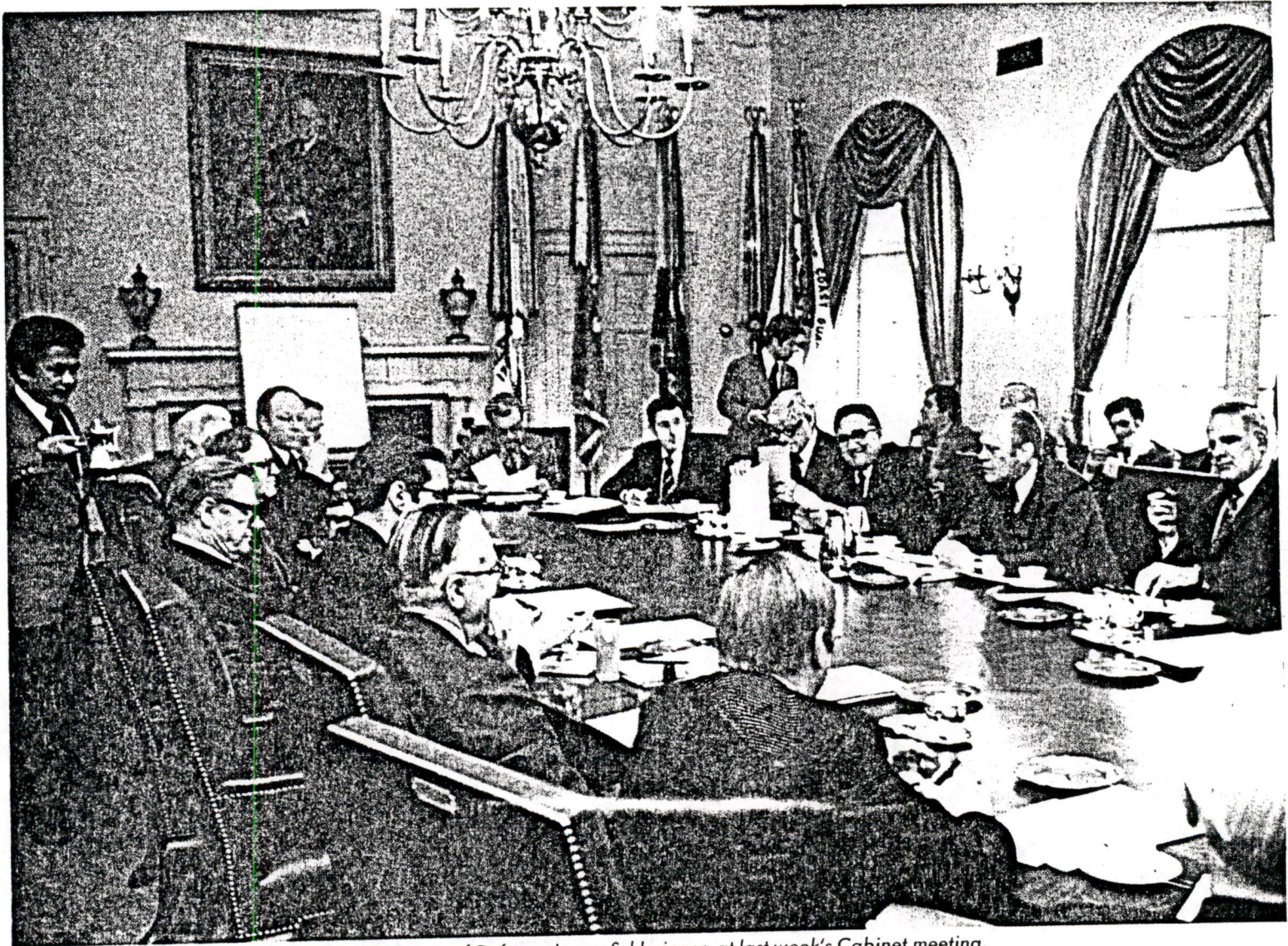
Many organizations use meetings of several days' duration in remote locations as a way of building a new team which must work together. If people have to live together as well as work together, they get to know each other more intimately which, in the long run, facilitates communication and team-work. Perhaps the most dramatic example of this type that I know of is a South African company that sends new executive teams out on a safari together into fairly dangerous areas. The common adventure welds the group together, provided the members of the group are agreeable at the outset to this kind of experience, are physically and emotionally ready for the "adventure", and have a chance to express their preferences at the outset on the nature of the physical arrangements.

Meeting rooms should be well designed from a sound, ventilation and comfort point of view. I also believe that basic seating arrangements should be round or

square if the goal is to facilitate maximum communication and the building of teamwork. If it is at all possible, the table should be round so that everyone can maintain easy eye contact with everyone else. Oval tables or square tables are the next best but they do "isolate" some members from each other by making it difficult for people who are sitting on the same side to see and hear each other. A horrible example is President Ford's table (shown in Fig. 1) where he is meeting with his economic advisors. He is sitting at the center, not the head, of a long rectangular or oval table. The advisors have to lean far forward and look around others who are sitting between themselves and the President in order to catch his attention and be heard. One cannot but wonder whether the physical arrangement undermines in subtle ways the degree of interchange and communication in the group.

The walls of meeting rooms should be designed for easy display of visual materials, i.e. it should be possible to tape up or hang charts, graphs, and other displays. It is particularly important to be able to cover walls with displays so that one does not have to remove one to put up another -- simultaneous display of all materials shown is an important aid to communication so that people do not forget what has been said before. Simultaneous display also gives the group a sense of progress in that it is possible to look back to where one has been in relation to where one is at the present time. Groups typically recycle through previous points rather than moving in a linear fashion, making it important for all prior data to be available.

The furniture in a meeting room should be flexible. Since the size of the group will vary and since the agenda will call for different configurations at different times, it is desirable to have tables and chairs which are moveable rather than fixed. Rooms which are to be used for training and seminar activities must have furniture which makes it possible to break the group into sub-groups with a minimum of inconvenience.



Ford, flanked by Kissinger and Secretary of Defense James Schlesinger, at last week's Cabinet meeting.

Figure 1

- Conclusions:
- 1) Decide on whether or not to have the meeting on-site or off-site in terms of the length of the meeting (the longer the better to have it off-site), the nature of the agenda (the more long-range policy the issue, the better to have it off-site), and the nature of the facilities available on site (avoid meetings in offices wherever possible unless part of the office is specifically designed for meetings and the phone can be controlled).
 - 2) Meeting rooms, whether on-site or off-site should be well ventilated, soundproof, and comfortable.
 - 3) If long off-site meetings are to be held the arrangements should be checked out with all participants to insure that individual needs can be met.
 - 4) Meeting rooms should have walls which permit the simultaneous display of all visual materials to be used in the meeting.
 - 5) Meeting rooms should contain as nearly as possible round tables and flexible furnishings to permit sub-groupings.

3. Who should attend and how long should the meeting be? The next set of issues to be discussed concerns the key question of who should attend and the closely related question of the length of the meeting. These issues interact in that if the meeting is too long, it is certain that some people simply will not attend even if invited, Yet if the meeting is too short the problem to be addressed may not be resolved. How then should the convener decide on length and membership? The first criterion is the original need which motivated the meeting. If the convener has a clear concept of why he is calling the meeting, he can usually also list out who has to be there in order for the problem to be properly worked on and decide how long it is likely to take. The convener should avoid rules of thumb and try to think out how long it should actually take, given what he knows about the problem and the group of people who will be at the meeting. The larger the group, the less the members know each other, and the more complicated the problem, the longer the meeting will take. The convener should recognize that groups need time to warm up, need time to fully understand the problem, and need time to sort out interpersonal issues before they can concentrate fully on the task at hand (see Schein, 1969, ch. 3, 4, and 5 for an elaboration of this point). Giving a group too little time to solve a problem only

leads to frustration. Giving a group more time than it needs leads to a kind of Parkinson's Law of filling up whatever time is available. The convener should therefore put maximum effort into reaching a good diagnosis of how long the meeting should take, and should consult others about the issue if he is not sure.

The decision on how long to make a meeting becomes even more complicated if there are several items on the agenda. What the convener must weigh here is the gains to be achieved once a group of people have finally been gotten together if they can process many issues which concern them, against the losses of having the group feel overloaded, confused, and uninterested in items that occur late on the agenda. I have seen groups become totally frustrated by tackling a large multi-item agenda and getting through only half of it in the time allotted to the meeting, even though the amount of work they did in the half of the agenda which they did cover was highly productive. Had the convener produced a shorter agenda or been able to give the group a sense of progress through the items which they did cover, they might have felt a sense of success and pride in their meeting. As I will indicate later, part of the process of managing the meeting is to involve the group in decisions about how much of the agenda to cover and how to set realistic targets for the meeting once it had been convened. This does not get the convener off the hook, however, of doing some careful planning of how much time to allocate to each item as a first approximation.

I have said that the larger the group the longer the meeting will take (unless the meeting is purely a one-way information giving process by the convener of the group). It is therefore desirable to keep the number of people at a meeting to a minimum. By what criteria should one decide who comes? The convener should think about the need which originated the meeting and first list out all the people who are centrally involved in the issue because:

- 1) They have critical items of information
- 2) They are accountable for decisions which will be reached

- 3) They are critically involved in implementing decisions which may be reached

The most important issue in who is to attend is the first one -- who has relevant knowledge or resources. If the group tackles a problem with second hand or partial or incorrect information, it will probably reach incorrect solutions and will feel it has wasted its time. Whoever convenes the meeting must consider these criteria very carefully and determine the costs and benefits of more or fewer attendees carefully, not simply jot down a list of people who "might have an interest" in attending and invite them willy nilly.

Having said that rules of thumb should not be used, I can nevertheless state some guidelines on numbers and lengths of time. A group that has worked together in the past can probably have a productive meeting on operational problems in 15 to 30 minutes. If the group has not worked together before or if the agenda item is complicated, involving policy issues, one hour is probably the minimum time that should be allocated. If major policy issues are to be covered in the meeting or if a large number of separate operational items are to be covered, two or more hours is probably realistic. Half-day, full day or even two day meetings are appropriate for long-range planning or policy making groups who are trying to reach consensus on major issues which will influence a large variety of operational problems. Such longer meetings might be interspersed on a monthly, bi-monthly or quarterly basis with short weekly meetings.

In terms of the size of the group one can generalize that the larger the group, the longer it will take people to get comfortable with each other because there will be more pairs of relationships to be established. Therefore, if the meeting must involve larger groups it will take longer for the group to "get up to speed" or to be ready to work. Three to five people can probably get acquainted fairly rapidly and can work productively in a one hour meeting. Six to ten people probably need initial meetings of two hours or more to get acquainted and can then drop to one hour meetings once they know each other. Groups larger than ten will have a

tough time getting started, but once they have met for three hours or more, possibly over a period of several meetings such large groups can be highly productive. In other words, larger groups need more start-up time and need to be managed more carefully during the meeting, but they can work and should not be arbitrarily excluded as an alternative if there are other reasons for that many people to attend.

The next issue to be addressed on "who shall attend" is the matter of rank -- should groups have multiple ranks or authority levels within them? Should one invite a boss and a subordinate to the same meeting? The answer to both questions is "it depends". If each party has relevant items of information, if each party has some accountability, and/or if each party is involved in implementation or has a need to know what is going on at the meeting, then it makes sense to have multiple levels. However, the price may be loss of spontaneity of communication. Depending upon the relationship between the members at different levels, either one will do all the talking or they will tend to paralyze each other. It may take time for a group with multiple levels to overcome the ambiguity of who is supposed to speak for whom. Such groups can work, but they need more start-up time and team building effort before they become genuinely productive.

Similar problems of lack of open communications arise in groups in which some members feel that they have to represent the interests of some other group. If such representation issues are valid, it is important for the convener to acknowledge the needs of that member to check points with his group between meetings or even during a meeting, rather than forcing him into taking positions which he may not be able to uphold later. If implementation of decisions is important, then getting realistic commitments from members becomes critical, and, if representatives are invited to meetings they must be given the freedom to act as representatives.

- Conclusions:
- 1) Meetings should be as long as the agenda requires, consistent with the schedules and needs of attendees, and the past history of the group; the more the group has met, the shorter its meetings can be.
 - 2) New groups require a longer start-up time and therefore need longer initial meetings.
 - 3) The larger the group, the longer the meeting must be, unless it is purely an information dissemination meeting.
 - 4) The criteria for who should attend are (in order of importance)
a) who has critical information in relation to the agenda items to be covered; b) who is accountable for the decisions to be reached at the meeting; c) who will have to implement the decisions.
 - 5) If several rank levels or representatives from other groups are involved in the meeting, the meeting may be less open and may take longer; the convener should design the meeting to deal with these constraints realistically, e.g. allowing more time, allowing representatives to check with their groups, etc.

4. The design of the meeting. It is the responsibility of the convener not only to decide where, when, for whom, and on what topic or agenda to have the meeting, but also to think about the actual conduct of the meeting and to design it prior to its actual execution. Most meetings which leave people unsatisfied were not carefully designed in the first place. What do we mean by "meeting design?" A meeting is the creation of a social, interpersonal process whose purpose is to achieve some goal through an exchange of information and opinions. Such a social process usually involves a number of people with different styles and temperaments, but, equally important, must reflect the kind of problem or task to which the meeting is addressing itself. Such processes should not be allowed to just happen spontaneously. The convener should attempt to design a process which is appropriate to the task and the people who will be involved. The main processes to be designed are: a) communication processes; b) problem solving processes; c) decisions making processes; and d) leadership processes.*

*Background material on these processes can be found in Chapters 3, 4, 5, 6, and 7 of my book Process Consultation (1969).

4a) Communications Processes. The convener must decide what kinds of information are relevant to the agenda and how best to get that information shared in the meeting. He has many options including preparation of materials for circulation prior to the meeting, asking people to bring materials to the meeting, asking members to report specific issues, or simply letting communications flow spontaneously. As we will see in the discussion of the actual conduct of the meeting, the convener may have to abandon some aspects of his original design in terms of what actually happens at the meeting, but he should think out some contingency plans ahead of time. It is probably safe to generalize that "those information materials which can be prepared ahead of time and circulated should be." It is not a safe generalization, however, to assume that if things have been circulated that they have been read and/or understood. Therefore, part of the communications process at the meeting must be a review of information circulated to insure that all members are operating with the same information base.

In deciding on who should report on what and when, the personalities of the attendees should be considered as well as the nature of the agenda. For example, some groups have members who always need to be heard on every subject. If the convener knows this, he can facilitate the meeting by planning at the outset to call on the talkative member to present his point of view and even discussing this plan with the member prior to the meeting to reassure him that his needs to be heard will be met. Similarly, if the convener knows that some members are very reticent to contribute spontaneously, he can ask those members to present formal reports and thereby forwarn them that their opinions will be solicited. Such forwarning is preferable to calling on a person during the meeting and catching him off guard and possibly unprepared.

The convener should think through carefully his own role in the communication process. How much time should he take at the beginning of the meeting? Should he enter the discussion as a major participant or should he take some other role such as "traffic cop" or "taker of minutes" or "consensus tester"? The convener

should ask himself what kinds of roles are needed to get the problems solved and how he can insure that all those roles will be fulfilled. Should he assign a secretary or recorder; should he play that role himself; should there be a time-keeper, should there be other roles? Probably the one safe generalization is that the convener should be prepared at the beginning of the meeting to set the stage by restating the purpose of the meeting, who is there and why, how much time is to be devoted to the agenda item, and how he wants the group to proceed. In other words, the convener must manage the communication process, even if he does not enter into it as a major participant on the actual content of the problem. More will be said about communications in the section on running the meeting.

4b) Problem solving processes. The convener must have in his own mind a clear model of how problems are identified and worked on in groups. He cannot simply announce a meeting on some problem and expect the group to figure out how to get to work on it. Instead, the convener must understand at the outset that one of the critical pitfalls in any group problem solving process is an unclear understanding of just what problem is to be worked on. Different members see the problem differently and often introduce information and/or opinions which are relevant to them but strike other members of the group as irrelevant. To avoid this kind of confusion and potential waste of time, the convener must consider what he can do prior to the meeting to clarify the agenda (the problem to be worked on), and how he can reinforce this understanding at the beginning of the meeting. For example, when the meeting is first announced, the convener has the choice of describing the agenda in very vague general terms or in very specific focused ways which get members to think about the issue before the meeting.

It is my own conviction that the more concrete the agenda is about the nature of the problem, the easier it will be for the group to work. Let us assume that the company is having a problem of declining sales and that the general manager of

a division calls a meeting to deal with this "problem". If he waits for the actual meeting to introduce "the problem of declining sales", he can predict a wishy-washy, possibly defensive, rambling, unfocused discussion which may lead nowhere. What could he have done to prevent this? First of all, he could have thought out and put down in a paragraph or two his own view of the problem, distinguished^{ing} carefully between Symptoms which suggest that there may be a problem, and the actual Problem to be identified and worked on. Having done this, he should share these insights as part of the initial material sent to members prior to the meeting. Also included should be some questions which will focus the discussion initially. For example, the written agenda might state:

"We will start the discussion with 1) my review of how I see the problem, then 2) ask all of you whether you agree, and then 3) what you would add or modify? Next in our discussion 4) we will try to reach agreement of what our problem really is that is causing the symptoms (e.g. declining sales), and then 5) will ask ourselves what we can do about it."

By putting all of this into the initial agenda, the convener prevents the group members from coming into the meeting with instant solutions or premature evaluations of what the problem is. Such instant solutions often lead to instant debate and much wasted time. By structuring the problem identifying and problem solving process at the outset, even in the call to the meeting, the convener is not only helping the meeting but also is training the group in how to solve problems effectively.

4c) Decision making process. Groups can make decisions in a variety of ways from doing nothing about a given suggestion or point of view, to letting a minority dictate, to majority voting or polling, to consensus and unanimous agreement. Typically, groups use the whole spectrum of these decision making mechanisms depending upon the topic. The problem for the convener is to decide ahead of time what kind of decision making mechanism is appropriate for the problem that is to be worked on and to announce to the group what that mechanism is to be. For example,

if the issue is a short-run operational one the convener may tell the members that the purpose of the meeting is to get out some facts so that the one member who is accountable in that area can go ahead and make his own decision. At the other extreme, if the group is trying to solve an important problem (as in the example of falling sales mentioned above) or is setting a policy, the convener may say in his initial announcement that the meeting will attempt to reach a consensus that everyone feels comfortable about. If the members know ahead of time that they will have to reach consensus they will be psychologically better prepared for an in-depth discussion and will not fidget and wish that the chairman would just decide and get the meeting over with.

If the group has an agenda consisting of multiple items, not only should each item be clearly stated in the form of a question to be answered, but the convener might consider putting next to each item what decision making form he thinks to be appropriate for that item. It is often the case that some items require consensus, others require decisions from the accountable person, while others require no decision at all, simply a discussion for information and clarification. It is my argument that a group will work more effectively if it knows ahead of time what decision making method is to be used for each item. If the group disagrees with the convener, that can be taken up at the beginning of the meeting and resolved. But if different members have different assumptions (some expect to vote, some expect the boss to decide, some expect consensus) about the decision making method, it is almost a certainty that the group will begin to waste time and misunderstandings will begin to occur.

4d) Leadership processes. The convener has a choice of how to lead the group and should make his choice as explicit as possible ahead of the meeting. He can simply be the catalyst who is bringing together a relevant group of resources

to solve a problem; in that case he will concentrate on being the process leader, insure that communications are good, help the group to reach a decision, but enter very little on the content of the actual group agenda.

Whether or not he chairs the meeting once it has been convened is a choice that must be made in terms of the actual agenda to be worked on, and the personalities of the participants in the meeting.* If the convener does not have accountability or authority in reference to a given problem for which he calls a meeting, he can ask the person in authority to chair the meeting, but continue to provide process help to the chairman. On the other hand, there may be no one clearly accountable person, in which case the convener may choose to be the chairman in order to avoid a political hassle in deciding which of several competing peers should be chairman. Some groups solve this problem by having the chairmanship rotate. Sometimes the person who should chair the meeting in terms of his organizational role is particularly inept in that kind of group role. The convener may in those instances ask to chair the meeting himself or ask that someone else who is better at chairing meetings take the role. Whoever chairs the meeting, the convener (the person who originally saw a need for the meeting and called it or got it to be called) should continue to be responsible for creating an effective meeting. This process leadership role cannot and should not be delegated away. If the convener feels the need for a meeting, he should be responsible for insuring that it will be a good meeting, whether or not he is chairman.

Leadership during the course of the meeting can be highly directive/autocratic (calling on people, making decisions, keeping time, etc.), consultative (seeking information and opinions but retaining decision making authority), democratic/participative (sharing decision making authority with group members), or laissez-faire (letting the group run the meeting and make the decisions). Which style is

*One of the best discussion of the range of leadership styles can be found in Tannenbaum and Schmidt (1958).

appropriate depends upon the task, the amount of time available, the personalities of the people at the meeting, and the past history of the group. The important point is to plan ahead. The chairman of the group should decide ahead of time what leadership style he will use and why. If possible, he should even tell the group at the outset what leadership style he will use and why. Groups get into trouble when chairmen, conveners, and group members drift into roles without awareness and when these roles come into conflict with each other. People can accept autocracy if they know the reason why; similarly, they can accept laissez-faire if they know the reason why. But groups get very upset if they feel that leaders are overcontrolling or undercontrolling without any idea of why this is happening other than "the personality of the chairman."

Most effective groups do not rely on the chairman and/or convener to provide most of the necessary leadership roles. Instead, these roles come to be distributed among the members and the members begin to feel responsible for effective communication, problem solving and decision making. Summarizing, testing consensus, checking out whether the problem is clearly understood, reducing the destructive conflict within the group, etc. all come to be performed by whoever sees the need most clearly. The role the convener and/or chairman must play is to create at the outset a climate which builds expectations that such leadership will be a shared responsibility. If such a point of view can be gotten across in the initial statement of the agenda, it is easier for the group to work effectively during the meeting itself.

5. Announcing the meeting. The implications of the above four sections are twofold: 1) the convener must think out as clearly as he can the design of the meeting in terms of communication, problem solving, decision making and leadership; and 2) he must try to communicate as much of his thinking about the design and his own assumptions in the initial announcement of the meeting. The assumptions .

and pre-decisions usually have to be communicated all over again at the beginning of the meeting, but if they have been put down on paper as part of the call to the meeting, time will be saved at the meeting itself. Furthermore, if there is strong dissent, it will be identified prior to the meeting when something can still be done about it, instead of having strong members undermine the meeting itself and thereby wasting everyone's time.

People want to know what will go on at a meeting, and will participate more effectively if they know ahead of time. Most meeting announcements that I have seen over the years are disasters in terms of brevity, ambiguity, and lack of clarity. Agendas tend to be single words or phrases like "budget review" which make it absolutely impossible for a participant to second-guess the issues and/or problems and therefore to prepare for the meeting. Most agendas do not spell out the expected role of the participant -- listener, information giver, opinion giver and/or decision maker, hence make it impossible to prepare. Rarely is anything said about who will chair the meeting, what kinds of decisions will be made, how many topics will be covered, how the time will be allocated, who will be at the meeting, and what, if anything the participant should prepare in the way of pre-work. If conveners can just solve the one problem of thinking about the meeting clearly ahead of time and announcing clearly what the meeting will be about, they will have solved half the problem of unproductive meetings.

6. Follow-up to insure attendance. Once the meeting is announced, the convener or his secretary should call each of the people who are to attend the meeting to remind them of the meeting and to re-iterate the expectation that they should attend. This communicates concern for the importance of the meeting and the importance of each member's attendance. If at this point the convener discovers that some people cannot attend or have questions about the agenda, etc. there is time for negotiation or, if necessary, replanning. If someone cannot attend but the meeting must be held anyway, the convener can select an alternate plan to have the member's input avail-

able. If someone does not understand or agree with some aspect of the agenda or the meeting design, there is still time to clarify and modify the design or persuade the dissenting member. In any case, follow-up of some sort is essential to avoid the unpleasant surprise of a key person not showing up or coming with unexpected resistance to the agenda or the meeting design.

- Conclusions:
- 1) The convener must think through and manage the communication processes prior to the meeting and must plan that process for the meeting itself, both in terms of the personalities of the attendees and the task to be performed.
 - 2) The convener must understand group solving processes and must help the group by initially identifying clearly what the task of the group is; as much as possible he should put his own formulation of the problem into the written, pre-meeting agenda in question form.
 - 3) The convener should think out what kind of decision making method is appropriate for each agenda item and should announce ahead of time how he expects decisions to be made.
 - 4) The convener is responsible for leadership of the process of the meeting, whether or not he is the actual chairman. He may or may not get involved in the content of what the meeting is about, but he must be sure that the chairman provides an appropriate process, and must be prepared to intervene on that level himself.
 - 5) The chairman of the meeting must decide ahead of time what kind of leadership to provide based on the task, the group members, the past history of the group, and the amount of time available; if possible he should let the group know what kind of leadership method he will use.
 - 6) The convener and/or chairman should help the group members to recognize that leadership is a shared function among the members, and that everyone should be concerned with developing effective communication, problem-solving, and decision making processes.
 - 7) The announcement of the meeting should be as complete as possible in terms of clearly stated agenda questions, roles expected of participants, who will be at the meeting, who will be chairman, how the meeting will be conducted and how decisions will be made, what prior preparation is expected, and how much time will be allocated to what.
 - 8) After the announcement has been circulated and before the meeting, each person who is expected to attend should be called to insure that he plans to attend and understands the purpose of the meeting.

C. Conducting the Meeting

The conduct of a meeting is a complex orchestration of human processes. I have said above that half the battle is to think out as much of the meeting plan ahead of time and to communicate plans clearly to members. But as with all plans, once a group of people begin to interact they change the plans and go off into new and often unexpected directions. The problem of conducting a meeting is how to stay on some kind of path toward the original goals without completely constraining participation and risking losing the input which necessitated the meeting in the first place. It is very easy to get frustrated in a group when it wanders off the topic, when conflicts erupt unexpectedly, when people who should say something remain inexplicably silent, when others use up air time with points that seem not to be relevant to anything, when side conversations start up while someone is trying to make a point, when it is obvious that people are not listening to each other, when topics that have seemingly been laid to rest resurface suddenly, when people get up and walk out of the room at a critical moment, and so on.

The key to managing groups in the face of all these potential frustrations is to expect the kind of behavior described above, to treat it as normal and symptomatic of legitimate feelings in the group, and to move forward in spite of such behavior by clarifying, restating, summarizing, and consensus testing over and over again.

Groups operate in a cyclical rather than a linear fashion. They move three steps forward and then two steps back. They go over the same issues again and again, but they do move forward and do make progress if one is watching for it. The basic reason for the cycling through the same issues over and over again is probably that different members come to understand the issues at different points in time, and the group cannot really let an issue go until some critical mass of its members understands and reaches a conclusion on the issue. The reason why

clarifying, summarizing, and consensus testing are such important functions is that different members finally "hear" at different times. If the chairman cares about the total group commitment, he must be prepared for the cyclical type of movement and the repetition of some points over and over again.

Every group operates at two levels -- the level of the overt content or agenda and the level of the covert interpersonal and group processes which occur among the members -- the "interpersonal underworld."^{*} The two levels are constantly intertwined and the person running a meeting must listen for both levels if he is to understand and influence what is going on. When things don't make sense at one level, the explanation usually can be found at the other level. For example, when people are having a difficult time agreeing on a seemingly simple issue, the real reason may be that two or more members are subtly competing with each other for influence in the group, and are arguing with each other in order to test each other, not because the issue merits it.

At different stages in a group's life different interpersonal issues become central, and the more the convener/chairman come to understand these issues, the easier it will be for ~~them~~^{him} to move the group forward on its task. Therefore, anyone who has to run a lot of meetings should begin to acquaint himself with what is known about group dynamics by reading and attending workshops, or simply by observing carefully what actually goes on in a group. **

The remainder of this section will describe more specifically how the chairman should help the meeting to reach its goals, but these specifics should always be taken in the context of the general group issues alluded to above.

*Shutz, W. "Interpersonal Underworld," Harvard Business Review, July-August, 1958.

**I refer the reader especially to Chapter 3 and 4 of Process Consultation for a summary of phases in group functioning.

1. Review of agenda, meeting design, and goals. Every meeting should be started with a review and the setting of goals and targets. Even if extensive preparations have been made, one should assume that some members will not have read the material or will have forgotten or will have thought of new issues by the time of the meeting. It is important to clear the air in reference to new issues and to reach consensus on what the goals of the meeting are to be. The chairman should start the review by restating the agenda and asking if anyone needs to have anything clarified. The meeting should not move forward into any of the agenda items until the chairman is satisfied that members really have a common understanding of what they are working on, even if it takes 10 to 15 minutes of the meeting's time to reach such common understanding. One way to test this understanding is to set targets -- where does the group want to be by the end of the meeting, or by a certain time of day? Such questions force all of the members to think through their goals and to get committed to achieving those goals in a certain length of time. Instead of the chairman remaining responsible for the progress of the group, the members collectively become responsible if they commit themselves to specific goals for the meeting in each other's presence. It therefore pays to test for consensus around goals and to make sure that objections are heard early in order to avoid being sandbagged later in the meeting.

If there are pre-designated ways that the communication process, the problem solving process and the decision making process will be managed by the chairman, it is important to review these at the beginning of the meeting. For example, the chairman might say:

"On this issue of how we get our sales up next quarter, I plan to ask Pete and Joe to give some initial reports to fill us in on what we need to know; then we should spend about a half hour defining what our problem really is; if we can agree on that, I would like to do some brainstorming on possible remedies and take the final part of the meeting to try to reach consensus on what our next action steps will be. I think it is important that everyone

contribute to the discussion so I will try to keep communications flowing. Whatever decisions we reach should not be mine or Pete's or Joe's alone; I want them to be a real group consensus because we are all involved in implementing whatever we decide on. Is there anyone who feels we should conduct the meeting in a different fashion?(Discussion)..... Okay, here is what we have agreed on in the way of our agenda."

The chairman then gets up and puts down on the board or chart-pad the main parts of the meeting and some time estimates so that the group can collectively monitor itself against the agreed upon schedule. It is especially important that he write down the goals of the meeting so that members do not forget them as they get into the nitty gritty of the discussion.

If consensus is important, and if certain members have key information to contribute, it is also important that the chairman double-check the time schedules of the participants. Is everyone planning to remain for the whole meeting? If anyone is planning to leave early, how can his input be captured before his departure? If anyone is "on call" or may be called out of the meeting, how can the group work around this? These issues should be faced at the beginning of the meeting so that they don't catch members by surprise. I have seen groups left high, dry and angry when a key member suddenly announced he had to leave at a time when his contribution to a given agenda item had not yet been made. Instead of blaming the member who left, we should blame the chairman for not finding out at the beginning or even prior to the meeting that this person would have to leave, and re-adjust the agenda accordingly.

Once the group has agreed on its goals, has put the proper priorities on its agenda (if there is more than one item on it), has some sense of how the meeting will go, and has had a chance to "settle down" (catching up on gossip, meeting a new member, conducting side-business with someone whom a member has been trying to catch, etc.), it is ready to go to work.

- Conclusions:
- 1) The meeting should always begin with a review of the agenda the design of the meeting, and the goals and time schedule for the meeting.
 - 2) The chairman should check out members' time schedules to insure that the key people will be present for those parts of the meeting where their input or decision is needed.
 - 3) The chairman should allow time for the group to cover its informal business before starting the serious work.

2. Managing communications, problem solving, and decision making. I will treat these three topics together because they are so intertwined in a group's functioning. The group cannot really gather information and opinions relative to a topic of discussion (a communications issue) until it has decided what topic it will discuss and for how long (a decision making issue) or until it has defined a problem to be worked on. The best way to think about this area is in terms of a problem solving cycle which starts with agreement on the definition of the problem, then moves on to gathering information and opinions on alternative ways of dealing with the problem, then moves on to evaluation of the alternatives, and finally to the development of an action plan.

At each stage the group may redefine the problem, thus recycling through the first stage, and at each stage it makes many decisions concerning how to gather information, which information to treat as valid, how to gather opinions, how to deal with conflicting opinions, and so on. In order for the chairman and the other members to retain their bearings, they must keep the problem solving cycle in mind and allow for constant recycling. If they have written down the goals of the meeting, and the initial problem formulation, these serve as anchors while the group is working. It is therefore very important to write the goals and the problem down legibly in a readily visible place to permit the whole group to retain its bearing.

As the discussion proceeds, the chairman should be asking himself the following kinds of questions:

"Who has relevant input on what we are talking about?"

"Are the persons who have relevant input speaking up? If not, why not? Should I do anything to help John into the conversations by asking him to comment or asking him a direct question?"

"Are people listening to each other? If Pete has made an important point which should be heard by everyone, should I restate it, or clarify it, or build on it? Should I write it down on the board so that everyone can remember it?"

As different points relative to a topic surface, the chairman or someone designated as recorder should take notes on these points, and preferably should take the notes on a chart-pad in front of the group so that the group's work is shown in a cumulative fashion for all to see. If points are not put up explicitly, they will be forgotten by one or more people and will make it harder at a later time to reach a decision. As pages of the pad are filled they should be torn off and taped up on the wall so that they remain visible to everyone. In an effective group discussion one often finds members reviewing or going back to points which were made much earlier. It is very facilitative if they can go to the chartpad page and point to the issue to which they are referring, rather than trying to get others to remember something which may have happened in the discussion some time back.

I have referred to the recorder role. Should the chairman always be the recorder, or should this role always be delegated? It is a fact that the person at the blackboard has a position of power because he can choose what to put down and can choose the wording of how it gets put down. Therefore, this power position should not be given to someone who will abuse it or who has no legitimacy in the eyes of the other group members. If the members have skills by having practiced

the role, it is possible for anyone to be the recorder and it may be helpful to the chairman, in that case, to delegate it. But he should always retain the role himself if he feels that he should retain the power, if the skill is lacking in other group members, or if other members would not be acceptable in that role to the group. In other words, the role of recorder should be allocated carefully and with clear forethought of its implications. Many groups end up working ineffectively because they either do not think about who is recorder and what implications this has, or they treat the role as an undesirable chore and give it away to someone incompetent, or they discover too late that someone to whom they have given it is abusing it by doing too much editing of what is said, thereby distorting group output and/or necessitating constant hassling over what really should be put down on the board.

As the discussion proceeds, the chairman should begin to ask himself another set of questions:

"Are the points which are coming out clear to everyone? How much should I think about clarifying any given point by restating it or elaborating on it?"

"Are there sufficient points out on the table to attempt to summarize the discussion? Can I summarize it? Should I ask someone else to summarize if I am not sure how best to do it?"

"Are we near to reaching agreement on problem formulation? Should I state the problem as I see it and check for consensus?"

The above questions are the critical ones in terms of moving the group forward from one stage of the problem solving cycle to the next. If members of the group are doing the clarifying, summarizing, and consensus testing, then the chairman does not need to worry about these functions, but typically the members are so involved in the discussion that it just bounces from one point to the next. If the group has accumulated enough information and opinions, then the chairman must step in and attempt to do the summarizing and consensus testing.

One of the commonest problems the chairman has in this and all other phases of group problem solving is the eruption of an argument between members on matters of fact and/or opinion. One way to deal with such arguments is to first differentiate clearly issues of fact from issues of opinion. If people disagree, the chairman can attempt to locate criteria or information which would resolve the disagreement factually. If the disagreement is not resolvable by new information, this should first be identified overtly to be the case so that everyone becomes aware that it is a difference of opinion. In that case the chairman has several options. He can simply close the argument by acknowledging the disagreement and asking the group to go on in spite of it. Or, he can resolve the disagreement himself by taking a position in favor of one alternative or the other. Or, he can state the alternatives and ask the group to resolve the issue through voting or polling the group. Or he can let the argument go on until the parties to it terminate it. Or he can let the disagreement stand and lift the discussion to a higher level by summarizing the positions, and acknowledging that the issue is unresolved, and asking the group to continue on a new tack with the understanding that they will return to the unresolved issue at a later time. The last alternative is often the most desirable one because it saves the face of the parties disagreeing without compromising the issue or reducing it to a lowest common denominator. In other words, compromise should be avoided in a task oriented discussion. Disagreements should either be resolved in an integrative fashion or allowed to stand until new information is brought to bear on them. Looking for middle ground just to get over the argument is likely to lead to lower quality decisions. The chairman, by implication, must have a high tolerance for conflict in the meeting, and must think through creatively his options for how to manage conflict.

If there is a great deal of disagreement within the group, the chairman can suggest a period of "brainstorming." He can note that individual alternatives are being debated before the full range of alternative is known to the group,

and can ask that judgement be suspended for 10 to 15 minutes while the group just concentrates on getting out all the relevant alternatives. The group recorder should then write down the alternatives so that the group can scan the entire array as a basis for reaching a decision. It is usually easier to make a decision when one can compare several alternatives than when one is evaluating a single alternative. If the group goes into a brainstorming mode, the chairman must monitor the process closely to insure that judgement and evaluation is in fact suspended. This may mean ruling some member comments out of order, if they are evaluative or judgemental. After the major alternatives are out in the open, the chairman can then reinstate evaluation and thereby terminate the brainstorming period.

As the discussion moves toward a point of decision, either because of no new information coming out, or the group is running out of time, the chairman must decide how to make the decision. His first criterion is what he stated at the beginning of the meeting would be his decision making method. He must either stick with that or give some credible reason for changing it. He may have said he would try to reach consensus but the pressure of time makes it necessary for him to decide unilaterally or to ask the group for a quick vote. Whatever mechanism of decision is to be used, the chairman must consider the costs and benefits, not simply slide into something as a matter of convenience. For example, voting may be quick but may leave the group polarized. Making the decision himself may be efficient but may leave some members unhappy because they feel they have been over-ruled. These may be prices the chairman is willing to pay, but he should do so with his eyes open.

Once any decision has been reached (e.g., what the problem is or what to do about it), it is important for the chairman to restate the decision and write it down. Groups get into endless difficulty by failing to understand and/or agree on what was decided. Someone may have stated the decision but members may have heard it

differently. Only if it is written down and reviewed can one be sure that everyone understands what was actually decided. One good reason for using chartpads rather than blackboards is that individual sheets can be taken down and later copied as the basis for constructing the minutes of the meeting. If things are recorded on a blackboard it is essential that someone either photograph the board or be charged with the responsibility to copy down what is on it. In no case should one rely on memory of what was decided.

To review, the problem solving process starts with problem identification and problem formulation. Decisions are needed at the consensus level of what the problem is. Once the group agrees on the problem, it can move into alternatives to solution. At this point some brainstorming may be needed to insure full exploration of alternatives. This exploration also serves as the basis for deciding whether or not the group is working on the right problem. The option should be opened up to reformulate the problem if necessary. If the right problem is being worked on and the alternatives are out in the open, the group can move toward the evaluation of alternatives and make decisions on what to do next. At each stage the chairman must worry about the communication flow by clarifying, summarizing, and consensus testing. Once a decision has been reached it must be restated and written down, and consensus must then be obtained to insure that everyone understands the decision and its implication.

- Conclusions:
- 1) The chairman should insure that at each stage of the problem solving cycle the right members (the members with relevant information/opinions) are participating and are being heard.
 - 2) The chairman should be the group recorder or assign that role to someone who has the skills to do it and will be accepted in that role by other members.
 - 3) All relevant points should be recorded in full view of the group and all records should be kept in full view throughout the meeting so that members can easily refer back to earlier points.
 - 4) The chairman's main role as the discussion proceeds is to clarify, summarize, and move toward decision by testing for consensus or suggesting other decision making mechanisms.

- 5) If the group is bogged down in debating too few alternatives, the chairman should suggest a period of "brainstorming" to insure the identification of all relevant alternatives.
- 6) As decisions are reached they should be restated and written down for all to see to insure clarity and agreement.

3. Planning for implementation of decisions. All of us have had the experience of going through a meeting, identifying and solving a problem, only to be surprised that the actions after the meeting bore little relationship to the decisions which were reached. Sometimes the wrong things are done after the meeting, more often nothing is done at all. The problem is that reaching a decision does not guarantee that the decision will be implemented. Each person at the meeting may be assuming that others will do something, or everyone waits for the chairman to do something. What all of this implies is that part of the process of an effective meeting is to explicitly plan for implementation of decisions and, most important, assign responsibilities for implementation to specific people. The assignment of such responsibilities often involves a time-table and series of checkpoints or plans for reporting back to the group either the progress achieved, or new problems which may have been encountered.

Once a decision is reached, the meeting, in effect, enters a new phase which involves identifying all of the things which have to be done to implement the decision and then assigning those new tasks to specific people. If the people who are responsible for implementation have not been party to the decision making, some process must be planned to insure full communication of the decision to the implementers. Often the naive assumption is made that if one simply tells the decision to another person he will understand and implement it. The problem is that if that other person has not gone through the process of identifying the problem, looking at a variety of alternatives, and finally reaching a single decision point, he cannot possibly understand all of the considerations which went

into the decision. If he does not understand the decision fully, the chances are the he will make implementation errors without even realizing that he is doing so.

- Conclusions:
- 1) Once a decision has been reached the group should plan specific implementation steps and should assign specific implementation or follow-up responsibilities explicitly to members of the group -- specify who does what by when.
 - 2) Check-points or review meetings for reporting on progress should be planned before the meeting adjourns.
 - 3) If implementers are involved who have not been at the meeting, specific plans should be made to communicate the full import of the decision to them.

D. Follow-up After the Meeting

1. Minutes or other records. It is very important that the output of a meeting be documented. Not only is it important to have a record for communication to other groups or individuals, but it is important at a future meeting to have records of past meetings. What is actually put into the minutes will vary with the purpose of the meeting. One should not automatically record everything that goes on. By the same token, one should not limit the minutes to just very general statements of what was discussed. Ideally, the minutes should capture the problem(s) identified, the major alternatives considered, and the final alternative selected. Decisions reached should be clearly stated and the implementation plan should be clearly noted in the minutes, including the names of members with specific responsibilities and the time table and reporting back mechanisms which were agreed upon.

The minutes need to be fairly complete at this level to insure that the group has a record of its own accomplishment. Such minutes do not necessarily have to become public or be widely circulated. If it is important to communicate to others, the chairman can abstract from the minutes those things which should be communicated to various other individuals or groups.

2. Follow-up of implementation plans. The chairman should note carefully what plans were made for implementation and should follow up on those plans himself by calling group members who undertook specific responsibilities to see what progress they are making. Such calls should simply be requests for progress reports. They should communicate to the person being called that he did make a commitment at the meeting which should be followed up, and that the work of the group or the meeting is important enough to warrant follow-up on the part of the chairman. If the meeting is held but nothing much happens after the meeting, it is all too easy for members to forget about the meeting and go back to their regular work routine. It is the responsibility of the chairman to remind members of the importance of what was done at the meeting by his follow-up calls.

- Conclusions:
- 1) Minutes of the meeting should be kept and issued after the meeting. They should contain essentials of the problem formulation, the alternatives considered, and the conclusions reached; they should also contain the implementation plan, including names and time-tables for assigned responsibilities.
 - 2) The chairman should follow up with individual members after the meeting to communicate the importance of the meeting and to insure that implementation plans stay on target.

Conclusion

The best way to conclude this set of guidelines on how to improve formal meetings is to reassert that conveners, chairmen, and group members must learn to observe group process, and must learn to manage that process toward their goals. Poor meetings are simply mismanaged meetings. Unproductive groups are groups which do not know how to manage the problem solving, communication, and decision making processes in groups. If a group wants to become more effective, it should start by learning to observe its own processes, take time out to discuss these processes, and make explicit decisions about how it wants to manage those processes. Such a learning process is an investment of time initially, but it pays off in more effective group meetings later.

Learning to observe and discuss group processes is not easy or automatically doable by group members who may never have thought about groups at this level of analysis. To get the process started it may well be helpful to bring in an outside consultant to provide some of the key dimensions to be observed and to give the group some training exercises to get it started. The simplest of such exercises is to assign one member to be a "silent observer" during the meeting and then to have him give feedback to the group on some of his observations after the formal part of the meeting is terminated. The group can agree ahead of time on some of the dimensions which they would like to have observed, e.g. participation patterns, are people listening to each other, who talks to whom, how are decisions reached etc. The important groundrule is that the observer must remain silent, thereby forcing him to concentrate on the group process (since he knows he cannot influence the content of what is being discussed if he must remain silent). Where this exercise has been tried, without fail it is reported to be one of the most significant learning experiences which the group member ever had. Most of us don't observe what is going on around us simply because we have not taken the observer role. When that role is forced on us by common agreement, we find we can observe all kinds of significant events which can serve as the basis for improving group functioning.*

If an outside consultant is either impractical or undesirable for other reasons, the group can read some materials on group process and simply assign itself the task of reviewing its own processes at the end of the meeting. Many effective groups take the last 15 to 30 minutes of every meeting to "review how we feel about today's meeting; how could we have improved on it; how can we improve future meetings?" Once a group makes the commitment to analyzing its own process it can usually identify fairly readily where that process can stand improvement. Hopefully, the ideas

*One of the best books on learning to work in groups is by Mathew Miles (1959).

presented in the above pages will also be helpful in identifying the process issues which can and should be managed if formal group meetings are to be more effective.

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Committee



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June 6, 1980

Mr. Kenneth Olsen
Digital Equipment Corp.
Maynard, MA 01754

Dear Ken:

The committee study which Win asked Ron LeBleu to undertake worked out so well that I was motivated to jot down some notes about it as an organizational intervention. Having seen groups and committees struggle for some time in DEC, I think it is important to recognize when something is beginning to work very well and how this was accomplished.

I heard that the corporate seminar went well. Sorry to have missed it. I am off to teach in the Hawaii Advanced Management Program and then on to Australia for five weeks of consulting, teaching, and vacation. Will see you next fall.

Sincerely,

EHS/scr

cc: Win Hindle ✓
Shel Davis
Ron LeBleu

AN INTERVENTION TO IMPROVE COMMITTEES IN A LARGE ORGANIZATION

E.H. SCHEIN AND L.R. LEBLEU

Many organizations have found themselves having to develop committees, task forces, and other sorts of group structures to manage complex problems not readily handled by the formal hierarchy. At the same time it can be observed in these organizations that the committees function poorly, members complain about all the time they have to spend in committees, attendance is sporadic, and feelings about the output of the groups are highly variable. If groups are necessary, yet are functioning poorly, what is to be done?

The obvious immediate intervention is some kind of team building or some kind of workshop on how to improve committee functioning. Such an intervention, however, may be viewed by the client system as extremely expensive because it would involve many groups for many hours at many levels of the organization. A recent example suggests an alternative which proved to be quite powerful.

Step 1 in the intervention was a request by a senior vice president to review and study the structure and functioning of all committees in the organization. One person from the OD staff was assigned a project of formulating how this review might be done and implementing the "committee study." The first step in the study was to ask each committee to set up a self-review involving the devotion of at least one meeting to a review of the charter of the committee as well as a review of how different members of the committee felt about the work of that committee. Simple questionnaires were designed to facilitate this process and to provide data for each group to work on.

In some cases it was suggested that committee members be interviewed by the OD consultant, but this process was not an essential portion of the study and again would have driven the cost of the intervention up beyond what was really feasible. The self studies were coordinated by the consultant and committee secretaries and feedback was provided to each of the committees on: 1) their own results; 2) data from other groups on what they thought to be their charters; 3) what they thought to be some helpful tips for how to improve committee functioning. This process made all the members of the committees as well as their chairmen and secretaries highly conscious of group meeting process and content which led to various inventions in different groups on how to be more effective in chairing a meeting, managing the agenda, and preparing committee members through sending out pre-work, etc.

The next and perhaps most significant step in the intervention for purposes of assessing the role of committees in the total company structure was the calling together of the chairmen of the major corporate committees to explore common perceptions, charter overlaps, and ideas for improving committee functioning. At this meeting, designed and co-managed by the senior vice president and the consultant, each committee chairman reviewed his findings about the charter of his group and what he had learned about committee activity. Following a sharing of these kinds of insights (which

incidentally were very innovative and productive) the meeting of committee chairmen then explored systematically how the various charters of the committees did or did not link and/or overlap. They identified several kinds of corporate issues which were not addressed by any of the committees and therefore required allocation to an existing group or to some new group. They also uncovered several topics where there was duplication in the sense that more than one committee was working on that problem. They were able to unscramble these issues on the spot and decide which committee should be tackling these questions.

One of the major process insights was that the committees were benefiting tremendously by having good secretaries (one member who was assigned that role). The secretaries play an active role in helping the chairman to organize a meeting, prepare the handout material and brief members ahead of the meeting on key issues or topics. In addition, the preparation of good minutes of the meeting made it possible to circulate such minutes to other chairmen and committee members to permit on-line tracking of what topics were covered and what decisions had been reached.

One new intervention which grew out of this discussion was to have the secretaries of the various committees have a meeting among themselves with the OD consultant and the senior vice president to share insights, tactics and learning experiences comparable to what the group chairmen were having at the meeting of chairmen. To build this dual linkage -- linkage at the level of chairmen and linkage at the level of secretaries -- was thought to be a crucial inter-committee function that would not only insure upgrading the committee processes in each of the groups but would further insure that the actual content of what was worked on would remain well-coordinated.

The group decided that it should have another meeting in six months to a year depending on how much business had been transacted over that period. Everyone recognized more clearly that the committee structure was an essential piece of the organization structure and that the committee of committee chairmen was a crucial coordinating link to ensure that work was done efficiently and was well-integrated across the company.

The consultant noted that committees can be used in different ways. They can have the manifest function of: 1) a Board of directors for a function; 2) as auditing review bodies; 3) as approval bodies in a chain of command; 4) as final decision makers; and/or 5) as brainstormers, problem identifiers.

One should also note the latent functions of committees as 1) providing an opportunity for key members of the organization to get to know each other and to build mutual trust; 2) as a vehicle for learning, i.e. where managers and others can develop insight into various organizational problems and how to solve them.

ANALYSIS OF COMMITTEE BRIEFS

I. ISSUES UNIQUE TO GIVEN DEC COMMITTEES

OPS

- . Need to improve their ability to deal with facility planning
- . Need to deal with charter definition between the Computer Products and Commercial Products Groups
- . Need to draw European Organization Study to a conclusion
- . Need to deal with the divisionalization proposal
- . Committee members are, in effect, Ken's staff and, consequently, sometimes his "punching bag."

EBMC

- . More involvement in the in the functional plans, especially manufacturing
- . Need more understanding and visibility of EBMC and its charter at Corporate level (outside of Marketing Committee, which because of joint memberships is working well).

II. INTER-COMMITTEE ISSUES

PPC/OPS

- . The authority of this committee in the are of product availability. Which committee should deal with the available information and make decisions in this area? By default of OPS, it has been PPC.

PPC/EBOD

- . DECUS - Role, Control and Review ?

III. ISSUES GENERIC TO ALL DEC COMMITTEES

- . Managing your role as a Committee Member given:
 - Overlapping memberships
 - The need to be better prepared
 - The importance of the role
 - The need for good staff support - possibly establish surrogates or alternates empowered to act on behalf of senior reps. to cut down on overall time demands.

- . Defining the roles/functions of the Committees
 - To set long-range goals, strategies, and standards
 - To conduct program/project reviews
 - . Timing of these
 - . Relationship to strategic role
 - What is the hierarchy of Committees?
 - . What is the appeal/review process?

- . Improving the actual committee operations
 - Need to devote time and the organization's resources to the preparation of the formal agenda.
 - Need to clarify goals and expectations for each meeting and communicate these, in advance, to members.
 - Need to push down decision making in the organization by pre-screening and pre-lobbying agenda items.
 - Pre-documentation should be sent out well in advance of the meeting. Information should be clearer and more concise.

- . Improving the Communication/Information flow of Committee outcomes - Who needs to know? How? When?
 - Between committees
 - To functional organizations that committees and its members represent (interfunctionality)
 - To the rest of the organization

digital

INTEROFFICE MEMORANDUM

TO: Al Bertocchi
Bill Long
Will Thompson
John Holman
Jean-Claude Peterschmitt

DATE: 5 May 1980
FROM: ✓ Win Hindle/She1 Davis
DEPT: Corporate
EXT:
LOC/MAIL STOP:

SUBJECT: Meeting of DEC Committee Chairmen (Operations, Marketing,
Pricing & Policy, EBOD, M&E, F&A, Personnel, and EBMC)

DATE: 12 May 1980

TIME: 12:00 Noon to 5:00 PM (Lunch will be served)

PLACE: Concord Room (She1 Davis' Conference Room) PK3-1/Pole 15A

REFERENCE: See attachments from seven Committee Secretaries.
Other material will be sent to you when received.

Please be prepared to discuss for a few minutes recent activities of your Committee, in particular, the highlights and your ideas for improvement of the Committee System.

Tentative agenda for the session is as follows:

- . Expectations for the day
- . Review of committee highlights (by Chairmen); group discussion
- . Learnings during past year in your role as Chairman
 - About yourself
 - About your Committee
 - About the Committee System
- . Discussion of ideas for improvement
- . Role of this group

OPERATIONS COMMITTEE

INPUTS FROM BILL LONG AND WIN HINDLE

Operations Committee meets formally about 20 times a year and, in addition, 12 times a year in Woods sessions.

Some of the highlights for FY80 were as follows:

- ✓ . Actions surrounding the Corporate long-range planning process, climaxing at the December Woods meeting.
- ✓ . Session in which the Operations Committee members discussed their individual goals.
- . Consideration of short-range budget items - acceptances and changes.

With regard to the long-range planning process, a number of factors appear to have contributed to the effectiveness with which Operations Committee has dealt with it:

- . Bill Long's involvement and direction
- . The methodology of the process, specifically much advance work on:
 - Meeting design
 - Deciding how to decide
 - Early dissemination of information and clarifying of expectations
 - Laying out workable alternatives
- . The emphasis on the future

Similar considerations possibly could help improve the Committee's ability to deal with:

- ✓ . Facilities planning
- ✓ . The charter definition between the Commercial Group and the Computer Products Group.
- ✓ . Drawing the European organization question to a conclusion
- ✓ . The divisionalization proposal

Operations Committee

Inputs from Bill Long and Win Hindle

Page Two

A number of process improvements have been put into effect:

- ✓ . Capsulizing and getting completeness in the physical agenda.
- . Coaching presenters as to the requirement of a one-page synopsis and providing advice on the actual presentation, such as:
 - How to structure the presentation
 - Assuming committee members have read the material
 - Leaving time for questions
- . Agenda management; i.e., more application of judgment about what gets on the agenda. The following criteria have been helpful:
 - Relative importance of the issue
 - Readiness of the issue for decision
 - Availability and quality of advance material
 - Who will be at a given meeting
 - The mix of agenda items at a given meeting.

The Operations Committee is connected through overlapping membership to other committees (large overlap, e.g., with Marketing). Also some committees are viewed as subsets of O.C., such as M&E, F&A, Personnel. It is the top committee of the Company and serves as Ken's Staff. O.C. is rarely used as a "Court of Last Resort" on proposals.

MARKETING COMMITTEE

INPUTS FROM BILL LONG AND WIN HINDLE

The Marketing Committee meets formally about 20 times a year.

Highlights for FY80:

- . Price determinations
- ✓ . Pricing strategy for the stores
- ✓ . Ratification of product strategies
- ✓ . Competitive positioning discussions, particularly IBM
- ✓ . Long-range plans for major countries in Europe
- ✓ . Review of major advertising messages.

Overlapping membership exists with numerous other major committees, with EBOD, PPC, ABOD, EBMC viewed as important subsets of Marketing Committee. Interfaces with the various groups are working well, if senior membership is participating.

Not much has gotten on the agenda that shouldn't be on the agenda. Process improvements have been much the same as those for Operations Committee.

The Committee System:

There is some concern as to the amount of Bill's (and others) personal involvement on so many committees. Each individual has the obligation to come prepared. Overall, there appears to be a constant challenge to the senior people to be smarter in managing committee roles. *The need for good staff support to members is critical; and perhaps more emphasis should be placed on establishing "surrogates" or alternates empowered to act on behalf of senior representatives to cut down on the overall time demand being made on the senior group.

* Cited as worthy of further discussion at May 12 meeting.

PRICING AND POLICIES COMMITTEE

Charter

PPC is the primary decision-making group for

- product announcements
- pricing of new products
- repricing of existing products
- changes in policies, especially discount agreements

In addition PPC serves as a discussion forum for subjects related to those above, such as pricing philosophy and pricing process improvement. Examples have been

- international pricing
- software pricing
- product management role and responsibilities

Members

- Henry Ancona
- Don Busiek
- Jerry Butler
- Roger Cady
- Steve Coleman
- Irwin Jacobs
- Bill Long
- Si Lyle
- Jack MacKeen
- Ward MacKenzie
- Denny Maher
- Dick Pascal
- Larry Rasile
- Joel Schwartz
- Geoff Shingles

Number of Meetings

PPC meets each Monday unless it is a holiday.

Highlights of FY80 Activities

1. Better decisions on appropriate announcement timing for products
 - RSTS V7
 - DECnet Phase III
 - RL02
 - 11/74
 - VMS R2
 - COMET
 - 11/23 Systems

(The 11/44 was the only premature announcement in retrospect.)

2. Continued improvement in the process of making orderly pricing decisions
 - use of a PPC Subcommittee (11/44)
 - use of CPLMC, T-POTS
 - March product repricing (and subsequent European adaptation of this repricing)
3. Very few referrals to or reversals by the Marketing Committee
4. Achievement of some clarity on RPG pricing philosophy
5. Containment of the proliferation of discount agreements and initiation of a simplification project
6. Some improvement in the control of DECUS sessions on unannounced products via a pre-DECUS review of sessions and party lines

Lowlights of FY80

1. PPC did not make progress on the brokering issue.
2. Despite some progress, the issue of DECUS control is still a sore point with some PPC members.

Areas for Improvement/Resolution

1. PPC still is struggling with the "strategic" side of its charter. The committee has difficulty in setting clear direction out of its philosophical discussions. This may reflect the difficulty in transitioning from decision-making to strategic discussion. It also may reflect the difficulty of a committee acting without a concrete proposal. At any rate, it was a major topic arising out of the last committee review and remains an issue at this point.
2. PPC has on several occasions reviewed product availability situations. While opinions are expressed in these reviews, the committee's authority in this area is somewhat questionable. (My personal opinion is that PPC is an inappropriate forum for such reviews, but has been used on several occasions because an appropriate forum other than the Operations Committee does not exist.)

And Now a Word For Committees

Got a problem? If your first instinct is to set up a committee to study the problem, consider these definitions carefully before you proceed. Richard Harkness described a committee as a group of the unwilling, picked from the unfit to do the unnecessary. Milton Berle defined a committee as a group that keeps minutes and wastes hours. And, finally, Charles Franklin Pickering declares that if you want to kill any idea in the world today, you can do it by getting a committee to work on it.

EBOD

ENGINEERING BOARD OF DIRECTORS

CHARTER

1. Keeper of the Product Strategy
2. First Divider of the OOD Budget
3. Court of Last Resort for Product Issues

MEMBERSHIP

Bill Long, Chairman
Andy Knowles, Technical Market Group
Julius Marcus, Commercial Market Group
Stan Olsen, Computer Products Group
Jack Shields, Services
Gordon Bell, Co-Director Engineering
Larry Portner, Co-Director Engineering
Si Lyle, Product Management
Mike Tomasic, Secretary

FY80 REVIEW

Content

We did raise the level of product strategy discussion and decision at EBOD by moving the tactical Product discussion and decision to the SPU's.

EBOD, because of its strategic focus without operational responsibilities, did not miss any major issues because of a time limitation.

Process

We did improve the contribution of EBOD members at the meetings by stopping the attendance of most EBOD guests.

We did improve the quality of discussions and decisions at the meetings by having the information supporting the EBOD agenda distributed in advance.

EBOD will continue to review the developing sub-EBOD SPU process in order to provide communication and feedback for continued process development and improvement.

FY80 MEETINGS/HIGHLIGHTS (SEVEN MEETINGS)

August 3, 1979

Review First Pass FY81, FY82 Strategy
Review EBOD Process Proposal

September 14, 1979

Review Second Pass FY81, FY82 Strategy
Review EBOD Process Proposal
Approve 11/24 Issue Resolution

October 23, 1979

Review Third Pass FY81, FY82 Strategy
Review EBOD Process Proposal
Approve 11/23 PAX Bus Issue Resolution

December 4, 1979

Review Revenue Forecasts Versus Engineering Investment
Approve EBOD Process
Approve TRAX Issue Resolution

February 20, 1980

Review FY81, FY82, and FY83 OOD Budget Division
Review EBOD Process Implementation

April 2, 1980

Review Measurement of Engineering Performance
Review EBOD Process Implementation
Recommendation on SCORPIO Funding Proposal

June 3, 1980

Approve FY81, FY82, and FY83 Product Strategy
Review EBOD Process Implementation

M&E COMMITTEE

INPUTS FROM R.B. HASLETT

Mfg. Eng. Committee Charter

Role

To test major plans and programs to verify that the inter-dependencies between Engineering and Manufacturing are understood and that interfaces exist to establish whatever linkages are required to succeed.

Focus

Major emphasis will be to review those plans and program that are expected to have significant impact on our ability to deliver products as outlined in the corporate five-year plan. We expect to review first pass, often incomplete plans, may ask for return visits at critical milestones. In all cases, we expect to receive information, for off-line review, at the time specific product, process investments are to be made. This review may result in a request for presentation to the M/E Committee.

Membership

Manufacturing Members:

Will Thompson*, Group Manager - Process Mfg. & Quality Assurance
Joe Cosgrove, Westfield Plant Manager
Dick Haslett**, Cost and General Accounting Manager, SP
Dan Infante, Manufacturing Controller
Jim Melvin, Manager of Process Mfg. Management
Gene Mondani, Corporate Mfg. Quality Manager
Dennis O'Connor, Group M.E. Manager, Systems Mfg.
Joe St. Amour, Mfg., New Products Manager

Membership

Engineering Members

John Holman*, Group Manager of Technical Operations
Paul Bauer, Manager of Small Storage Systems Engineering
Dick Clayton, V.P. Computer Systems Development
Brian Croxon, Group Manager of Mid-Range Systems
George Hoff, Manager of Large Systems/Vax Engineering
Mitch Kur, Central Engineering Controller
Herb Shanzer, Manager of Small Systems Engineering
Pete Straka, Group Manager of Diagnostic Systems and CAD Development.

* Co-Chairmen

** Secretary

Meetings

The M&E Committee plans 26 meetings per year held on alternating Friday's and held in the Engineering Conference Room (ML12-1) starting at 8:45 AM.

Highlights during past 12 months (Notable presentations)

Manufacturing Five-Year Plan (4/4/80)
Role of the M&E Committee (12/29/79 and 7/13/79)
New FCC Radiation Regulations (11/16/79)
Nomenclature Project (10/19/79)
Using outside contract work in support of rapid
technology growth (10/5/79)
Japanese Customer Base (11/16/79)

Improvements considered - content & process

The committee wishes to become more proactive in directing and facilitating the logical growth of the corporate manufacturing and engineering organizations. The size and complexity of DEC requires a forum for reviewing major programs as a communication link to both organizations. Capital reviews are the foundation for ensuring that the communications take place today. In the future, the committee would like to establish a system that provides this communication link earlier in the process. Until such a process is defined and tested, the committee is reluctant to drop the capital review mechanism.

Improvements considered - content & process (continued)

Today's agendas are predominantly requests for capital. Presenters must submit background material one week in advance (10 pages or less). Capital requests are limited to 15 minutes while group strategies and topical presentations are allowed anywhere from 1/2 to 1 hour or more. Frequently, issues raised in capital reviews initiate a request for a presentation. Formal agenda planning takes a significant amount of work and a time commitment that is not available today. If the committee process is to become more effective, the company will have to select the proper resources and dedicate them to the project.

Additional Note:

Based on the Committee Review Process of FY79/80, a number of operating procedures of the Manufacturing and Engineering Committee are being reviewed.

EUROPEAN COMMITTEE CHARTERS

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EUROPEAN BUSINESS AND MARKETING COMMITTEE (EBMC)

Purpose and Responsibility

The committee is responsible for decisions and reviews on matters of business strategy, planning, investment and performance. Where final business responsibility area has not been finally delegated to Europe, the committee makes proposals to the appropriate corporate managers or committees.

Topics covered by the committee

The following is a list of topics the committee will deal with in terms of solving and clarifying problems, managing Europe as a business and directing items for the attention of corporate bodies :

- Strategy formulation
- Long Range Planning
- Country business plans
- Budgeting
- Review of plan performance by
 - . product lines
 - . functions
 - . countries
- Profit measurements applicable to Europe
- Investment proposals, including new country proposals
- Pricing
 - . concepts and strategy
 - . pricing proposals
- Terms of Trade
- Asset Management
- Competitive action
- Marketing communications
- Engineering and Manufacturing
 - . strategy
 - . interface/interaction with European business
 - . locations
 - . product safety standards
- Decus role and review.

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Membership

- VP Europe Chairman
- European Marketing manager
- European Product Line group managers
- European Software service manager
- European Field Service manager
- European Sales manager
- European Manufacturing manager
- European F & A manager
- European Planning manager Secretary

Once a month on a formally scheduled basis, a member of Corporate management will attend the meeting.

Frequency of meeting

- Twice monthly

JULY 1979 - APRIL 1980 ACTIVITY

1. 19 meetings - average duration 4 hours.
2. 95% attendance.
3. Approximately 70 topics covered:

	Number of Topics	% Total Topics	% Time Spent
Strategies	30	43	42
Tactics	24	32	33
Performance Review/Budger	11	17	16
Others	5	8	8
TOTAL	70	100	100

Strategies: Mostly PG marketing and business strategies -- LRP's. Country LRP's. Seven topics relating to pricing.

Tactics: Various PG business proposals, business trends updates. Manufacturing and Order Processing issues.

Performance Review/Budget*: Quarterly PG/Function performance reviews. Annual budget review.

Others: Include topics of Marketing Committee representative.

* The only annual budget approved at EBMC is Engineering.

4. 24 topics came for decision (does not necessarily mean a decision was made).
66 topics came for discussion (outcome was very often an action item or a decision).

5. MAJOR ACHIEVEMENTS (as perceived by members):

- Has caused European senior management to put increased focus on strategic business issues, PG and Functional strategies.
- Improved LRP process and quality.
- Gave exposure to countries through country LRP reviews.
- Has been instrumental in developing joint European PG/Functional position on several key strategies such as pricing, Commercial strategy, Mfg. strategy. This has increased significantly the weight of European proposals at corporate level.
- Participation of corporate senior managers at EBMC a definite plus.

6. IMPROVEMENTS RECOMMENDED (as suggested by members):

6.1 CONTENT

- More focus on policies/investment strategies and plans that require cross PG/Function and Country integration and/or trade-offs across Europe. EBMC to drive a European business strategy jointly agreed by PG's/Functions.
- More in-depth reviews of European performance vs. plan in an integrated fashion against broad goals and cross PG/Functional metrics (Ken Olsen's report card).
- More involvement in Functional plans, specifically Mfg.

6.2 PROCESS

- Charter: The general consensus is that the charter is clear and well understood by members and European organization. Not as well understood at corporate level outside of Marketing Committee. There is some overlap between EBMC and EFC charters. Cross participation of Mkt Mgrs and Geography Mgrs on both committees and attention of secretary are helping to minimize the problem.

- Committee mode of operation: The decision making process needs streamlining and more formalism. Clearer goals and process in advance. More prelobbying and possibly prescreenings of all presentations to eliminate lengthy discussions. Clearer and more concise advance documentation. Less "for information" topics. Members give positive rating to chairman in managing the committee and handling conflicts. Also positive rating to the secretary for agenda setting, minutes and his role in facilitating the process. Members are more critical on their contribution. Would like to be better prepared and take a more general management view.

- Interaction with organization: More follow-up needed to ensure decisions are communicated by members through Functional channels. Visibility of EBMC and communication at corporate level has improved through both European participation (GSS, JCP, Mkt Grp Mgrs) in Marketing Committee and Marketing Committee representative at EBMC. Suggestion was made to extend corporate participation to Functional managers, specifically Manufacturing. Similar secretary role played by Corporate and European Planning Manager a plus to facilitate information flow between committees.

7. OVERALL APPRAISAL:

Positive. It is suggested that the data collected through the survey be used for a "self evaluation" Woods meeting in Europe.

BYT/sm

|d i g i t a l|

INTEROFFICE MEMORANDUM

TO: Al Bertocchi
cc: Ron LeBleu

DATE: May 6, 1980
FROM: John S. Fisher
DEPT: Finance
EXT: 223-4515
LOC/MAIL STOP: MS/A93

SUBJECT: BACKGROUND MATERIAL FOR MEETING ON DEC COMMITTEES
SCHEDULED FOR MAY 12, 1980

Ron LeBleu has suggested that I summarize the following material for you as advance preparation for Shel's and Win's May 12, 1980 meeting to review the status of Corporate Committees:

Statement of Charter

- . IDENTIFY ISSUES AND OPPORTUNITIES (RIGHT ONES) STRATEGIC, LONG-TERM (IN THE F&A DOMAIN).
- . IDENTIFY RESPONSIBILITIES FOR WORKING THESE ISSUES AND OPPORTUNITIES.
- . WORK WITH THE F&A STAFF IN SETTING DIRECTION FOR THE PEOPLE WORKING THE ISSUES.
- . SERVE AS SOUNDING BOARD FOR ALTERNATIVES.
- . REVIEW AND ADVISE ON ALTERNATIVES.
- . "BACKWARD INTEGRATE" AGREED DIRECTION INTO MEMBERS' OWN ORGANIZATIONS.
- . FRONT-END O.C. ON TASKS AS DELEGATED.

Members/Titles

Al Bertocchi, Vice President, Finance (Chairman)
Shel Davis, Vice President, Personnel
John Fisher, Corporate Finance Manager
Ed Kramer, Vice President, U.S. Area Sales
Ward MacKenzie, Group Manager, Technical OEM
Larry Portner, Vice President and Associate Head Office
of Development/Engineering
Dick Poulsen, Corporate Manager, Field Service
Bob Puffer, Vice President, Mass Storage Devices

Ex Officio Members: Bill Thompson, Corporate Controller
George Chamberlain, Treasurer

plus, a European Management Team rotating member.

Number of Meetings in FY 1980

Four.

Highlights of Activities of This Fiscal Year

- . Defined charter and operating procedures (completed).
- . Long-term CIS strategy and plan (in process).
- . Long-term real estate planning goals and strategy (in process).
- . Long-term aircraft goals and strategy (planned).
- . Long-term communication goals and strategy (planned).
- . Corporate real estate and facility standards (planned).

Improvements Considered/Acted on/To be acted on

In addition to furnishing the above information, I believe that there is an expectation that you will share observations and questions on how the Committee process could work better. Apparently the main goal is to define better ways to communicate -- between committees and back into the organization. Right now we do this through minutes, the backward integration of Committee members, and participants implementing agreed strategies. Since we don't "approve," I don't see any need for further formal communication vehicles to serve the current Committee modus operandi.

As we previously discussed, a major point that should probably be made is the need to get committees into working long-term strategic issues rather than compensating/approval roles. You may also want to comment upon your views of mechanical processes like picking the right issues to work, agenda management, presentation format, follow-up, etc.