

MEMORANDUM

From: Director Strategy LegacyCo

To Executive committee

Subject: Proposed initiatives

As per the Excom request my staff has assembled a list of strategic Actions that we could undertake in the light of our market needs and the demands we can expect from Munro to fund NewCo. If we drive for the efficiencies we will need to support Munro, we will have to pare our headcount and discretionary expenditure cuts with supporting initiatives or we will compromise our market position. This will be an interesting challenge.

The potential Actions have been listed by function and have been roughly costed and the competence gains and other benefits assessed using the 'best guess' method! I have elected not to pre-empt the discussion by trimming the list.

As we assess the items we need to remember that each will put change stress on the organization. So I recommend that no more than 3 be done in any one function in each period.

Finally, it is important that we take in initiatives to support committed funding. Without the requisite action the full effects of the funding will not be obtained.

DECISION HINTS: LEADERSHIP FUNCTION

Below are data to help make a decision on Actions to take.

Impact on Technical Competence: 0 = no impact; += increased competence; - = lowered competence

Impact on Stress: 0 = no impact; + = increased stress; - = lowered stress

Impact on Adaptability: 0 = no impact; + increased Adaptability; - = lowered Adaptability

Example actions: LEADERSHIP

Action	One time cost \$000	Per period Benefit \$000	Impact on Technical Competence	Impact on Stress	Impact on Adaptability
Explain the 'cash cow' role to the organization (compulsory)	0	0	0	+	0
Adopt efficiency philosophy aligned to 'cash cow' status	0	0	+	0	+
Aggressively pursue intellectual property rights	0	0	0	0	0
Aggressively build legal	0	0	+	0	-

department to defend litigation					
Develop in-house leadership program with major university	0	0	+	+	+
Top leadership travel rules symbolically revised to cut costs	0	0	0	-	0
Executive bonus move to 20% base pay maximum	0	0	0	-	0
Executive base pay revision : 50% function, 50% corporate	0	0	0	+	+
Planning & budgeting assumptions given 'performance' focus	0	0	0	+	-
Focus Balanced Scorecard on efficient 'performance'	0	0	0	0	+
Revise compensation programs to reward efficiency by function	0	0	+	+	+

FAMILIARIZATION

1. PLEASE CLICK “Explain the 'cash cow' role to the organization”
2. PRESS SUBMIT