

Explorations

Series...

Claiming the Future

**Globalization**

## Series Purpose

To equip ourselves with the vision and skills required to take Huffman to the next level

In a way that we will be able to always link learnings with delivering results  
So that we all reap the rewards of increased value.

## Products:

1. Choosing to excel in a new arena
2. Knowing value creators
3. Demonstrating knowledge through projects
4. Appreciating business financials
5. Understanding world class manufacturing concepts



# Corporate Plumber



## Organizational Enema

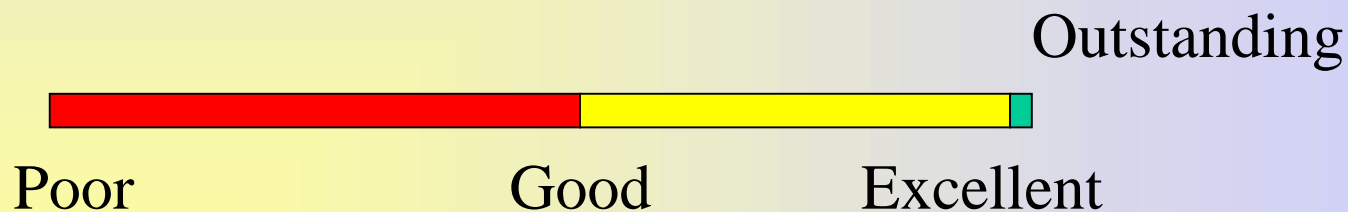


# Terrorist?

- Value our labor system
- Share power and involve others
- Share data and situation
- Designed interventions vs. “winging it”
- One-step shy of “going-critical”
- Breaking through years of “can’t do”
- Destabilizing the world as it is known
- Eliminating the comfort zone

# Our Choice

- Poor standards deliver Ugly results/rewards
- Good standards deliver Poor results/rewards
- Excellent standards deliver Good results/rewards
- Outstanding standards Take all the rewards



# Globalization...

## the new arena



Session 1

## Purpose:

To recalibrate our perspective on the arena within which we do business

In a way that begins to appreciate the incredible changes taking place as we sit here today

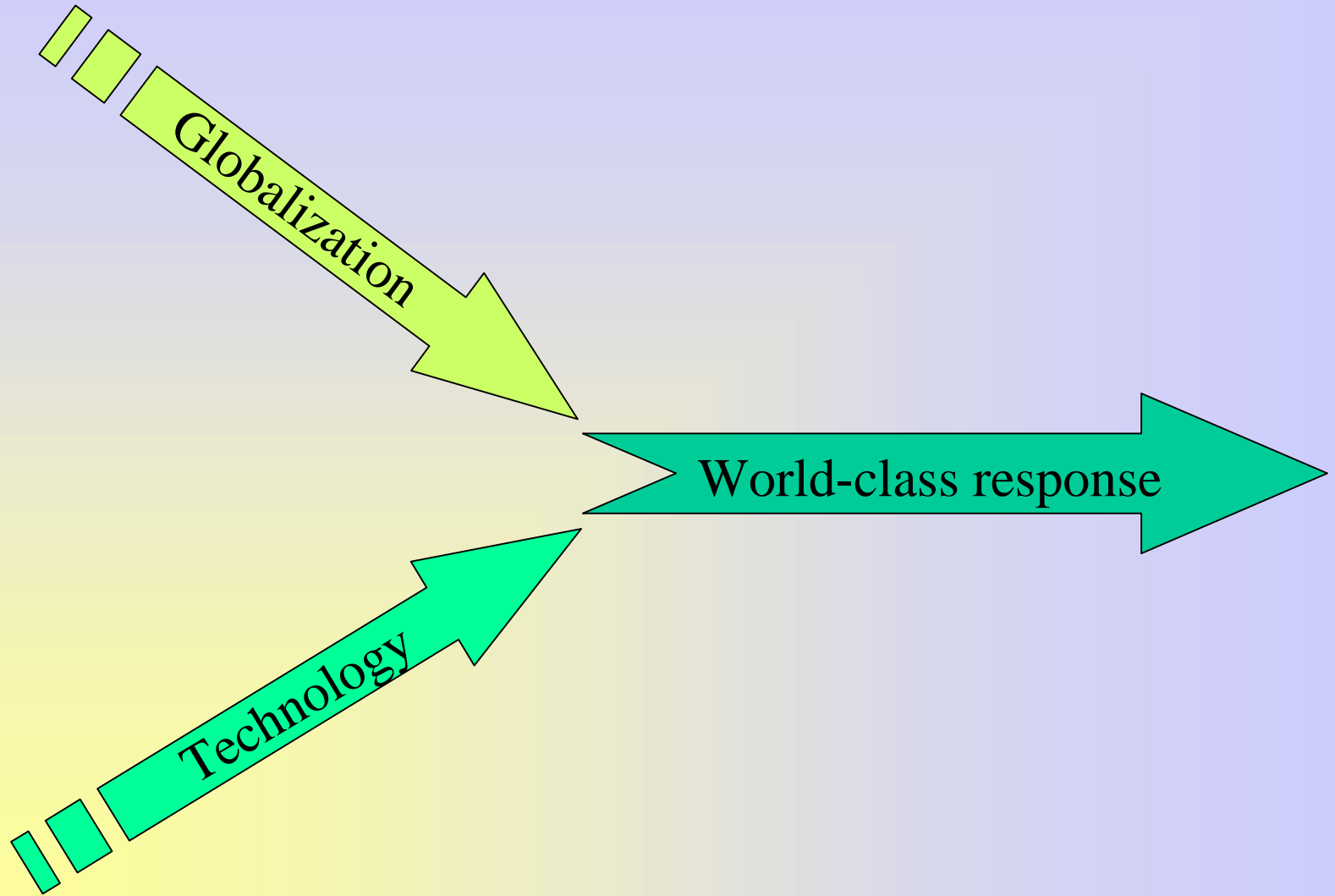
So that we become willfull in seeing and seizing the opportunities available to us.

## Products:

1. Awareness of world-shaping trends
2. Appreciation of customer expectations
3. Introduction to world-class concepts
4. Increased will



# Agenda



“We are in an all out brawl  
and there are no rules.”












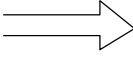



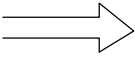

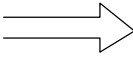


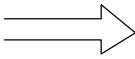

Paul Allaire-Xerox

# The World Stages

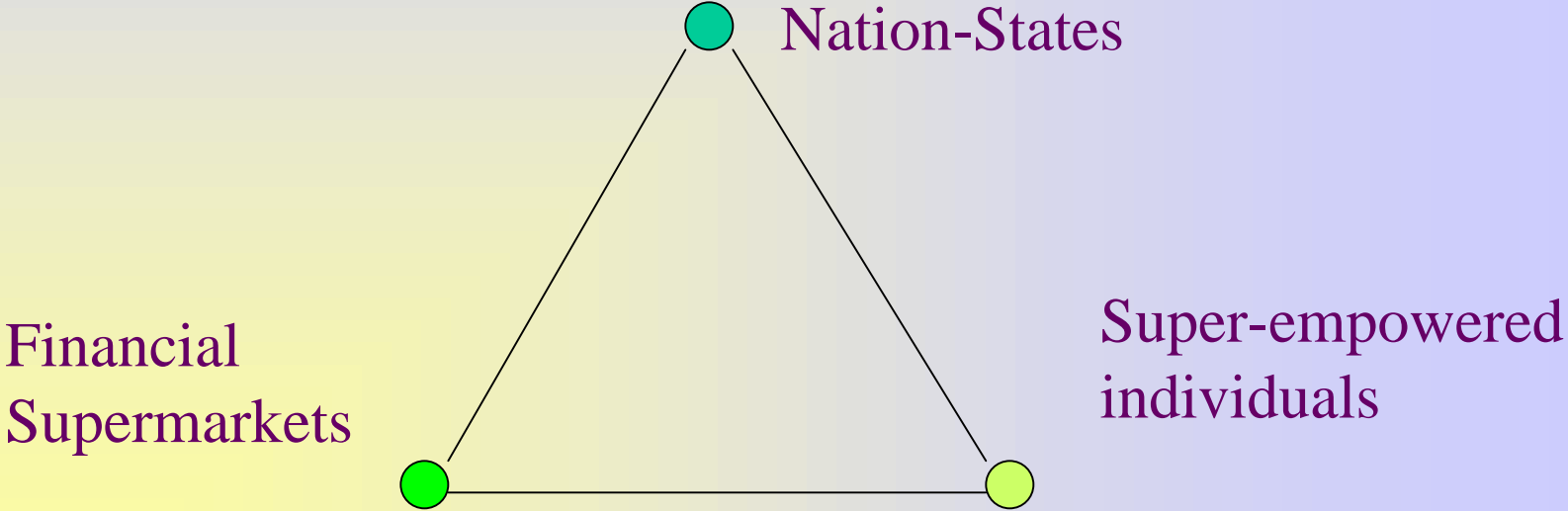
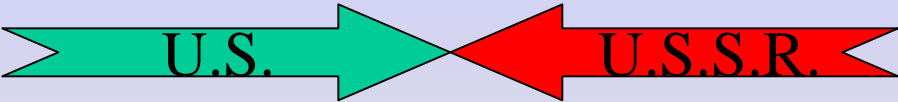
	<b>Cold-War Era (1954-1989)</b>	<b>Globalization Era (1995+)</b>
<b>Power</b>	U.S./U.S.S.R. Balance	No-one
<b>Economics</b>	Partitioned	Boundryless
<b>Culture</b>	Regional	Global, homogenizing
<b>Ideas</b>	Communism vs. capitalism	Free-market capitalism
<b>Perspective on Globe</b>	Division	Integration
<b>Demographic trends</b>	East/West...South/North	Rural/Urban with global tastes
<b>Defining technology</b>	Nuclear	Computers, micro, internet
<b>Defining measure</b>	Throw-weight	Speed
<b>Symbol</b>	"The Wall"	WWW
<b>Defining document</b>	The treaty	The deal
<b>Defining law</b>	$E=MC^2$ (Einstein)	Computing power 2x/18-24months (Moore)
<b>Sport analogy</b>	Sumo wrestling	Daily 100-meter dash
<b>Enemy</b>	Visible	Invisible
	Insular	Global

Key Flow: Globalized Problems

# Impact on Us

 Developers believe Thai economy strong	 Developers decide to build hotels, office bldg., luxury apartments, factories	 Development plans established and investors sought	 Thai banks believe Thai government will keep Baht at fixed rate to U.S. Dollar	 Thai banks borrow heavily in U.S. dollars to finance building boom	 World awareness that Thai economy not as strong as believed in Step 1
 Global speculation against the Baht	 Thai Baht crashes by 30% when government decouples from dollar to stabilize currency	 Developers/businesses can't repay the 30% increase in their loans on-time to local banks	 Banks can't repay foreign lenders	 12/8/97 Thai government closes 56 out of 58 financial houses	 Money flows out of all southeast Asia markets
 Asian currencies devalue immediately	 Investors increase scrutiny of economies and move cash or increase lending rates	 Asian economic slow-down decreased consumption of raw materials driving down prices of gold, copper, aluminum and oil	 Problem transfers to Russia	 Decrease in oil exports shrinks tax revenue for Russian Gov. causing them to default on loans & de-value currency	 Problem transfers to hedge-funds and banks heavily leveraged in Russia (up to 50X) ref. LongTerm Capital Mgmt in CT; \$120B bet
 Hedge-funds and banks liquidate assets in sound countries to cover losses	 Sale of assets drives down/slow economies of emerging countries like Brazil	 8-98 Investors flee emerging economies and move money into U.S. treasury bonds driving down interest	 You and I enjoy getting over-extended and feel poor when our stocks get whip-sawed		

# Structure of Power



# Exciting Times

Stanford study of the timing and impact of new technology on society concluded that it takes 2 adult lifetimes (70-80yrs) for a new technology to be a part of daily life.

Phase I: economic maturation (25 years)

Phase II: Counter productive, unreliable (25 years)

Phase III: Hyper-productive, all-at-once, transformational (25 years)

If the pattern holds true for Computer History:

1946-1970            Phase I (eniac and the census bureau)

1971-1995           Phase II (wages fall 15-20%, double incomes the norm)

1996-2020+        Phase III (by 2010 we will be extremely prosperous)

we have climbed out of a twenty year wage drought in 5 years.

# The future

- Taylorism is dying as more information and decisions move to the worker
- Workforce distribution will create virtual teamwork
  - 35% with core competencies
  - 25% sub-contracted to support businesses
  - 25% contingency
  - 15% independent contractors

# Threshold Expectations

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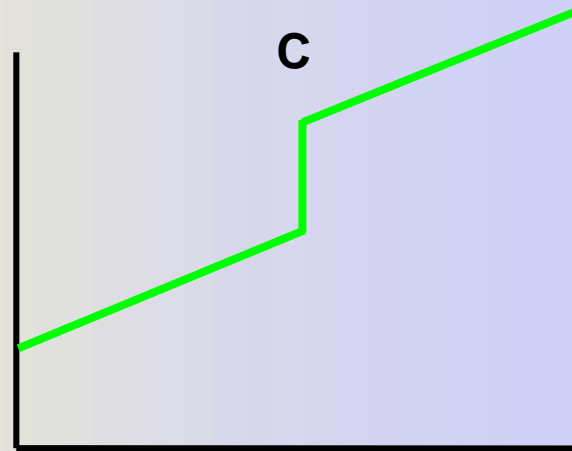
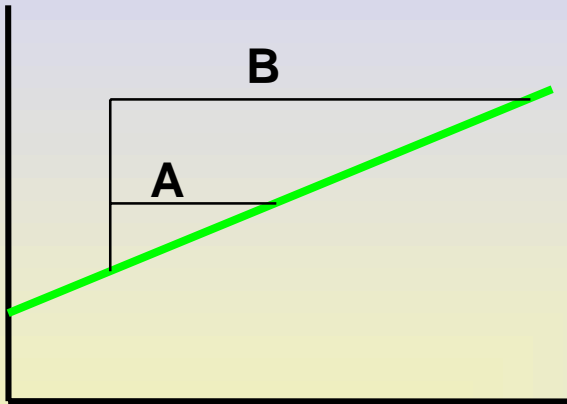




**Response**



# Targeting



No Wiggle Room!

“Incrementalism is innovation’s  
worst enemy.”

Nicholas Negroponte  
MIT Media Lab

# Levels of Innovation

C

System

Sub-System A

Sub-System B

Sub-System C

B

1

2

3

Component

A

“The e-conomy is one of re-intermation, where new technologies make it possible to radically increase complexity and efficiency with the introduction of new marketplaces. In these markets, *value chains constantly reorganize as the demands of the consumer and business change.*”

Thomas Koulopoulos, Delphi Group

So what will be the *Basic Building Block* of the *New Org?*

*You* are the  
Rock Stars  
of the  
B2B Age!

Message: *You are  
Re-invention Evangelists!*

Enter ...

# *The WOW Project!\**

*\*The Project50*



*“Reward excellent failures.  
Punish mediocre successes.”*

Phil Daniels, Sydney exec

“Every project we take on starts with a question: *How can we do what’s never been done before?*”

Stuart Hornery, CEO, Lend Lease

The greatest danger for most of us  
is not that our aim is too high  
and we miss it,  
but that it is too low and we reach it.

Michelangelo

## DISTINCT ... OR EXTINCT!

*“If there is nothing very special about your work, no matter how hard you apply yourself, you won’t get noticed and that increasingly means you won’t get paid much, either.”*

Michael Goldhaber, *Wired*

“The ‘surplus society’ has a surplus of *similar* companies, employing *similar* people, with *similar* educational backgrounds, coming up with *similar* ideas, producing *similar* things, with *similar* prices and *similar* quality.”

Kjell Nordstrom and Jonas Ridderstrale,  
*Funky Business*

“You do not merely want to be the best of the best. *You want to be considered the only ones who do what you do.*”

Jerry Garcia

“The customer is a **rear view mirror**, not a guide to the future.”

George Colony, Forrester Research

“If you worship at the throne of the voice of the customer, you’ll get only **incremental advances**.”

Joseph Morone, President, Bentley College

Good = Bad/ 1 of 30,000

“We are crazy. We should do something when people say it is ‘crazy.’ *If people say something is ‘good’, it means someone else is already doing it.*”

Hajime Mitari, Canon



“Car designers need to create a *story*. Every car provides an opportunity to create an *adventure*. ...  
“The Prowler makes you *smile*. Why? Because it’s *focused*. It has a *plot*, a reason for being, a *passion*.”

Freeman Thomas, co-designer VW Beetle; designer Audi TT

Brand = You Must *Care!*

“Success means never letting the competition define you. Instead you have to define yourself based on a point of view you care deeply about.”

Tom Chappell, Tom's of Maine

*“If things seem under control,  
you’re just not going  
fast enough.”*

Mario Andretti

