

①

EC assigns a member to be a sub-committee of E.C. as with - capital - ENS investments etc.

② No BoD

③ Revise limits to Exec Comm and BoD for acquisitions
Bring it to Jim?

Review and Approval Policies

④

digital™

For Internal Use Only

Review and Approval Policies

We Have A Challenge

- **Large Program Portfolio Is Increasing Rapidly**
- **Returns Are High; Risks Are High**
- **Complex Internal & External Dependencies**
- **Multi-Million Dollar Decisions Are Being Made**
- **We Need A Disciplined Approach To Review And Approve Critical Programs**

d i g i t a l™

For Internal Use Only

Review and Approval Policies

Keep It Simple

- **Commit To Win Investment Approval (ie.. Bid Approval)**
- **Quote / Proposal Approval**
- **Implementation Reviews**

d i g i t a l™

For Internal Use Only

Review and Approval Policies

Commit To Win Investment Approval

- Large Up-Front Investments Needed
- Fit With Corporate Strategy
- Ability For Digital To Deliver

	<u>EXCOM</u>	<u>BOD</u>
COS	\$10-20M	>\$20M
Contract	\$100-200M	>\$200M
Stock/Asset Acquisition	<\$1M	>\$1M
Other Investments	<\$10M	>\$10M

d i g i t a l™

For Internal Use Only

Review and Approval Policies

Proposal / Quote Approval

- **Ensure Profitability**
- **Identify Risks, T's & C's, Dependencies**
- **Resource Commitment To Deliver**

	<u>EXCOM</u>	<u>BOD</u>
Contract	\$100-200M	>\$200M
Stock/Asset Acquisition	<\$1M	>\$1M
Other Investments	<\$10M	>\$10M

digital™

For Internal Use Only

Review and Approval Policies

EXCOM Implementation Reviews

- **5-10 Per Year During Implementation**
- **Educate Executive Committee of Program Issues**
- **Understanding Performance To:**
 - **Schedule**
 - **Budget**
 - **Spec**
- **Identified Actions To Help The Account Team**
 - **Customer Visits**
 - **Engineering Dependencies**
 - **Profitability**
 - **Risks**

d i g i t a l™

For Internal Use Only

Review and Approval Policies

Consistent Policies Needed In Geographies

- Un-Announced Products / Technology
- Profit Objectives
- Resource Availability

	<u>GEOGRAPHY</u>	<u>IBU & GEOGRAPHY</u>
COS	\$2M-5M	\$5-10
Contract	\$25M-50M	\$50-100
PBT	<3% and Contract >\$10M	
Other	Un-Announced Products, Resources	

d i g i t a l™

For Internal Use Only

Review and Approval Policies

What Does It Mean To You

Last 12 Months data indicates you would have approved:

Approval Levels	U.S.	Europe	GIA	Total
Geography (Area)	26	16	28	70
Geography + IBU	8	4	10	22
Executive Committee	3	2	1	6
BOD	1	0	0	1

Review and Approval Policies

Review Schedules In The Geographies

U.S.

- Bid/No Bid & P&L Reviews done at the DCC Level by Cross-Functional team monthly (Criteria: Size, Profitability, etc..)
- Selected Programs brought to Cross-Functional Management Team Monthly
- "Red" and "Yellow" Programs are reviewed at least on a monthly basis
- Last 12 Months Approximately All

GIA

- Bid/No Bid & P&L Reviews at Regional & Country Levels monthly (Criteria: Size, Profitability, etc..)
- Implementation Reviews with Digital & Customer Teams on a monthly basis initially and a quarterly basis after six months
- Bi-weekly status review of "Red" & "Yellow" Programs at all levels
- Selected Programs Reviewed at all levels on an on-going basis

Europe

- Bid/No Bid & P&L Reviews done at Regional/Country Levels
- Implementation Reviews on an on-going basis
- Selected Reviews at European Management Team

d i g i t a l™

For Internal Use Only

Review and Approval Policies

Corporate Policies - Next Steps

- **Present Policies**

- Geographies - February
- Finance - February
- EXCOM - March

- **Write/Issue Formal Policy**

- Draft - January
- Final - February
- Issue - March

- **Implementation**

- Plan - March
- Policies Effective - April
- Audit - Q2 FY92

d i g i t a l™

For Internal Use Only

*NWSS seeing Dormitzer stuff
goals conflict? valuation model?
credit?

Dormitzer avoided
separate seminar? Glenn B Seed
has a note.

E.C. B. Units Renew

2/19/91

K.O Critique of Bus plans. all want to critique all
of Dec. Just focus on your own numbers - because
Credit etc.

K.O definition "Mkt plan" - what do customers want. Do we
provide it for them?
what is spent? what do we get back?

Dormitzer as eg of Bus Plans

- Ethernet Connectivity

① Goals

- share, profit, channels etc.

Chief - one line

- state profit in POC not % NOR esp

if channels are involved -

② Show #s

I want us to show ^{4yr} ~~2yr~~ LPA - and this year
in perspective.

Objectives of the committee

① evaluate profit or spending

② evaluate investments

③ decide which plans come forward

Dilemma - cost of SD in profits leaves I&D
into S&U.

ID Unique expenditures vs ^{opt} optimizing
company profit

Come to BC. to discuss SF
VS Bas unit structure.

SCU presentation format needed
~~to~~ no xfer price to sales

Ready in 2 weeks

- ① SCU sheets
- ② BCG Model
- ③ Show 3 or 4 alternatives

for SF

in projects

assign to sales as cost

separate unit (MBU problem)

6/15/92

Prod Comm.

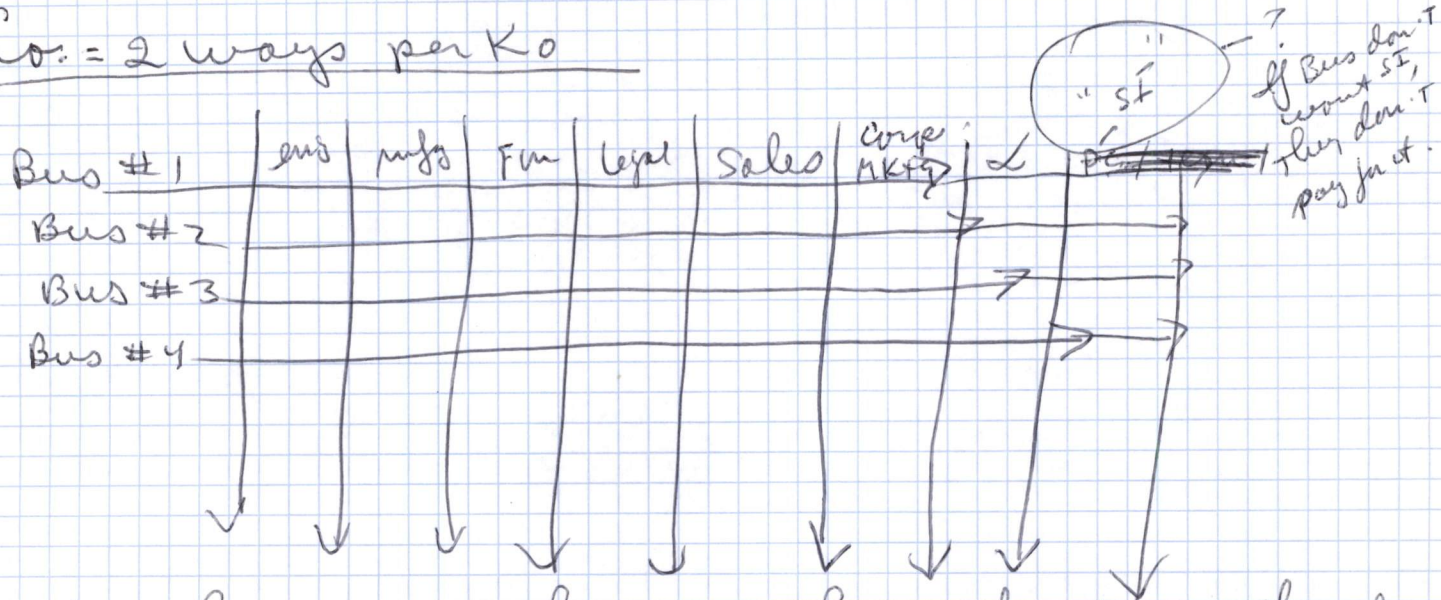
Mon

full
prod
committee

K.O.

* Old Dec = Bus Units, open discussion, no politics. Dec = 100% of Bus Units. Functions sell their services to Bus Units. If more needed; not used. Just pay for what they need.

Co. = 2 ways per Ko



today, functions do their own thing. they Budget themselves. their costs are allocated to Bus Units "mysteriously". No plans, no budgets. Bus units fail.

all Bus units do own ST, consultants.

Bus = PC, terminals, lenac, WS, modular CPU, imaging + retrieval, "Details"

"Pick your own services"

* SCU decides its real needs for allocations.

- * (1) Bus Mgrs show 1.2 B cuts
- * (2) show Δ of 1.2B to 2.2B (is this the 88M?)
- * (3) upside shown tomorrow - decide what to include.
- (4) show Bus unit level PCs in matrix

Budget

- * - show SI as $SUCS \pm \underline{HW}$ - show profit drop cause.
- * Need Bus Units (P+L) per SUCS corp plans - I only had it for geos.
- * If we have no tie out on $\$88M$
 $145M$
does Z's action cover it?
- * ^{SI etc} Eliminate "mix" slides that add up to 100% profit.
- * MIX by industry is NOZ only - got profit?
- * Consistent formats - eg SI shows MCP, disc/actm
no others do.
- * need investment backup slides
- * use format - send thursday
- * when is mkt share stuff?
- * show what we can afford (our model) vs.
what is being allocated now. —
then show variances
to affordable and
what is.