

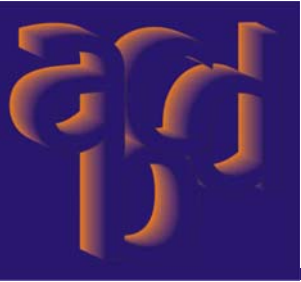
CMC panel discussion Surviving this economic downturn

June 18, 2009



www.coreinternational.com

COREinternational inc
Accountability Based Companies by Design®



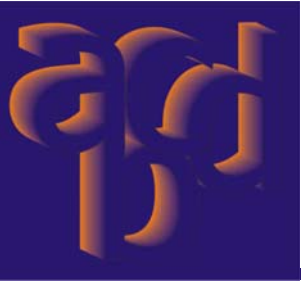
What we see—the need

- ◆ The last remaining source of truly sustainable competitive advantage lies in what we've come to describe as organizational capabilities—"the unique ways in which each organization structures its work and motivates its people to achieve clearly articulated strategic objectives."

– D. Nadler and M. Tushman,

Competing by Design: The Power of Organizational Architecture, p.5
NY, Oxford University Press

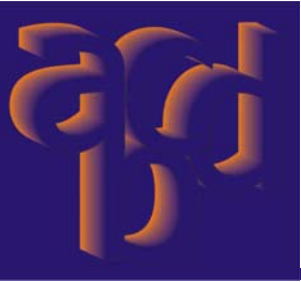




COREinternational

- ◆ Formed in 1997
- ◆ Our mission
To help corporate executives and managers achieve superior results through a management system that includes the right structure, the right people, the right managerial processes, and the right leadership practices.
- ◆ Our promise
Measurable results and valuable learning
 - ✧ Experts in organization design and implementation
 - ✧ Pass on the learning and skills

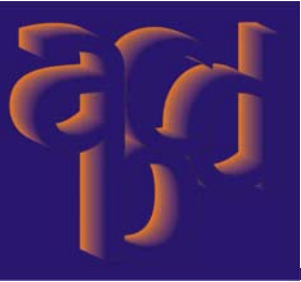




The marketplace has changed since the last downturn

- ◆ **More** companies appear to be willing to use this time as an opportunity to invest for the future
 - ✧ Not just battening down the hatches, cutting costs and waiting out the storm
- ◆ Best companies constantly working on improving capability
 - ✧ Has not changed in this downturn

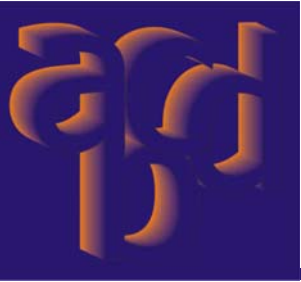




The marketplace has changed since the last downturn

- ◆ Industries are addressing complexity
 - ✧ Product complexity first (e.g. automobile companies)
 - ✧ Organization complexity
 - ✧ Process simplification and improvement

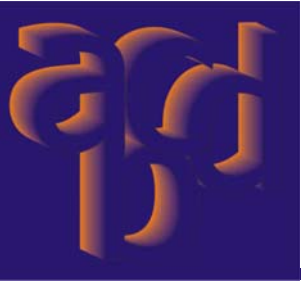




The marketplace has changed since the last downturn

- ◆ Slowdown in growth and development creates an opportunity to focus on cleaning up operational issues
- ◆ Willingness to invest
 - ✧ Clients are clear on what they want to achieve and what help they want to get there
 - ✧ Willingness to buy services that address issues in a way that
 - Produces results
 - Creates leverage
 - Provides appropriate support

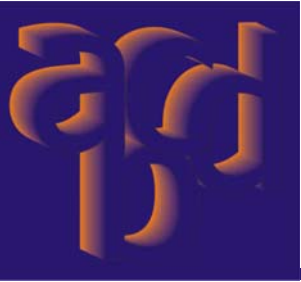




The marketplace has changed since the last downturn

- ◆ Improved competence in buying consulting services
 - ✧ Higher expectations of visibility into work plans, costs and benefits to them
 - ✧ With this comes a willingness to make investment in improving organizations
 - ✧ Buy when consultants know their issues and can demonstrate how they will create improvements



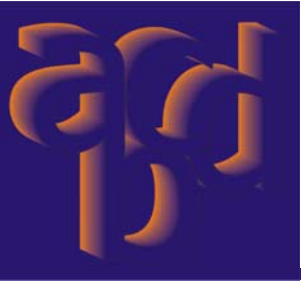


Delivering results—examples

Large financial institution (last downturn)

- ◆ Fraud loss rates were among the highest in the world
- ◆ New competitors were entering the marketplace with anticipated loss of market share
- ◆ Operating as an “entrepreneurial company that grew”
- ◆ Lack of accountability/ownership with duplication, too many priorities and the burden of bureaucracy—unclear decision rights and constant escalation
- ◆ New leader saw growth opportunity in the marketplace and created a goal to double size of the organization in five years
- ◆ COREinternational was engaged to help



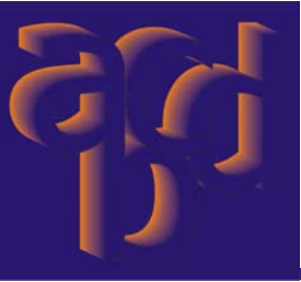


Delivering results—examples

Some key results

- ◆ Doubled the business in three years—two years ahead of goal
- ◆ Within just 6 months of focused effort within an accountable and inspired organization, fraud rates significantly decreased to become the shining example in the industry
- ◆ In one department:
 - ✧ Saved over \$2,000,000 in operational expenses
 - ✧ Saw a 70% improvement in productivity
 - ✧ Reduced employee attrition from 6.0% to 2.5%
 - ✧ Exceeded management expectations on 73% of staff performance



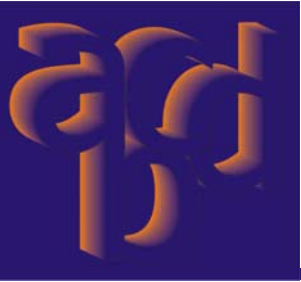


Delivering results—examples

Financial Institution Operations Group

- ◆ Saw an opportunity to redesign their approach to deliver operational consistency and improvement.
 - ✧ Initiative resulted in an initial \$7 million in cost savings
 - ✧ Increased employee engagement scores by 6 percent (highest level in the company)





Getting the business

- ◆ Know what you are selling
- ◆ Know your market
- ◆ Know what value you can bring to clients and ensure they understand it
- ◆ Know your clients' needs
- ◆ Adapt your offer in a way that meets client needs
- ◆ Manage relationships:
 - ✧ Develop and maintain relationships with key decision makers who will buy from you

