

NOTE FROM THE DESK OF MARY GERHARDT

Henry:

A quick note of congratulation on your elevation! The Munro Board has confirmed your position, now you hold our communal future in your hands.

It will not be easy!

LegacyCo is in poor emotional shape and I suspect that may lead to tough negotiations over your start-up and growth funding. Not to mention any request for human assets you may make.

My only suggestion is to build a REALLY strong case and present it as a strategy.

Additionally, my contacts tell me up to four competitors are thinking of entering the market. Speed is therefore of the essence. Don't let LegacyCo's rather ponderous pace slow you down. Remember, the bulk of the elapsed time in a project such as yours is simply getting decisions and building executive alignment. You will need your 'silver tongue'.

I have put out the word and you will be getting a stream of memos and tools to help you think out your strategy and pull together your start-up funding request.

Good luck!!

Mary

NOTE

From: John Rouse VP HR

To: Henry Morgan CEO NewCo

Subject: Note on Product Development

With reference to my prior memo on hiring, here are my thoughts on the workforce in general.

Your development team has been located at the Darpenhorpe Lab, which means it will work cheek-by-jowl with Jack Horner's LegacyCo team. As you are aware LegacyCo's product development remit is to refine and optimize current offerings. Jack Horner (as head of development for LegacyCo) would like to be more daring – you after all started Project Vole – but there is no guarantee that Vole will be funded given the expected demands of your new operation. This may create resentment amongst the LegacyCo development staff left behind after you agree who is to be transferred to NewCo. That could poison relations with your people. My strong recommendation is that you set up shop away from Darpenhorpe where you can build a new more vibrant culture.

As I understand it you have opted for a variant of bricolage and co-development. You will be 'cobbling together' Munro technology acquisitions, taking on experienced development skills and seeking to reuse XYZ technology. However, most important you intend working with 'business visionaries' to develop your offering at high speed in the real-world and to build legitimacy with early buyers on the growth curve. This is dramatically different from where LegacyCo is today; there the technology is relatively slow moving, competition is settled, and you are leaving behind a stable development process focused on maintenance and some new functionality.

With reference to the co-development: you intend to form relationships with business visionaries. We suspect they will seek evidence of your commitment from the volume of resources you are willing to commit to solving their problems. This will raise the question of how many people you will need to take on initially. I would suggest a mixture of 'core' developers who will stay and 'contract' developers who will be contingent on demand. Because of the tight time frames, you may need to take on both groups at the same time from a budget perspective. Depending on the number of visionaries you end up working with you may shed contract workers in coming periods.

As you will wish to discuss all this with your new VP Development, I suggest you move ahead with hiring for that position as soon as possible.

John