

What To Do When The Plan Doesn't Work

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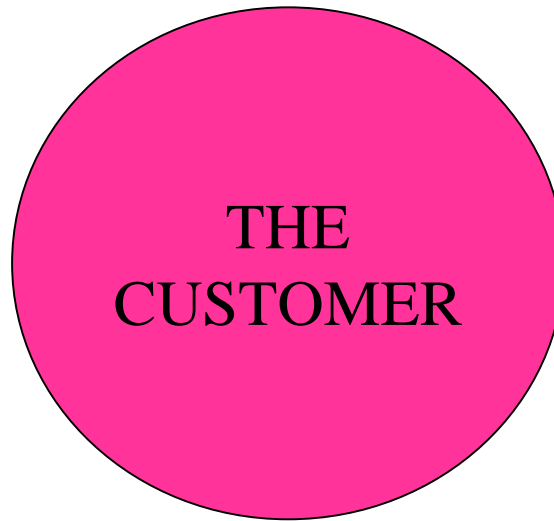
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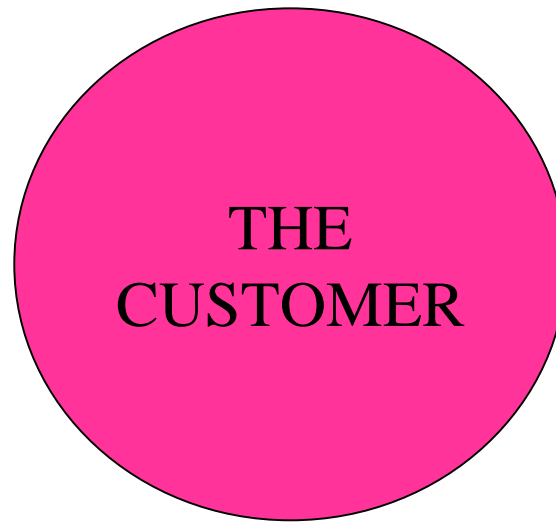
What To Do When The Plan Doesn't Work

- The business model isn't working,
 - The problems are complex,
 - And it isn't clear where to start
- ...what might be a good focus?

What To Do When The Plan Doesn't Work



What To Do When The Plan Doesn't Work



- Is this focus on the customer:
 - Obvious?
 - Trivial?
- (What about Enron, Worldcom, Tyco ...)

Ask Willie Sutton...



What To Do When The Plan Doesn't Work

Why Start With The Customer?

- **“Because That’s Where The Money Is”**
(Willie Sutton, Bank Robber ~1938)

Note: Willie Sutton made \$2 Million in withdrawals from various banks.

Key Functions and Processes Of A Business

Why Start With The Customer?

- **“Because That’s Where The Money Is”**
(Willie Sutton, Bank Robber, ~1938)
- **To Ensure A Common Focus Across The Business Processes**

Key Functions and Processes Of A Business

Why Start With The Customer?

- **“Because That’s Where The Money Is”**
(Willie Sutton, Bank Robber, ~1938)
- **To Ensure A Common Focus Across The Business
•Processes**
- **To Provide A Starting Point For Seemingly Intractable
Problems or Major Business Transitions**

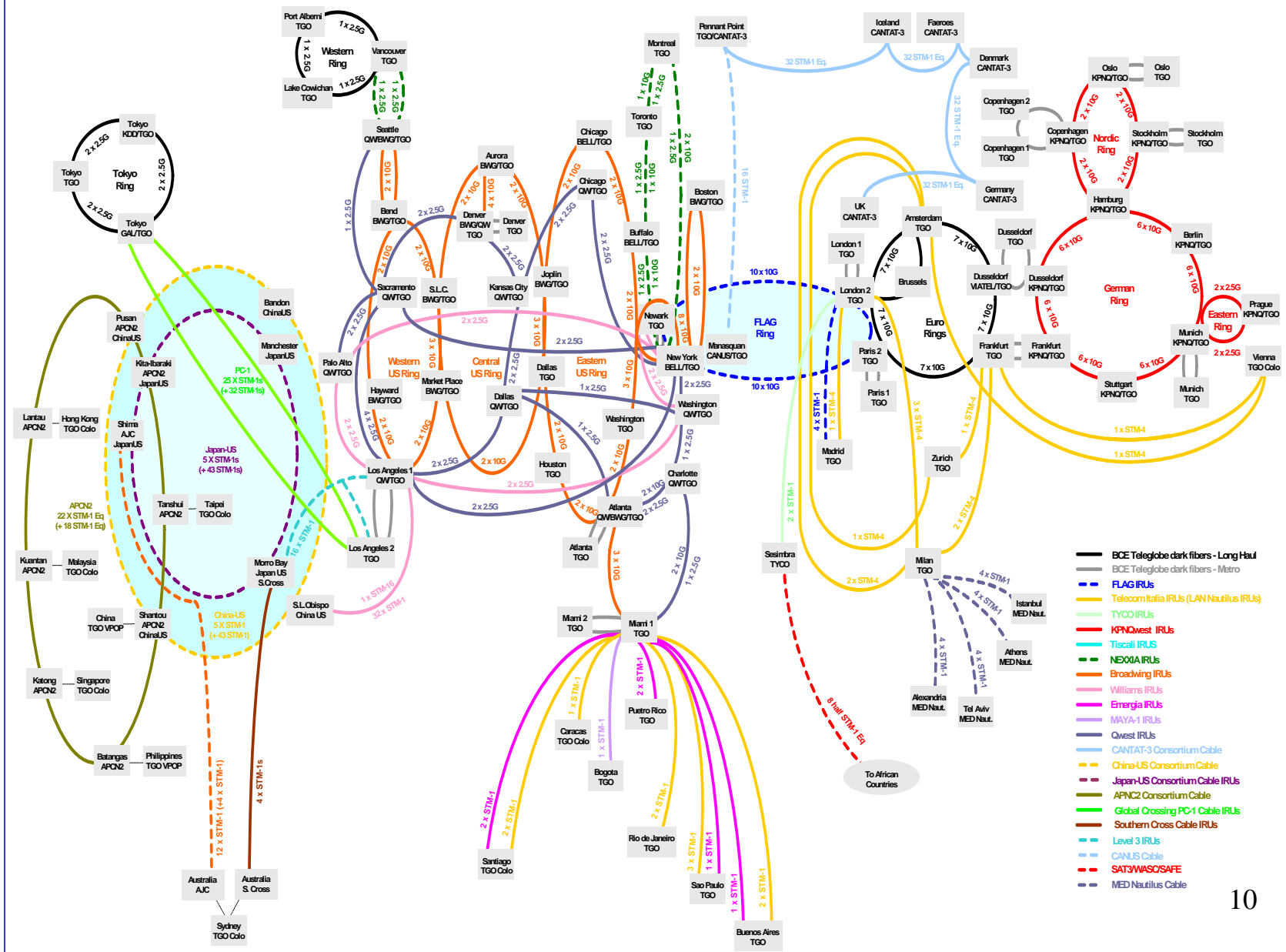
Teleglobe Survival

An Example of Seemingly Intractable Problem

Historical Notes:

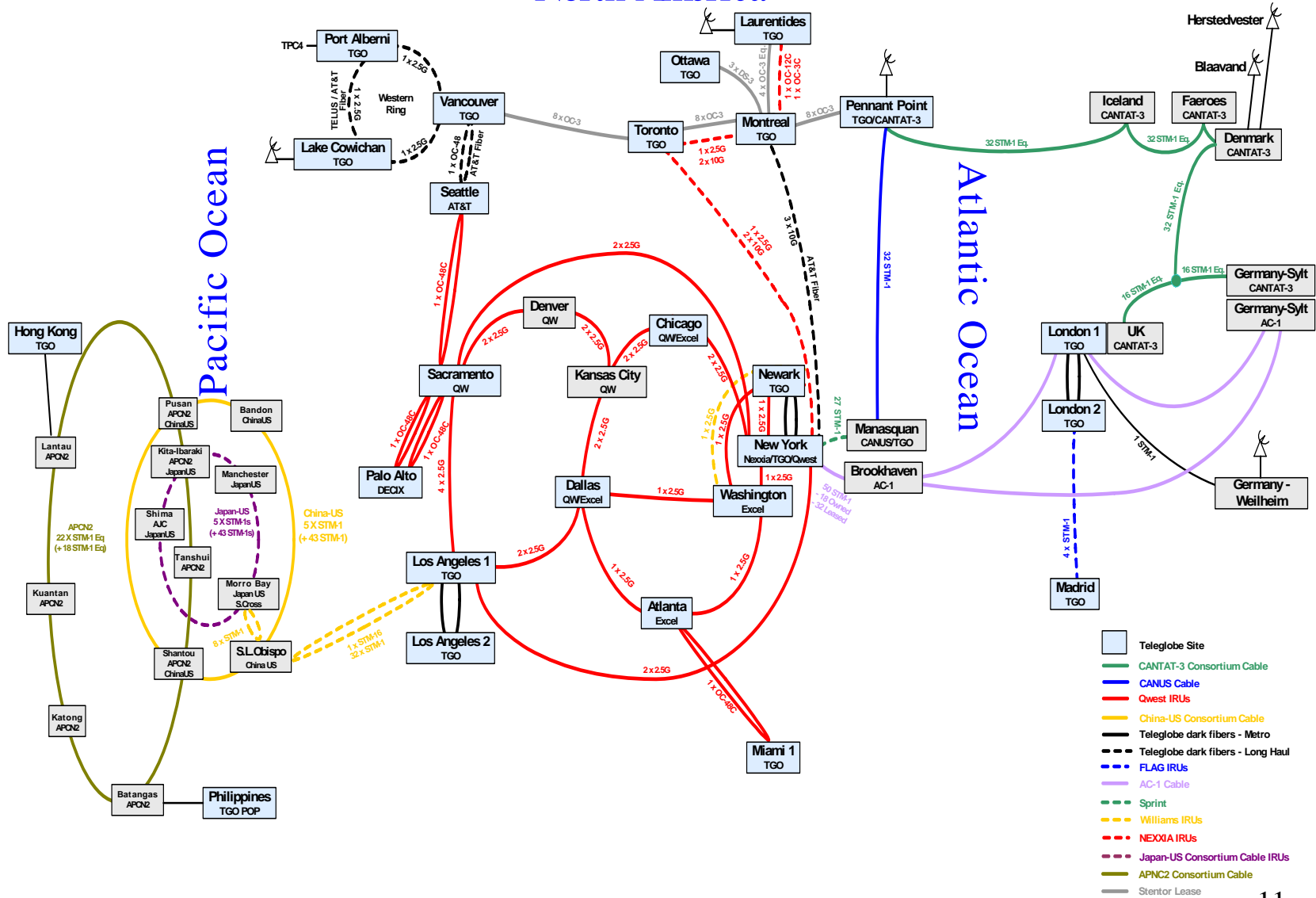
- **January, 2002: Global Telecommunications Network Completed, with 300 Customer-Serving Locations, 1000+ Customers**
- **February, 2002: Bankruptcy Declared**
- **February, 2002 to September, 2002: Transition to Network Of 60 Customer Serving Locations**
- **September, 2002: Transition completed. No Disruption of (Retained) Customer Service**

BCE Teleglobe Network Assets (January 2002)



New Telelobe Network Assets (September 2002)

North America



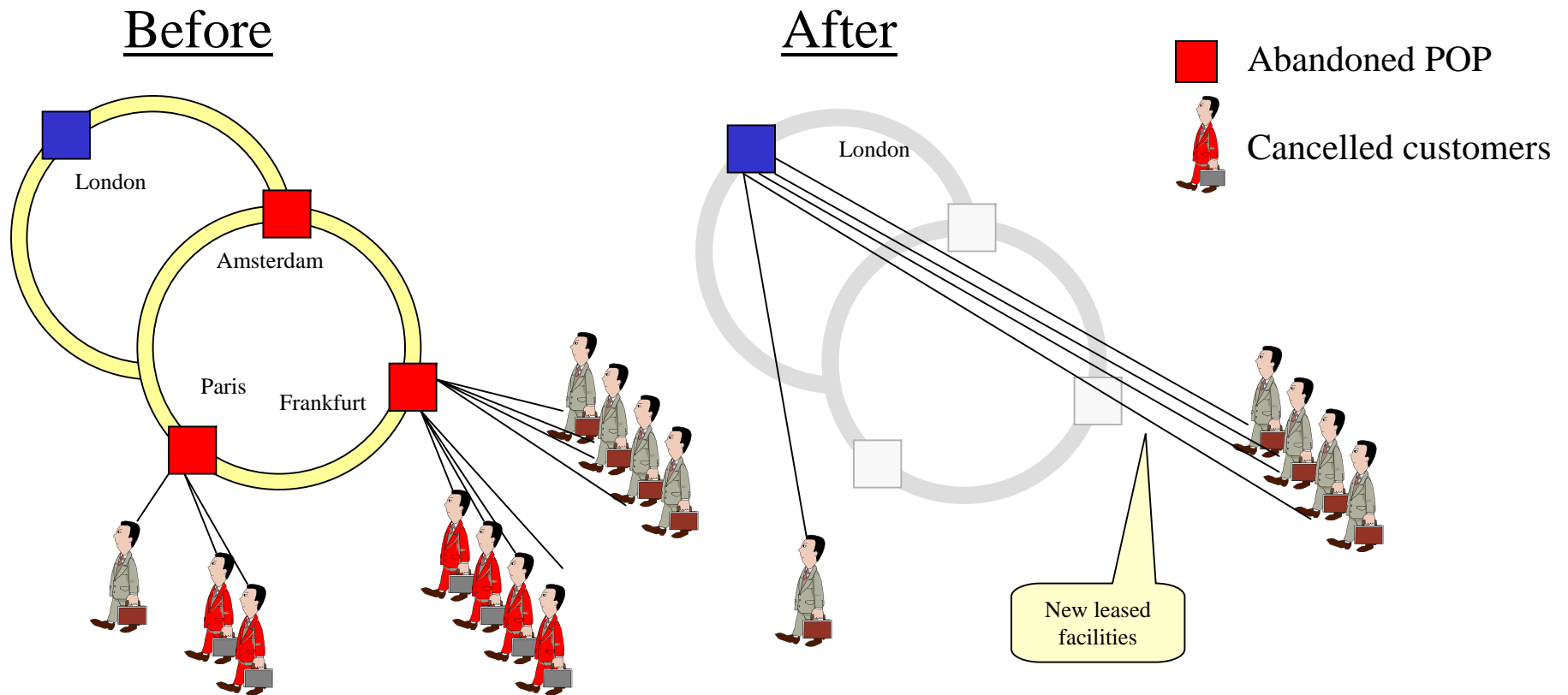
Teleglobe Survival

An Example of Seemingly Intractable Problem

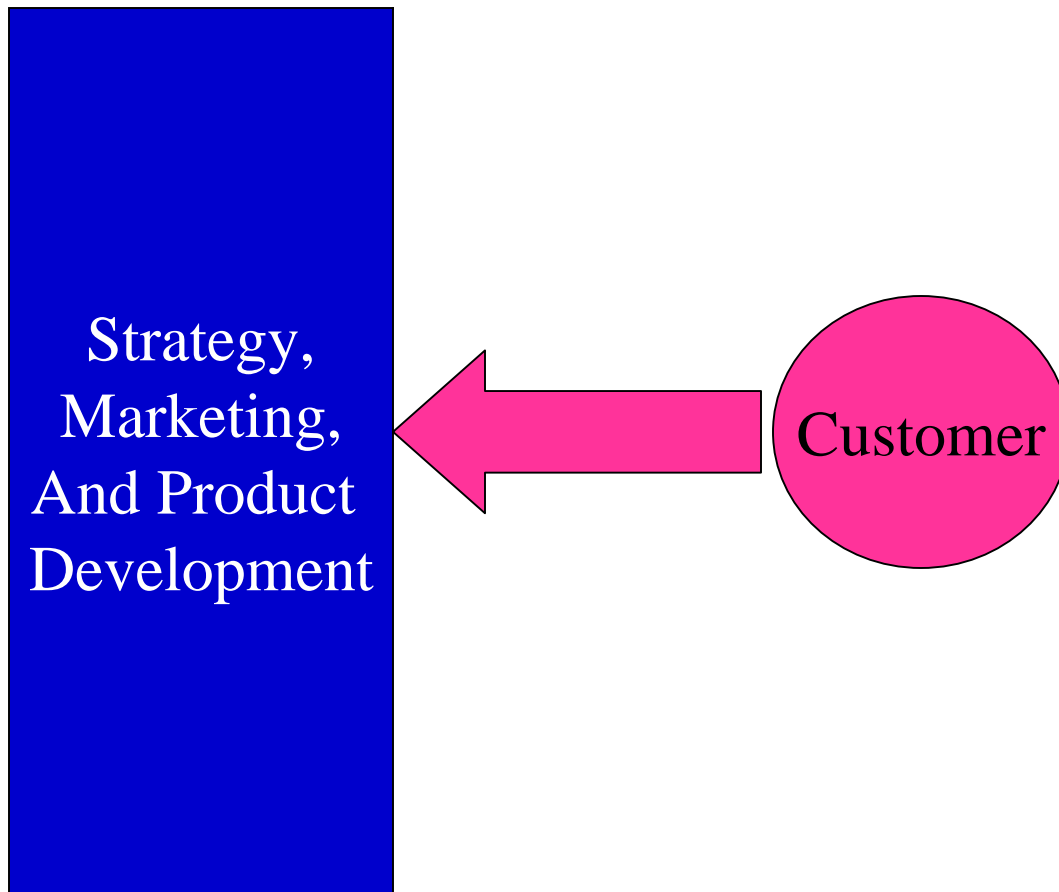
- Examine set of all Customers
- Determine Profitable Customers (Retain), Unprofitable Customers (Terminate)
- Communicate Plan to All Customers
- Reassure Customers That They Will be Served with High Quality
- Design Ideal Network
- Build and Transition Customers to Their New State
- Communicate with Customers Whenever Their Service Might Be Affected By Transition

Migrations

Objective: Migrate a “profitable” customer from an asset being terminated to an asset being retained.



Key Elements and Processes Of A Business



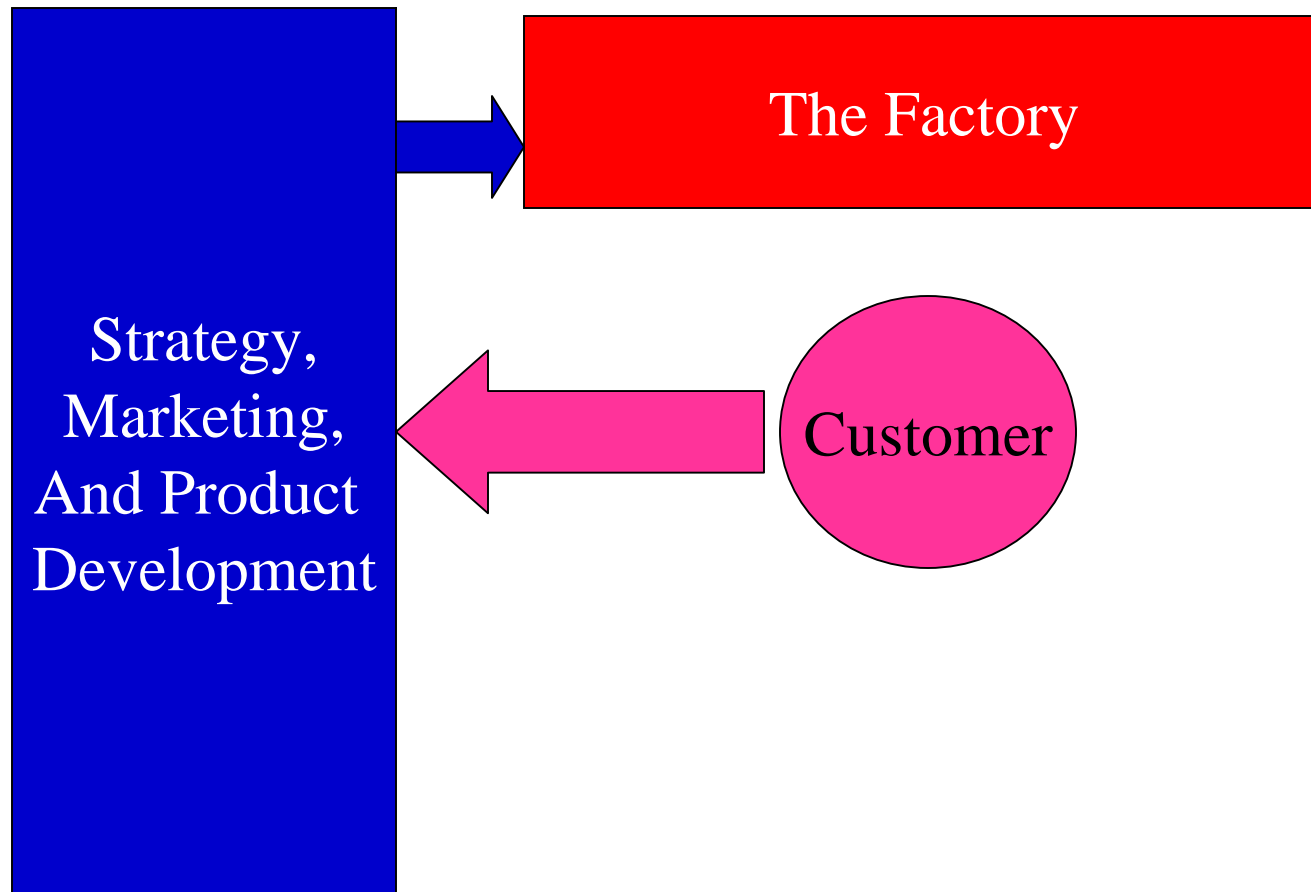
Key Elements and Processes Of A Business

Strategy,
Marketing,
And Product
Development

ISSUES:

- Should We Be Lowest Cost (IDT) or Highest Quality (Dell?, Mercedes?) or Operationally Excellent (UPS)?
- What Markets Should We Be In?
- What Products Should We Sell?

Key Functions and Processes Of A Business



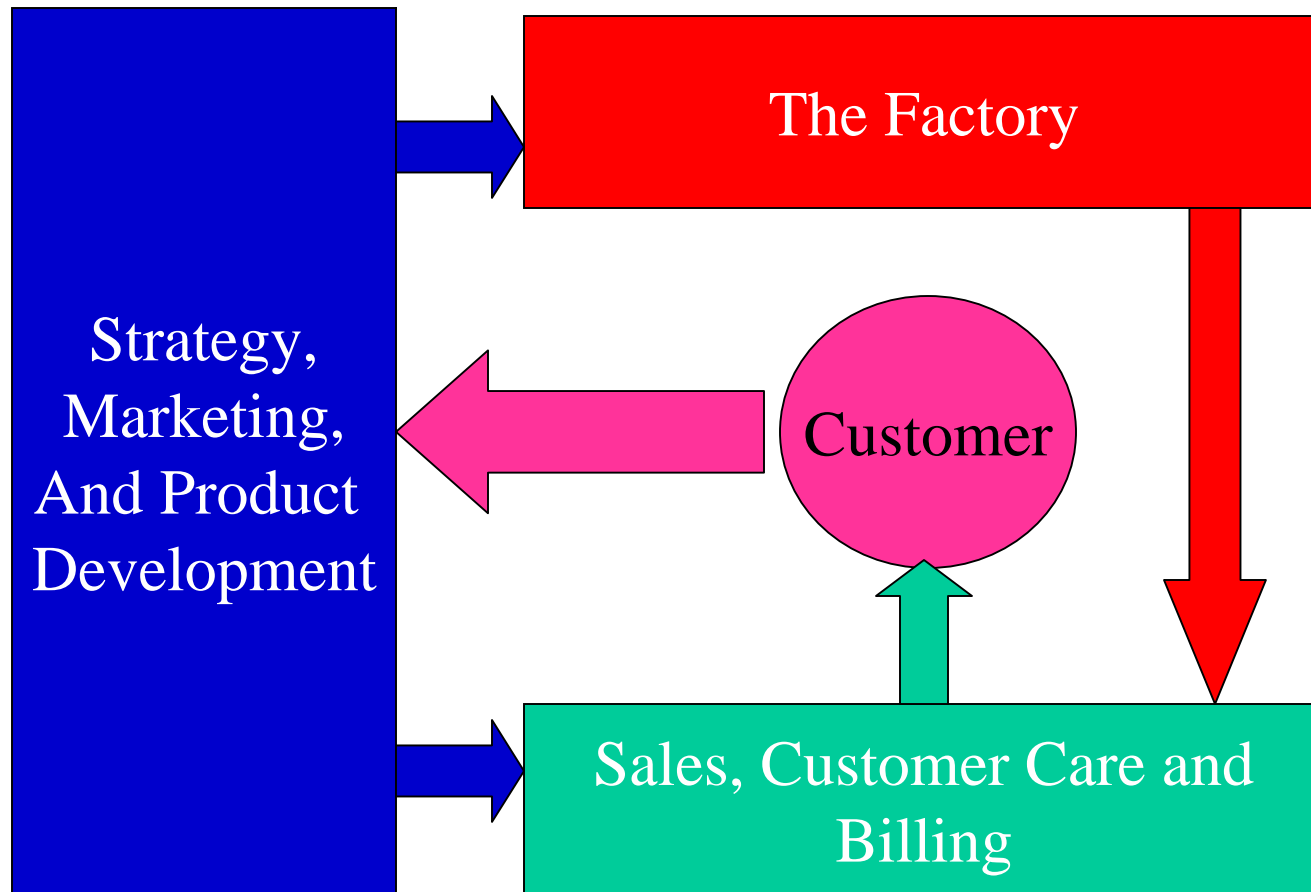
Elements and Processes Of A Business

The Factory

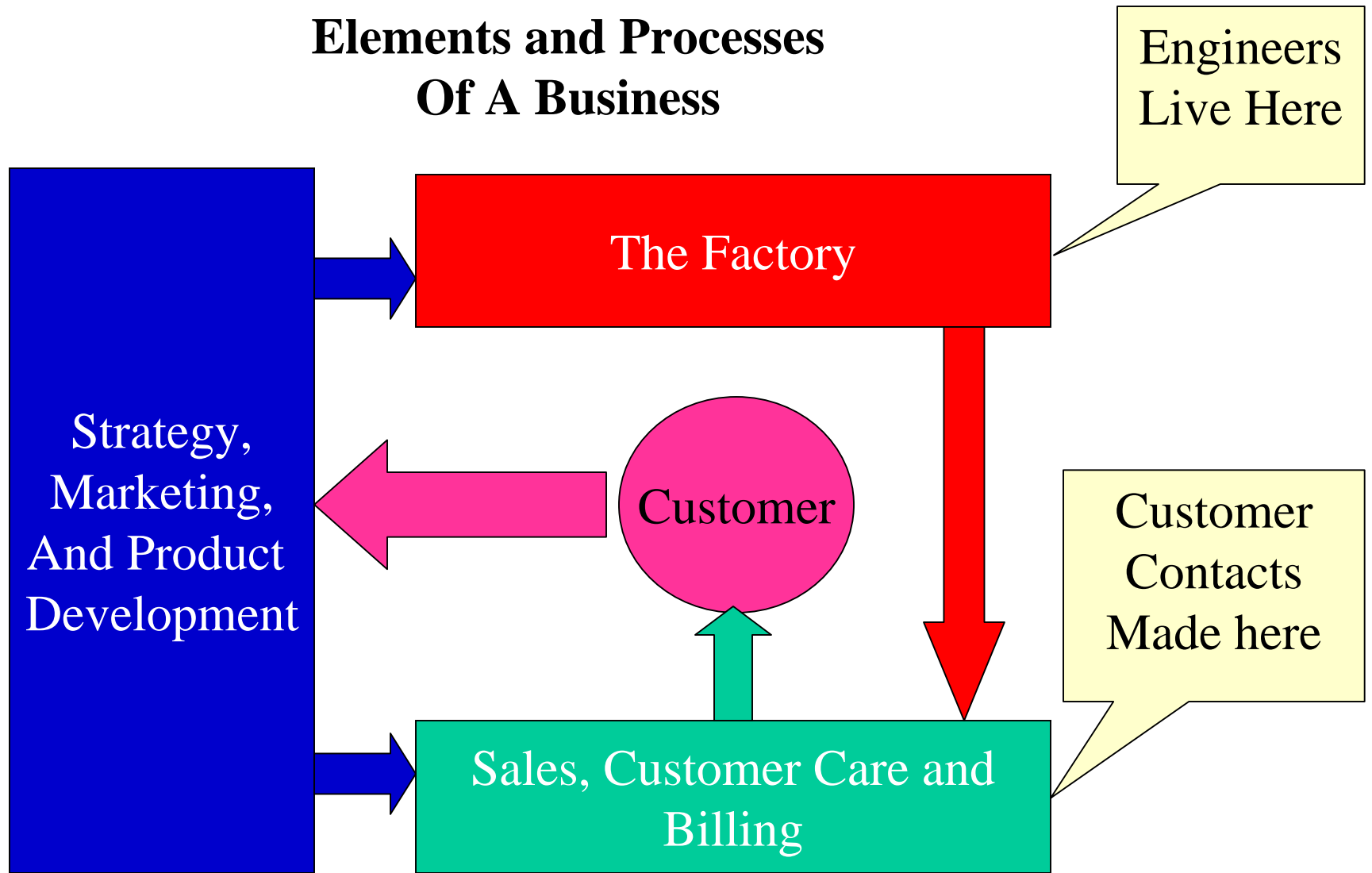
- Produces the Products and/or Services
- Might Be a GM Plant, a Steel Mill, a Telephone Network, or a Coffee Shop

** (What is the product produced by a telephone network? How are units of production measured?)

Elements and Processes Of A Business



Elements and Processes Of A Business



Sales, Customer Care and Billing

***Sales, Customer Care, and Billing* are the Vital Processes for a Successful Business. These Processes:**

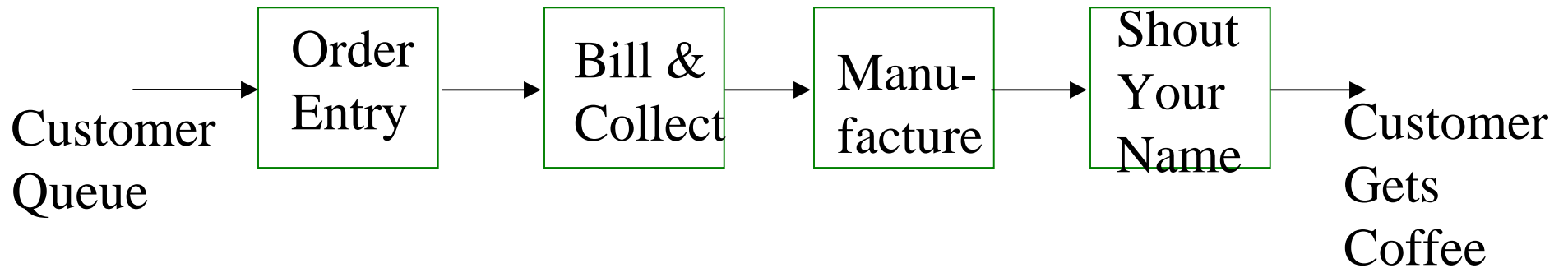
- Acquire customers (Sales)
- Provide the Product/Service to them (Provisioning)
- Keep the customer satisfied (Customer Care)
- Bill them appropriately (Billing)

and

- Collect the money! (Collections)
- (See Slide 4 for Willie Sutton reference)**

Starbucks Example

- The Starbucks Factory
- The Starbucks Provisioning Process



Epilogue

Performance Appraisal

How Will You Be Judged... and Paid?

The Performance Appraisal Ritual

- Discuss Performance of each Employee
 - Contribution
 - Strengths and Weaknesses
 - Education and Training
 - Promotions
- Create Rank Order Lists
- Determine Best Performers
- Determine Raises, Promotions, (and Tenure)
 - To Reward
 - To Retain
 - To Motivate

The Performance Appraisal Ritual

Bell Labs Example

Issue: Develop new systems technology to help *RBOC- West* automate its operations processes.

Approach: Create team, and locate team on customer's premises.

The Performance Appraisal Ritual

Bell Labs Example

Team Member	Role
Rick	Most Creative Software Architect/Developer
Karen Pete	Good, efficient coders
Bob	Good systems engineer/ requirements, documentation

The Performance Appraisal Ritual

Bell Labs Example

Team Member

BL Ranking

Rick

1 - Creativity

Karen

2- More Efficient Coder

Pete

3 – About tied with 2.

Bob

4 – Journeyman job. Anyone can do.

The Performance Appraisal Ritual

Bell Labs Example

Team Member	<i>RBOC – West</i> Ranking
Bob	1. Understands our needs; Values our input.
Karen Pete	2,3. Tied. Good, hardworking, pleasant .
Rick	4. Obviously most clever, but aloof, never sure he was listening

The Performance Appraisal Ritual

Bell Labs Example

Which of These People Is Least Likely
To Have His/Her Job Outsourced?

Team Member

RBOC – West Ranking

Bob

1. Understands our needs;
Values our input.

Karen

2,3. Tied. Good, hardworking,
pleasant

Pete

.

Rick

4. Obviously most clever, but
aloof, never sure he was
listening