Printed by RUSS GULLOTTI @MKO

# I N T E R O F F I C E  M E M O R A N D U M

Doc. No: 070251
Date: 30-Mar-1994 01:52pm EST
From: SHANE PATTERSON @MKO
PATTERSON.SHANE AT A1 at SOLVI
Dept: U.S. Area
Tel No: (603) 884-1322 (DTN:264)

fill

TO: See Below

Subject: AMERICAS TEAM MEETING 3/22; ACTION ITEMS

The attached are the action items and notes from the Americas Management Team (AMT) meeting held March 22, Merrimack NH.

RUSS'S HOUR

1) Discussion: The Americas Management Team needs to define where the business units are interdependent and define actions to be taken to improve productivity as needed. AMT meetings will act as a forum for identifying the common and inter-related needs of the Americas business unit managers.

2) Discussion: There was general agreement that Digital's six business units must come together in front of the customer, a solution discussed was account management by one of the business unit sales people (i.e. could in some cases be a MCS or other business unit sales person).

3) Business Unit Managers are requested by Russ to review, for concurrence and input, the measurement and role of the territory managers with their respective corporate managers. The measurement and role of the territory managers are a) customer satisfaction, b) employee satisfaction of all employees in the geography, c) all revenue in the territory by business unit and d) profit for the Systems Business Unit.

4) Discussion: When territory managers profit measurement is focused only on the SBU, the territory manager becomes biased in favor of the SBU's profitability as opposed to the other business units. Ron Larkin and Luis Zuniga agreed that modification of the territory managers measurements to include a profit metric for all business units is favorable. Additional discussion defined the more generic need to balance the territory manager's goals, two solutions were all profit or all revenue for each business unit.

5) Russ Gullotti (with the input of the AMT) to work with corporate management to enhance the measurement and roles of the territory manager.

SALES ATTRITION PLANS - KAREN HOWARD

6) Karen Howard is to modify Sales Performance Management program to include sales level 1 managers.

LOGISTICS - BOB NEALON

7) Bob Nealon will work with Harry Copperman and John Paget to address quality issues in the Salem plant and Bob will provide a document to AMT members which defines the management and responsibility of each of our manufacturing plants.

8) Shane Patterson to include a Bob Nealon presentation updating AMT on Logistics and Manufacturing status at all future AMT meetings.

9) Territory managers requested to achieve revised Q4 DSO targets; U.S. 55 days, Canada 65 days, LACT 90 days. (These numbers are those accepted as revised targets, the request communicated by Bob Nealon was deemed to be unachieveable. In some cases the numbers stated above are the same as the original DSO budget).

10) Bob Nealon is to convert these DSO targets to cash amounts and communicate the dollar goal to the territory managers.

11) Bob Nealon to provide to territory managers a qualified list of accounts to target for improved collections.

12) Territory managers requested to determine a plan to improve collections and implement the plan. Plan could include a territory specific incentive to level 1 and/or level 2 managers. Other ideas included potential customer specific concessions to come to agreement and enable immediate collection.

CUSTOMER VALUE CHAIN (CVC) - JOE FORD

13) Shane Patterson to schedule CVC roll out plan presentation for upcoming AMT meeting (by CVC representatives Bob Pierce and Gary Shottes).

14) Territory and business unit managers requested to update their staffs on the function, plans and deliverables of the CVC. The objective is to integrate efforts or eliminate redundant efforts in the business units or territories where appropriate.

AMERICAS DESIGN TEAM - BOB RUSSELL

15) Territory managers and business unit managers requested to identify and communicate to Bob Russell resources from corporate CBU's which are active in critical business opportunities. The objective is to assure coverage of the business as reorganizations of our corporate resources is implemented.

BUSINESS REVIEWS - TERRITORY MANAGERS

16) Luis Zuniga requested to integrate previously agreed to adjustments in SG&A and head count in his business review materials.

17) Andrea Wilkins requested to provide organization charts on Americas, AMT Territories, Bob Palmer and Ed Lucente's organizations to AMT members.

18) Territory managers requested to include all business units in their territory business review materials (i.e. include PC, MCS etc.).

CORE VALUES ROLL OUT - RUSS GULLOTTI

19) Territory managers committed to roll out core values materials to their direct reports and in agreed upon cases to the organizations they host. Idea discussed was including this material in the roll out of the employee survey discussions. Core values kits to be obtained through your Human Resources partners. (Note: Deployment or review of the code of business conduct materials could also be implemented in these sessions.)

Meeting adjourned.

Distribution:

TO: HARRY COPPERMAN @OGO
TO: ALBERTO COSTALES @AKO
TO: JOEL GOLDSTEIN @MSO
TO: RUSS GULLOTTI @MKO
TO: KAREN HOWARD @MRO

Use the RDL option to see remainder of distribution lists.

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# I N T E R O F F I C E  M E M O R A N D U M

Doc. No: 069608
Date: 14-Mar-1994 09:39am EST
From: SHANE PATTERSON @MKO
PATTERSON.SHANE AT A1 at SOLVI
Dept: U.S. Area
Tel No: (603) 884-1322 (DTN:264)

TO: See Below

Subject: AMERICAS MANAGEMENT TEAM; ACTIONS AND NOTES

The following are the actions and notes from the Americas Management Team meeting March 8, 1994.

a file ANT

1) Territory Managers support the concept of management of technical OEM at the Americas level. Bob Russell to develop proposal for consideration, to be complete by 3/16 (for inclusion in Ed Lucente presentation).

2) Decision made; one senior person from Communication organization will be assigned to provide support for both Russ Gullotti and Scott Roeth. That person will report indirectly to Bob Schmitt. Two communications people will support the Americas Industry Marketing Group.

3) Decision made; joint funding of the New Business Development group is not supported by the Territory Managers. The issue is the cost allocation beyond the SBU, and allocation among the Territories does not map adequately to the benefits received by each Territory.

4) Bob Russell to modify charts summarizing headcount to provide more accurate comparisons period to period, to update/ complete entries and to include impact statements for SG&A (to be complete by 3/16 for inclusion in presentation to Ed Lucente).

5) Bob Russell to include in the definition of Industry Marketing charter the role and work that is not done by Industry Marketing. The objective is to provide the most clear definition of the role of Industry Marketing. (Longer term item, no date defined for completion).

6) Decision made; Territory Managers support the structure and staffing plans (defined as no more than 150 people, inclusive of non-professionals) of the Americas Industry Marketing organization. Assumptions made by Territory Managers when agreeing to support Industry Marketing include the affordability within FY95 Territory expense budgets. And that expense/headcount cuts which become necessary will be implemented in Industry Marketing as well as the Territories.

Distribution:

TO: HARRY COPPERMAN @OGO
TO: ALBERTO COSTALES @AKO
TO: JOEL GOLDSTEIN @MSO
TO: RUSS GULLOTTI @MKO
TO: KAREN HOWARD @MRO

Use the RDL option to see remainder of distribution lists.

Did you give a cc to shane to redo? yes Return

~~a that get changes & Shane I need a cc~~

Printed by RUSS GULLOTTI @MKO

I N T E R O F F I C E  M E M O R A N D U M

Doc. No: 068512
Date: 13-Feb-1994 10:43pm EST
From: SHANE PATTERSON @MKO
PATTERSON.SHANE AT A1 at SOLVI
Dept: U.S. Area
Tel No: (603) 884-1322 (DTN:264)

F - AMT

TO: RUSS GULLOTTI @MKO

Subject: DRAFT FOR YOUR REVIEW; AMERICAS MEETING ACTIONS AND NOTES

The following are the notes and action items from the Americas Management Team meeting held Friday, February 11, 1994 in Marlboro, Mass.

RUSS'S HOUR

1) Dave Spratt to capture and submit LACT and Canada forecast, for Q3 week 11, as part of a total Americas forecast.

2) Russ Gullotti will submit Americas forecast as a roll up of the three territories without modification to the numbers. Russ will, when appropriate, discuss urgent issues with the territory managers which could lead to forecast revisions by the territory managers.

3) Territory managers are requested to respond in a complete and timely manner to Area Management inquiries requiring the submission of tactical business information. This cooperation will be necessary to achieve the objective of implementing a minimal level of Area staff resources.

4) The Americas territories do not have systems to support the submission of revenue reports at the level of the Systems Business Unit ~~and~~ segments. Estimates will suffice. until such capability exists.

5) Territory managers own the critical role of providing a customer focus which balances the needs of all business units.

6) Tentative (repeat, tentative) territory manager FY95 measurements are;
- revenue of all business units in the territory,
- Systems Business Unit profit,
- customer satisfaction across all business units,
- employee satisfaction of all functions in the territory.
- a sense of balance is necessary to make things work.

7) Russ Gullotti will work with Bob Russell to resolve lack of commitment by Digital Consulting to the Americas staffing plans for the Industry Segment Centers.

AMERICAS DESIGN - BOB RUSSELL

8) Bob Russell to immediately provide to Bob Schmitt (contact point for Scott Roeth) candidate employees resulting from CBU marketing downsizing. U.S. openings include Directors of Marketing and sales positions.

9) Karen Howard received Americas Management Team support of cross territory executive development program. No near term action was requested.

10) Russ Gullotti to work with Digital CIO Bob McNulty to identify Area and Territory business management information needs. Objective is to establish a plan for the integration of existing and future disparate management systems across the business units enabling the delivery of management information regardless of organizational structure.

11) Russ Gullotti to follow up with Charlie Holleran to close issue of implementing a Communications position on the Americas Management Team or on a territory team (providing support to both the territory and the area).

12) Americas Management Team design direction is to avoid/eliminate duplication of roles between the territory and area structures.

13) Dave Spratt ~~Russ Gullotti~~ to address C&P "best OEM price" practice and it's impact on the accounting efforts of the territories (LACT and Canada).

14) Scott Roeth obtained Area agreement to proceed with combining U.S. C&P with Channels once Scott receives agreement from Cabrinety. ~~and~~ a discussion of players & must occur with Russ.

15) Decision made: Unanimous agreement to Industry Marketing reporting to the Americas organization.

16) Decision made: U.S. territory, through Elizabeth Strong U.S. Sales Training Manager, will provide sales training delivery for all Americas Area. Responsibility to include product, industry, sales skills and sales management training. Functional experts, such as Americas Industry Marketing, will provide training content. Objective is to minimize cost and increase quality of the training.

17) Territory Managers need to assess what resources from Corporate CBU's have critical involvement in their business, and be aware that these resources may be immediately withdrawn due to downsizing (see next item).

18) Bob Russell to obtain list of personnel who may be subject to Corporate CBU downsizing, and provide this list to the territory managers for potential immediate ~~hiring~~ ~~into~~ consideration for territory positions.

19) Bob Russell received input from Americas Management Team (AMT); AMT expected there would more than 8 Industry Segment Managers and their span of control would be 14-18 people each.

20) Russ Gullotti will work with Digital Consulting, Multi-vendor Customer Services and PC management to obtain alignment of regional boundaries (not coincident) and common organizational naming conventions (regions, districts, units as opposed to zones, clusters, etc.).

21) Russ Gullotti to work with Ed Lucente to resolve concerns regarding the expanding "selling" role of Client Server Partners.

22) Russ Gullotti to work with Digital Consulting management to resolve international revenue recognition proposed practice (e.g. revenue transferred to home territory of the delivery resource). I don't know what this means.

Meeting Closed (inclement weather required early closure).

B

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DIGITAL CONFIDENTIAL Document

# INTEROFFICE MEMORANDUM

Doc. No: 002196
Date: 18-Mar-1994 11:55am EST
From: Brian Coll @MRO
COLL.BRIAN
Dept: Marketing Communications
Tel No: 297-7177

TO: Remote Addressee ( Scott Roeth @MKO )
TO: Remote Addressee ( Russ Gullotti @MKO )
TO: Remote Addressee ( Charlie Holleran @CORE )

Subject: Americas/U.S. Communications

Russ,

Here are the slides that reflect our discussions with Charlie Holleran. They were in to the Americas Project office prior to your review meeting, but I found out yesterday that although the contents were discussed, the actual slides did not get used in the meeting. Given the scope of some of the other business issues being worked, I can understand why they were not shown.

The attached note to Bob that went with the slides gives more detail on our discussion.

Scott - Karen Howard has a copy of these slides but I will set-up time at your earliest convenience to review them with you in detail. I have incorporated your directions from our previous telephone conversations. Charlie and I would like to move quickly to provide the senior level of Communications support for you in the U.S. Territory and he will be contacting you with a proposed solution. Given the implications, I have not reviewed the details with Sandy Carpentier.

I think this Communications organization and the level of staffing it represents for the Americas and U.S. will provide the kind of professional, proactive support you will need to support your business goals.

Russ/Scott - Please let me know if you have any questions or concerns.

Regards,

Brian

a - put this in my "org" folder on MKO desk.

Printed by Brian Coll @MRO

# INTEROFFICE MEMORANDUM

Doc. No: 002076
Date: 07-Mar-1994 10:43am EST
From: Brian Coll @MRO
COLL.BRIAN
Dept: Marketing Communications
Tel No: 297-7177

( Bob Russell @RCH )

TO: Remote Addressee

Subject: Presentation

Bob,

I had a conference call with Charlie Holleran and Russ Gullotti on Friday and we decided to make some changes to the Communications Proposal. My secretary (Gerri) will be attempting to contact you with an updated org. chart for your presentation.

Basically, we'd like to try to combine the Americas and U.S. Territory role with a Senior Communications Manager. This person would be dedicated to Scott 90% of the time but be available to Russ as required and have 2 staff members assigned for Americas specific activities. The LACT Communications Manger (proposed) and Canada would report to this person in their Americas capacity. The U.S. Territory Communications Organization would report to this person as well.

The U.S. Regional Communications Proposal and Org. chart would stand as recommended. I spoke with Bob Schmit Friday evening and he concurs that we should resist expanding this group.

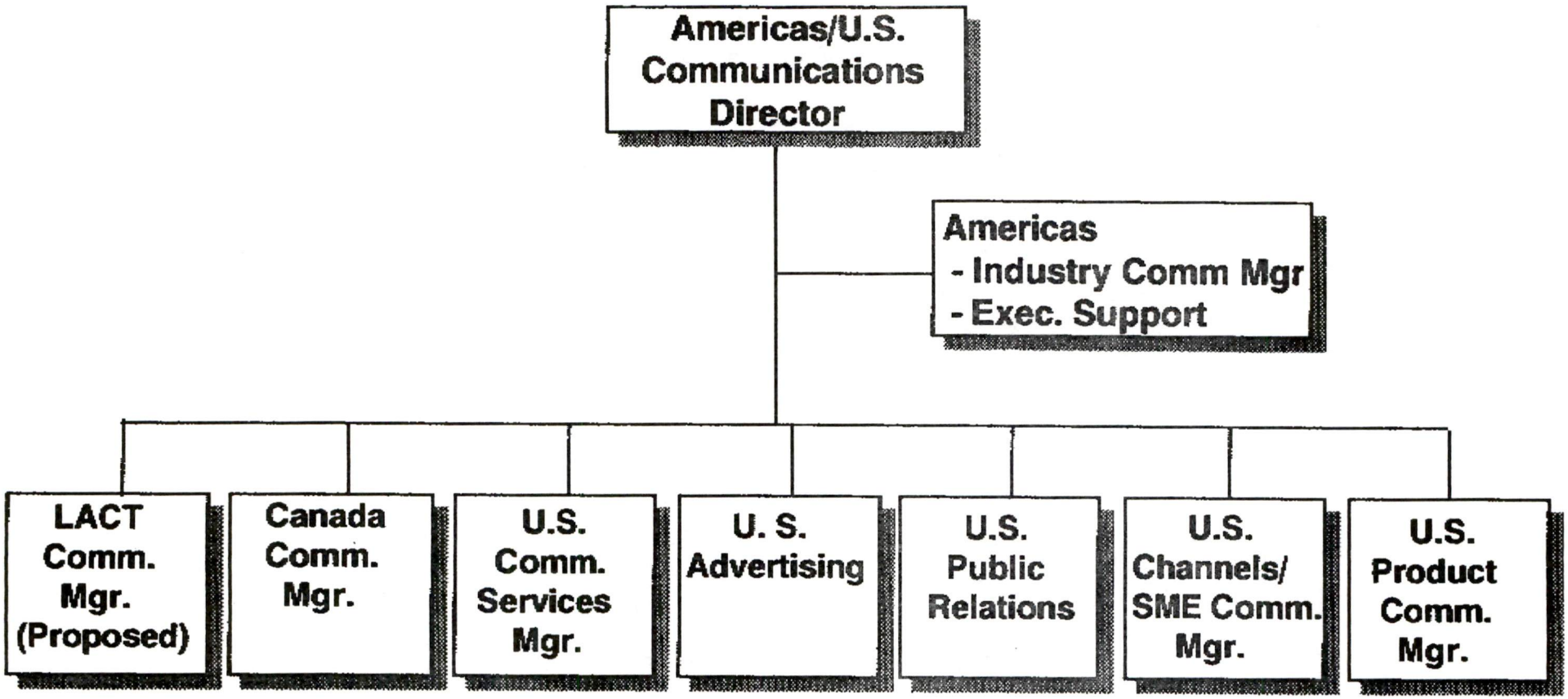
Although I'm out of the office this week, you can contact my secretary, Gerri (DTN 297-3517) or call me at my hotel (603) 236-4501 ext. 101.

Good luck on your presentation.

Regards,

Brian

/gms




- Combined U.S. and Americas Communications Management.
- Dedicated Americas staff support.
- Proactively drive Corp. Communications deliverables on behalf of Americas.
- Functional management of Territory based Communications Managers.

# Americas Communications Headcount

| Geography | Present | Proposed |
|---|---|---|
| U.S. Regions (5) | 24 | 20 |
| U.S. Territory (incl. Americas Comm. Mgr.) | 19 | 15 |
| LACT | 2 | 3 |
| Canada (incl. DECUS) | 8 | 8 |
| Americas Area | 0 | 2 |
| | 53 | 48 |

**Reduction of 8 H.C. in U.S. (Region & Territory) allows for addition of 1 at LACT and maximum of 2 at Americas. Net saving of 5 H.C.**

# U.S. Regional Communications (Proposed)

| Northeast Region | Southeast Region | Western Region | Midwest Region | Central Region |
|---|---|---|---|---|
| Comm. Mgr./P.R. | Comm. Mgr./P.R. | Comm. Mgr./P.R. | Comm. Mgr./P.R. | Comm. Mgr./P.R. |
| Logistics/Events | Logistics/Events | Logistics/Events | Logistics/Events | Logistics/Events |
| Lit./D.M. | Lit./D.M. | Lit./D.M. | Lit./D.M. | Lit./D.M. |
| Admin. Support | Admin. Support | Admin. Support | Admin. Support | Admin. Support |

- Reduction from 5 to 4 Support per Region (incl. Admin. Support)
- Outsourced model on other deliverables.
- Rationalized publications schedule and literature with Comm. Services.
- Assumes Comm. Mgr. provides P.R. focus for region.
- Support to Regional management and tactical Regional Programs.

B.Coll Americas 2/28/94

# THE AMERICAS

- I'll do structure – Bob does industry
- Bob run design team
- goal – you say go or give us different direction

# Americas Design Principles

US = 85% so, • Don't compare to Europe or AP – won't work.

- **Shared Resource Concept - Small "HQ" e.g.**
  - **Sales Training** – all USA
  - **Finance** – uses USA for area
  - **Human Resources** – uses virtual team
  - **Communications** – I share with Scott – virtual team
  - **Forecasting** – none. Use dealer.
- **No Territory "Filters"** – no catchers
- **All Industry support for SBU at Americas** – I won't allow at TTY. (all agree. won't be enough resource).
- **Functional and Operational excellence at Americas/Corporate** – fin = controls; HR = functional leadership; comms = all americas
- **Must reduce overall costs** → it does.
- **"Host" to all B.U./Functions**

I take the role seriously. – only place it comes together.

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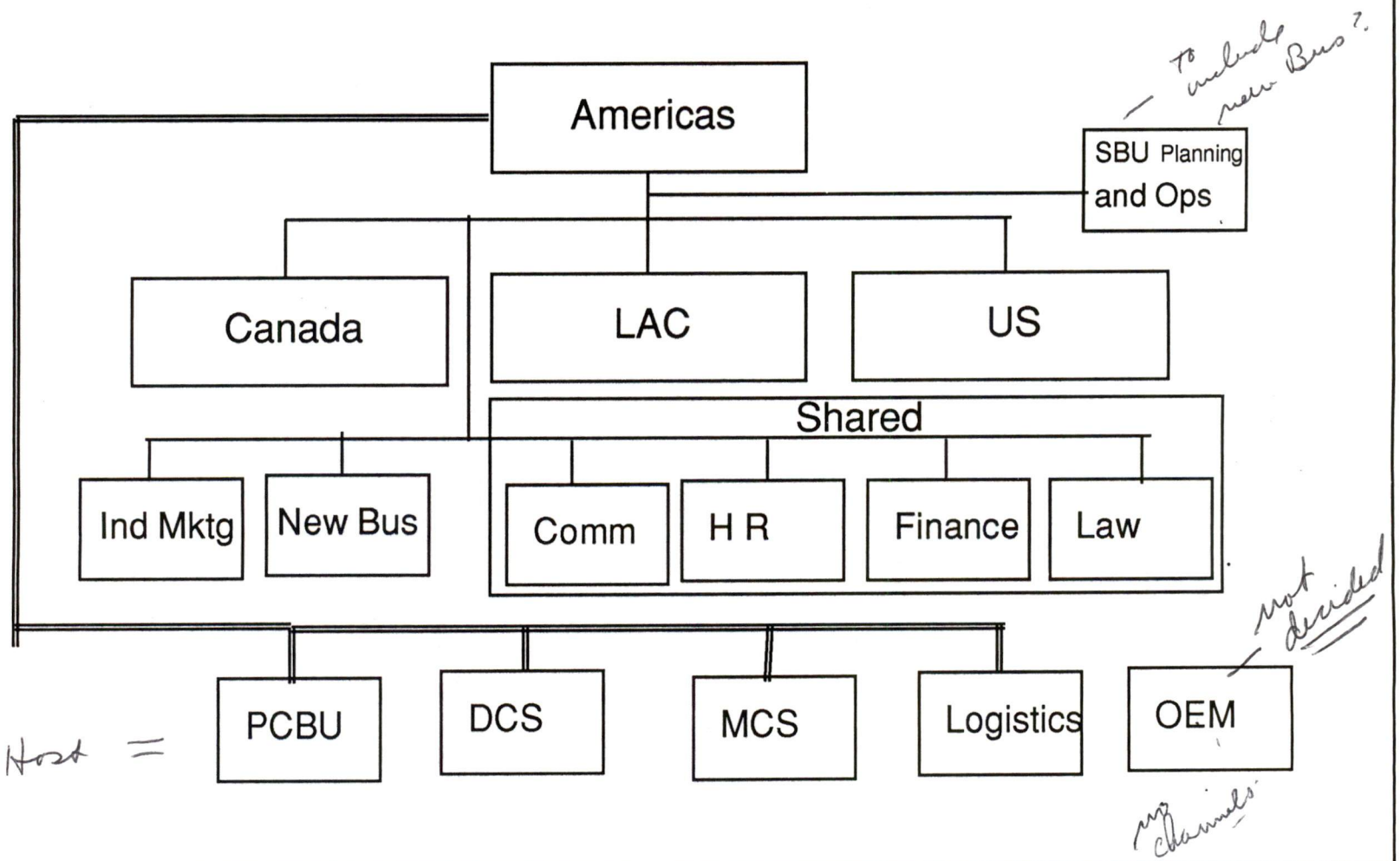
• SBU Bus models + implement
• X ttt programs
• growth / profit growth
• manage alliants / totales
• programs / assist mo.

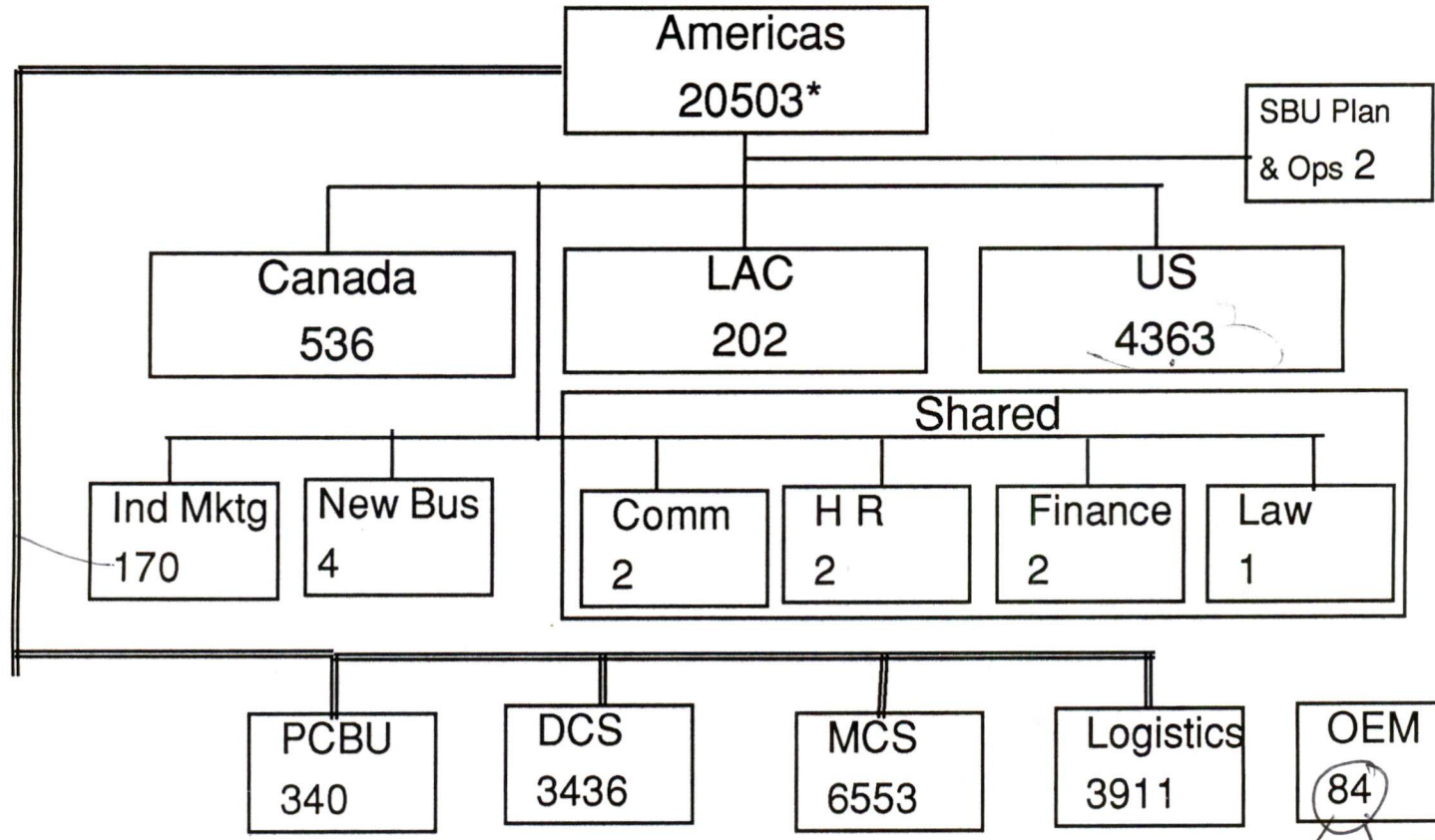
w/o #s

digital™

# Americas Organization



# Americas Population
# July 1, 1994




*Includes Shared Resources

May change down or up

# Americas
# Headcount Analysis

| | Unit | Current | Sales Support Plus Minus | Total Current | Adjustments | Projected July 1, 94 |
|---|---|---|---|---|---|---|
| **Systems Business Unit** | | | | | | |
| US Territory | | 3690 | +1273 | 4963 | -600 | 4363 |
| LAC Territory | | 197 | | 197 | +5 | 202 |
| Canada Territory | | 576 | | 576 | -40 | 536 |
| Industry Marketing | | 0 | | 0 | +169 | 169 |
| Corporate CBU Staff Doing Americas Work* | | | | 0 | | |
| Americas Headquarters | | | | 0 | +15 | 15 |
| Totals for SBU | | 4463 | +1273 | 5736 | -451 | 5285 |

* Estimated at 100 plus.

plus not hiring 200 planned

66 ?

all in USA # today

| | | | | | | |
|---|---|---|---|---|---|---|
| **Other Business Units** | | | | | | |
| MCS | | 7044 | | 7044 | -491 | 6553 |
| DCS | | 4779 | -1273 | 3506 | -70 | 3436 |
| PCBU | | 340 | | 340 | | 340 |
| Logistics | | 4132 | | 4132 | -221 | 3911 |
| Totals for Other BUs | | 16295 | -1273 | 15022 | -782 | 14240 |
| Totals | | 20758 | 0 | 20758 | -1233 | 19525 |

4963
−250 VR
125 Hire
− 475 TFSO
675
125 ↓
550
− 50 Perf Separation

# Americas
# Headcount Analysis

| | Before | | | | | After | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Canada | LAC | US | Americas | Total | Canada | LAC | US | Americas | Total | Difference |
| Territory | | | | | 0 | | | | | 0 | 0 |
| Sales | 467 | 128 | 3263 | | 3858 | 441 | 131 | 4363 | 3 | 4938 | 1080 |
| Personal Computers | | | | | 0 | | | | | 0 | 0 |
| OEM (C&P on LAC) | | | | | 0 | | | | | 0 | 0 |
| Marketing | 51 | 21 | 330 | | 402 | 42 | 21 | | | 63 | -339 |
| Digital Consulting | | | | | 0 | | | | | 0 | 0 |
| Sales Support (From DC*) | | | 1273 | | 1273 | | | | | 0 | -1273 |
| Industry Marketing | | | | | 0 | | | | 170 | 170 | 170 |
| General & Administrative | | | | | 0 | | | | | 0 | 0 |
| IM&T | 58 | 35 | 97 | | 190 | 53 | 38 | | | 91 | -99 |
| Facilities | | 13 | | | 13 | | 12 | | | 12 | -1 |
| Americas Staff | | | | | 0 | | | | 11 | 11 | 11 |
| Total Territory | 576 | 197 | 4963 | 0 | 5736 | 536 | 202 | 4363 | 184 | 5285 | -451 |
| MCS | 474 | 226 | 6344 | | 7044 | 324 | 229 | 6000 | | 6553 | -491 |
| Digital Consulting (W/O SS*) | 381 | 128 | 2997 | | 3506 | 352 | 134 | 2950 | | 3436 | -70 |
| Logistics | | 111 | 4021 | | 4132 | | 111 | 3800 | | 3911 | -221 |
| PCBU | | | 340 | | 340 | | | 340 | | 340 | |
| Total other BUs | 855 | 465 | 13702 | 0 | 15022 | 676 | 474 | 13090 | 0 | 14240 | -782 |
| Totals | 1431 | 662 | 18665 | 0 | 20758 | 1212 | 676 | 17453 | 184 | 19525 | -1233 |

# Americas Headcount Analysis

| | Canada | LAC | US | Americas | total | C | L | US | AM | tot | Diff.. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Human Resources | 21 | 17 | 20 | 4 | 62 | 24 | 18 | 11 | 2 | 55 | -7 |
| Other/Administrative | 163 | 26 | 253 | | 442 | 155 | 33 | 253 | | 441 | -1 |
| Finance | 91 | 58 | 334 | | 483 | 77 | 53 | 334 | 2 | 466 | -17 |
| Law | 5 | 4 | | | 9 | 5 | 4 | | 1 | 10 | 1 |
| Americas New Business | (Included in Territory) | | | | 0 | | | | 4 | 4 | 4 |
| Planning & Operations | | | | | 0 | | | | 2 | 2 | 2 |
| | | | | | 0 | | | | | 0 | 0 |
| Total | 1711 | 767 | 19272 | 4 | 21754 | 1473 | 784 | 18051 | 195 | 20503 | -1251 |

* DCS Before ** Terr Before

| Reconciliation to Karen Howard | wrong | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Logistics | 0 | 111 | 4021 | 0 | 4132 | 0 | 111 | 3800 | 3911 |
| PCBU | 0 | 0 | 340 | 0 | 340 | 0 | 0 | 340 | 340 |
| Total not in Karen Howard N | 0 | 111 | 4361 | 0 | 4472 | 0 | 111 | 4140 | 4251 |
| Karen Howard Totals | 1711 | 656 | 14911 | 4 | 17282 | 1473 | 673 | 13911 | 16252 |
| Change | | | | | | -238 | 17 | -1000 | |
| Difference in HR | | | | | | | | 9 | |
| Karen Howard Totals | | | | | | | | 13920 | |

# Americas
# Headcount Analysis

| Industry Marketing | Current |
|---|---|
| US Territory | |
| Sales/Marketing | 96 |
| Sales Support | 435 |
| Canada Territory | 46 |
| LAC Territory | 7 |
| Total Industry Marketing | 584 |

# Americas
# Headcount Analysis

| Details | Before | | | | | After | | | | | Difference |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Canada | LAC | US | Americas | Total | Canada | LAC | US | Americas | Total | |
| Human Resources - DC | | | | | 0 | | | | | 0 | 0 |
| Human Resources - SBU | 21 | 17 | 20 | 4 | 62 | 24 | 18 | 11 | 7 | 60 | -2 |
| Human Resources - MCS | | | | | 0 | | | | | 0 | 0 |
| Total Human Resources | 21 | 17 | 20 | 4 | 62 | 24 | 18 | 11 | 7 | 60 | -2 |

# Americas Administration

| | Headcount | $M |
|---|---|---|
| President & Administration | 3 | |
| Planning/Operations | 2 | |
| New Business | 4 | |
| | 9 | $2.0 |
| Shared Services | | |
| Communications | 2 | |
| Human Resources | 2 | |
| Finance | 2 | |
| Law | 1 | |
| | 7 | $2.0 |
| Other Americas Charges | | $1.0 |
| TOTAL | 16 | $5.0 |

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*3/16/94*

# INDUSTRY MARKETING FOR THE AMERICAS

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3/16/94

# Assumptions

- Industry Marketing staffing significantly reduced
- Segment staffing based on market growth opportunities
- Resource sharing critical
- Corporate/Americas symmetry not required

# Industry Marketing
# Roles & Responsibilities

**Corporate**

Strategy Development

Applications Development/ Porting and Market Support Plan

Recruit/Manage Global Partners

Training Content

global accts plans

**Americas**

Corporate Program Implementation

Pan-American Program Development

Sales Support
Bid/Win

Revenue Growth/
Market Share Goals

SME Support Plan — global accts mgmt - programs

Recruit/Manage Pan-American Partners

Training Goals/ Measurements

**Territories**

Marketing Program Implementation
Logistics

Deliver Revenue Growth/
Market Share

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*3/16/94*

# Industry Marketing Measurement

- Revenue Growth/Market Share
- Territory Satisfaction
- Training Quality
- Application/Partner Quality
- Effectiveness of Marketing Programs measured by territory, country, and regional feedback

# Segment

## Industry Consultants

Pre-Sales/Post Sales
Executive Calls/
  Door Openers
Industry Credibility
Why Digital
Business Issues
Industry Trends
Guest Instructors
Country Specific
Expertise
Continued
  Customer
  Contact

## Partner Relations

Recruit/Manage
  Pan-American
Demand Creation
  Support

## Bid/Win Teams

Detailed Application
  Knowledge
Pre-Sales
Account Planning
  Strategy
Proposal Generation
  Support
Briefings/Seminars
Road shows
Demos
Guest Instructors
Country Specific
  Expertise

## Application Demo Support

"Group" Support
Vertical Application Readiness
Pre-Sales Support

not enough.

## SME Focus

Detailed Support
  Plan Development
Partner Identification
Implementation
  Support
Measure Success

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*3/16/94*

# Segment Staffing

| | CURRENT | PLANNED |
|---|---|---|
| Segment Managers | 37 | 19 |
| Secretaries/Admin. | 26 | 16 |
| Industry Support | 435 | 125 |
| Other Markets: Channels, Development, HQ, etc. | 86 | |
| Americas Industry VP | | 1 |
| Planning & Operations | | 1 |
| Marketing Support | | 5 |
| Secretaries | | 3 |
| TOTAL | 584 | 170 |

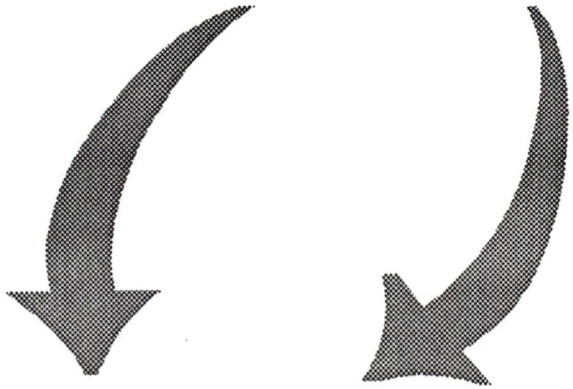
plus 100 doing US only work.

# Detailed
# Segment Staffing

| | Planned |
|---|---|
| Aerospace | 9 |
| Auto/Discrete MFG/Electronics | 12 |
| CPG | 6 |
| Retail/Wholesale | 7 |
| Travel/Transportation | 6 |
| Utilities | 6 |
| Chemical | 9 |
| Pharmaceutical | 6 |
| Oil & Gas - FMMG | 6 |
| Banking | 14 |
| Insurance | 6 |
| State/Local - Education | 7 |
| Healthcare | 9 |
| PIMS | 9 |
| Telecommunications - Media | 13 |
| TOTAL | 125 |

# Next Steps

- Ed Lucente Approval 3/16
- Select/Announce Segment Directors 3/21
- Staff Segments 3/23-4/11



**Hit the Street and Execute**

# How we will Operate

Fewer people *but* with <u>greater</u> focus

- Execute with "pure" Industry Organization
- Operate with consistent discipline across segments
- Engage with territories on Industry Pre-sale/Demand Creation fulltime
- Drive profitable revenue growth

# Industry Marketing Programs

| Programs | $M |
|---|---|
| Americas based trade shows<br>12 shows at $500K | $ 6.0 |
| Industry Specific Applications (local)<br>20 ports at $250K | $ 6.0 |
| Other | $ 1.0 |
| Industry Sales Training | $ 1.0 |
| TOTAL | $13.0 |

# INDUSTRY MARKETING FUNDING

| | |
|---|---|
| 170 People x 150k Per Person | 25.5 |
| Industry Marketing Programs | 13.0 |
| Global Accounts | |
| 41 global @ 100K | 4.1 |
| TOTAL | 42.6 |

RG
MKO
desktop

TO: RUSS GULLOTTI @MKO
FROM: JACK THOMPSON @RCH
DATE: FEBRUARY 3, 1994
SUBJ: UPDATED AMERICAS PROJECT PLAN

Russ,

This is an update to your original Americas Project Plan memo. Included are:

- additions to Design Principles based upon today's conference call.
- additions to "Givens" based upon today's conference call.
- list of activities to date.
- copy of memo to team members outlining the February 9-10, 1994 Agenda.

The though is that the activities to date could be used to update Ed during the Friday Staff Meeting.

If you desire more information, please have Andrea call me at DTN 320-5621.

Regards,

Jack

a-
Dwant Scott
Ron
Lois
to attach their
current & proposed
org models to this
I'll update Americas
picture.
Return to discuss
please

# Americas Area

# Project Plan

# Americas Area Project Plan

## Due Date

- Americas Area template NLT 3/8/94.
- Implement CORE Business ASAP; other Business Units as ready
- Territory templates NLT 3/8/94.
  - Implementation dates TBD

# Americas Area Project Plan

## Tasks

- Design Americas Area strategic and operational model
- Revise U.S., Canadian, LACT, models to fit agreed-upon Americas Area model (as necessary).

# Americas Area Project Plan

## Design Principles

- Operational excellence.
- Manages Pan American tasks.
- Leave Local what is best done locally for customers, employees, etc.
- Not a filter to territories.
- Not managing Sales/Mktg tactics.
- Operational HQ for DCS, MCS, PCBU, M&L.
- Some shared functional roles with territories.
- Cost neutral at worst.
- All positions will be justified.
- Strong Industry Marketing presence in Americas

# Americas Area Project Plan

## Givens

- Minimize disruption to customer, revenue and employees; focus should be out to customer, not into Digital.
- There will be 3 territories: U.S., Canada, LACT.
- Scott Roeth, Ron Larkin, Luis Zuniga run the territories.
- Acton HQ continues operational support for LACT and Canada until plan implemented.
- Marketplace must view Digital as one Company.

# Americas Area Project Plan

## Decisions to Make

- What work is done at Corporate, Pan Americas and Territories??
- What industry segments do we support?
- How should Product Marketing be done?
  - Decided; no Americas Product Marketing
  - Territories model Corporate
- What Resources can be shared?
- How can we make this better than cost neutral?
- Where is B.U. structure?

# Americas Area Project Plan

## Method

- Americas Design Team

**Leader:** Bob Russell
- Jack Thompson
- Neil Griffin
- Mike Prusha

**Members:**
U.S. - Roger Rose
Canada - Peter Rhodes
LACT - Ignacio Prado
Acton HQ - Ray Wood
DCS - Ed Deary
MCS - Ralph Lipizzi
PCBU - Jim Sasena
MFG/Logistics - Edmundo Martinez
Corporate Product Marketing - Bruce MacFadden
Corporate Ind. Marketing - Bruce Ryan
HR/OD - Karen Howard
Finance - Dave Spratt
C&P - Dennis Albano
Channels - Kent St. Vrain
Communications - Brian Coll

- Territory Design work integrated with Americas Area work.

# Americas Area Project Plan

## Activity to Date

- Design Team membership completed
- Kick-off Conference Call held February 3, 1994
  - Charter to Design Team
  - Discussion of "Givens" and Design Principles
- February 9-10, 1994 Design Team Work Session Agenda finalized
- Work Schedule, Key dates agreed upon
- Industry Marketing Organization sub-task force established

# AMERICAS

- CHANNELS? (Joint Role)
- US Territory
  - Canadian Territory
  - LACT Territory
- Industry Marketing
  - Segment Center (Ind. Sales Districts or Sales Branches)
  - Segment Center
    - BID/WIN TEAMS
    - IND MARKETING
    - DC IND. EXPERTS
    - PROGRAM MGRS.
  - Segment Center
  - Segment Center
    - Govt?
- Storage
- C&P
- MCS
- DC
- LOGISTICS
- HR (Joint Role ??)
- Law
- PCBU

**Finance**

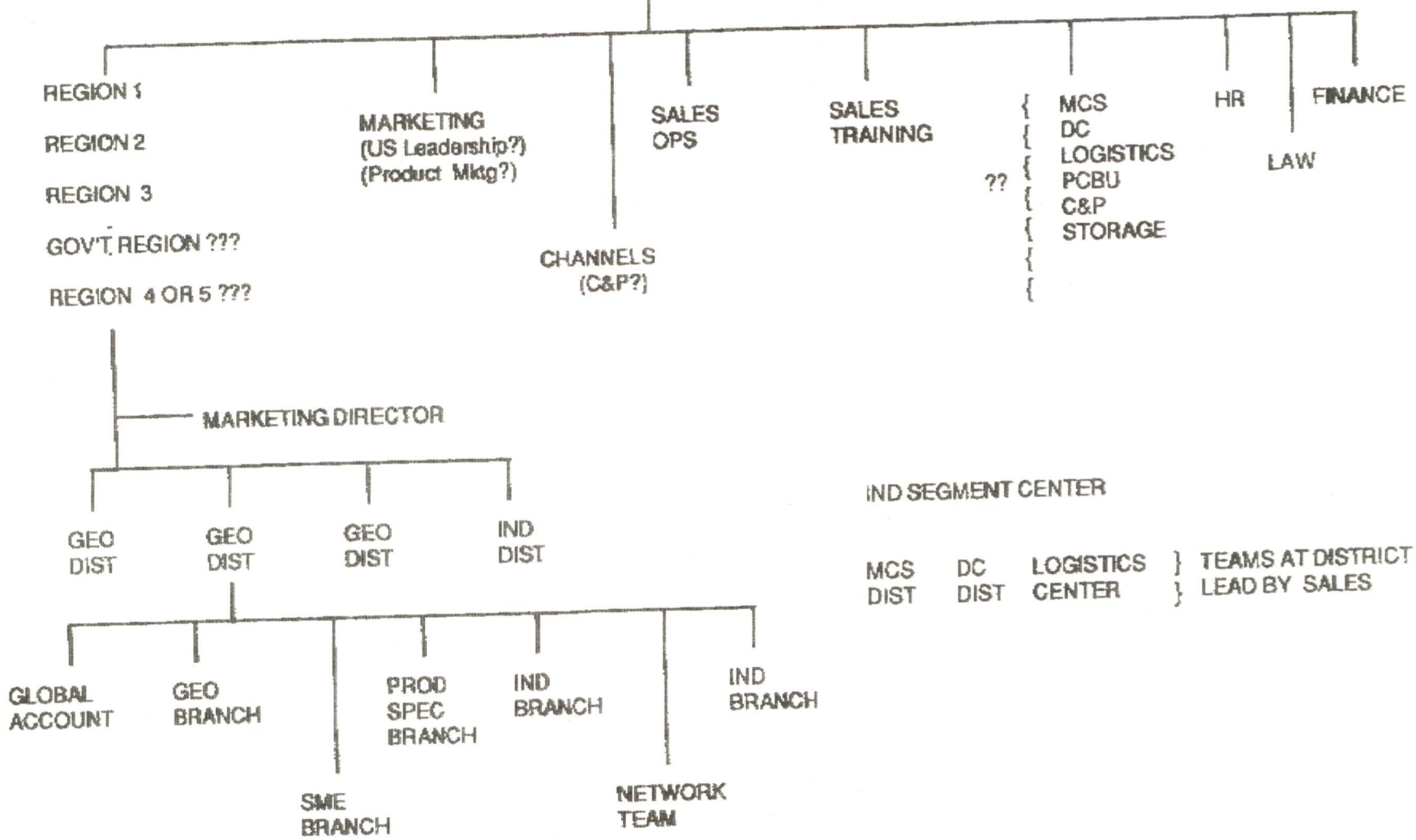
Small or big?
Where does work get done

*Industry Marketing Organizational Sub-task force established*

**TASKS/QUESTIONS:**

1. Which Segments do we keep or eliminate?
2. Role of Ind. Marketing at Corporate.
3. Where is Central Work off-loaded? TTY? Area? (Expensive x 3)
4. Keep B.U. Structure at Americas (e.g., C&P?)
5. Government at Americas or x3?
6. Product Marketing?
7. IM&T for Americas?
8. Sales Training at Americas?
9. What is role of Corporate?

# U.S TERRITORY




**TASKS/QUESTIONS**

1. IS GOVERNMENT A SEPARATE REGION OR A PROGRAM OFFICE?
2. MINIMIZE APPEARANCE OF CHANGE IN USA. IMPACT ON SALES VOLUME.
3. CAN AMERICAS/US TERRITORY USE SAME SUPPORT RESOURCES?

# INTEROFFICE MEMORANDUM

Doc. No: 033521
Date: 01-Feb-1994 02:14pm EST
From: BOB RUSSELL @SCO
RUSSELL.ROBERT
Dept: FNCL. PROF. & PUBLIC SERVICES
Tel No: DTN 295-6511

TO: See Below

Subject: AMERICAS AREA DESIGN TEAM MEETING

I welcome you to the first meeting of the Americas Area Design Team scheduled for February 9th and 10th, 1994 in Marlboro at MRO3 1-F19, U.S. Team Conference Room . Due to the importance of this work and shortage of time to accomplish it, your participation is mandatory.

The purpose of this meeting is as follows:

- Gain status of each Business Unit and U.S., Canada and LACT Areas
- Understand status of Europe and Asia Pacific
- Define work accomplished and to be completed
- Agree to project schedule
- Address issues concerning resource sharing and role of Americas.

The Agenda consists of the following:

**FEBRUARY 9, 1994**

| | | |
|---|---|---|
| 8:30 - 8:45 | INTRODUCTION | BOB RUSSELL |
| 8:45 - 9:30 | CORE | BOB RUSSELL |
| 9:30 - 10:15 | U.S. AREA | ROGER ROSE |
| 10:15 - 10:30 | BREAK | |
| 10:30 - 11:15 | CANADA | PETER RHODES |
| 11:15 - 12:00 | LACT | IGNACIO PRADO |
| 12:00 - 1:00 | LUNCH | |
| 1:00 - 1:45 | ACTON HQ | RAY WOOD |
| 1:45 - 2:30 | DCS | ED DEARY |
| 2:30 - 3:15 | MCS | _____ |
| 3:15 - 3:30 | BREAK | |
| 3:30 - 4:15 | PCBU | JIM SASENA |
| 4:15 - 4:30 | TOMORROW'S SCHEDULE | BOB RUSSELL |

**FEBRUARY 10, 1994**

| | | |
|---|---|---|
| 8:30 - 9:00 | THINGS TO THINK ABOUT | BOB RUSSELL |
| 9:00 - 12:00 | RESOURCE SHARING WORKSHOP | KAREN HOWARD |
| 12:00 - 1:00 | LUNCH | |
| 1:00 - 4:00 | ROLE OF AMERICAS WORKSHOP | BOB RUSSELL |
| 4:00 - 4:30 | WORK REMAINING | BOB RUSSELL |

Attached are worksheets for Core Business, DCS, MCS, and PCBU to assist you in preparing your presentation. We ask that you bring the completed worksheets with you and a one page summary of your current business issues.

For U.S., Canada, and LACT participants please address the following in your presentation.

What is your current structure?
What functions are performed?
How are your resources allocated?
What are the areas for sharing resources within the Americas?

Thank you in advance for your participation and I look forward to working with all of you on this critical assignment.

Regards,

Bob

**PREWORK**

**ROLES**
**(EACH BUSINESS)**

| CORPORATE | AMERICAS | CANADA/LACT/US |
| --- | --- | --- |

**PREWORK**

**WORK**
**(EACH BUSINESS)**

| KEY RESPONSIBLE* | CORPORATE | AMERICAS | CANADA/LACT/US |
|---|---|---|---|
| * STRATEGIC/GOAL PLANNING | | | |
| * INVESTMENTS | | | |
| * BUDGET | | | |
| * FORECAST | | | |
| * MARKETING | | | |
| * TRAINING | | | |
| * COMPENSATION | | | |
| * PRICING | | | |
| * DEAL MAKING | | | |
| * ETC. | | | |

* ADD/DELETE AS APPROPRIATE

**PREWORK**

**STRUCTURES**
**(EACH BUSINESS)**

|d i g i t a l|

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

To: Scott Roeth
Russ Gullotti

Date: 08-March-1994
From: Dennis Albano
Dept: Components & Peripherals
Ext.: 297-6582
Loc.: MRO2-4/D6
Enet: ROYALT::ALBANO
A1: Dennis Albano @MRO

Subject: Friday's meeting

Scott, Russ;

Thank you for taking the time on Friday to review the work that the C&P organization has been ramping up over the past year.

The proposal that I brought forward was based on C&P's aggressive identification and launch of new indirect channel partners for both OEM and Distribution.

We are seing increased demand for Digital's open products through Distributors, Master Resellers, Retailers, and OEMs. It is our desire to see Digital continue to capitalize on these markets without disruption as C&P moves into its new charter and the SBU and Territories evolve.

OEM Review
---

It is my understanding that:

1) Russ will review the OEM business strategy with Ed Lucente for possible implementation at the Americas or Corporate level;

2) We are in agreement that CPOEM, TOEM, SCO and Storage OEM are the business segments that would benefit from synergistic OEM management and business practices;

3) Each of these segments would have dedicated sales teams as they do today;

4) Proposed staffing and roles & responsibilities for the CPOEM, SCO, and TOEM businesses in the U.S. will be available from me to review by March 18th.

Recommendation
---

The current TOEM and CPOEM Unit Managers and Sales reps have expressed strong desire to remain in their positions. We have built considerable knowledge and customer relationships and it is my recommendation that these OEM Units remain unchanged until a decision is made on the overall OEM business plan. See organization charts under separate cover.

## Distribution Review

C&P's role in Distribution in conjunction with U.S. channels has been to expand our indirect channels for all products except PC's and Storage. To that extent, we have established new customer contacts and relationships with Distributors, Master Resellers and Retail. We have invested significant market development funding for product launches at Arrow CSG, Hallmark, Gates, TechData, Ingram, Intelligent Electronics, and others. Current discussions are underway with over (20) retailers to sell Digital printers.

Additionally, we have funded (35) Terminal and Printer specialists, (21) Network specialists, and (6) Alpha AXP specialists driving indirect channels business. We also hired from outside Digital a talented worldwide Merchandising Manager who has put together a small team of merchandising experts who are working with Master Resellers, Retail and Distribution to create demand, by product, through new programs, packaging, support, fulfillment, pricing and general know-how.

This is the tip of the iceberg of C&P's involvement and role in Distribution. It is my understanding that you currently do not support a focused volume Distribution business management activity at the Americas or a separate distribution focus in the U.S. Territory. I believe Scott would like to merge the C&P Distribution activities into the U.S. channels roles and responsibilities.

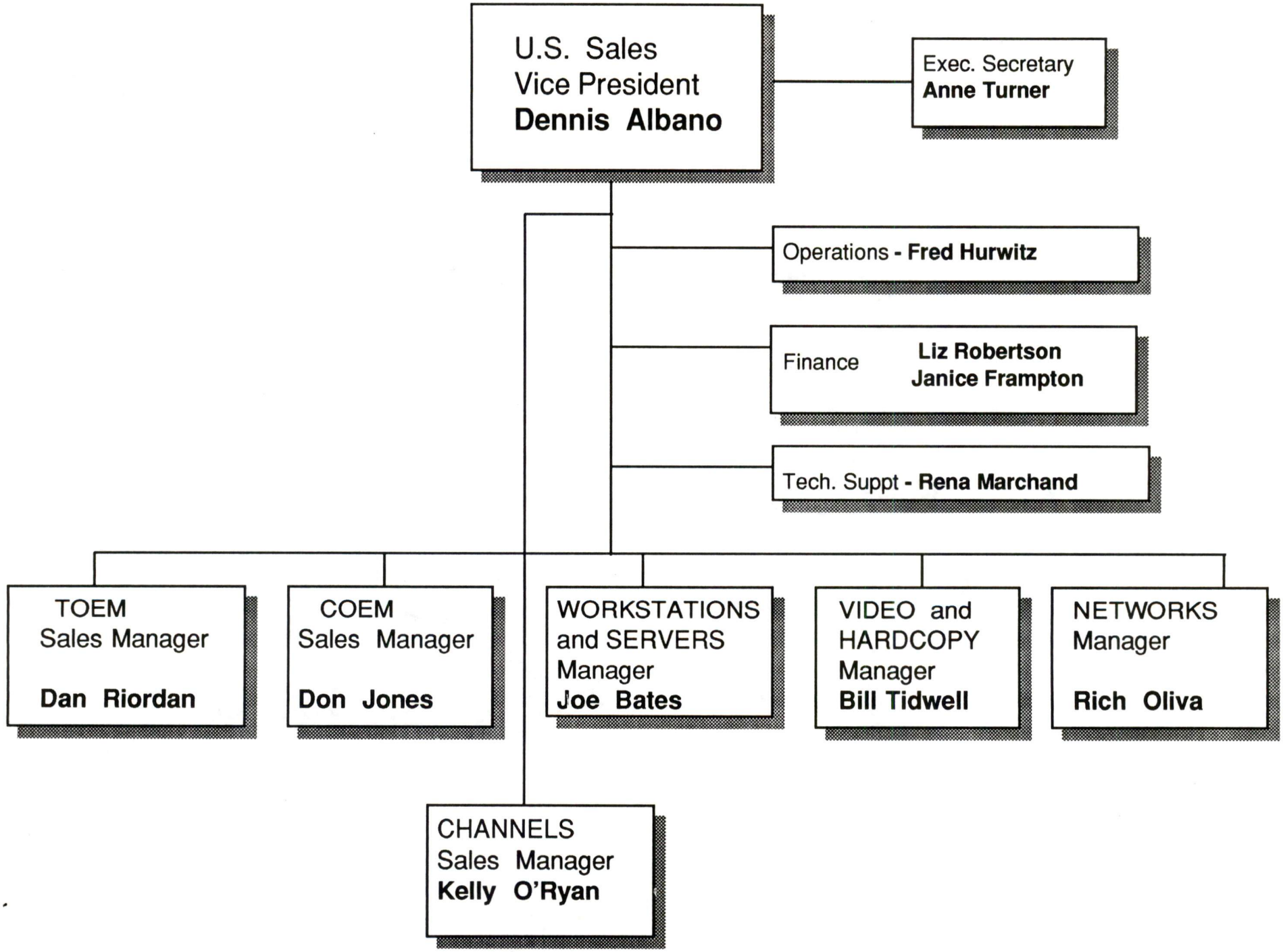
## Recommendation

The Distribution momentum that is building in the U.S. is critical to our success. We cannot afford to lose a beat with our new Distribution partners. I do not want to understate the magnitude of the transition that must take place.
Careful consideration must be given to trusting relationships that have been built with customers, product segment managers, and the product sales specialists. At the appropriate time, I recommend a U.S. Territory and C&P transition team be formed to work out the details.

Your comments are welcome.

Regards,

Dennis


U.S. Sales
Vice President
Dennis Albano
Exec. Secretary
Anne Turner
Operations - Fred Hurwitz
Finance
Liz Robertson
Janice Frampton
Tech. Suppt - Rena Marchand
TOEM
Sales Manager
Dan Riordan
COEM
Sales Manager
Don Jones
WORKSTATIONS
and SERVERS
Manager
Joe Bates
VIDEO and
HARDCOPY
Manager
Bill Tidwell
NETWORKS
Manager
Rich Oliva
CHANNELS
Sales Manager
Kelly O'Ryan

# U.S. TOEM
# SALES MANAGER
# DAN RIORDAN

**NE C&P**
**Branch Mgr.**
**BOB COLLINS**

*SALES*
Bruce Bayuk
Bruce Clark
Bill Denlinger
Terri Gerber
Debbie Power

*SUPPORT*
Jim Damoulakis
John McDonald
Stan Sprague

**MA C&P**
**Branch Mgr.**
**JIM COLEMAN**

*SALES*
Morris Jones
Dan Kilgore
Alan Morgan
Virginia Rawley
Jim Helfert

*SUPPORT*
Bob Segrest

**WE C&P**
**Branch Mgr.**
**DOUG DERHAM**

*SALES*
Kevin Buchanan
Open
Open
Dave Peckham
Steve Rozett
Susan Sirbu
Rick Wagner

*SUPPORT*
Mike Breen
Dick Kreischer
Bob Kustich
Jay Miller

**SO C&P**
**Branch Mgr.**
**JON KIXMILLER**

*SALES*
Gary Hayden
Bill Kimbel
Jim Royster
Rick Stein
Charlie Walls
Mike Long
Mike Willis
Pam Jones

*SUPPORT*
Al Cook
John Crowe
Lane Findley

**CE C&P**
**Branch Mgr.**
**DAVE LEAHY**

*SALES*
Bob Rogers
DougSwanson
Open
Ron Schiltz
Rolf Michelson
Tom Suzda
Terry Webber

*SUPPORT*
George Hale
Ron Sarkozy

**U.S. CPOEM**
**SALES MANAGER**
**DON JONES**

**Northeast**
**RMC Mgr.**
**BOB COLLINS**

*SALES*
Dick Edwards
Emil Kabylarz
Fern Lavoie
Carol Schottes

**Mid-Atlantic**
**RMC Mgr.**
**JIM COLEMAN**

*SALES*
Rich. Rotschild

**Western**
**RMC Mgr.**
**DOUG DERHAM**

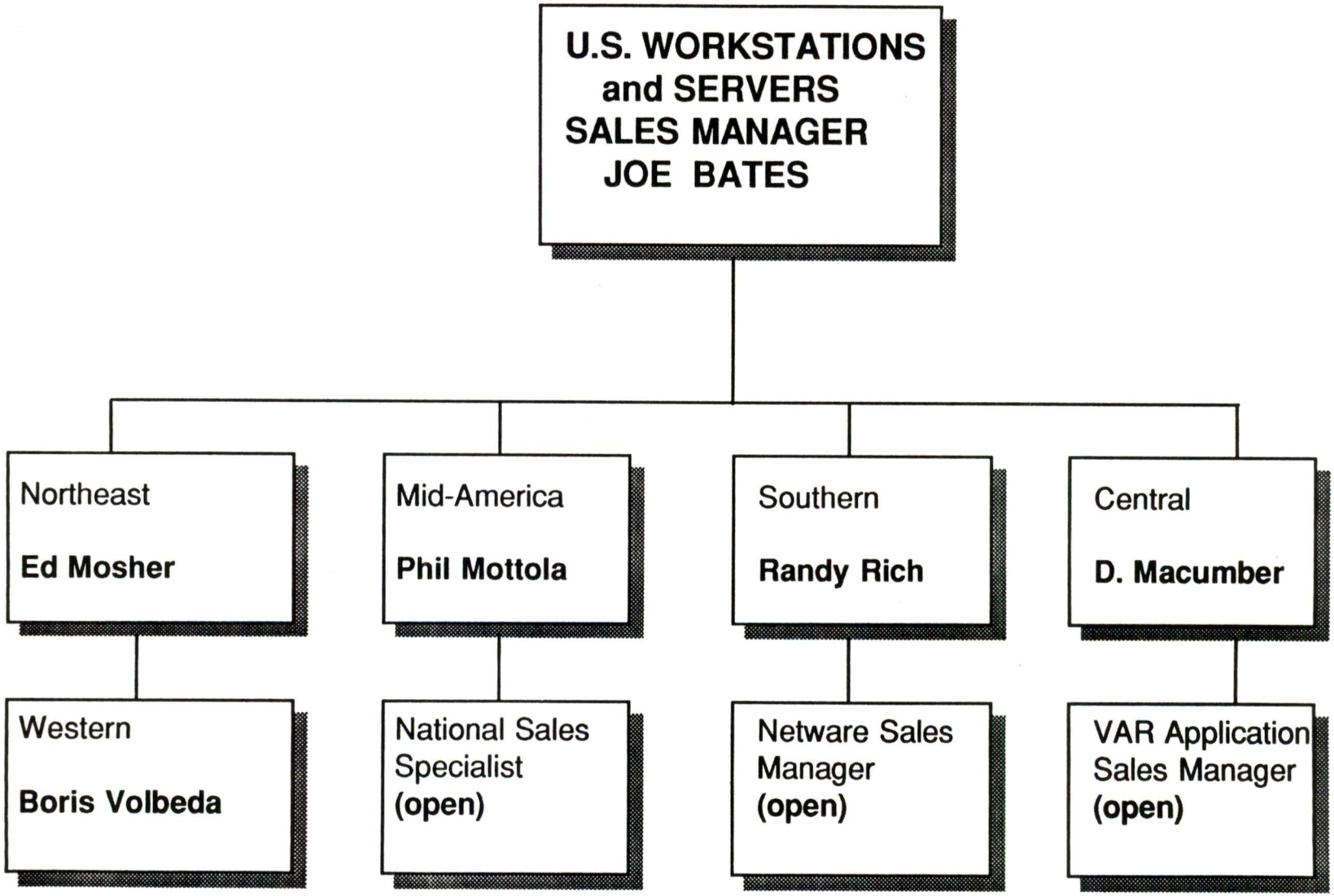
*SALES*
Al Appel
Joe Lavalle
Rod Michael
Dave Peckham
Bob Reddel
Audrey Schuster

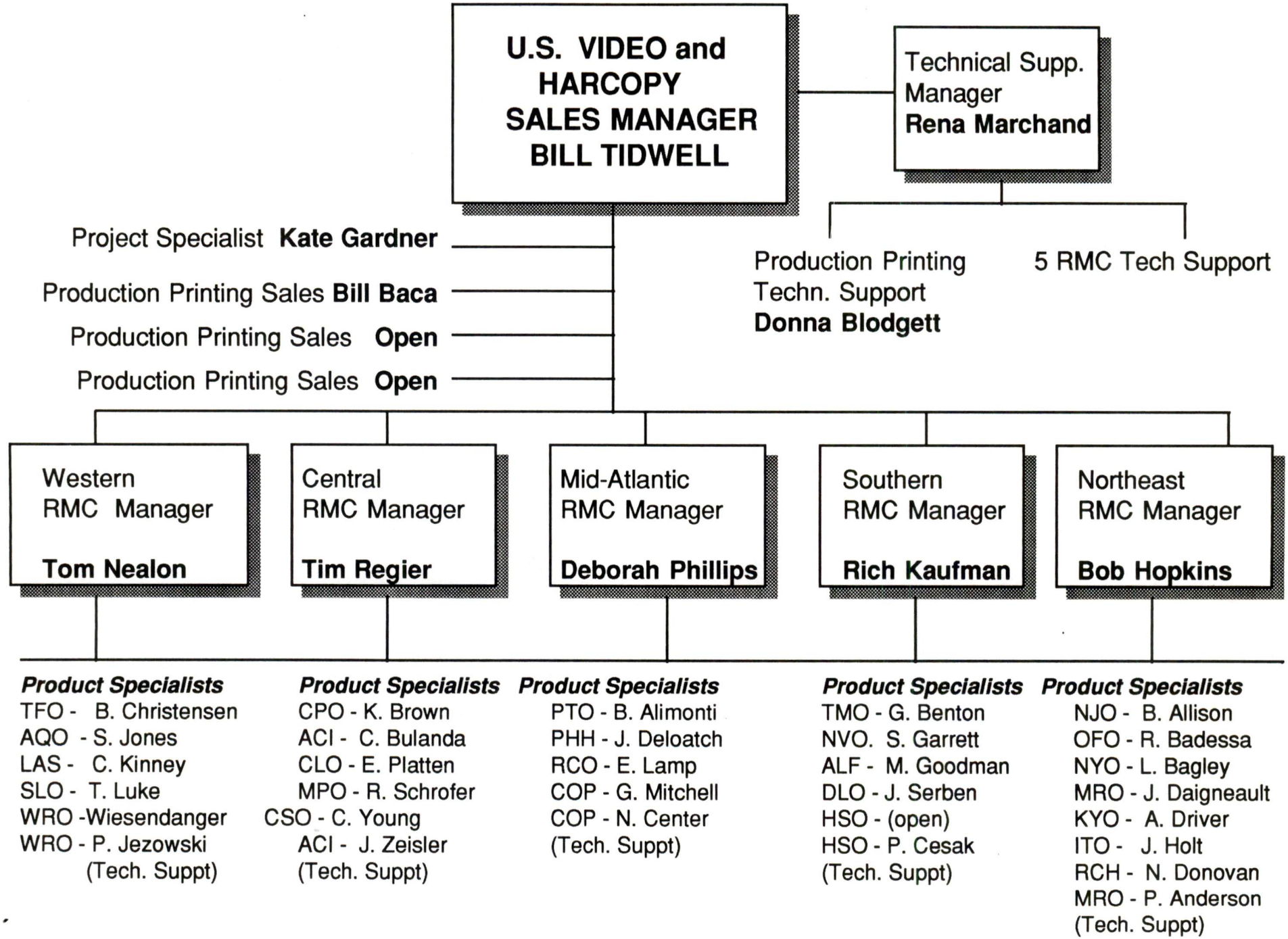
**Southern**
**RMC Mgr.**
**JON KIXMILLER**

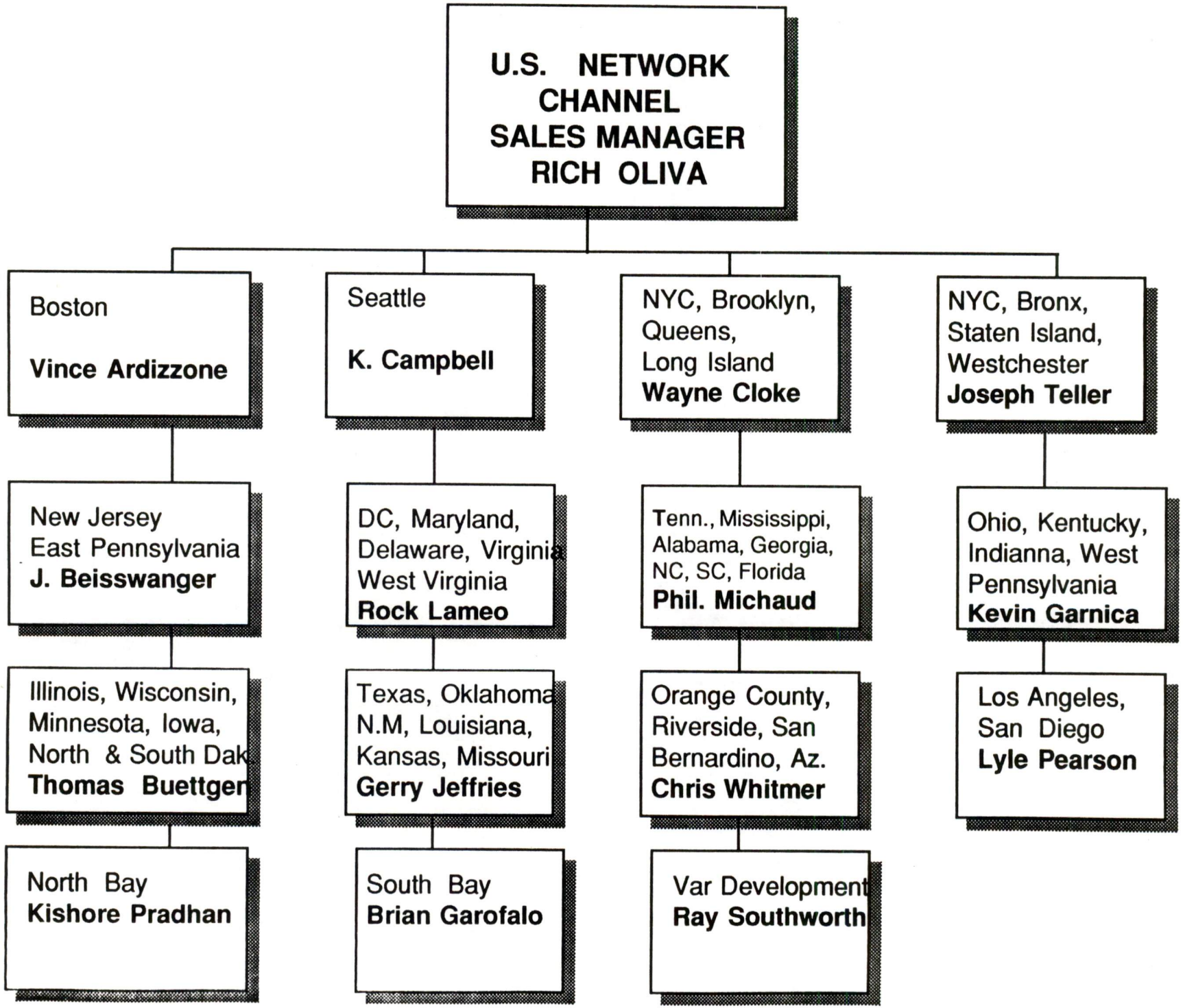
*SALES*
Dennis Crawford
Harold Hansen
Stu Schlackman
Don Skipworth

**Central**
**RMC Mgr.**
**DAVE LEAHY**

*SALES*
C. Schesky


U.S. WORKSTATIONS and SERVERS SALES MANAGER JOE BATES
Northeast
Ed Mosher
Mid-America
Phil Mottola
Southern
Randy Rich
Central
D. Macumber
Western
Boris Volbeda
National Sales Specialist (open)
Netware Sales Manager (open)
VAR Application Sales Manager (open)


U.S. VIDEO and HARCOPY SALES MANAGER BILL TIDWELL
Technical Supp. Manager Rena Marchand
Production Printing Techn. Support Donna Blodgett
5 RMC Tech Support
Project Specialist Kate Gardner
Production Printing Sales Bill Baca
Production Printing Sales Open
Production Printing Sales Open
Western RMC Manager Tom Nealon
Central RMC Manager Tim Regier
Mid-Atlantic RMC Manager Deborah Phillips
Southern RMC Manager Rich Kaufman
Northeast RMC Manager Bob Hopkins
Product Specialists
TFO - B. Christensen
AQO - S. Jones
LAS - C. Kinney
SLO - T. Luke
WRO -Wiesendanger
WRO - P. Jezowski
(Tech. Suppt)
Product Specialists
CPO - K. Brown
ACI - C. Bulanda
CLO - E. Platten
MPO - R. Schrofer
CSO - C. Young
ACI - J. Zeisler
(Tech. Suppt)
Product Specialists
PTO - B. Alimonti
PHH - J. Deloatch
RCO - E. Lamp
COP - G. Mitchell
COP - N. Center
(Tech. Suppt)
Product Specialists
TMO - G. Benton
NVO. S. Garrett
ALF - M. Goodman
DLO - J. Serben
HSO - (open)
HSO - P. Cesak
(Tech. Suppt)
Product Specialists
NJO - B. Allison
OFO - R. Badessa
NYO - L. Bagley
MRO - J. Daigneault
KYO - A. Driver
ITO - J. Holt
RCH - N. Donovan
MRO - P. Anderson
(Tech. Suppt)


U.S. NETWORK CHANNEL SALES MANAGER RICH OLIVA
Boston
Vince Ardizzone
Seattle
K. Campbell
NYC, Brooklyn, Queens, Long Island
Wayne Cloke
NYC, Bronx, Staten Island, Westchester
Joseph Teller
New Jersey East Pennsylvania
J. Beisswanger
DC, Maryland, Delaware, Virginia West Virginia
Rock Lameo
Tenn., Mississippi, Alabama, Georgia, NC, SC, Florida
Phil. Michaud
Ohio, Kentucky, Indianna, West Pennsylvania
Kevin Garnica
Illinois, Wisconsin, Minnesota, Iowa, North & South Dak
Thomas Buettger
Texas, Oklahoma N.M, Louisiana, Kansas, Missouri
Gerry Jeffries
Orange County, Riverside, San Bernardino, Az.
Chris Whitmer
Los Angeles, San Diego
Lyle Pearson
North Bay
Kishore Pradhan
South Bay
Brian Garofalo
Var Development
Ray Southworth

# CBU/Industry Marketing Staffing - FY94 Yearend

| | ~~US~~ American | Europe | APA | Corp | Total |
|---|---|---|---|---|---|
| Area | 140 | 231 | 22 | | 393 |
| Territory/Country Mktg | | 60 | 100 | | 160 |
| Corporate | | | | 565 | 565 |
| Total | 140 | 291 | 122 | 565 | 1118 |
| Sales Support (Ind Specialists) | 435 | 250 | | | 685 |
| Grand Total | 575 | 541 | 122 | 565 | 1803 |

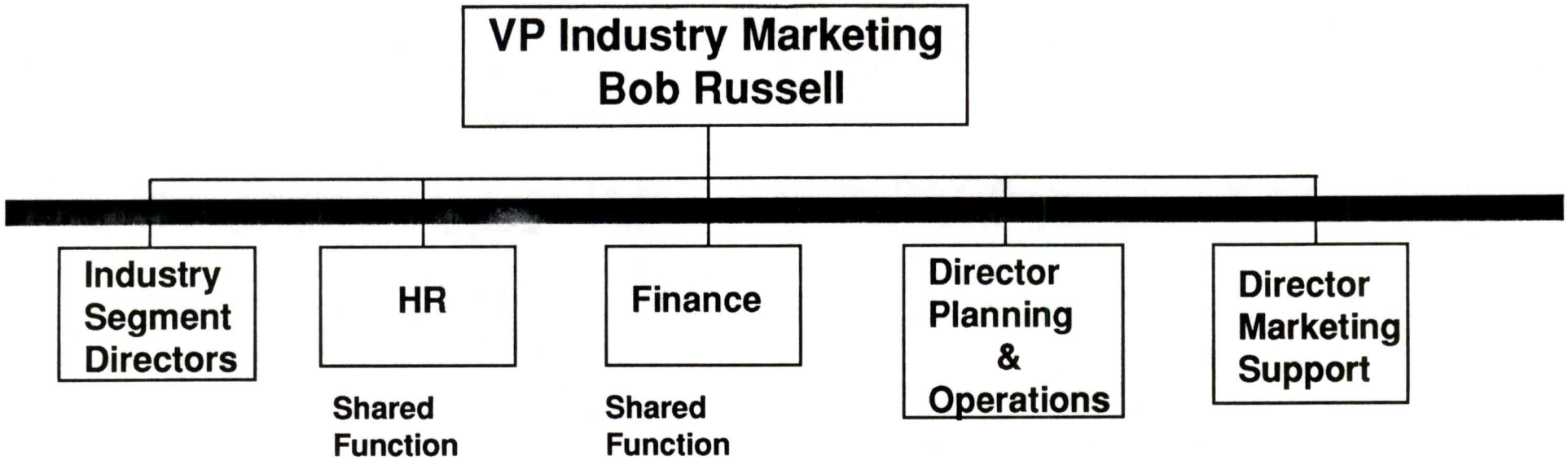
Read + feedback to Bob R.

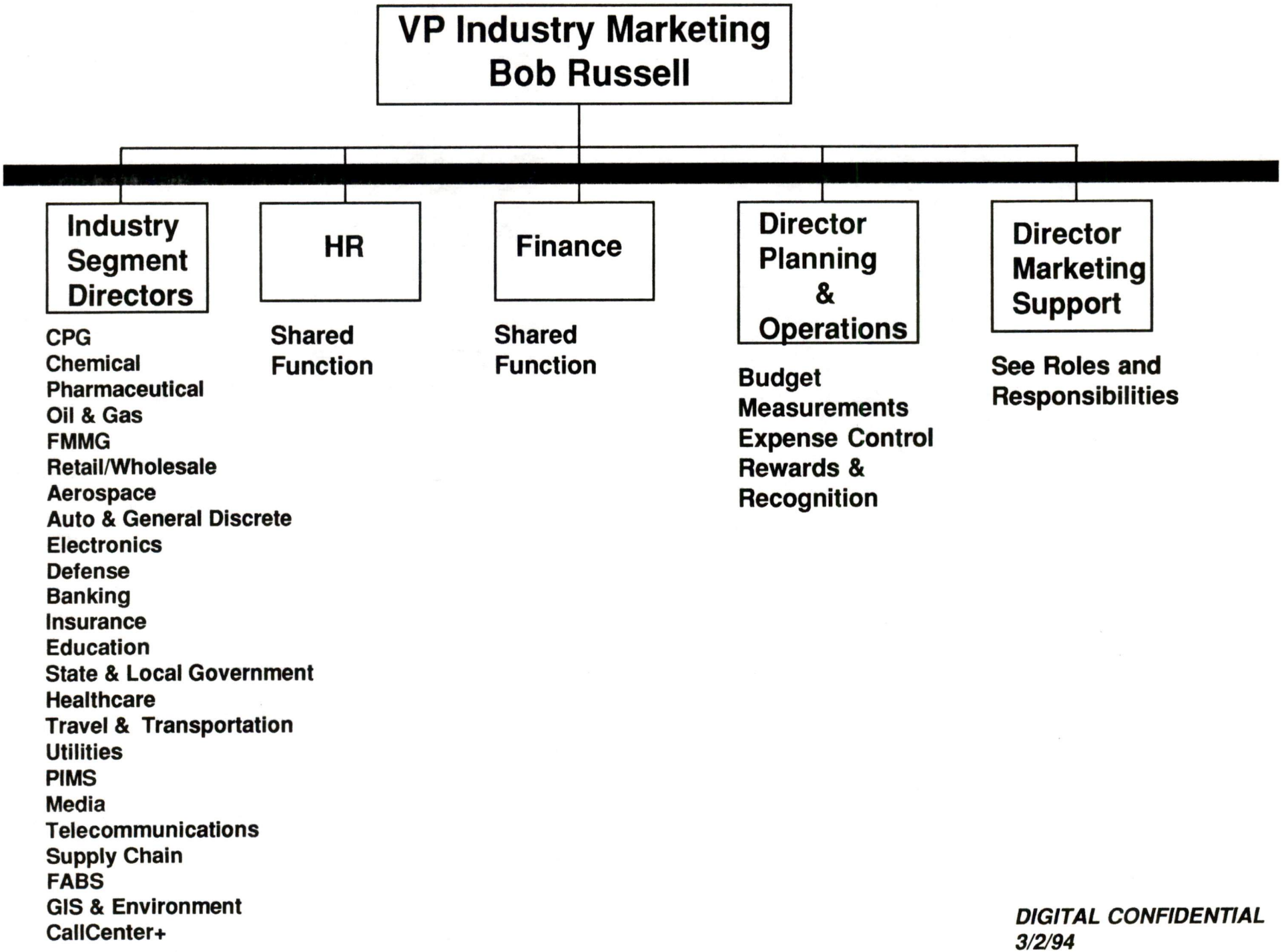
# Assumptions

- Resources allocated to Industry Marketing and industry sales support will be significantly less than current, for total Americas.
- Resources to be allocated are headcount, $$ for events, programs and other marketing activities, plus $$ for investment.
- Resources will be allocated based on relationship of projected and FY94 and beyond direct product NOR by segment, by territory and country and total Americas, subject to reasonability check.
- Industry segments grouped by common market affinity and opportunity for resource sharing.
- NO industries will be abandoned; segment emphasis based on resources allocated.
- Symmetry between corporate and Americas not required.

# Role of Industry Marketing

- Overall Vision/Directions
- Market Segmentation
- Solutions Roadmap
- Sources of Applications and Solutions
- Identify and manage relationships with partners
- Input to Product Development
- Pan-American revenue objectives by segment
  - Direct Business
  - Indirect Business
  - SME plan by market/territory
- Industry specific communications/positioning
- Resource development
  - Segment/territory/region/district/branch
- Industry education/training
- Field support


VP Industry Marketing
Bob Russell
Industry Segment Directors
HR
Shared Function
Finance
Shared Function
Director Planning & Operations
Director Marketing Support

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*3/2/94*

# Industry Grouping
# Segment Directors
# Report Directly to Bob Russell

***Consumer Industries***

- CPG
- * Retail/Wholesale
- Travel & Transportation
- Utilities

***Process Industries***

- Chem
- * Pharm
- Oil & Gas
- FMMG

***Discrete Manufacturing & Aerospace Industries***

- * Automotive/General Discrete
- Aerospace/Defense
- Electronics

***Financial Services Industries***

- * Banking
- Insurance

***General Services Industries***

- Education
- State & Local
- * Health Care
- PIMS

***Communication Industries***

- Media
- * Telecommunications

***Cross Industries***

- Supply Chain
- FABS
- GIS & Environment
- * CallCenter+

* Denotes Segment responsible for providing management of support activities for that Center's Industries

7 Industry Centers - 1 per Grouping

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# Plan B - With Industry Group Director Recommended Industry Marketing Groupings

***Consumer, Pharm. & Process Manufacturing Industries***

- CPG
- Chemical
- Pharmaceutical
- Oil & Gas
- FMMG
- Retail/Wholesale

***Discrete Manufacturing & Defense Industries***

- Aerospace
- Auto & General Discrete
- Electronics
- Defense

***Financial Services Industries***

- Banking
- Insurance (All)

***General Services Industries***

- Education
- State & Local Government
- Healthcare
- Travel & Transportation
- Utilities
- PIMS

***Communication Industries***

- Media
- Telecommunications

***Cross Industries***

- Supply Chain
- FABS
- GIS & Environment
- CallCenter+


*3/2/94*

# Director Marketing Support
# Roles/Responsibilities

- Act as single point of contact for Industry Marketing connect/linkage to Regional, territory and country Director of Marketing
- Provide linkage into product marketing organization
- Assure Industry Marketing programs/campaigns are consistently and effectively implemented across Canada, LACT, and U.S. field sales organizations
- Execute with corporate marketing events calendar to provide industry focus as appropriate
- Provide single point of contact for coordination of industry marketing events calendar
- Provide single point of contact into training organization to assure industry requirements are satisfied
- Manage overall expense budget for and coordinate activities of global accounts
- Coordinate with segment managers regarding industry specific communications; provide linkage to communications function
- Provide single point of contact into demo centers to assure segments' needs are satisfied
- Provide single point of contact for industry support of U.S., Canadian, LACT sales rallies and events; to include CSO and direct
- Provide single point of contact for channel/partner relations

# Director Marketing Support Roles/Responsibilities (cont'd)

- Develop and implement on-going process to audit and measure the effectiveness of Industry Marketing programs; add to, delete from, modify as required
- Hold budget for and coordinate with segment directors for marketing programs on behalf of VP of Industry Marketing

# Segment Director
# Roles/Responsibilities

- Assure attainment of segment budget objectives
- Develop detailed business plan for segment
- Develop detailed SME plan for segment
- Provide management and direction to the Industry Segment Centers
- Proactive participation in field support activities -- customer calls, briefings
- Participate with field sales in account strategy sessions
- Participate with field sales in the account planning process
- Direct the implementation of Corporate programs which apply to the segment
- Development and implementation of Pan-American segment specific marketing programs
- Deploy segment resource to maximize market opportunities
- Provide industry expertise, where none exists, for Pan-American opportunities
- Develop segment training requirements for roll up to Director of Marketing Support and to U.S. training organization
- Identify target markets/target accounts & develop market support plan to penetrate; include SME and other channels
- Gather industry market intelligence through customer interaction and field feedback for roll up to Corporate

# Segment Director
# Roles/Responsibilities (cont'd)

- Develop strong competitive marketing programs for segment; direct implementation
- Disseminate industry information to field sales on continuing basis
- Provide input regarding connect issues to Director of Market Support for Regional Director of Marketing, MCS/DCS
- Identify areas of opportunity for integrated solutions; assist in development and direct roll-out of implementation plans
- Development of industry specific communications/campaigns; input to Director of Marketing Support
- Identification/recruitment of Pan-American partners to source solutions critical to success

# Planning/Operations Director
# Roles and Responsibilities

- Design and implement systems and procedures required by the Industry Marketing organization
- Ensure industry segment directors, support staff, and shared resources perform to the expectation of the Industry Marketing VP
- Prepare business plans with industry segment directors for each segment
- Manage forecasting process for G&A expenses and investments
- Organize and manage measurement reporting process
- Provide linkage into finance, legal and HR resources
- Responsible for development and management of rewards/recognition process

# Resource Allocation Example Based on FY94 Projected NOR By Segment By Territory

| | FY94 PROJ DIRECT NOR $M | % OF GROUP TOTAL | FY94 PROJ DIRECT NOR $M | % OF GROUP TOTAL | FY94 PROJ DIRECT NOR $M | % OF GROUP TOTAL | FY94 PROJ DIRECT NOR $M | % OF GROUP TOTAL |
|---|---|---|---|---|---|---|---|---|
| CONSUMER, PHARM & PROCESS MFG. | | | | | | | | |
| CPG | 40 | 9 | 3 | 10 | | | 43 | |
| CHEM | 115 | 25 | 6 | 21 | | | 121 | |
| PHARM | 80 | 17 | | | 4 | 21 | 84 | |
| O&G | 49 | 10 | 8 | 29 | 15 | 79 | 72 | |
| FMMG | 46 | 10 | | | | 46 | | |
| R/W | 136 | 29 | 11 | 40 | | | 147 | |
| GROUP TOTAL | 466 | 100 | 28 | 10 | 19 | 100 | 513 | 20 |
| DMD IND. | 830 | | 19 | | | | 849 | 32 |
| FIN. SVCS. IND. | 225 | | 15 | | 29 | | 269 | 10 |
| GENERAL SVCS. IND. | 612 | | 61 | | 2 | | 675 | 26 |
| COMMUNICATIONS IND. | 263 | | 22 | | 28 | | 313 | 12 |
| * CROSS IND. | | | | | | | | |
| TOTAL | 2396 | | 145 | | 78 | | 2619 | 100 |

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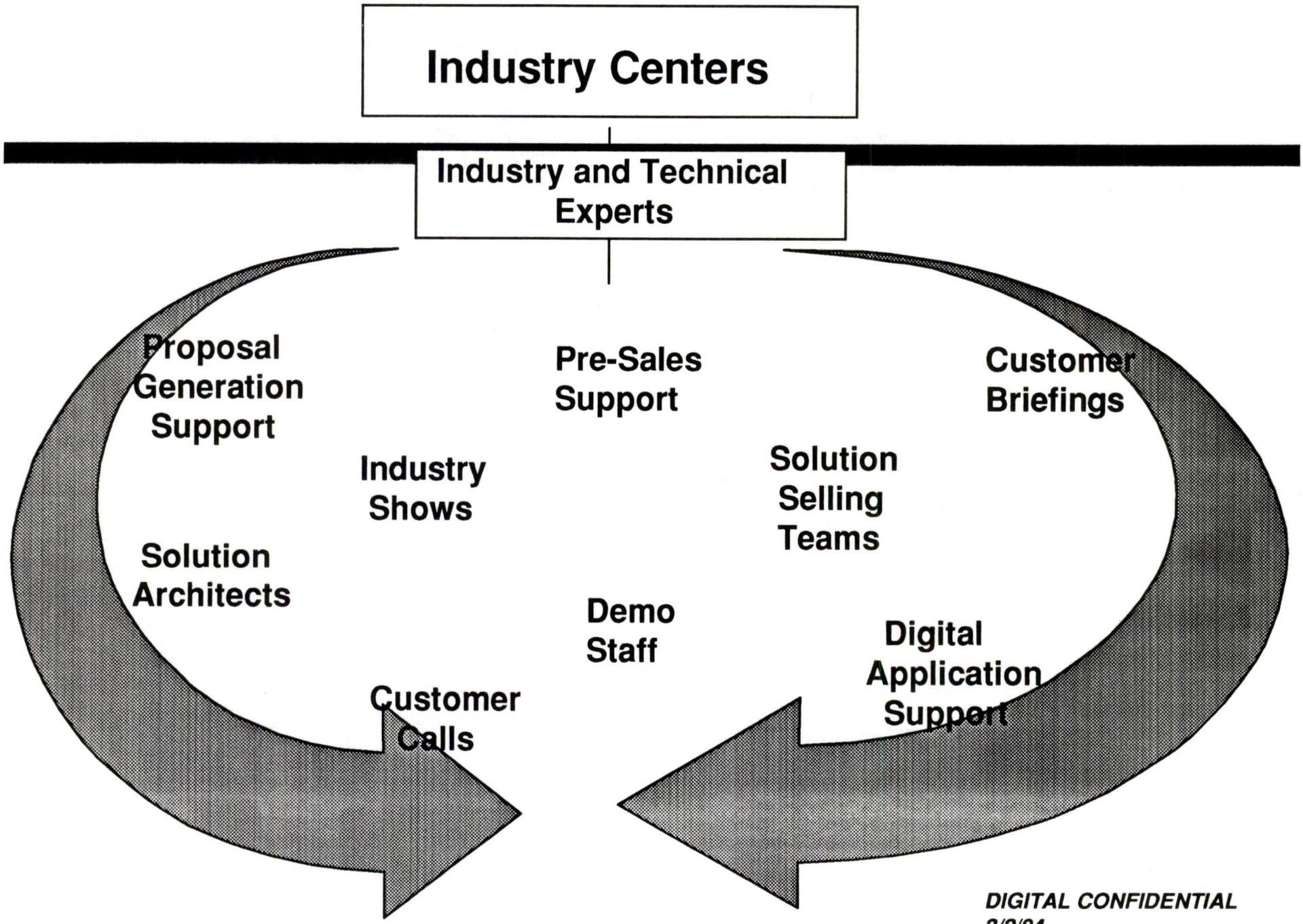
# Industry Centers

## Pre-Sale Activities

- Bid/Win Teams
- Industry Specific Demonstrations
- Rainmakers
- Proposal Generation Support
- Customer Calls

## Marketing Activities

- Solution Selling Teams
- Customer Briefings
- Industry Shows

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*3/2/94*

# Industry Center
# Roles and Responsibilities

- There will be seven industry centers, one for each industry grouping
- Management responsibility for a center will be a designated segment director from each group
- The segment director designated to manage center will assure the needs of all industries within the group are satisfied
- Industry center experts will have close ties to/working relationship with field sales; no unrelated activities unless agreed upon in advance
- Industry center will be "virtual" in most cases. Exception could be where critical mass of expertise exists coincident with a physical facility
- Industry centers will be engaged to support marketing and sales activities through
  - sales initiative (most common)
  - at initiative of the industry segment (less common)
  - to facilitate marketing program implementation (as needed)

  The involvement of the industry into marketing and sales situations will be a jointly agreed upon process between the sales organization responsible for the current situation and the segment director

# Industry Center
# Roles and Responsibilities
# (cont'd)

- When necessary/advisable, solution selling teams will involve the account sales person for all or some part of the sales cycle
- Close coordination between the segments and DCS industry related activity will be critical to avoid conflicts and territorial disputes

# Corporate, Area, Territory
# Roles - Market Strategy

| Market Strategy | Corporate | Area | Territory |
|---|---|---|---|
| Industry Assessment<br>Vision, Directions | Lead | Support/Input | |
| Strategic Marketing Plan<br>Market Segmentation | Lead WorldWide | Lead Area<br>Support W/W | Support<br>Implement |
| Global Accounts | Approve | Budget | Plan |
| New Market Opportunities | Identify/<br>Resource | Identify | Identify |
| Channels Strategy<br>Business Practices/Policy | Support | Lead | Lead |
| Market Segment/Channel<br>type map | Support<br>Lead | Lead<br>Support | Implement<br>Implement |


*3/2/94*

# Corporate, Area, Territory
# Roles - Offering Creation

| Offering Creation | Corporate | Area | Territory |
|---|---|---|---|
| Product Requirements | Lead | Input | Input |
| Service Requirements | Lead | Input<br>Selectively<br>Lead | Input<br>Selectively<br>Lead |
| Partners<br>Applications | Strategic/W/W<br>Recruit/Manage | Pan-territory<br>Recruit/Manage | Local<br>Recruit/Manage |
| Integrated Solutions<br>Creation | Lead | Input<br>Selectively<br>Lead | Input<br>Selectively<br>Lead |
| Offering Roadmap<br>Vertical, Horizontal<br>Products, Services | Lead base<br>map | Input<br>plus lead<br>final map | Input<br>plus support<br>final map |

# Corporate, Area, Territory Roles - Market Programs

| Market Programs | Corporate | Area | Territory |
|---|---|---|---|
| Industry Content | Lead Base | Input base<br>Lead Tailoring | Support<br>Localize |
| Industry Marketing Image Advertising | Lead | Lead | Support |
| Demand Creation Programs Communications, Events, Advertising | Lead Global Programs<br>Support | Lead | Lead |
| Industry Training | Content<br>Steady State Curriculum | Lead Events<br>Tailor Content | Support<br>Localize |

# Corporate, Area, Territory
# Roles - Tactical Connections

| Tactical Connections | Corporate | Area | Territory |
|---|---|---|---|
| Field Support<br>Executive Relationships,<br>Strategy Sessions,<br>Account Planning | Support<br>Global/Strategic | Support | Lead in<br>support of<br>Account Team |
| Revenue Planning<br>by Industry | Advise | Advise | Lead |
| Resource Development | Advise | Advise | Lead/Implement |

## AMERICAS INDUSTRY MARKETING/DIGITAL CONSULTING

### OPERATING PRINCIPLES

- COMPETITIVE DIFFERENTIATION AND SUCCESS IN THE MARKETPLACE REQUIRES:
  - STRONG UNDERSTANDING OF CUSTOMER NEEDS THROUGH AN INDUSTRY ORIENTATION
  - ABILITY TO RELATE DIGITAL CAPABILITIES TO CUSTOMER PROBLEMS
  - THE MAKE-UP OF DIGITAL VALUE PROPOSITIONS (SOLUTIONS) WILL BE VARYING COMBINATIONS OF PRODUCTS, APPLICATIONS, SERVICES & PARTNERSHIPS BY INDUSTRY
  - AFTER RATIONALIZATION, FOCUS ON SPECIFIC SOLUTION SETS FOR AN INDUSTRY OR MULTIPLE INDUSTRIES
  - THE ABILITY TO LEVERAGE, BUILD UPON, AND RELATE OUR INDUSTRY EXPERIENCE AND REFERENCES TO PROSPECTIVE CLIENTS
- OUR DEPLOYMENT OF INDUSTRY MARKETING AND CONSULTING RESOURCES IN THE IDENTIFICATION, PRE-SALE ACTIVITIES, AND DELIVERY OF OPPORTUNITIES WILL VARY BASED UPON OUR VALUE PROPOSITION(S) TO THAT INDUSTRY.

### RECOMMENDED APPROACH

GOAL: CREATE AND DEPLOY INDUSTRY FOCUSED MARKETING AND CONSULTING CAPABILITIES FOR THE AMERICAS WHICH ARE COMPLEMENTARY AND WILL RESULT IN INCREASED BUSINESS FOR DIGITAL AND INCREASED VALUE FOR OUR CLIENTS.

OBJECTIVES:
- MINIMIZE NEGATIVE IMPACT ON OUR BUSINESS, CLIENTS, AND EMPLOYEES
- RESOURCES AND INVESTMENTS WILL BE DRIVEN BY AN AGREED-TO INDUSTRY SEGMENT BUSINESS PLAN

## AMERICAS INDUSTRY MARKETING/DIGITAL CONSULTING

## SUGGESTED IMPLEMENTATION

- DEFINE ROLES OF INDUSTRY CENTERS
- DEFINE ROLES OF INDUSTRY PRACTICES
- RATIONALIZE ABOVE
- IDENTIFY INDUSTRY RESOURCE POOL
- ASSIGN RESOURCES TO INDUSTRY CENTERS, PRACTICES, TERRITORY SALES AND SALES SUPPORT
- RESOURCES FROM DIGITAL CONSULTING WILL BE ASSIGNED, IN GENERAL, AS FOLLOWS WITHIN AFFORDABILITY GUIDELINES AND HUMAN RESOURCE PRACTICES:
  - TECHNOLOGY/PRODUCT/GENERAL SALES SUPPORT TO TERRITORY SALES/SALES SUPPORT
  - BROAD-BASED INDUSTRY EXPERTS TO INDUSTRY CENTERS
  - INDUSTRY SOLUTION FOCUSED SALES AND DELIVERY CONSULTANTS REMAIN IN DIGITAL CONSULTING.

NOTE: SEVERAL OF THE BROAD-BASED INDUSTRY EXPERTS ARE CSPs. CAN A CSP BE AN INDUSTRY MARKETING PERSON (NOT PART OF DIGITAL CONSULTING) AND STILL FULFILL THAT FUNCTION? THIS NEEDS TO BE WORKED FURTHER.

**FY94-96 PROJECTED DIRECT NOR**
**FY INDUSTRY SEGMENT BY TERRITORY**

O/o OF AMERICAS REVENUE

| SEGMENT | U.S. FY94 $ M | U.S. FY94-96 GROWTH % | U.S. MARKET SIZE FY94 $ B | U.S. MARKET SIZE FY94-96 GROWTH % | CANADA FY94 $ M | CANADA FY94-96 GROWTH % | CANADA MARKET SIZE FY94 $ B | CANADA MARKET SIZE FY94-96 GROWTH % | LACT FY94 $ M | LACT FY94-96 GROWTH % | LACT MARKET SIZE FY94 $ B | LACT MARKET SIZE FY94-96 GROWTH % | AMERICAS I H | AMERICAS FY94 $ M | AMERICAS % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. Aerospace | 200 | 5 | 4 | -2 | 4 | | | | | | | | 12 | 204 | 7.4 |
| 2. Auto & Gen. D. | 70 | 30 | 5 | 3 | 3 | | | | | | | | 4 | 73 | 2.6 |
| 3. Banking | 180 | 8 | 12 | 8 | 10 | | | | 29 | 64 | 5.8 | 20 | 13 | 219 | 7.9 |
| 4. Chemical | 115 | 9 | 4 | 3 | 6 | | | | | | | | 7 | 121 | 4.4 |
| 5. Communications | 189 | 18 | 10 | 10 | 22 | | | | 28 | 13 | 2 | 23 | 14 | 239 | 8.6 |
| 6. CPG | 40 | 7 | 2.8 | ? | 3 | | | | | | | | 3 | 43 | 1.6 |
| 7. Defense | 380 | 4 | 13.3 | 1 | 10 | | | | | | | | 24 | 390 | 14.1 |
| 8. Education | 160 | 4 | 4.5 | 13 | 16 | | | | | | | | 11 | 176 | 6.4 |
| 9. Electronics | 200 | | | | 2 | | | | | | | | 12 | 202 | 7.3 |
| 10. FMMG | 46 | 6 | 2.7 | 7 | | | | | | | | | 3 | 46 | 1.7 |
| 11. Health Care | 209 | 12 | 8.3 | 6 | 11 | | | | 2 | 10 | .2 | 10 | 13 | 222 | 8 |
| 12. Insurance | 35 | 13 | 8 | - | 5 | | | | | | | | 3 | 40 | 1.4 |
| 13. Media | 74 | 35 | 3.5 | 26 | | | | | | | | | 5 | 74 | 2.7 |
| 14. Oil & Gas | 49 | 10 | 2.2 | 8 | 8 | | | | 15 | 42 | .45 | 18 | 5 | 72 | 2.6 |
| 15. Pub. Adm. | 150 | 9 | 3 | 7 | 6 | | | | | | | | 9 | 156 | 5.6 |
| 16. Pharm. | 80 | 11 | 1.5 | 5 | | | | | 4 | 10 | .7 | 13 | 5 | 84 | 3 |
| 17. PIMS | 150 | 42 | 21 | 14 | | | | | | | | | 9 | 150 | 5.4 |
| 18. Retail/Whole. | 136 | 10 | 13.4 | 6 | 11 | | | | | | | | 9 | 147 | 5.3 |
| 19. Travel & Trans. | 37 | 10 | 3.3 | 10 | | | | | | | | | 3 | 37 | 1.3 |
| 20. Utilities | 43 | 11 | 9.2 | 9 | 28 | | | | | | | | 5 | 71 | 2.6 |
| | 2543 | | | | 145 | | | | 78 | | | | 169 | 2766 | 100.00 |

MINUS - CROSS INDUSTRIES →

223-0

BRUCE/ROSS

THIS IS WHAT IS IN THE FIELD TODAY.

MINUS ANY people from the INDUSTRY PSC'S who ARE RAINMAKERS AND ARE doing MARKETING! CALL AT Mike P's office if you have questions.
(DTN 474-5135)

Bob R.

[redacted]

BRUCE/

3/1/94

# INDUSTRY SEGMENT MANAGERS

## U.S.

| | | | Segment Mgr + Reports |
|---|---|---|---|
| AEROSPACE | - | DIANE ALBANO @OFO | 10 |
| AUTOMOTIVE & GENERAL DISCRETE | - | JIM ALBERTY @OHF | 2 |
| BANKING | - | JOHN HASKARD @NYO — | 4 |
| CHEMICAL | - | MIKE PRUSHA @ACI — | 1 |
| COMMUNICATIONS | - | SCOTT KANE @COP — | 2 |
| CONSUMER PACKAGE GOODS | - | LARRY GREENE @MRO — | 6 |
| DEFENSE | - | TONY MORRIS @DCO — | 20 + |
| EDUCATION | - | MARY LOU OLSZEWSKI @COP — | 6 |
| ELECTRONICS | - | GENE VALEZ @WRO ✓ | ? |
| FOREST, METALS, MINING, & GLASS | - | JIM SUMMERS @ALF — | 6 |
| HEALTH CARE | - | WAYNE SALPIETRO @MRO | 2 |
| INSURANCE | - | JACK THOMPSON @RCH | 1 |
| MEDIA | - | JUDY GOODWIN @NYO — | 2 |
| OIL & GAS | - | BOB AGHAMALIAN @FOO — | 2 |
| PUBLIC ADMINISTRATION | - | BOB TROCCHI @MRO — | 16 |
| PHARMACEUTICALS | - | GERRY MCANDREW @PHH — | 3 |
| PIMS | - | MIKE DEPASQUALE @NYO | 6 |
| RETAIL/WHOLESALE | - | FRANCIS ARNONE @MRO | 3 |
| TRAVEL & TRANSPORTATION | - | JOE HOWARD @DLO | 2 |
| UTILITIES | - | JOANN THOMPSON | 2 |
| | | | 96 |

## LACT

Segment Managers plus U.S. Marketing people

| | | |
|---|---|---|
| COMMUNICATIONS | - | DAVE PADILLA @LAC |
| BANKING | - | OPEN |
| OIL & GAS | - | JOAO CARVALHO @LAC |
| | - | PAUL KARSHIS @MRO (PAID BY O&G CORP., HEADCOUNT IN LACT) |
| HEALTH | - | FRANCOIS SAUER @LAC (EXP. & HEADCOUNT IN CORP.) |

IMPORTANT

This includes "Ø" INDUSTRY PSC people FROM the 435 #.

THIS IS MINUS ELECTRONICS!

Rob

3/1/94

# INDUSTRY SEGMENT MANAGERS

## CANADA

| | | | | | |
|---|---|---|---|---|---|
| FEDERAL AND PROVINCIAL GOVT. | - | SEGMENT MANAGERS | | | |
| TELECOMMUNICATION | - | BEING FINALIZED AS OF THIS DATE | | | |
| UTILITIES | - | " | " | " | " |
| MANUFACTURING (AGD, AERO, ELECT, CHEM, CPT) | - | " | " | " | " |
| OIL & GAS | - | " | " | " | " |
| FINANCIAL SERVICES | - | " | " | " | " |
| EDUCATION | - | " | " | " | " |
| HEALTH AND PHARMACEUTICALS | - | " | " | " | " |
| RETAIL/WHOLESALE | - | " | " | " | " |
| CROSS-INDUSTRY | - | " | " | " | " |

# INDUSTRY CENTERS

## PRE-SALE ACTIVITIES:

- BID/WIN
- DEMONSTRATIONS
- RAINMAKERS
- PROPOSAL GENERATION SUPPORT
- CUSTOMER CALLS

## MARKETING ACTIVITIES:

- SOLUTION SELLING
- CUSTOMER BRIEFINGS
- INDUSTRY SHOWS

# SEGMENT CENTERS

**INDUSTRY AND TECHINCAL EXPERTS**

**RESPOND SUPPORT**

**PRE-SALE**

**CUSTOMER BRIEFINGS**

**INDUSTRY SHOWS**

**SOLUTION SELLING TEAMS**

No

**SOLUTION ARCHITECTS**

**DEMO STAFF**

**DIGITAL APPLICATION SUPPORT**

**CUSTOMER PROPOSAL CALLS**

Partners?
Training?

MTA GROUP DIRECTOR

# RECOMMENDED

# INDUSTRY MARKETING GROUPINGS

## 1. CONSUMER, PHARM. & PROCESS MANUFACTURING INDUSTRIES

- *CPG*
- *CHEMICAL*
- *PHARMACEUTICAL*
- *OIL & GAS*
- *FMMG* — ?
- *RETAIL/WHOLESALE*

## 2. DISCRETE MANUFACTURING & DEFENSE INDUSTRIES

- *AEROSPACE*
- *AUTO & GENERAL DISCRETE*
- *ELECTRONICS*
- *DEFENSE*

## 3. FINANCIAL SERVICES INDUSTRIES

- *BANKING*
- *INSURANCE (ALL)*

## 4. GENERAL SERVICES INDUSTRIES

- *EDUCATION*
- *STATE & LOCAL GOVT.* — ++Y only?
- *HEALTH CARE*
- *TRAVEL & TRANSPORTATION* — needed?
- *UTILITIES*
- *PIMS*

## 5. COMMUNICATION INDUSTRIES

- *MEDIA*
- *TELECOMMUNICATIONS* — corp only

## ~~6. CROSS INDUSTRIES~~

- *SUPPLY CHAIN* — MFG
- *FABS* — F.M.
- *~~GIS & ENVIRONMENT~~* — Kill it
- *CALL CENTER* + telecom

5 centers @ 9 telellers 30 people each.

Are we dropping anything?

PLAN A
WITH GROUP DIRECT.

# ROLES/RESPONSIBILITY

## INDUSTRY GROUP DIRECTOR

- INTERFACE TO CORPORATE
- INDUSTRY MESSAGE DEVELOPMENT – corp too
- MANAGES AND COORDINATES NEW MARKET OPPORTUNITY ACROSS GROUPS
- MANAGES/COORDINATES SEGMENT EVENTS
- RESOURCE ALLOCATION AND SHARING /BALANCING ??
- ADVISE BOB RUSSELL REGARDING INDUSTRY ISSUES
- SPOKEMAN FOR DIGITAL ON INDUSTRY ISSUES corp
- ATTAINMENT OF GROUP BUDGET OBJECTIVES market share
- DEVELOP GROUP BUSINESS PLAN ? share
- ARECHITECT STRATEGIE PLAN FOR GROUP ??
- INPUT INTO/REVIEW OF GLOBAL ACCOUNT PLAN FOR GROUP do it at area
- ROLL UP OF MARKET INTELLIGENCE INFORMATION TO CORPORATE corp who?
- ROLL UP OF CONNECT ISSUES TO REGION, DIRECTOR OF MARKETING, DCS/MCS ?? ??? USA??
- PARTNER RECRUITMENT AND MANAGEMENT WITH INPUT/ FROM SEGMENTS duplicate with Corporate
- LEVERAGE NEWLY ARCHITECTED SOLUTIONS ACROSS ALL SEGMENTS

?

PLAN IS WITH GROUP DIRECTOR

# ROLES/RESPONSIBILITY

## ISEGMENT DIRECTOR:

- MANAGE INDUSTRY CENTERS
- CUSTOMER CALLS/TECHINCAL SUPPORT
- STRATEGY SESSIONS
- ACCOUNT PLANNING Support
- MARKETING PROGRAM IMPLEMENTTION (CORP) ?
- MARKETING PROGRAM DEVELOPMENT (AREA)
- RESOURCES DEPLOYMENT TO MAXIMIZE OPPORTUNITIES tough
- PROVIDE RESOURCES,, WHERE NONE EXISTS, FOR --- AMERICAS OPPORTUNITIES ??
- DEVELOP SEGMENT TRAINING REQUIREMENTS ~ corp?
- TARGET MARKET/ACCOUNTS IDENTIFICATIONS AND SUPPORT PLAN TO INCLUDE SME AND OTHER CHANNELS
- ATTAINMENT OF SEGMENT FEEDBACK OBJECTIVES ??
- DEVELOPMENT OF SEGMENT BUSINESS PLAN Share only.
- MARKET INTELLIGENCE, FIELD FEEDBACK, COMPETITIVE MARKETING ACTIVITIES
- ------- INDUSTRY INFORMATION TO FIELD SALES
- INPUT TO GROUP DIRECTOR FOR CORRECT ISSUES TO REGION, DIRECTOR OF MARKETING, DCS/MCS US only
- ARECHITECT/INTEGRATE SOLUTIONS AND ROLL-OUT OF IMPLEMENTATION PLANS

# PLAN B - SEGMENT DIRECTORS REPORT DIRECTLY TO BOB RUSSELL

## CONSUMER INDUSTRIES CENTER

- o CPG
- * o RETAIL/WHOLESALE
- o TRAVEL & TRANSPORTATION
- o UTILITIES

## PROCESS INDUSTRIES CENTER

- o CHEM
- * o PHARM
- o OIL & GAS
- o FMMG

## DISCRETE MANUFACTURING AND DEFENSE INDUSTRIES CENTER

- * o AUTOMOTIVE/GENERAL DISCRETE
- o AEROSPACE/DEFENSE
- o ELECTRONICS

## FINANCIAL SERVICES INDUSTRIES CENTER

- * o BANKING
- o INSURANCE

## GENERAL SERVICES INDUSTRIES CENTER

- o EDUCATION
- o STATE & LOCAL
- * o HEALTH CARE
- o PIMS

## COMMUNICATIONS INDUSTRIES CENTER

- o MEDIA
- * o TELECOMMUNICATION

## CROSS INDUSTRY CENTER

- o SUPPLY CHAIN
- o FABS
- o GIS & ENVIRONMENT
- * o CALL CENTER +

* DENOTES SEGMENT RESPONSIBLE FOR PROVIDING MANAGEMENT OF SUPPORT ACTIVITIES FOR THAT CENTER'S INDUSTRIES

7 INDUSTRY CENTERS - ONE PER GROUPING

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# Corporate, Area, Territory Roles - Market Strategy

| Market Strategy | Corporate | Area | Territory |
|---|---|---|---|
| Industry Assessment Vision, Directions | Lead | Support/Input | |
| Strategic Marketing Plan Market Segmentation | Lead Worldwide | Lead Area Support W/W | Support Implement |
| Global Accounts | Approve | Budget – Programs only. | Plan + Expenses |
| New Market Opportunities | Identify/ Resource | Identify | Identify |
| Channels Strategy | Support | Lead | Lead |
| Business Practices/Policy ? | | | |
| Market Segment/Channel type map | Support Lead | Lead Support | Implement Implement |

Corp S/M

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# Corporate, Area, Territory Roles - Offering Creation

| Offering Creation | Corporate | Area | Territory |
|---|---|---|---|
| Product Requirements | Lead | Input | Input |
| Service Requirements | Lead | Input<br>Selectively<br>Lead | Input<br>Selectively<br>Lead |
| Partners<br>Applications | Strategic/W/W<br>Recruit/Manage | Pan-territory<br>Recruit/Manage | Local<br>Recruit/Manage |
| Integrated Solutions ?? DCS<br>Creation | Lead | Input<br>Selectively<br>Lead | Input<br>Selectively<br>Lead |
| Offering Roadmap ?<br>Vertical, Horizontal<br>Products, Services | Lead base<br>map | Input<br>plus lead<br>final map | Input<br>plus support<br>final map |

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# Corporate, Area, Territory Roles - Market Programs

| Market Programs | Corporate | Area | Territory |
|---|---|---|---|
| Industry Content | Lead Base ? | Input base<br>Lead Tailoring | Support<br>Localize |
| Industry Marketing Image Advertising | Lead | ~~Lead~~ none? | Support |
| Demand Creation Programs Communications, Events, Advertising | Lead Global Programs<br>Support | Lead | Lead |
| Industry Training | Content<br>Steady State Curriculum | Lead Events<br>Tailor Content | Support<br>Localize |

? Sales TNG does this

all by US Tng

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# Corporate, Area, Territory Roles - Tactical Connections

| Tactical Connections | Corporate | Area | Territory |
|---|---|---|---|
| Field Support<br>Executive Relationships,<br>Strategy Sessions,<br>Account Planning | Support<br>Global/Strategic | Support | Lead in support of Account Team |
| Revenue Planning by Industry ? needed? | advise | ~~Advise~~ plan | Lead |
| Resource Development | advise | Advise | Lead/Implement |

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# Americas Team Action Items

Bob Russell

*VP*

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# Action Items
# Channels -1

| | | |
|---|---|---|
| Propose roles and responsibilities for Channel, C&P, Storage Combination | Proposed by Dennis Albano | 3/4 |

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# Action Items
# Systems Business - 1

| | | |
|---|---|---|
| Complete Roles and Responsibilities for Systems Business | Bob Russell/ Design Team | 3/4 |
| Coordinate staffing to be cultural and geographical in mix | Bob Russell Karen Howard | 3/8 |
| Decide on Communications position on the Systems Business Team with Charlie Halloran and Russ Gullotti | Brian Coll | 3/4 |
| Define each position in Systems Business reporting to Russ Gullotti relative to: Roles and Responsibilities, Equivalent Corporate role, Equivalent Territory role | Bob Russell/ Team | 3/8 |

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# Action Items
# Systems Business - 2

| | | |
|---|---|---|
| Estimate total head count for Systems Business for Russ Gullotti organization | Bob Russell/ Team | 3/8 |
| Develop beginning and ending cost structure of each organization reporting to Russ Gullotti | Dave Spratt | 3/8 |
| Understand funding and reporting of Global Account Managers | Neil Griffin | 3/8 |
| Develop funding process for Americas | Dave Spratt | 3/8 |
| Develop Communications Plan for Systems Business | Brian Coll | 3/8 |

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# Action Items
# Systems Business - 3

| | | |
|---|---|---|
| Develop linkage with US Product Marketing for events calendar coordination and use of demo centers in conjunction with Bob Schmidt | Jack Thompson<br>Neil Griffin | 3/7 |
| Determine what support Acton HQ provides to LACT and Canada | Ray Wood | 3/1 |
| Develop procedure for "Easy Access" for Pan American resources | Neil Griffin | |

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# Action Items
# Issues -1

| | | |
|---|---|---|
| Address C&P best OEM price and its impact on Accounting efforts | Dave Spratt | ? |
| Develop process to handle currency fluctuation issues on revenue and pricing | Dave Spratt | ? |
| Resolve with Digital Consulting the International revenue recognition issue | Russ Gullotti | ASAP |
| Access what CBU resources have critical involvement in their territories | Peter Rhodes<br>Ignacio Prado<br>Roger Rose | 3/8 |

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# Action Items Americas -1

| | | |
|---|---|---|
| Define simple process for international travel approvals. | Bob Russell | |
| Determine where porting centers will report | Neil Griffin | |
| Insure financial systems will support Americas measurements | Dave Spratt | |
| Establish a plan for area and territory IM&T with Bob McNulty | Russ Gullotti | 3/8 |
| Establish reporting process to Americas from Territories | Dave Spratt | 3/8 |

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# Action Items
# Americas - 2

| | | |
|---|---|---|
| Establish operational model for working communications between Americas Team Systems Business Unit and MCS, DC, PCBU, and Mfg/Logistics | Bob Russell/ Team | 3/8 |
| Resolve non-coincident boundaries with DC, MCS and PC Management | Russ Gullotti | ASAP |
| Resolve naming conventions with DC, MCS, and PCBU Management | Russ Gullotti | ASAP |

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# Action Items Americas - 3

| | | |
|---|---|---|
| Resolve with Ed Lucente the Client Service Partner selling role | Russ Gullotti | ASAP |
| Insure that current customer commitments are met during transition | Peter Rhodes<br>Ignacio Prado<br>Roger Rose | |

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# Action Items
# Industry Marketing - 1

| | | |
|---|---|---|
| Develop process for selecting Segment Directors and make selections | Bob Russell | 3/8 |
| Develop beginning and ending cost structure | Neil Griffin<br>Jill King | 3/4 |
| Determine industry marketing connect to Regional Staff, LACT and Canada | Jack Thompson | 3/4 |
| Determine measurements for Segment Directors | Mike Prusha<br>Jack Thompson | 3/4 |
| Determine classification of Segment Directors | Bob Russell<br>Karen Howard | 3/8 |

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# Action Items
# Industry Marketing - 2

| | | |
|---|---|---|
| Determine DC relationship with Industry Marketing | Mike Prusha<br>Jim Aitken | 3/4 |
| Determine cross industry connection | Neil Griffin | 3/4 |
| Define Industry staffing requirements and process for selection | Jack Thompson<br>Neil Griffin<br>Linda Klein | 3/9 |
| Select Industry Sales Support staff using process developed above | Segment Directors<br>Linda Klein | ? |

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# Americas Team February 23 Meeting Updated

Bob Russell

*VP*

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# Americas Design Team

| | | |
|---|---|---|
| Bob Russell | Roger Rose | Peter Rhodes |
| Inagcio Prado | Ray Wood | Ed Deary |
| Ralph Lipizzi | Jim Sasena | Edmundo Martinez |
| Bruce McFadden | Bruce Ryan | Karen Howard |
| Dave Spratt | Dennis Albano | Kent St. Vrain |
| Brian Coll | Mike Prusha | Jack Thompson |
| Mike Mancuso | Paul McMahon | |

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# Americas Design Team

| | |
|---|---|
| Bob Russell | Americas |
| Roger Rose | US |
| Peter Rhodes | Canada |
| Inagcio Prado | LACT |
| Ray Wood | Acton Hq |
| Ed Deary | DCS |
| Ralph Lipizzi | MCS |
| Jim Sesena | PCSU |
| Edmundo Martinez | Mfg/Logistics |
| Bruce McFadden | Corp Prod Mkt |
| Bruce Ryan | Corp Ind Mkt |
| Karen Howard | HR/OD |
| Dave Spratt | Finance |
| Dennis Albano | C & P |
| Kent St. Vrain | Channels |
| Brian Coll | Communications |
| Mike Prusha | Industry Mktg |
| Jack Thompson | Americas |
| Mike Mancuso | Americas |
| Paul McMahon | Americas |

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# Agenda - Actual

| | | |
|---|---|---|
| 8:30-9:00 | Progress to Date | Russell |
| 9:00-10:00 | Channels, P&C, Storage<br>Functional Sharing<br>Discussion | Albano<br>Griffin<br>St. Vrain |
| 10:00-10:15 | Break | |
| 10:45-12:00 | Continue Channels... | Albano |
| 12:00-1:00 | Lunch | |
| 1:00-2:00 | Corporate Ind. Marketing | Dancy |
| 2:00-5:00 | Channels Breakout | |
| 2:00-4:00 | Outline Lucente Presentation | |

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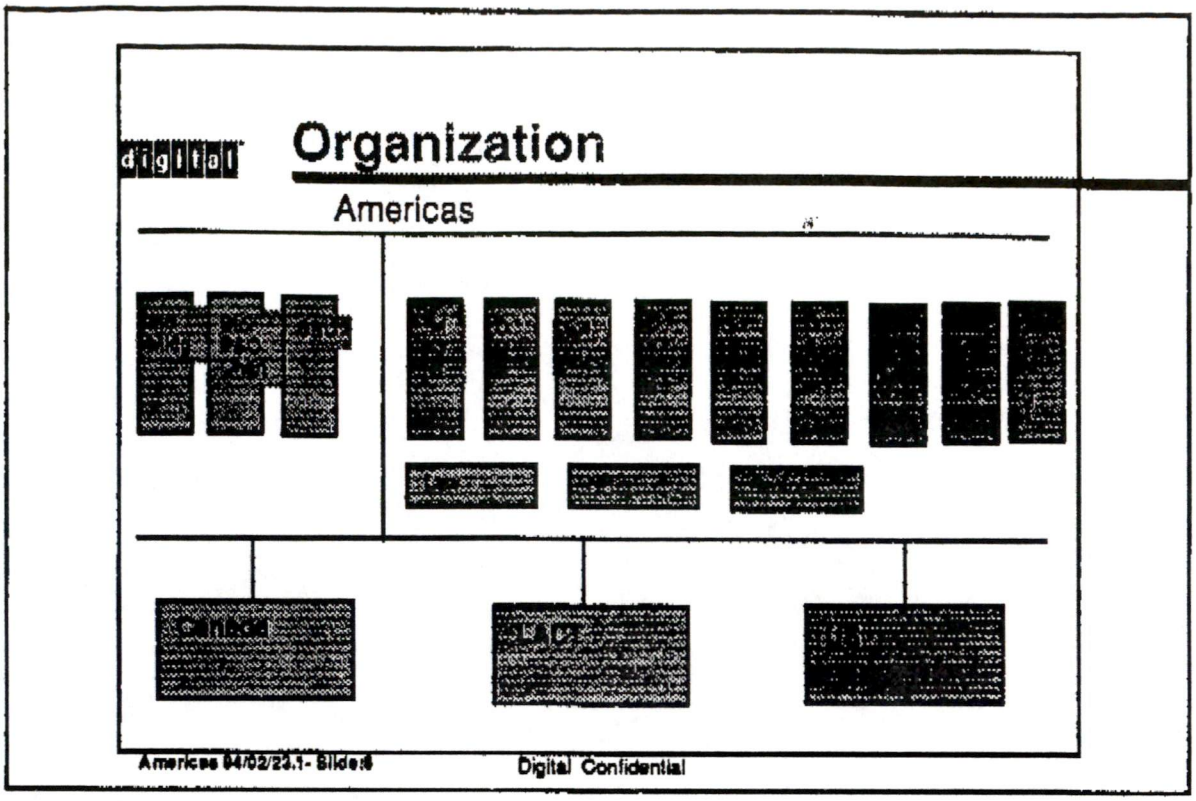
# Americas Success Factors

- Customer Satisfaction
- Employee Satisfaction
- System Business Unit Profit and Loss
- Role of Americas
- Concurrence
- Implementation




Industry Marketing, SBU, DC, MCS, PCBU, Logistics givens.

Opportunity for economies of scale from combining Storage, Components and Peripherals and Channels. Look at this from the point of view of stockholders.

Thompson will be involved in defining "Catcher" position with Roger ???

IM&T ???

digital

# Organization

## Americas

- Roles and Responsibilities
- Measurements
- Operational Models
- Communications
- Resource Sharing

- Industry Marketing
  - Segmentation
- Staff Funding

digital

# Decisions - Gullotti Memo

- Dave Spratt capture and submit LAC and Canada forecast as part of Americas.
- Q3 Gullotti will roll up US, Canada, LAC
- Territory managers will attempt to respond in a timely manner
- Territory (or LAC country) managers
- Measurements - revenue, SBU profits, customer sat, employee sat, sense of balance
- Will crisp up DC business relationship

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## Decisions - Continued

- Canada to identify employees who are available for sales, field positions
- Build Americas executive development program
- McNulty to be asked to review disparate Americas systems
- Gullotti memo to field covering what is happening (50,000 foot level)
  - Not disrupt business for rest of year
  - Still industry focused
  - Base upon strengths



Get people coming out onto selection process risk.

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## Decisions - Continued

- Does not want to see instant back fill in US of jobs going to Americas
- Best OEM pricing
- Industry Marketing announcement
- US Sales Training will roll out training for all Americas
- Territory managers need to access what corporate resources are needed, but be aware of impact of downsizing



Russell and Howard will see transition lists from CBUs.

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# Decisions - Continued

- Naming issue. (Zones, Clusters, Regions) Need consistent name across businesses.
- Russell concerned about disparate boundaries
- Creep on Rich Linting definition of Client Service partner
- International revenue issues

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## Channels, C&P, Storage

- C&P $26million last week
- Americas Volume Business
- Product elements
- High Sales Yields $4 mill per person
- Who is responsible for customer sat

Americas 94/02/23.1 - Slide:12 Digital Confidential

C&P growing business. Need for product segment focus in Americas. Opportunity to lower cost and share resources - distribution, component OEM, storage. Focus on business development - outward focus on customers. Collaborative effort - PC, DC, MCS, C&P, Storage in the Americas.

Who, what, when, where and why. "Americas Volume Business".

Reviewed proposal with several of the business managers.

Made up of Distribution and TOEM businesses. Products, component OEM, contract manufacturing, private label.

SCO (Semiconductor Operations), Network Components and Component OEM will become own business units.

Open products are growing. Distributors, retailers are interested. $4million yield per person in volume business. US sales only is about $8million.

Need to see the volume customer as one entity and present Digital as one entity.

Who is responsible for customer satisfaction for Dell? There are several people calling on the account - PC, Printers, Network, etc. Need a consistent model for selling.

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## Channels, C&P, Storage Continued

- Networks Product Channels Map
- Americas Volume Business Management
- Current Territory Model
- Proposed Americas Volume Business Organization

Americas 94/02/23.1- Slide:13 Digital Confidential

Need to have specialists who develop both the customer and the customers customer.

Americas Volume Business Management. Each of the corporate groups would deal with the AVBM organization. There would be a segment manager in AVBM supported by OEM, Product, Distribution 2Tier specialists.

Current Territory Model. Multiple connections.

What is the difference in the business model that allows the consolidation of the technical segments into AVBM versus going directly to the territories.

AVBM. Component OEM Business Manager with about 28 specialists. Supports customers over all of Americas. (This is a subpart of the proposed organization chart.)

Where to put the product specialists. One concern is that the proposed AVBM organization will have the same geographic problems that the current organization has. Essentially some of the 28 specialists noted above may have a manager who is continents away -- i.e. Brazil to Deerfield Beach.

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# Channels, C&P, Storage Continued

- Where to place the Volume Business
  - Account management
  - Where to do the work
  - respect the cultural sensitivities of the Americas (Don't put in in US)
  - Handle the 2Tier and Retail international issues.

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## Channels, C&P, Storage Continued - Canada, LAC

- Canada
  - Have an established channels organization in the OEM market
  - Would like to start into the distribution market - 2Tier and Retail.
- LAC
  - Much thinner organization
  - Not sure how to enter the distribution market



Canada would like to keep its established OEM operation because it works and is established. Canada has channels business managers in the field with channels specialists. They would like access to the late breaking and successful US distribution organization to develop 2Tier and Retail.

LAC has a territory channels manager although many are part time. Structure below it is much simpler than that pictured. There is not enough business to support the specialists at a country level. However, there is a need for investment in some areas to begin to develop the business. LAC has not figured how to enter the distribution market. PCBU is starting with Merisel and TechData. LACT does not see a need for an Americas level AVBM.

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# Channels, C&P, Storage Continued - 2Tier, Retail

- Much higher leverage on people
- Merchandise a program with a 2Tier Distributor or retailer



2Tier and retail is different. The customer has the spread where in the OEM market Digital has the spread.

2Tier and Retail is fast breaking.

Selling Comp-USA through a manufacturer's rep (for 2%). This person is the Account Manager.

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## Channels, C&P, Storage Continued - Mike Mancuso

- Corporate Channels Policy - goes from corporate to the territories
- There will be only 11 channels territory managers -responsible for everything sold into their territory

Americas 94/02/23.1- Slide17 Digital Confidential

Only 11 territory managers world-wide. If this will not work, then there is a need for the board to consider divisionalization. Currently the US has 14 channels managers all equal. If the company does divisionalize, then we tolerate the conflicts. If not divisionalize, then we look for the best fit.

There will be specialists for the various Business Units.

Approval process is to develop proposal, take to Gullotti. Gullotti should go to Tony ?? and they both take it to Ed Lucente. There is a need to coordinate with a number of other groups as well.

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# Corporate Industry Segments Task Force

- Industry Segment Analysis
- Industry Segment Role
- Organization Model
- Resource Distribution/Funding Model

Americas 94/02/23.1 - Slide:18 Digital Confidential

October Task Force - Eli Lipcon. Defined mission.
Roles and responsibilities
Work
Added Value

Market Segment Analysis. Attractiveness greater than or less than 10% Compound Annual Growth Rate versus Digital's Penetration (ranked as to leader, player or limited presence). Reviewed where Digital business comes from. 42% comes from the less attractive industries.

December (Christmas - New Years) Task Force
Reviewed October results, European results and Corporate results in the ranking of Industry Segments. Focus will vary between areas and territories.

Organizational Model
Developed Industry Groupings (See next slide)
Defined organizational model and defined work for each industry group. (See Dancy Overhead "Services Industries").

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## Corporate Industry Segments Continued

- Value Chain
- Industry Segment Role
- Resource Distribution
- Key Work Components
- Measurements



When you look at the value chain, the work on the left is corporate. The work on the right is territory. The work in the middle can be either or both. This is dependent upon the maturity in the industry.

Americas feels that area and territory are essentially the same.

Industry Segment Role
Evaluation of where the industry segments "Add Value" to the territories, product segments and Digital Consulting.

Resource Distribution
In the emerging segments, the majority of the resources will be in the headquarters. In the mature segments the resources will move to the field.

Key Work Components
Want to keep budgets at area. Areas or Corporate would review Global Account Plan.

Measurements
Market Share, Revenue, Programs and Training Quality, Partner Quality and Programs, Global Account Customer Satisfaction, Marketing Programs Effectiveness Survey.

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## Corporate Industry Segments Principles

- Don't need symmetry
- Technical directors provide product requirements to engineering
- Application partner relationship managers report to industry segments at Corporate or Area level
- "Sell to" people for partners will report to Territory sales organization.

Americas 94/02/23.1- Slide:20 Digital Confidential

Symmetry.
Each Area and Territory can have a different approach.

Technical Directors
Probably one per Area would provide product requirements.

Relationship Managers.
Move to Industry Segments. The "Sell To" people for the partners would be in the normal territory sales organization.

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# Corporate Industry Segments Industry Groupings

- Discrete
- Process
- Financial Services
- Public Administration
- Communications
- Consumer
- SME
- Cross Industry



SME Manager across all groupings - Industry manager to lead a cross Industry group SME. May use PIMS experience to bootstrap the SME organization. Each segment would have its own SME organization as well. The SME group would go away as the groups built their own strength.

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# Role of Industry Marketing

- Overall Vision / Directions
- Market Segmentation
- Solutions Roadmap
- Sources of Applications and Solutions
- Identify and Manage Relationships With Partners
- Input to Product Development

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## Role of Industry Marketing Continued

- Pan American Revenue Objectives by Segment
  - % Direct Business
  - % Indirect Business
  - SME Plan by Market / Territory
- Industry Specific Communications / Positioning
- Resource Development
  - Segment / Territory / Region / District / Branch
- Industry Education / Training
- Field Support

Americas 94/02/23.1 - Slide:23 Digital Confidential

Concern that Digital will not be able to report external sales - VARs, ISVs, etc. by Industry Segments and Groupings.

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# Outline of Lucente Presentation

- Why are we doing this
- What do we have now
- What are we proposing
- Show organization
- Explode each box showing:
  - staffing before and after,
  - roles and responsibilities,
  - work, measurements (local and corporate),
  - operational model,
  - communications plan
- Other issues

Americas 94/02/23.1 - Slide:24 Digital Confidential

Show why we are doing this. Discuss mission.

Use organization charts to show now versus proposed. use spreadsheets to show numbers before and after.

Organization charts have to make sense for Lucente. Numbers have to add up for Tony.

issues and Concerns - customer who has multiple people calling on them.

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# Corporate, Area, Territory Roles - Market Strategy

| Market Strategy | Corporate | Area | Territory |
|---|---|---|---|
| Industry Assessment/ -Vision, Directions | Lead | Support/ Input | Support/ Input |
| Strategic Marketing Plan/ Segmentation | Lead Worldwide | Lead Area Support W/W | Support-Market Implement |
| Global Accounts | Approve | Budget | Plan |
| New Market Opportunities | Identify/ Resource | Identify | Identify |
| Channels Sales Strategy | Support | Lead | Lead |
| -Business Practices/Policy | Support | Lead | Implement |
| -Market Segment/Channel Type map | Lead | Support | Implement |





Channels Strategy - Need to separate overall corporate strategy from the recruiting and developing of a specific VAR or partner.

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# Corporate, Area, Territory Roles - Offering Creation

| Offering Creation | Corporate | Area | Territory |
|---|---|---|---|
| Product Requirements | Lead | Input | Input |
| Service Requirements | Lead | Input/ Selectively Lead | Input/ Selectively Lead |
| Partners/ Applications | Strategic/W/W Recruit/Manage | Pan-territory Recruit/Manage | Local Recruit/Manage |
| Integrated Solutions Creation | Lead | Input/ Selectively Lead | Input/ Selectively Lead |
| Offering Roadmap- Vertical, Horizontal, Products, Services | Lead Base Map | Input Base plus Lead Final Map | Input Base plus Support Final Map |

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# Corporate, Area, Territory Roles - Market Programs

| Market Programs | Corporate | Area | Territory |
|---|---|---|---|
| Industry Content | Lead Base | Input Base/ Lead Tailoring | Support/ Localize |
| Industry Marketing Image- Advertising, Associations | Lead | Lead | Support |
| Demand Creation Programs- Communications, Events, Advertising | Lead Global Programs/ Support | Lead | Lead |
| Industry Training | Content/ Steady State Curriculum | Lead Events/ Tailor Content | Support/ Localize |



Demand creation - Tactical should be at territory level. Strategic should be at corporate.

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# Corporate, Area, Territory Roles - Tactical Connections

| Tactical Connections | Corporate | Area | Territory |
|---|---|---|---|
| Field Support Executive Relationships, Strategy Sessions, Account Planning | Support Global/Strategic | Support | Lead in support of Account Team |
| Revenue Planning by Industry | Advise | Advise | Lead |
| Resource Development | Advise | Advise | Lead/Implement |

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# Corporate, Area, Territory Roles - _____

| _____ | Corporate | Area | Territory |
|---|---|---|---|
| Total Employees | _____ | _____ | _____ |
| Where coming from | _____ | _____ | _____ |

Fill in recommended position. Identify relevant role in Corporate and Territory.

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# Channels, C&P, Storage Breakout Notes - Bus Mgnt

- Marketing
- Training
- Strategy
- Competitive Information
- Collateral Material
- Feedback to Engineering

- Done once at the Americas Level
- Measured on Americas Revenue and Market Share

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# Channels, C&P, Storage Breakout Notes -

- Storage
- Components (Cp) OEM
- Semiconductor Operations (SCO)
- Networking
- Terminals/Printers

- Sales Management - directly by business unit
- Business should be reviewed by account manager (where one exists)

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# Channels, C&P, Storage Breakout Notes

- TOEM Account managed through the territory with business management support at Americas and Corporate levels.

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# Channels, C&P, Storage Breakout Notes

- Networking Business Management at the Americas.
- Product Specialists direct to Network Business with relationship to Channels Districts

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# Channels, C&P, Storage Breakout Notes

- Storage and Terminals/Printers
- Business Management at the Americas
- Product Specialists are part of Product Units within the Districts
- Need to determine link to Product Marketing within the Director of Marketing responsibility in the US

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# Channels, C&P, Storage Breakout Notes

- 2Tier Distribution and Retail
- Business Management and Merchandising Management at the Americas
- Account Management done in the Regions (geographic organization)
- Need to have a discussion of the cost and impact of the PC Business' independent approach to channels



2Tier and Retail
PCBU will put their staff under the Area or Territory organizations Business Manager with Merchandising Managers under Area will manage Account Managers who will be in the territory and report to the geographic management.

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## Issues and Concerns 2/13

- Handling conflicts between internal and external markets
- Why have an Americas organization versus going direct to Territories.
- Coordination between direct and sell through
- LAC wants product specialists working with Local sales and country management
- Global Account Issues
- How do we show LAC and Canada that things are different

Americas 94/02/23.1 · Slide:48 Digital Confidential

Issue: how do you handle the situation where we cannot ship Alphas because our disk drive output is committed to Dell (because it is the best disk in the market).

What is the difference in the business model that allows the consolidation of the technical segments into AVBM versus going directly to the territories.

How do you coordinate the direct business where a Dell buys systems equipment for its internal business with the OEM type of business where it is buying to sell to its customers.

LAC is concerned that product specialists be in contact with an coordinate with local account management and with country management.

Global Account Issues.
Who approves Global Account Plan. Who holds the Global Account Budget (Revenue and Expense).

DIGITAL CONFIDENTIAL Document

# INTEROFFICE MEMORANDUM

Doc. No: 034245
Date: 18-Feb-1994 02:03pm EST
From: BOB RUSSELL @SCO
RUSSELL.ROBERT
Dept: FNCL. PROF. & PUBLIC SERVICES
Tel No: DTN 295-6511

TO: See Below

Subject: ACTION ITEMS********PRELIMINARY***

**********PRELIMINARY DOCUMENT**********

Karen,

Attached are action items broken down by organization, industry marketing, internal, other business units and miscellaneous categories. Some of the action items need to have persons assigned and completion dates scheduled.

Regard,
Bob

a - for cc of this to Karen, Bob Russell

Return

Have Priscilla give copy to Neil Griffin in early am.

## ORGANIZATION

| ACTION ITEM | PERSON RESPONSIBLE | DATE TO BE COMPLETED | COMPLETED |
|---|---|---|---|
| Define roles & responsibilities of Channel, P&C, Storage Combination | Dennis Albano | 2-23 | |
| Complete Americas Operational Model — what is this? | Bob Russell | 2-25 — ?? | |
| Complete Roles & Responsibilities for Americas — I'll help with this | ? | 2-24 — ? | |
| Define Role of Territory/Country Manager | Russ Gullotti | ASAP | Done-per Lucente |
| Coordinate staffing to be cultural and geographical mix | Bob Russell | 3-8 — ideas? | |
| Decide on Communications position on the Americas Team with Charlie Holloran | Russ Gullotti<br>Brian Coll | ASAP | |
| Receive agreement from Cabrinety of combining Channels and C&P | Dennis Albano | ASAP — not needed - part of #1? | |
| Define each position reporting to Russ Gullotti except for MCS,DC, and Mfg/Logistics in the following manner:<br>Roles and Responsibilities<br>Equivalent Corporate role<br>Equivalent Territory role | Bob Russell<br>proposed yet? alberto shane karen spratt russell | 3-8<br>albano?? | |
| Calculate total number of employees reporting to Russ Gullotti | Bob Russell — part of Rep. people reporting to me! | 3-8 | |
| Develop beginning & ending cost structure of each organization reporting to Russ Gullotti except for MCS,DC, and Mfg/Logistics | Dave Spratt | 3-1 — can't do this if can do this on 2/1! | |
| Define Latin America driver position — ?? | Alberto Costales' | Done — not done - proposed | |
| Determine what work action ideas for LACT | Ray Wood | | |
| How is Joe Nadler's Pan American pricing incorporated — it isn't | | 3-1 | |

# INDUSTRY MARKETING

| ACTION ITEM | PERSON RESPONSIBLE | DATE TO BE COMPLETED | COMPLETED |
|---|---|---|---|
| Complete Data Collection of Industry Marketing Segment | Mike Prusha | 2-23 — ? | |
| Define Industry Segmentation | Mike Prusha | 3-1 — how w/o corp role done? | |
| Define & Coordinate Training Needs with Elizabeth Strong | Jeanne Roy | 3-1 — not needed — operational task not rocking. | |
| Define role of Corporate industry Marketing | Bruce Ryan | ASAP — a show stopper. make assumptions? | |
| Determine how many Corporate Marketing Segments & their organization — are tied together | Bruce Ryan | ASAP | |
| Calculate total of people involved — decide! not calculate. | Mike Prusha | 3-1 Big job! | |
| Define responsibilities of each position | Mike Prusah | 3-1 | |
| Nominate segment leaders | Open | 3-1 — crucial to get going. | |
| Develop beginning and ending cost structure | Dave Spratt — does he know yet? | | |
| Develop partner relationship strategy | Neil Griffin — not his job but needed to decide staffing. | | |
| Define industry solution center — we need segment leaders. | Mike Prusha | | |
| Define which ones are corporate and Americas and the relationship between them | ~~Bruce Ryan~~ redundant | | |
| Handle the transfer of Industry Sales Support to Industry Marketing — both? | Bill Horzempa — fine. | | |
| Develop job description for Industry Mfg representation on regional V.P. teams | Neil Griffin } ~~no~~ industry rules on Regional teams. why?? | | |
| Create SME plan | Mike Prusha — why — need ind segmentation only. | | |
| Determine what the measurements are for segment managers | Mike Prusha | | |

decide corporate
Decide segments
Decide mgrs
create model
create staffing

scattered all over the place. put industry teams together S/B drive by ind. segment leaders

## INDUSTRY MARKETING

| ACTION ITEM | PERSON RESPONSIBLE | DATE TO BE COMPLETE | COMPLETED |
|---|---|---|---|
| Determine DC delivery solution relationship with Industry marketing solutions | Max Mayer | Now | |
| Determine where cross industry solutions group fits in | Mike Prusha | | |
| Determine current status & future ideas of industry marketing in Canada = None | Peter Rhodes | | |
| Determine current status & future ideas of industry in LACT None | Ignacio Prado | | |

Who the heck is he? He has all the tough ones! There is a Bruce Ryan role. But there is little or no X ind. involved?

**INTERNAL**

| ACTION ITEM | PERSON RESPONSIBLE | DATE TO BE COMPLETED | COMPLETED |
|---|---|---|---|
| Develop funding process | | | |
| Establish a plan for area and territory IMT with Bob McNulty — None | Russ Gullotti | ASAP | I'll call him |
| Address C&P best OEM price and its impact on Accounting efforts | Dave Spratt — need a financial structure in place | | |
| Define Americas Success Factors | Bob Russell | 2-23 | huh ?? |
| Develop Communications Plan | Brian Coll | 2-23 | |
| Define required IM&T, HR, Legal, & Financial Support — redundant | | | |
| Develop business issues knowledge of working in Canada & LACT | Peter Rhodes<br>Ignacio Prado — huh? | | |
| Solve Currency/Pricing Issues ? | Dave Spratt — too vague | | |
| Define Reporting requirements to Americas from Territories | Dave Spratt | | |
| Understand current status of Core Business — ? | Bob Russell | 2-9 | |
| Complete summary presentation of Feb. 9-10 meeting for Russ Gullotti | Team | 2-10 | |
| Create list of business investments — Not Now | | | |
| Develop linkage with US Product Marketing (Bob Schmitt) | | 2-15 | |
| Develop linkage with Canada Product Marketing — why? | Peter Rhodes | | |
| Develop linkage with LACT Product Marketing | Ignacio Prado | | |
| Define Details of linkage with Product Marketing | Dan Harrington | | |

## MISCELLANEOUS

| ACTION ITEM | PERSON RESPONSIBLE | DATE TO BE COMPLETED | COMPLETED |
|---|---|---|---|
| Develop Project Control Book | Jack Thompson | 2-18 | |
| Develop the Liaison with Europe and APA | Bob Russell | | |
| Solve the Global Accounts Reporting – corporate problem. | | | |
| Provide candidate employees from CBU downsizing for territory openings to Bob Schmitt (US) and territory managers | Bob Russell | | |
| Access what CBU resources have critical involvement in their territories | Territory V.P.'s | | |
| Obtain NAFTA Data – why? | Neil Griffin | 2-16 | |
| Understand legal implications of doing business in Canada & LACT why? | | | |
| Determine ROTCOM responsibility why? | Joe Nadler | | |

## OTHER BUSINESS UNITS

| ACTION ITEM | PERSON RESPONSIBLE | DATE TO BE COMPLETED | COMPLETED |
|---|---|---|---|
| Define Interfaces to Businesses reporting to the Americas other than Systems Business ? | Bob Russell | 2-23 | |
| Define role of Digital Consulting only? in Americas | Max Mayer | | |
| Resolve not coincident boundaries with DC,MCS, & PC management | Russ Gullotti | ASAP ✓ | |
| Resolve name conventions with DC, MCS, & PCBU management | Russ Gullotti | ASAP ✓ | |
| Resolve with Ed Lucente the Client Server Partner selling role | Russ Gullotti | ASAP ?? | |
| Resolve with Digital Consulting the International revenue recognition issue | Russ Gullotti | ASAP ✓ | |

not needed before 3/8

**INTERNAL**

| ACTION ITEM | PERSON RESPONSIBLE | DATE TO BE COMPLETED | COMPLETED |
|---|---|---|---|
| Understand current status of MCS, DC, PCBU & Mfg/Logistics in relations to the Americas | Team | 2-9 | |
| Perform resource sharing workshop ? | Team | 2-10 | |
| Perform role of Americas workshop ? | Team | 2-10 | |
| Perform role of Channels in Americas workshop ? | Neil Griffin | 2-10 | |
| Understand current status of Acton HQ ? | Team | | |

This is by deduction.

latest version

# U. S. Territory / Organization Review

## Senior Management Committee

Scott Roeth
February, 8, 1994

# U.S. Territory / Organization Review

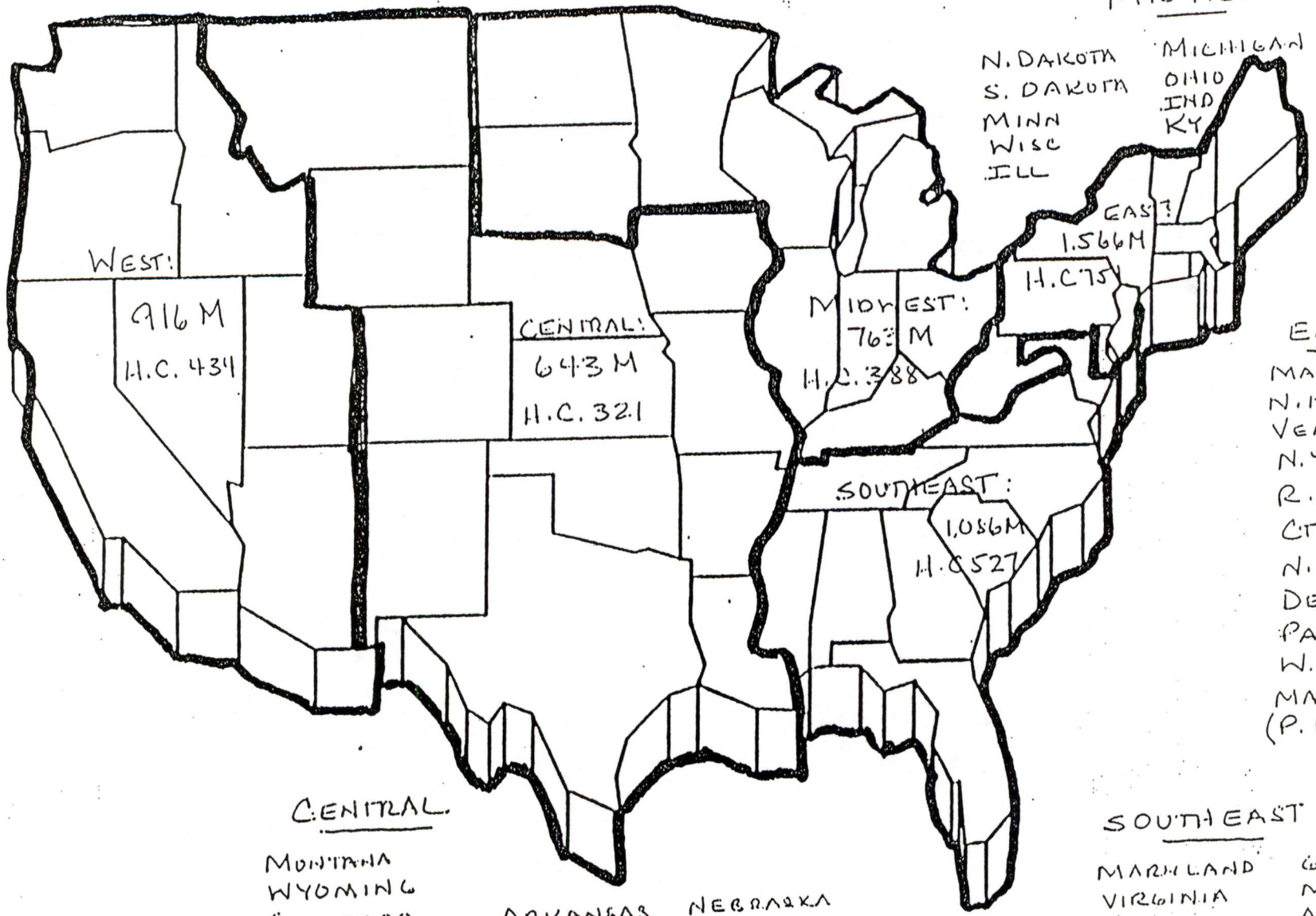
- Objectives
- Structure
- VP & Regional Managers / Directors of Marketing
- Roll out plan

# U.S. Territory / Organization Objectives

- Move to a geographic model
- Maintain / enhance industry strategies
- Expand product specialization
- Embrace sales support
- Focus on SME
- Expand channels utilization

# US GEOGRAPHIC ORGANIZATION

FY 93 NOR
FY 94 H.C.




MIDWEST

N. DAKOTA
S. DAKOTA
MINN
WISC
ILL
MICHIGAN
OHIO
IND
KY

EAST

MAINE
N.H.
VERMONT
N.Y.
R.I.
CT.
N.J
DELAWARE
PA.
W. VIRGINIA
MASS
(P.R.)

WEST

ALASKA
HAWAII
CAL.
OREG
WA.
IDAHO
NEVADA
UTAH
ARIZONA

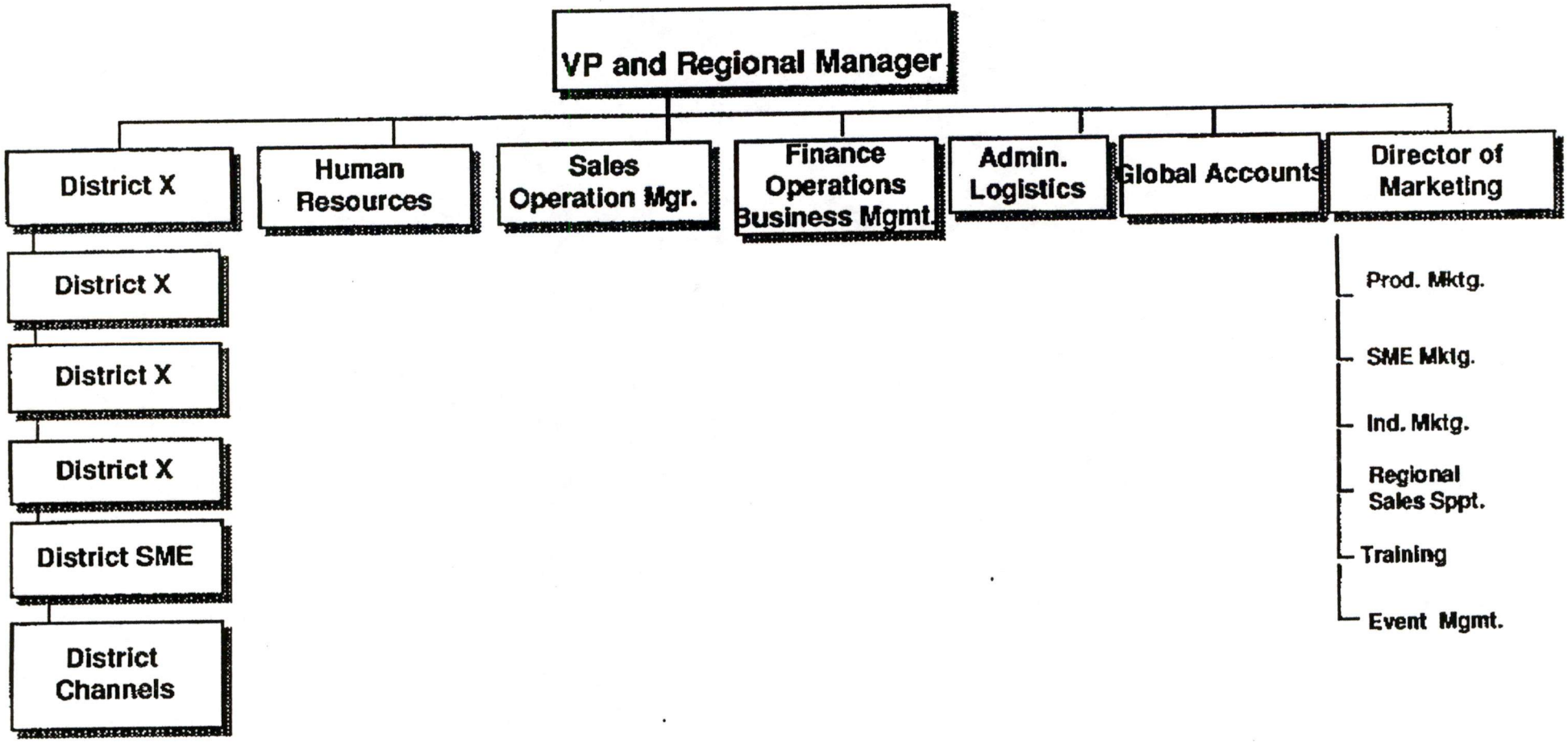
CENTRAL

MONTANA
WYOMING
COLORADO
NEW MEXICO
TEXAS
ARKANSAS
LOUISIANA
MISSOURI
NEBRASKA
KANSAS

SOUTHEAST

MARYLAND
VIRGINIA
D.C.
N. CAROLINA
GEORGIA
MISS.
ALABAMA
FLORIDA
TENN.

# U.S. TERRITORY / REGIONAL ORGANIZATION



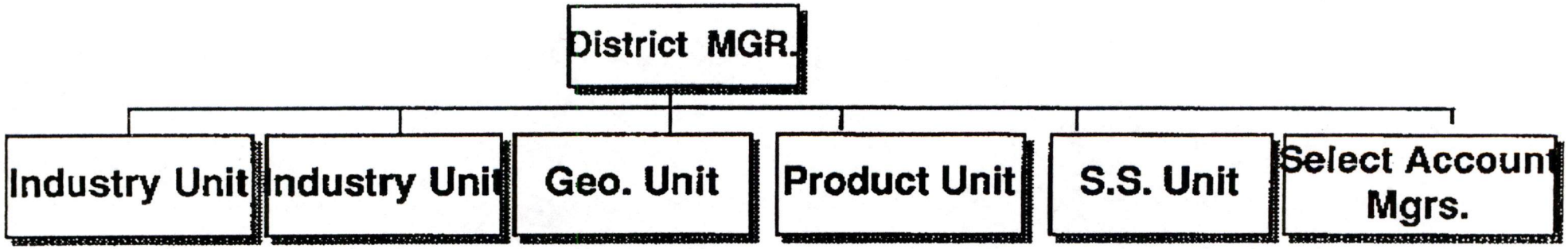
# Midwest Vice President and Regional Manager

| District | Chicago | Minneapolis | Detroit | Cleveland | SME | Channels |
|---|---|---|---|---|---|---|
| Orientation | Geographic | Geographic | Geography | Geographic | Geographic | Geographic |
| Industries | All | All | All | All | All | Var,ISV, Dist<br>Toem, Etc. |
| Geography | Illinois<br>NW Indiana | Minnesota<br>Wisconsin | Michigan | Ohio,Kentucky<br>Indiana nt NW | Midwest | Midwest |
| Fiscal$Nor | $95M | $58M | $70M | $80M | $150M | $260 |
| #Employees | 70 | 45 | 50 | 60 | 50 | 47 |
| #Units | 9-11 | 6-7 | 8-9 | 8-9 | 5 | 4 |
| Unit | 3 Mfg<br>1 Fin<br>2 CEM/Slem<br>1 Geo<br>1 to 2 Product<br>1 to 2 Sls Sppt | 2 Mfg(Mlwk)<br>1 Mfg(Mpls)<br>1 Geo other Mpls)<br>1 to 2 Product<br>1 to 2 Sls Sppt | 4 Mfg<br>1 Geo<br>1 FPP<br>1 to 2 Product<br>1 Sls Sppt | 2 CPT<br>3 DMD<br>1 Geo<br>1 to 2 Product<br>1 Sls Sppt | 1 Mpls/Mlwk<br>1 Chicago<br>1 Detroit<br>1 Cleveland<br>1 Cinn | 1 Detroit<br>1 Chicago<br>1 Dayton<br>1Chicago(dist) |

Option 2 SME Options:

a. SME District will cause fewer and/or geographic districts
b. SME Branches with geographic districts

# U.S. TERRITORY / DISTRICT ORGANIZATION



# U.S. Territory / Regions

| Region | VP & Regional Manager | Director of Marketing |
| --- | --- | --- |
| Northeast/NYC | | |
| Southeast/Washington D.C. | | |
| Midwest/Chicago | | |
| Central/Dallas | | |
| West/Santa Clara | | |
| Government Programs Office | | |

# 4 Implementation Timing Options

- Option 1
  - Announce VP's and Marketing Directors now
  - Announce and implement new District Managers by 3/01/94
  - Announce and Implement new Unit alignment to new Districts by 4/01/9
- Option 2
  - Announce VP's and Marketing Directors now
  - Announce District Managers now, but they continue in current assignment until 6/30/94
- Option 3
  - Announce and implement new VP and new District structure by 4/01/94
  - Continue Branch Managers in current assignments until 6/30/94
- Option 4
  - Announce VP's and Marketing Directors now
  - Make no other changes or announcements until 7/01/94

# Benefits of Implementation Option 2

- Least disruptive to business results and morale
  - Does not change incentive compensation for Sales Managers
  - Retains District Manager added value for remainder of FY94 plan
  - Maintains Sales Specialist, L1, L2 and customer relationships
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- Any change will cause a certain amount of disruption and speculation.
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# Chronology of Events
# Option 2

- 2/15/94 DVN

  Announce 5 Regions
  Announce top 10 positions
  Announce top 10 selected managers
  Describe work in process
  Make full disclosure of plan

- 3/15/94 DVN

  Announce District structure
  Announce District managers
  Update on progress implementing plan
  e.g. Sales Support
  Directors of Marketing
  SME
  Product Specialists

- 7/01/94 Implement structure

# Why Restructure?

Current organization and structure is perceived to be a major factor impacting our poor performance, specifically:

- Current organization and structure contain too much remote management and remote coverage
- Solution teaming is difficult with no common integration point. All potential team members work for different Level 2/3 managers. Little incentive to bring others into an opportunity.
- Resources are sub optimized
- Loss of community identity
- Field Morale

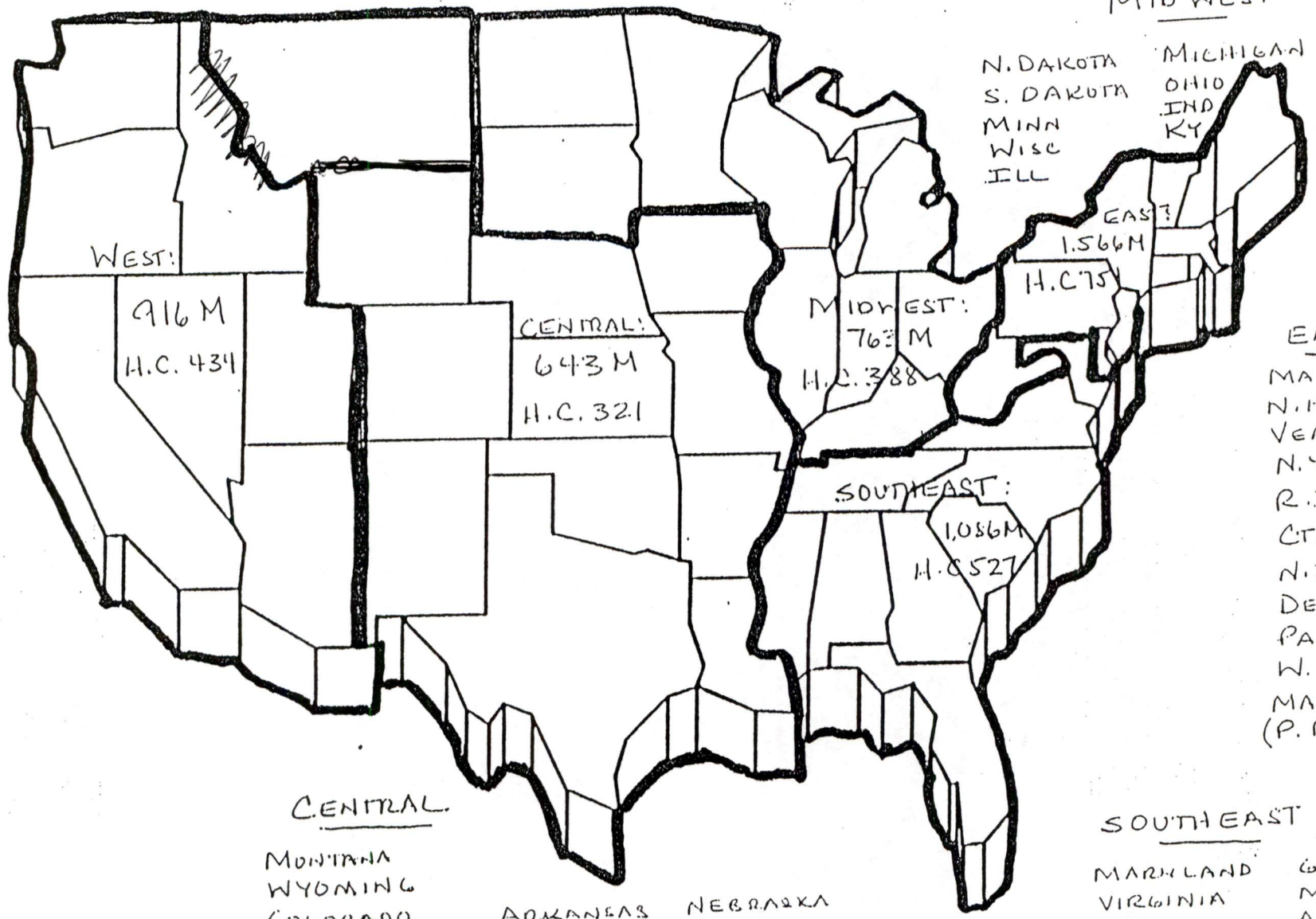
# What This Change is Not

- The end of industry focus
- A transition/downsizing exercise
- The end of sales specialization
- A move away from segmented selling models
- 5 different regional implementations

# US GEOGRAPHIC ORGANIZATION

FY 93 NOR

FY 94 H.C.




MID WEST

N. DAKOTA
S. DAKOTA
MINN
WISC
ILL
MICHIGAN
OHIO
IND
KY

EAST

MAINE
N.H.
VERMONT
N.Y.
R.I.
CT.
N.J
DELAWARE
PA.
W. VIRGINIA
MASS
(P.R.)

WEST

ALASKA
HAWAII
CAL.
OREG
WA.
IDAHO
NEVADA
UTAH
ARIZONA

CENTRAL

MONTANA
WYOMING
COLORADO
NEW MEXICO
TEXAS
ARKANSAS
LOUISIANA
MISSOURI
NEBRASKA
KANSAS

SOUTHEAST

MARYLAND
VIRGINIA
D.C.
N. CAROLINA
GEORGIA
MISS.
ALABAMA
FLORIDA
TENN.

# 5 Regions in Improved Structure

| Region | VP & Regional Manager | Director of Marketing |
| --- | --- | --- |
| Central | | |
| Midwest | | |
| Northeast | | |
| Southeast | | |
| West | | |

# Steps & Assumptions to Follow to Create "new" Region Structure

- First — Create Industry, Channels, SME, Districts where critical mass (people, revenue, geography) allows
  Ex: Finance in New York City

- Second — Create Industry,Channels, SME, Product Speciality Branches within 2 hour Branch to Sales Specialist drive time
  Ex: Retail in Manhatten

- Third — Create Multi-Industry Districts in mid to large boundary Districts
  Ex: Mfg (Process & Discrete) in larger geographic District

- Fourth — Create geographic Districts where no industry critical mass within reasonable boundary

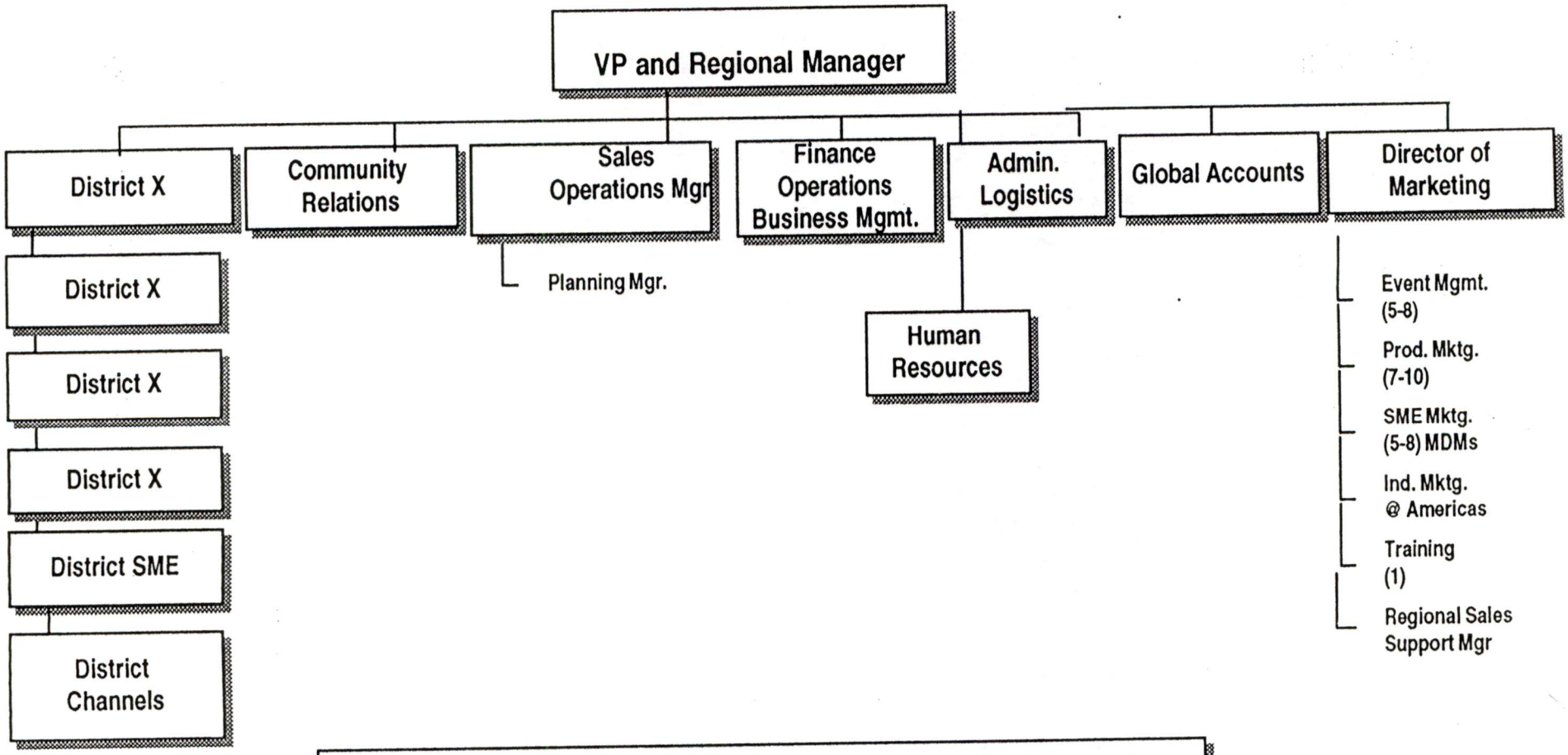
- Fifth — Sanity check questions
  - Revenue and Headcount Size for District
  - Loaded yield
  - Span minimum 8+, exception by VP review

# Midwest Vice President and Regional Manager

| District | Chicago | Minneapolis | Detroit | Cleveland | SME | Channels |
|---|---|---|---|---|---|---|
| Orientation | Geographic | Geographic | Geography | Geographic | Geographic | Geographic |
| Industries | All | All | All | All | All | Var,ISV, Dist<br>Toem, Etc. |
| Geography | Illinois<br>NW Indiana | Minnesota<br>Wisconsin | Michigan | Ohio,Kentucky<br>Indiana nt NW | Midwest | Midwest |
| Fiscal$Nor | $95M | $58M | $70M | $80M | $150M | $260 |
| #Employees | 70 | 45 | 50 | 60 | 50 | 47 |
| #Units | 9-11 | 6-7 | 8-9 | 8-9 | 5 | 4 |
| Unit | 3 Mfg<br>1 Fin<br>2 CEM/Slem<br>1 Geo<br>1 to 2 Product<br>1 to 2 Sls Sppt | 2 Mfg(Mlwk)<br>1 Mfg(Mpls)<br>1 Geo other Mpls)<br>1 to 2 Product<br>1 to 2 Sls Sppt | 4 Mfg<br>1 Geo<br>1 FPP<br>1 to 2 Product<br>1 Sls Sppt | 2 CPT<br>3 DMD<br>1 Geo<br>1 to 2 Product<br>1 Sls Sppt | 1 Mpls/Mlwk<br>1 Chicago<br>1 Detroit<br>1 Cleveland<br>1 Cinn | 1 Detroit<br>1 Chicago<br>1 Dayton<br>1Chicago(dist) |

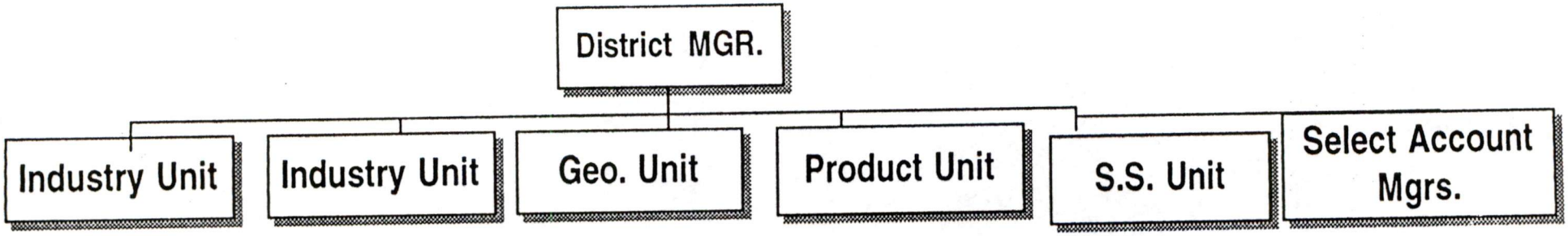
Option 2 SME Options:

a. SME District will cause fewer and/or geographic districts
b. SME Branches with geographic districts




Account Support will be defined by a proposal from the Director of Marketing, including proposal center, literature, and customer desk.

LSSN - Nealon needs to define, as part of regional or U.S. support to all regions.


District MGR.
Industry Unit
Industry Unit
Geo. Unit
Product Unit
S.S. Unit
Select Account Mgrs.

# 4 Implementation Timing Options

- Option 1
  - Announce VP's and Marketing Directors now
  - Announce and implement new District Managers by 3/01/94
  - Announce and Implement new Unit alignment to new Districts by 4/01/9
- Option 2
  - Announce VP's and Marketing Directors now
  - Announce District Managers now, but they continue in current assignment until 6/30/94
- Option 3
  - Announce and implement new VP and new District structure by 4/01/94
  - Continue Branch Managers in current assignments until 6/30/94
- Option 4
  - Announce VP's and Marketing Directors now
  - Make no other changes or announcements until 7/01/94

## Benefits of Implementation Option 2

- Least disruptive to business results and morale
  - Does not change incentive compensation for Sales Managers
  - Retains District Manager added value for remainder of FY94 plan
  - Maintains Sales Specialist, L1, L2 and customer relationships
  - Protects Q3 and Q4 revenue stream
- Least disruptive to business controls
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  Announce top 10 positions
  Announce top 10 selected managers
  Describe work in process
  Make full disclosure of plan

- 4/01/94 DVN

  Announce District structure
  Announce District managers
  Update on progress implementing plan
  e.g. Sales Support
  Marketing
  SME
  Product Specialists

- 7/01/94 Implement structure to Sales Specialist level

# What Can We Do Now?

- Name 5 VP's and 5 Regional Marketing Managers
- Name District Positions and locations
- Name District Managers but retain current job
- Define all SME Districts
  - Source as quickly as possible
  - Name
- Announce Regional Sales Support Managers reporting to Directors of Marketing
- Align all Product Specialists with new District Managers
- Conduct Certs Contest
- Share the good news about the upcoming structural improvements

# AMERICAS AREA

## PRELIMINARY PROJECT PLAN

## GIVENS

- Minimize disruption to customer, revenue and employees.
- There will be 3 territories: US, Canada, LACT.
- Scott Roeth, Ron Larkin, Luis Zuniga run the territories.
- Acton HQ continues operational support for LACT and Canada until plan implemented. (through Q3)

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## DESIGN PRINCIPLES

- Operational excellence.
- Manages Pan American tasks.
- Leave local what is best done locally for customers, employees, etc.
- Not a filter to territories.
- Not managing Sales/Mktg tactics.
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- Some shared functional roles with territories.
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- Americas Design Team

  Leader: Bob Russell

  Members:
  U.S. - Roger Rose
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  Channels -
  Communications -

- Territory Design work integrated with Americas Area work.

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## DUE DATE

- Americas Area template NLT 3/8/94.
- Implement ASAP.
- Territory templates NLT 3/8/94.
  - Implementation dates TBD.

# AMERICAS AREA

## PRELIMINARY PROJECT PLAN

## TASKS

- Design Americas Area strategic and operational model.
- Revise US, Canadian, LACT, models to fit agreed-upon Americas Area model. (as necessary)

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## DECISIONS TO MAKE

- What work is done at Corporate, Pan Americas and Territories??
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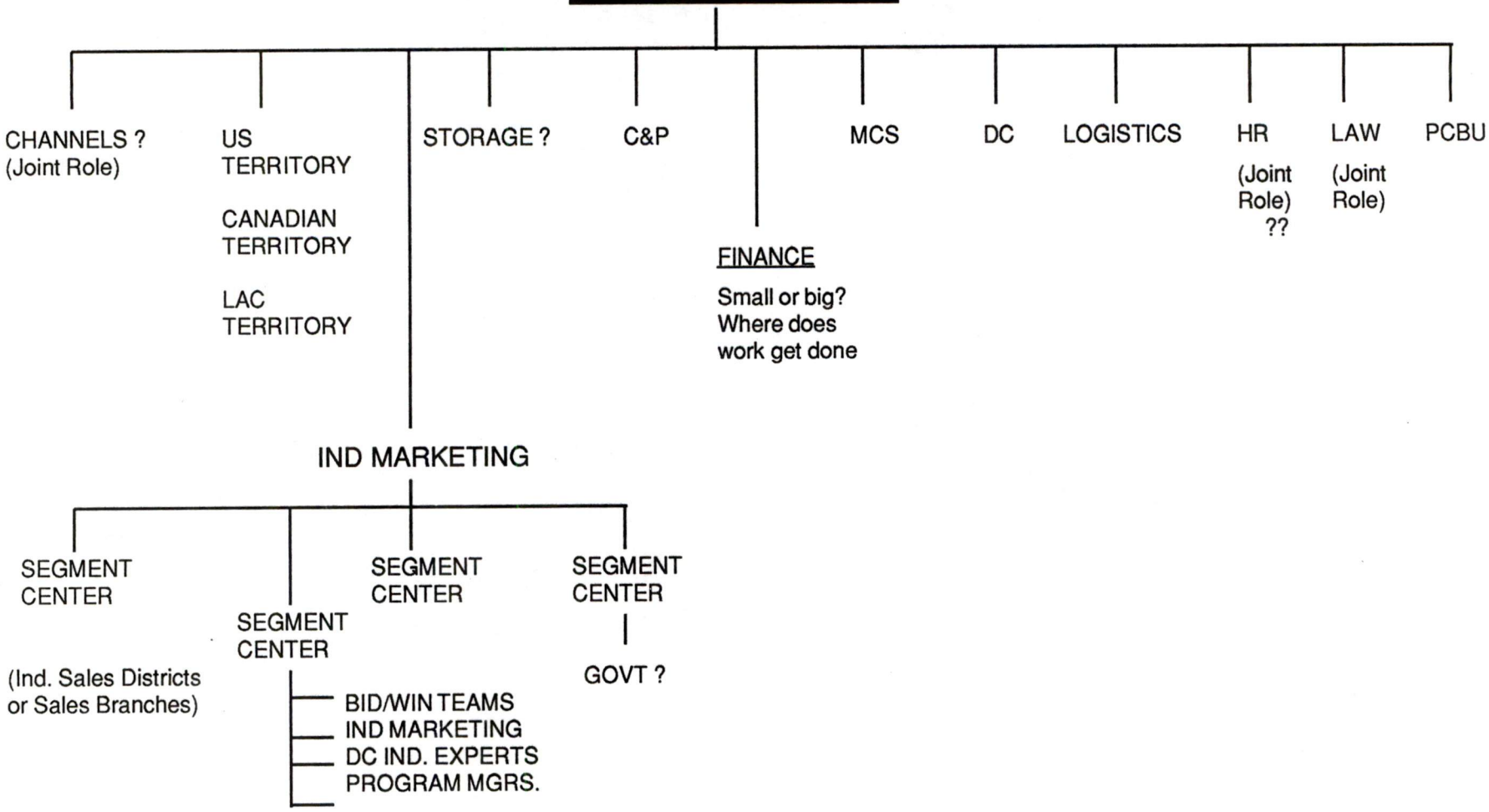
# AMERICAS




**TASKS/QUESTIONS:**

1. WHICH SEGMENTS DO WE KEEP OR ELIMINATE?
2. ROLE OF IND. MARKETING AT CORPORATE.
3. WHERE IS CENTRAL WORK OFF-LOADED? TTY? AREA? (Expensive x 3)
4. KEEP B.U. STRUCTURE AT AMERICAS (E.G., C&P?)
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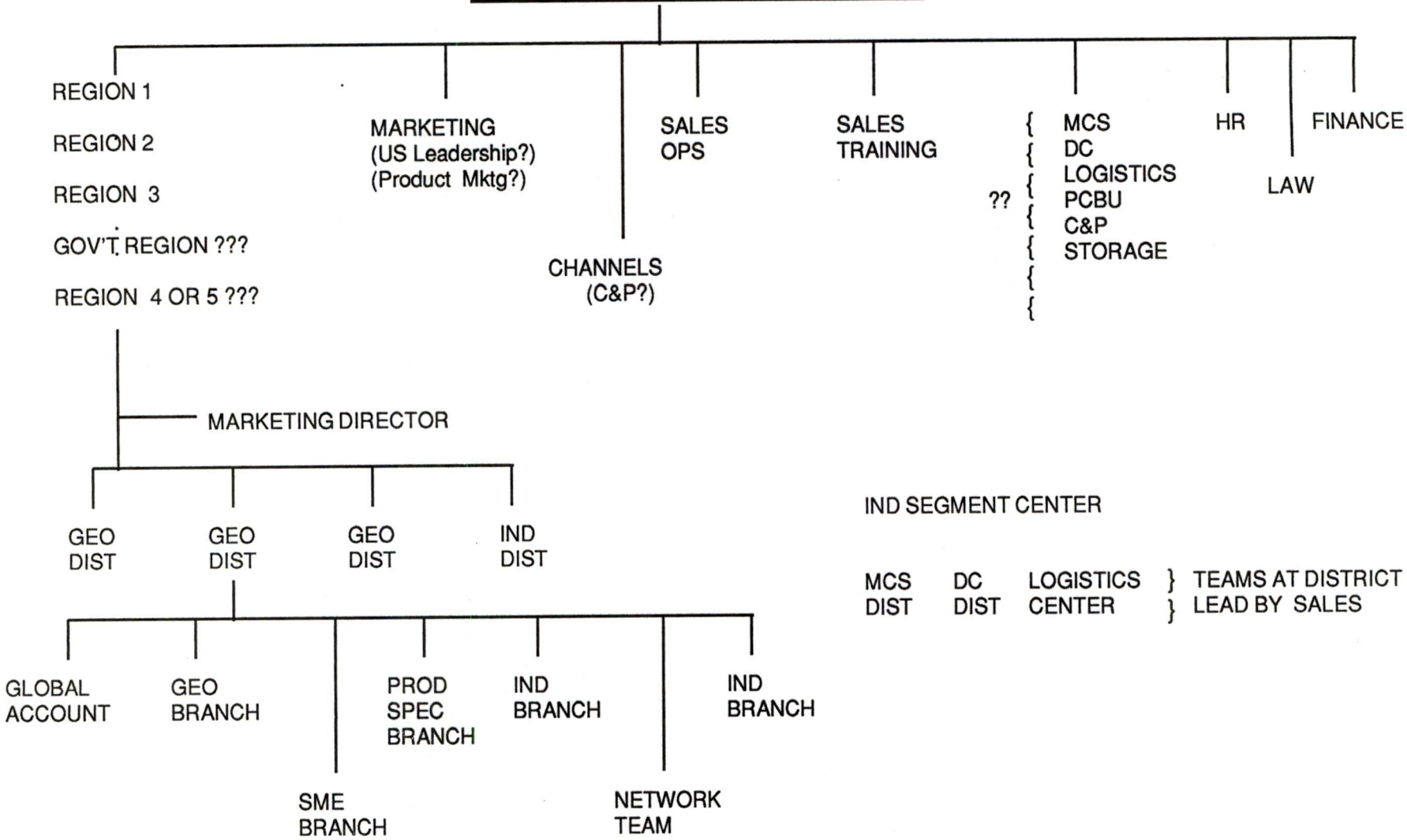


**TASKS/QUESTIONS**

1. IS GOVERNMENT A SEPARATE REGION OR A PROGRAM OFFICE?
2. MINIMIZE APPEARANCE OF CHANGE IN USA. IMPACT ON SALES VOLUME.
3. CAN AMERICAS/US TERRITORY USE SAME SUPPORT RESOURCES?

(1) No Rumors - open discussions
(2) Russell is boss (Jack Thompson/Neil Griffin) respond!

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- teams! 6 Digitals
- No one has a job.
- IND/Prod/geo!/BU

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# AMERICAS

- CHANNELS ? (Joint Role)
- US TERRITORY
  - CANADIAN TERRITORY
  - LAC TERRITORY
- STORAGE ?
- C&P
- FINANCE
  - Small or big? Where does work get done
- MCS
- DC
- LOGISTICS
- HR (Joint Role) ??
- LAW (Joint Role)
- PCBU
- IND MARKETING
  - SEGMENT CENTER (Ind. Sales Districts or Sales Branches)
  - SEGMENT CENTER
    - BID/WIN TEAMS
    - IND MARKETING
    - DC IND. EXPERTS
    - PROGRAM MGRS.
  - SEGMENT CENTER
  - SEGMENT CENTER
    - GOVT ?

**TASKS/QUESTIONS:**

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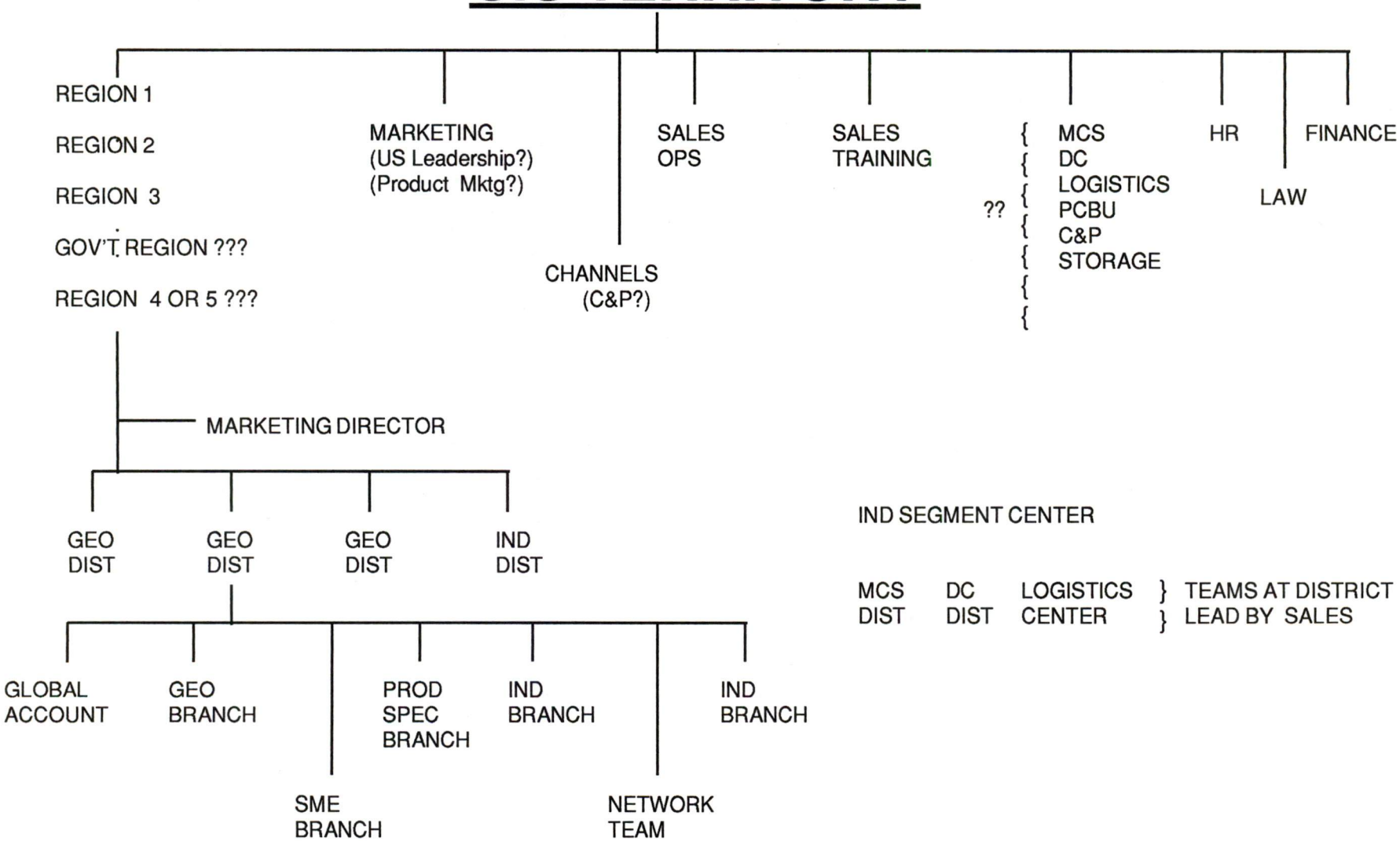


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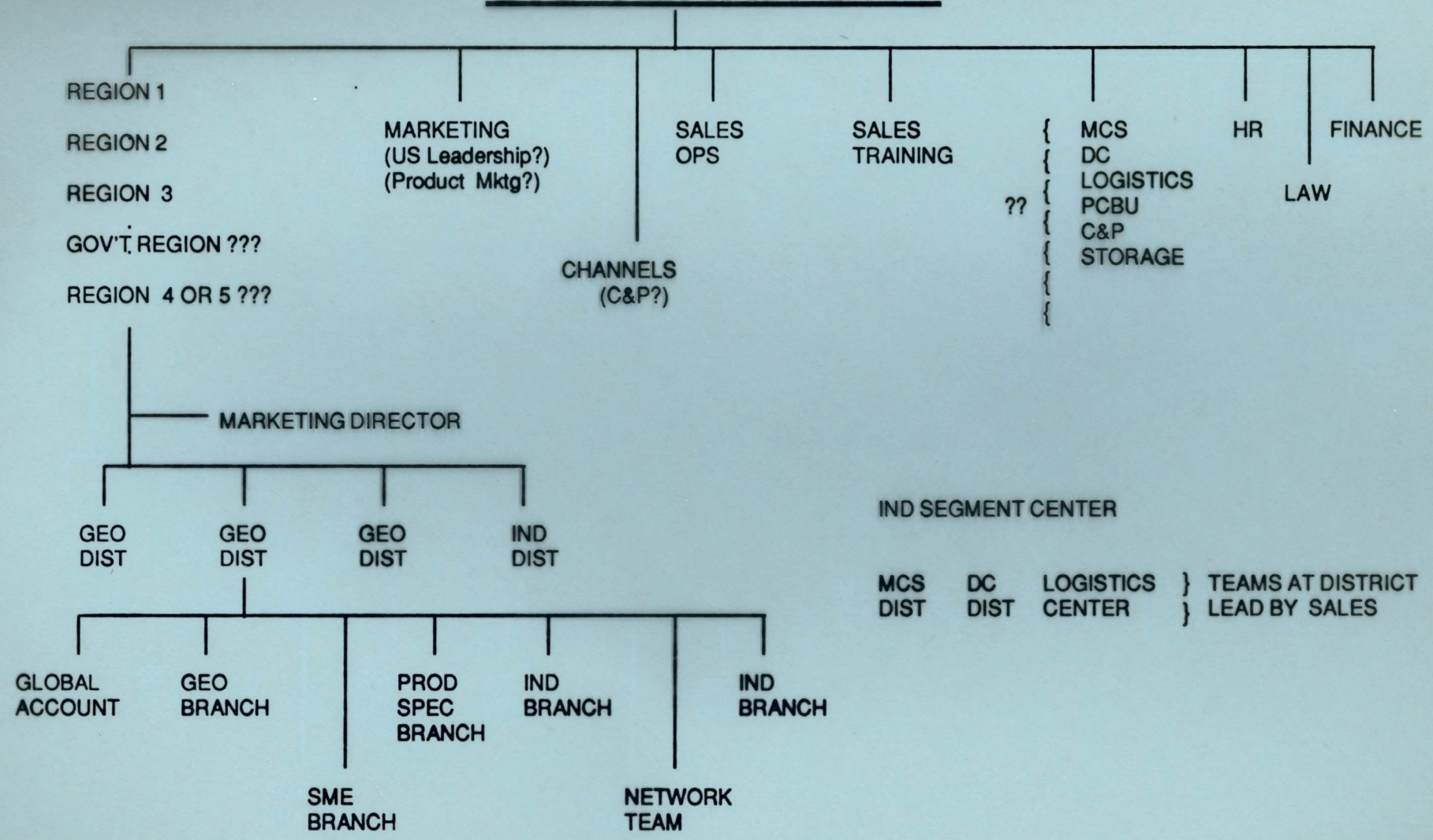


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Printed by KAREN HOWARD @MRO

# INTEROFFICE MEMORANDUM

Doc. No: 032986
Date: 26-Jan-1994 02:47pm EST
From: KAREN HOWARD @MRO
HOWARD.KAREN
Dept: U.S. TERRITORY H.R. MANAGEMENT
Tel No: 508-467-3534 - 297-3534

( PAPER MAIL )

O: RUSS GULLOTTI ( PAPER MAIL )
O: BOB RUSSELL

Subject: DRAFT

Russ/Bob,

This is a draft for:

- Agenda for next Thursday and Friday
- Pre-work for next Thursday and Friday
- Agenda for February 11th

Let's discuss on Friday.

with Bob Russell

a/ P1

# MEETING I

## TASK FORCE / RUSS
## FEBRUARY 3/4

**PURPOSE:**

* Charter Task Force
* Determine Status of Each Business
* Understand Status of Europe & AP
* Define Work to Be Done
* Agree To Schedule

# AGENDA:

## FEBRUARY 3RD

| SUBJECT | PRESENTER | TIME |
|---|---|---|
| o INTRODUCE PROJECT<br>- define task<br>- provide givens<br>- provide rationale<br>- introduce leader & team | Russ Gullotti | 8:30 - 10:00 |
| o BREAK why? | | 10:00 - 10:30 |
| o BUSINESS UPDATES (Americas)<br>(all use 3-page format - attached) | | |
| - Systems Business | Russ Gullotti /<br>Design Team Leader | 10:30 - 12:00 |
| o LUNCH | | 12:00 - 1:00 |
| - MCS | ? | 1:00 - 2:00 |
| - DC | Ed Deary | 2:00 - 3:00 |
| o BREAK | | 3:00 - 3:30 |
| - PC | ? | 3:30 - 4:30 |
| - Storage | ? | 4:30 - 5:00 |
| - GP | ? | 5:00 - 5:30 |

why? other than brief update

Bus updates
on design
model updates

# AGENDA:

## FEBRUARY 4TH

| SUBJECT | PRESENTER | TIME |
|---|---|---|
| o **AREA UPDATES** | | |
| - European Model – needs update by Fri okay. under him? | Russ Gullotti | 8:30 - 10:00 |
| o BREAK | | 10:00 - 10:30 |
| - AP good | Ray Wood | 10:30 - 11:30 |
| o LUNCH | | 11:30 - 12:30 |
| o **DEFINE WORK TO BE DONE** | Design Team Leader | 12:30 - 5:00 |
| - Survey each business against 3-page format (attached) | Businesses | |
| - Define remaining work & assign<br>~ final proposal for each business<br>~ role of functions: HR, Legal, Finance<br>~ role of Americas Team<br>~ Communication Plan<br>~ Implementation Plan(s)<br>. staffing<br>. location<br>. schedule | | |
| - Define schedule | | |

# PREWORK

## ROLES
## (EACH BUSINESS)

**CORPORATE** | **AMERICAS** | **CANADA / LACT / US**

# PREWORK

# WORK
# (EACH BUSINESS)

| KEY RESPONSIBILE | CORPORATE | AMERICAS | CANADA / LACT / US |
|---|---|---|---|
| o Strategic / Goal Planning | | | |
| o Investments | | | |
| o Budget | | | |
| o Forecast | | | |
| o Marketing – industry – product – service | | | |
| o Training – course development – measurements | | | |
| o Compensation – implementation | | | |
| o Pricing | | | |
| o Deal Making | | | |
| o Deal approvals | | | |
| o Etc. | | | |

Prework

**STRUCTURES**
(Each Business)

# MEETING II

## DESIGN TEAM LEADER, RUSS, RON, LUIS, KAREN & JOEL

**PURPOSE:**

* Update on status
* Input to program
* agreements / disagreements

## AGENDA

| SUBJECT | PRESENTER | TIME |
|---|---|---|
| o Update on each Business – disagreements / problems to be resolved. | Design Team Leader | 8:30 - 11:30 |
| o LUNCH | | 11:30 - 12:30 |
| o Plan for T.F. | | 12:30 - 1:00 |
| o Issues for input: if needed. | | 1:00 - 5:00 |

# SCHEDULE - FEBRUARY

| | | | | |
|---|---|---|---|---|
| | 1 | 2 | 3 | 4 |
| | | | Task Force / Russ ① | |
| 7 | 8 | 9 | 10 | 11 |
| | | | | Design Team Leader, Russ, Ron, Luis, Karen & Joel ② |
| 14 | 15 | 16 | 17 | 18 |
| 21 | 22 | 23 | 24 | 25 |

bel in blanks

# SCHEDULE - MARCH

| | | | | |
|---|---|---|---|---|
| 28 | 1 | 2 | 3 | 4 |
| 7 | 8<br>Proposal to Russ | 9 | 10 | 11 |

good.

# ***KEY MESSAGES***

a hold MKO

- ***The Americas Area will be announced on Livewire 1/14 (Friday).***

  - **This will include:**

    ~ **Russ Gullotti is V.P. of Americas Area**

    ~ **Scott Roeth is V.P. of U.S. Territory**

    ~ **Americas consists of 3 Territories:**

    **Canada, LAC and U.S.**

  - **Announcement roll-out:**

| | | |
|---|---|---|
| ~ | **Friday, Jan. 14th:** | **Press release**<br>**Internal announcement (Livewire)**<br>**Acton employee meeting** |
| ~ | **Monday, Jan. 17:** | **Brussels announcement** |
| ~ | **Feb. 15th:** | **DVN** |

- *U.S. Team can verbally cascade these messages regarding U.S. Territory in each organization immediately.*

  - Scott Roeth is the U.S. Territory Manager.

  - Scott will create a Task Force that will align the U.S. Territory to new Americas Area.

  - The Task Force will also examine how to improve the U.S. organization model implemented this Summer.

  - Based on employee and customer feedback, the Task Force will look at:

    ~ remote management of the Sales Force
    ~ improving teaming at the District level

  - We do have some givens:

    ~ maintain strong industry focus

    ~ invest in SME

    ~ enhance product specialization

    ~ maintain Sales / Account relationships

  - With the announcement of Digital Consulting as a business with a primary P&L, *management of the Sales Support organization will move back to Sales. The Task Force will plan this movement of Sales Support. In addition, we are trying to attract Sales Support people into Sales Specialists positions. This is part of our plan to increase the number and technical skills of the Sales Force. We will also hire externally for Sales as we invest in our businesses.

- We expect recommendations from the Task Force before the end of Q3; some changes may occur in Q3 - others in Q4.

- Scott has a Q3/Q4 Communication Plan for the whole U.S. Territory. Other communication (meetings, memos, DVNs, etc.) will start after the Worldwide Brussels Sales Meeting, i.e., mid-to-end of January.
  Example: announcement of U.S. Design Task Force and Charter.

* Sales will continue to have responsibility for the selling of and receive full credit for all Digital Consulting services.

# *KEY MESSAGES*

- **The Americas Area (including Scott Roeth as U.S. V.P.) will be announced on Livewire 1/14 (Friday). In addition:**

  - **Bobby Choonavalla will speak to Acton Headquarters 1/14 p.m.**

  - **to press / analysts 1/14**

  - **at Brussels Monday**

- **U.S. Team can verbally cascade these messages regarding U.S. Territory in each organization immediately.**

  - **Scott Roeth is the U.S. Territory Manager.**

  - **Scott will create a Task Force that will align the U.S. Territory to new Americas Area.**

  - **The Task Force will also examine how to improve the U.S. organization model implemented this Summer.**

  Based on BE and Customer feedback

  - **The Task Force will look at:**

    ~ **remote management of the Sales Force**
    ~ **lack of management teaming at the District level**

- Many of these improvements which the Task Force will examine have been raised by employees as they worked in this model for 6 months.

- We do have some givens:

  ~ maintain industry focus

  ~ invest in SME

  ~ enhance product specialization

  ~ "No" movement of Sales Account Managers

- As Digital Consulting is now a business, Sales Support will move back to Sales. The Task Force will plan this movement of Sales Support. In addition, we are tyring to attract 150 Sales Support people into Sales Specialists positions. This is part of our plans to increase the number and technical skills of the Sales Force.

- The movement of Digital Consulting to a business will be coordinated with the U.S. Task Force.

- We expect recommendations from the Task Force in Q3; some changes may occur in Q3 - others in Q4.

- Scott has a Q3/Q4 Communication Plan for the whole U.S. Territory. Other communication (meetings, memos, DVNs, etc.) will start after the Worldwide Brussels Sales Meeting, i.e., mid-to-end of January.
  Example: announcement of U.S. Design Task Force and Charter.

# U.S. Organization

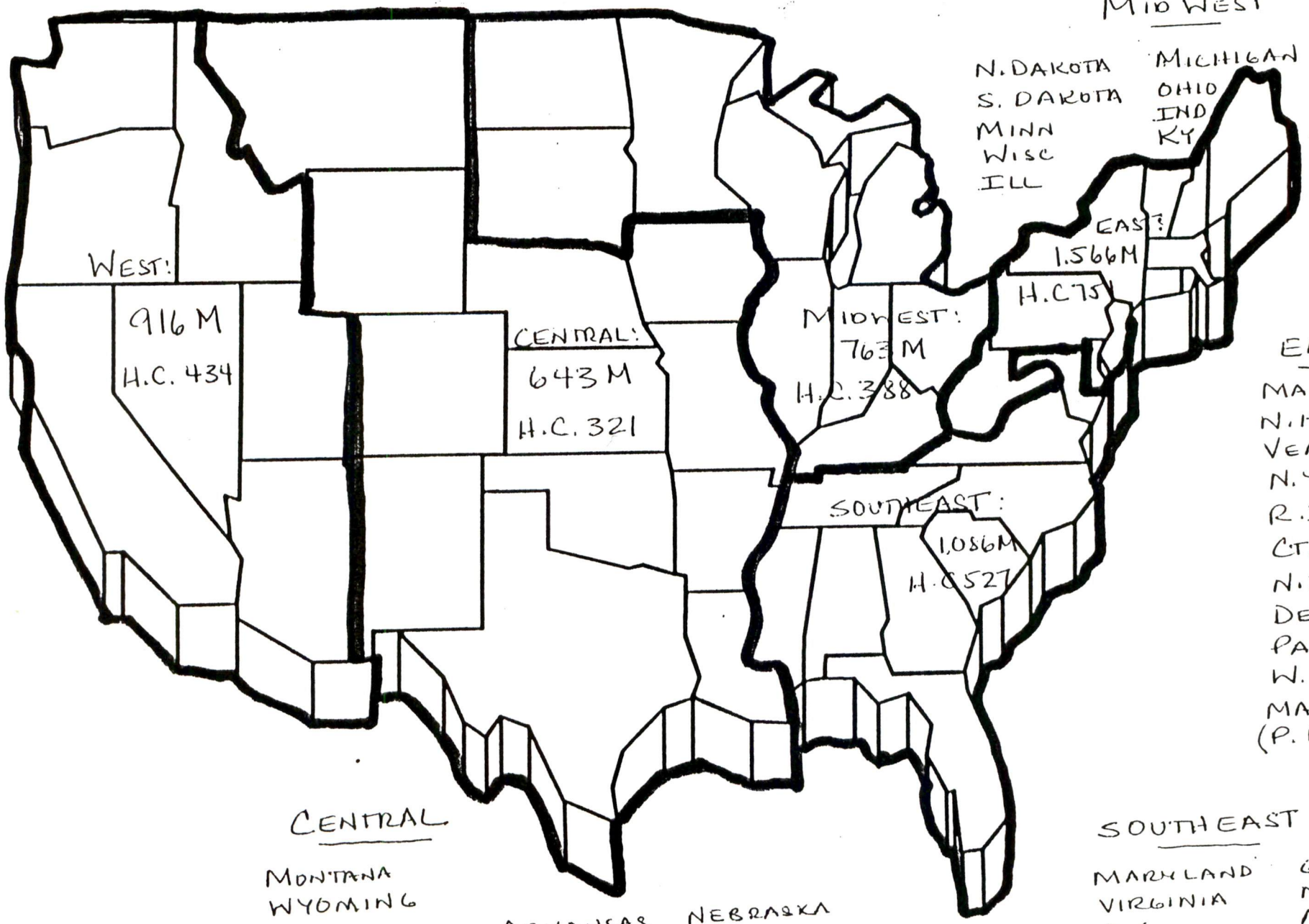
Desktop NKO

## Agenda

- U.S. Geographic Regions
- Chronology of Events
- Staffing Alternatives
- Field Titles
- U.S. Headquarters Organization

# US GEOGRAPHIC ORGANIZATION

FY 93 NOR
FY 94 H.C.




## MIDWEST

N. DAKOTA
S. DAKOTA
MINN
WISC
ILL

MICHIGAN
OHIO
IND
KY

## EAST

MAINE
N.H.
VERMONT
N.Y.
R.I.
CT.
N.J
DELAWARE
PA.
W. VIRGINIA
MASS
(P.R.)

## WEST

ALASKA
HAWAII
CAL.
OREG
WA.
IDAHO
NEVADA
UTAH
ARIZONA

## CENTRAL

MONTANA
WYOMING
COLORADO
NEW MEXICO
TEXAS

ARKANSAS
LOUISIANA
MISSOURI

NEBRASKA
KANSAS

## SOUTHEAST

MARYLAND
VIRGINIA
D.C.
N. CAROLINA

GEORGIA
MISS.
ALABAMA
FLORIDA
TENN.

# U.S. Organization

## Chronology of Events

| | |
|---|---|
| January 14 | Americas/U.S. Announcement |
| January 17 | Brussels announcement<br>Initial Lucente U.S. Organization review |
| February 4 | Final Review:<br>- Geographic structure<br>- Top two positions<br>- Design/rollout plan<br>- Design team leader |
| February 15 | Announce:<br>- Geographic structure<br>- Top two positions<br>- Rollout plan<br>- Design team leader |
| February 16 | Kickoff Design Team Work |
| March 15 | Conclude Design team work |
| April 4 | Announce and Implement |

## U.S. Organization

| Alternative #1 | #1 | #2 |
|---|---|---|
| Northeast | Tom Colatosti | Rita Foley |
| Southeast | Al Hall | Robert Cartwright |
| Midwest | Roger Rose | Dave Salmi |
| Central | Frank Bowden | Mike Howard |
| West | Bob Russell | ------- |
| Federal Government (Program Office) | Tony Morris | ------- |

| Alternative #2 | | |
|---|---|---|
| Northeast | Bob Russell | Rita Foley |
| Southeast | Al Hall | Robert Cartwright |
| Midwest | Roger Rose | Dave Salmi |
| Central | Frank Bowden | -------- |
| West | Mike Howard | -------- |
| Federal Government | Tom Colatosti | |

| Alternative #3 | | |
|---|---|---|
| Northeast | Bob Russell | Rita Foley |
| Southeast | Al Hall | Robert Cartwright |
| Midwest | Roger Rose | Dave Salmi |
| Central | Frank Bowden | Mike Howard |
| West | Tom Colatosti | ------- |
| Federal Government (Program Office) | Tony Morris | ---------- |

## U.S. Organization

| Alternative #4 | #1 | #2 |
|---|---|---|
| Northeast | ------- | Rita Foley |
| Southeast | Al Hall | Robert Cartwright |
| Midwest | Roger Rose | Dave Salmi |
| Central | Mike Howard | ------- |
| West | Bob Russell | ------- |
| Federal Government (Program Office) | Tony Morris | ------- |

Cecil
Frank
Tom C
B. Russell

Candidates List

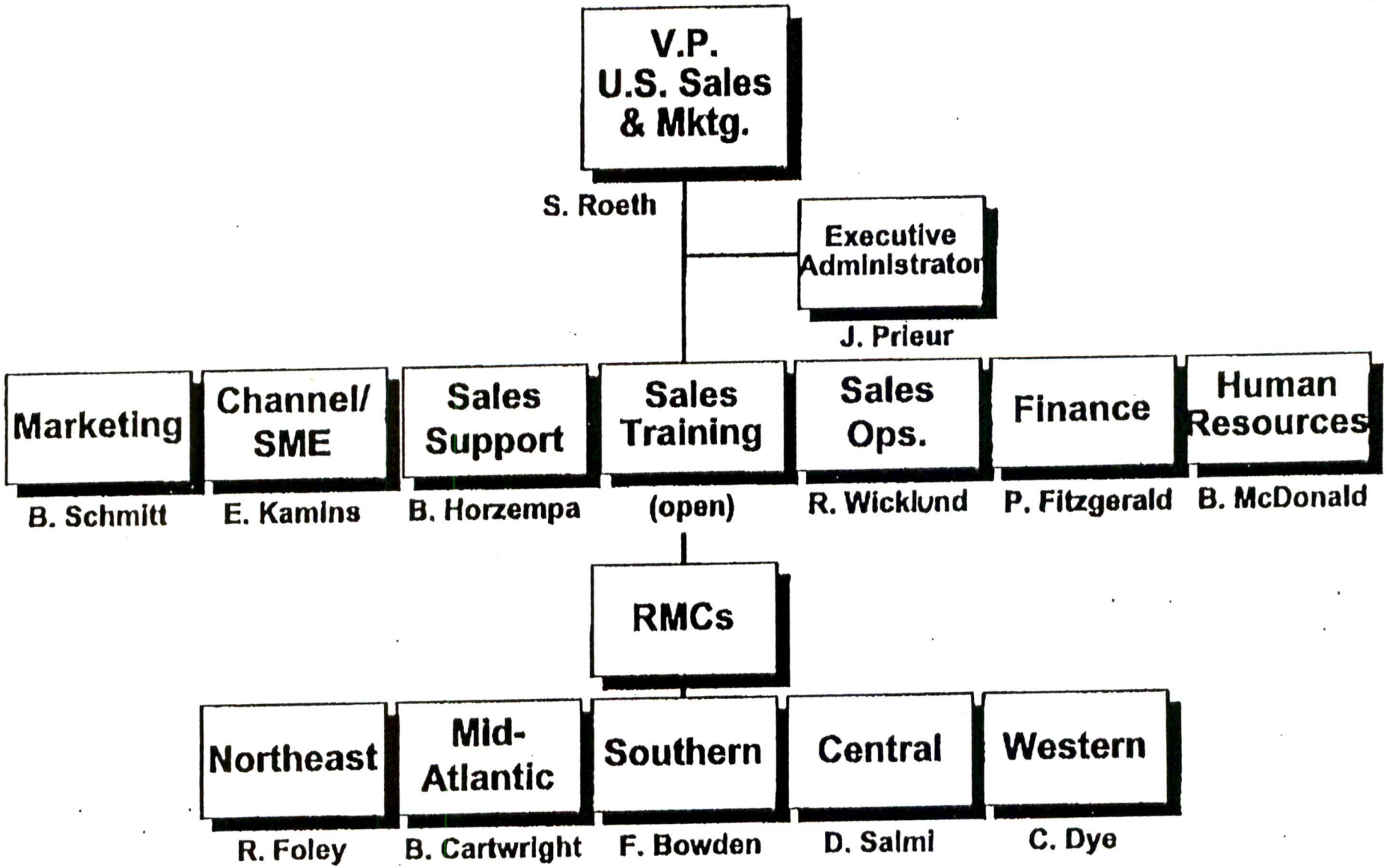
Kathy Power
~~Sally Modjeska~~
~~Cindy Sauln~~
~~Dawn Gilbert~~
~~Bob Bajema~~
Jan Smith
Barry Clark
~~John O'Leary~~
Fran Delaney
Tina Hockstetter

Dan Socci

# U.S. Organization

## Field Titles

| | | |
|---|---|---|
| . | Vice President & Regional Manager | T2 |
| . | Director of Marketing | T1 |
| . | District Manager | L2 |
| . | Sales Unit Manager | L1 |


V.P.
U.S. Sales
& Mktg.
S. Roeth
Executive
Administrator
J. Prieur
Marketing
B. Schmitt
Channel/
SME
E. Kamins
Sales
Support
B. Horzempa
Sales
Training
(open)
Sales
Ops.
R. Wicklund
Finance
P. Fitzgerald
Human
Resources
B. McDonald
RMCs
Northeast
R. Foley
Mid-
Atlantic
B. Cartwright
Southern
F. Bowden
Central
D. Salmi
Western
C. Dye

# SALES SUPPORT ORGANIZATION MOVING TO SALES

- ***KEY IMPLEMENTATION GUIDELINES***
  - SALES SUPPORT INDIVIDUALS REMAIN IN PSCs UNTIL SALES & SALES SUPPORT PLAN IS COMPLETE 4/1/94
  - SALES SUPPORT INDIVIDUALS THAT WANT TO BECOME "DELIVERY CONSULTANTS" WILL BE ALLOWED TO DO SO (TO THE LEVEL SUPPORTED BY CUSTOMERS)
  - MINIMIZE ORGANIZATIONAL MOVEMENT OF SALES SUPPORT & DELIVERY INDIVIDUALS UNTIL 4/1 (AVOID "CHERRY PICKING")
  - NO DOWNSIZING (IF ANY) OF SALES SUPPORT UNTIL PLAN IS COMPLETE

WMH 1/17/94

# SALES SUPPORT ORGANIZATION MOVING TO SALES

- ***SALES SUPPORT MUST:***
  - **FEEL WANTED**
  - **KNOW THEY HAVE A FUTURE**
  - **FEEL THEY CAN STAY TECHNICAL**
  - **FEEL THEY HAVE OPTIONS WITHIN DIGITAL**

**WMH 1/17/94**

# SALES SUPPORT ORGANIZATION MOVING TO SALES

- ***TIMETABLE***
  - ANNOUNCED TO PSC MANAGERS 1/7/94 ON PSC MANAGER'S CON CALL
  - INITIAL DESIGN CONCEPTS TO BE COMPLETE 2/1/94
    - INPUT FROM SALES SUPPORT COUNCIL, PSC MANAGERS, SALES
  - INTEGRATE DESIGN CONCEPTS WITH SALES PLANING PROCESS
    - FEBRUARY - MARCH
  - IMPLEMENT MOVE STARTING 4/1/94

WMH 1/17/94

# PRELIMINARY REPORT
# FOCUS GROUPS

## DIGITAL

During the week of November 29, focus groups were conducted for Digital within the following sites:

Merrimac
Maynard
Hudson
Marlboro
Palo Alto
Santa Clara
Atlanta
Colorado Springs
Mexico City

During the week of December 6, focus groups are to be conducted in--

Ottawa
U.K.
France
Hong Kong

The following summary presents some of the major findings of the focus group process:

A focus group consisted of a group of six to ten participants and lasted approximately two hours. Each focus group was tape-recorded for further analysis. Each session consisted of individual contributors or supervisors/managers. The positions involved in the focus groups included:

Engineers
Sales people
Support people
Scientists
Sales managers
Legal
Financial
Human resources
Training
Others

In other words, a whole range of functions within the Digital environment.

Focus groups started with a "Focus on You," which asks each person to respond to the following four questions:

1) The name they like to be called,
2) How long they have been with Digital,
3) What they get paid to do, and
4) A recent success.

After the "Focus on You," various questions were presented by the Gallup consultant. These questions included:

1) What words, phrases, adjectives would you use to describe Digital's culture today,

2) What words best describe the behaviors that occur on a good workday,

3) What makes the workplace stressful,

4) How is the company organized,

5) How would you describe the management, philosophy, and style of the company,

6) How much responsibility do employees have,

7) What kinds of decisions can employees make,

8) What can employees do to improve the quality of service for customers,

9) How important is the quality of service or product for the individual employees,

10) How close are the relationships among people in the company,

11) Is there a family atmosphere,

12) Are managers more bosses or supporters of people,

13) Do people go out of their way to help each other,

14) What makes a good team,

15) What motivates teams,

16) What is the single best indicator of quality of work life?

Of course, as responses to the questions were stated, the Gallup consultant had the leeway to follow up any individual thought or concept.

Among the focus groups conducted in the United States, it became evident that people have a great deal of pride in what they do. They truly enjoy their work, and most feel the products of Digital are the best available in the industry. People express a high degree of responsibility to do their work well and make sure the customers' needs are met, whether those customers are internal or external.

People are open within Digital; they want to make a difference. Overall, people feel Digital has excellent products; they have friends at work, and it is a nice company to work for. They would like more incentive pay.

Some of the words that people used to describe the culture at Digital included:

Stressful
Merging
Paralysis
Constant change

No recognition
Reorganization
Bureaucratic
Intellectually stimulating

Academically oriented
Slow to react
Engineering driven
Match customer requirements with engineering

Has credibility issue with regard to customers
Smart people
High integrity
Do the right thing

Fast-paced
Moving from independency to more dependency
People trying to fix the old Digital, instead of
supporting the new one
More competitive marketplace

Getting easier to do business with
A need to move faster
Create a sense of urgency
Reduce layers to make decisions faster

People have needs to know why changes are occurring
Secretive
People covering their rear ends
Uncertain about where headed

Need to be more focused
Out of touch with marketplace
Very ethical
Political

Too many layers of management
Feel people can't get information they need to sell

People felt a big need to know more about what's happening within Digital. Almost every person indicated they could live with downsizing and felt it was probably long overdue.

What they were having trouble processing was the idea of just not knowing. They know there are more cuts coming, and they would like management to just get on with it, get them over with, so that everybody can get back doing what they should be doing.

People felt they were having to spend more time being politically aware in the organization than spending time doing their jobs in a productive manner. Each time a reorganization occurs, people lose some faith and credibility in the senior management teams--do they really know what they are doing?

It seems to the people that this is an unfocused approach and one that creates a lot of turmoil in their day-to-day lives. Individuals talked about having an inordinate number of managers within the last year or two--and in each case, they felt a need to make sure that a particular manager knew what they did in some detail so that, if cuts do occur again, that manager can make an informed decision as to whether or not a particular person stays with the organization. People seem to be spending more and more time justifying their jobs, rather than doing them.

Another interesting observation emerged in that several people within the organization do not know the mission of Digital, nor do they really know what Digital is in business for. Some people indicated they did no know if Digital was a hardware company, a software company, or a solutions company. Indications were that Digital is all three . . . that's fine, just let us know so we can get on with our jobs and make sure we are successful at whatever we do.

It is interesting to note that many people felt many decisions are filtered by people who want to make sure their rear ends are covered. They feel they are shifting and changing priorities. Organizational boundaries work against each other in creating layers so that customers are not served effectively. The focus seems to be internal rather than external. They also feel the sales force is penalized when changes are made. There is very little follow-through or recognition when people do a good job, and people feel that, in part, the company has missed many marketing opportunities for products.

Also of interest is the comment of one person who said, "If I express my ideas and vision, will anybody listen?

Some groups talked about barriers to sales. A customer wanted to do business with Digital, yet was unable to make contact with anybody from Digital that could sell him or her the products and services desired. This came to the attention of someone within one of the focus groups, and he/she took it upon him/herself to help this particular customer. It took five or six phone calls internally to find someone that would even help the customer get what he/she needed. And, it turned out that that help came in the form of a paper for the internal Digital person to fill out so that someone else could contact the customer.

As a follow-up to this apparent difficulty to do business with Digital, the Gallup consultant asked, if Gallup came to you today and said, "help us solve our information processing so that Gallup office worldwide can all have at their fingertips the information that we collect worldwide on a continual basis, what would you do? Almost everybody in the focus groups felt this was something that Digital could help with, so the Gallup consultant asked for a name of someone to contact within Digital to explore this option. People were not able to provide the name of a person.

At one point, many of the individuals in the focus group talked about the way they got their business done internally within Digital was to have a network relationship. Now, that many of their people are gone from Digital, the network relationship dependencies that people have developed over the years are not serving them as well in getting their work done. They find they are spending a lot of time trying to reestablish relationships and networks so that work can be done again efficiently.

Concerns were expressed about decisions being made by corporate that may not be in touch with the field; that is, the customers. Individuals felt cutting-edge products were developed and are never really well understood within Digital and thus become very difficult to sell, adding more barriers to sales.

Please keep in mind that one of the requirements for people to get into the focus groups was that they be among the best or highest-performing individuals within the company. Thus, focus groups represent not a random selection of people, but rather, a concerted

effort to get the best that Digital has to offer. It is felt that these were top-performing, talented individuals. Concern was also expressed with regard to the number of meetings people go to. People felt they had to go, if only for political reasons.

What seemed missing was a focus or guidance from senior leadership in where Digital is going and what it is going to look like when it gets there. People were able to live and cope with the day-to-day uncertainties; however, they seemed starved for information about what is going on. They would like to know more about what is happening within Digital, even if it happens to only be the opinions of their managers. They recognize that, in some cases, managers don't know what is going on with regard to the change process, but would still like some idea of what they can expect. The changes are happening so fast that people do not have time to digest and adjust to one organizational change before the next one comes through. At this point, one could say that people need--

1) communication
2) focus
3) recognition for excellence
4) stability in relationships
5) understanding of the mission and values of Digital

6) the direction of Digital
7) what it is that Digital is trying to achieve in the marketplace
8) what products and/or services does Digital want to become known for

People are concerned about credibility being lost with customers. People want more of an effort to coordinate the resources of Digital to meet the needs of the customer as most felt the customer base was loyal. People want Digital to take a direction and stick with it, then trust the employee to make it work.

Finally, please remember that this summary is preliminary, as not all the focus groups have been completed.

Printed by RUSS GULLOTTI @MKO

# I N T E R O F F I C E  M E M O R A N D U M

Doc. No: 066477
Date: 22-Dec-1993 02:44pm EST
From: DAVE SPRATT @MRO
SPRATT.DAVE AT A1 AT USCTR1 AT MRO

Dept: US FINANCE & OPERATIONS
Tel No: 508-467-5750

TO: Russ Gullotti @MKO

Subject: Organization Alternatives

Last Friday I held a meeting to review and size the three models that you, Tony, and I discussed over dinner.

Consensus of my meeting:

- Maintain existing structure at the district level down in the U.S..

  U.S. is by volume (Revenue) in excess of 85% of the America's, which would not justify an area span of control. Utilize U.S. management structure, strengthened where necessary to do the America's as well.

- Redesign the U.S. to Regions. Each approximately $1 Billion in revenue.

  Would require 3 - 4 Regions reporting to the America's management. Industry focus would be maintained by revenue analysis for strategic direction.

- Sizing

  Above the district level with both RMC's and CBU's we believe that a people reduction of 50 - 100 would be achieved.

  50 people @150K = $7,500K

  Consolidation of CBU/RMC structure to 3/4 Regions.

  If an America's management above U.S. was required, assume 40 additional people required: 40 people @ 150K = $6,000K

  If the group was unanimous in that a U.S. and America's Management Team would be overkill.

  There are also significant system changes required to move to a Region focus.

  Individuals involved in review were:

  Sue Foley
  Pat Fitzgerald
  John Beisheim
  Ken Smith