



Implementation of a
Work-Out program
using the General
Electric approach.



Some Everyday Business Questions...

- What is the best way to deliver service to our customers?
- How can we improve our margins and our efficiency?
- How do we get everyone on the same page?
- How do we stay ahead of the competition?
- How do we attract, develop and retain the best talent?
- How do we move quickly to new opportunities?



What is WorkOut?

- A simple structured method for cutting out unnecessary work from the organization and solving organizational problems – fast!
- Involves the engagement and empowerment of employees in decision making.



Some Companies that use WorkOut....

- General Electric (GE)
- General Motors (GM) – “GoFast”
- Wal-Mart
- Home Depot
- Sears
- Unilever – “Cleanout”



More Companies

- IBM
- Alstom
- Phillips – “Centurion Program”
- Rolls Royce – “One Small Step”
- The World bank
- Zurich Financial Services
- GlaxoSmithKline Pharmaceuticals



The basics of WorkOut...

- Bring together the people from the organization who know the issues best.
- Challenge them to develop creative solutions
- Decide on the solutions immediately in a public forum
- Empower people to carry them out.
- Follow-up rigidly to ensure that the solutions are completed.



Lower Level

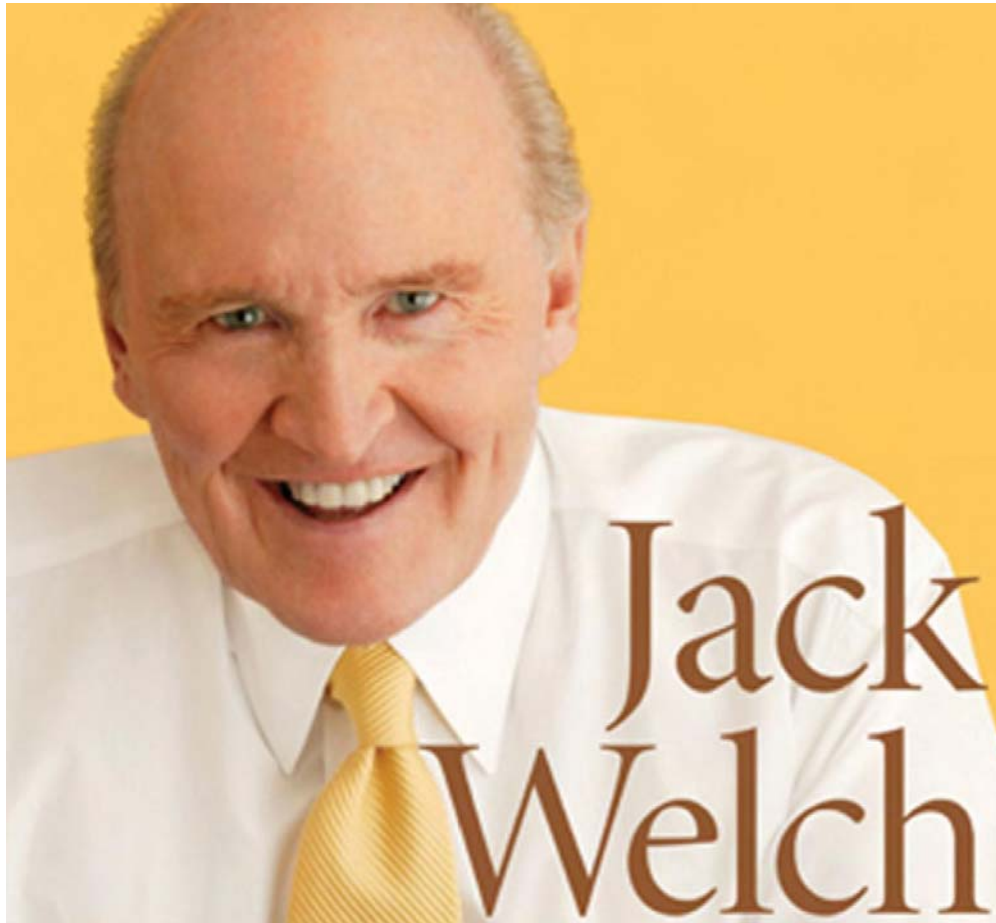
- Reduce meetings, reports and approval levels.
- Reduce time for expense reimbursements, travel arrangements, office supplies, personnel data, taking educational courses.



Higher Level

- Improving business strategy.
- Operational efficiency.
- New business development.
- Claims reduction.
- Policies and Procedures development.

Where did it come from?



- “Manager of the century!”

Fortune Magazine

- “One of the greatest innovators of the past 75 years, an icon of American business.”

Business week



With Work-Out as part of its culture...

- GE has become one of the most admired, profitable and innovative companies on earth.
- It changed culture, developed new leaders, improved teamwork, improved customer and supplier relationships.



Benefits of WorkOut. [\$\$\$]

- Potential payoff from Work-Out has been (on average) greater than 10X the expense involved.
- In fact 10X is actually on the modest side.

WorkOut Key Elements

WorkOut aims to ...

- ☐ Create the forum for dialogue and change
- ☐ Eliminate bureaucracy and barriers
- ☐ Cultivate grass root solutions



People closest to the work...

- ☐ Know it best
- ☐ Have significantly more to contribute to achieving business goals—and want to do so
- ☐ Will respond favorably to a team challenge

Actions begin immediately...

- ☐ Leadership decides 'live' on the recommended solutions
- ☐ Teams implement their solutions with updates to leadership at 30, 60 and 90 days
- ☐ Recommendations must be completed in 90 days





Process Overview, the 6 Steps

1) A Sponsor:

- Selects a critical business challenge

- Selects a Champion to oversee a WorkOut

2.) A Champion:

- Selects a Planning Team to guide the WorkOut

- Serves as lead of the Planning Team



Process Overview, the 6 Steps

3.) The Planning Team:

- Refines the business challenge
- Defines measurable goals
- Identifies WorkOut team participants
- Compiles data and background information critical for the WorkOut team(s)



Process Overview, the 6 Steps

4.) WorkOut team(s) in the WorkOut Session:

- Systematically analyze the challenge
- Generate recommendations to meet the goals
- Define the cost and benefits of recommendations
- Create action plans to be implemented
within the next 90 days
- Present recommendations to the Sponsor for
immediate approval



Process Overview, the 6 Steps

5.) The Sponsor:

- Makes “yes” or “no” decisions on each recommendation presented by the WorkOut team(s) on the spot

6.) WorkOut Team Leads:

- Oversee the 90 day implementation of the approved recommendations, with the involvement and support of all of the team members

WorkOut results

■ GE Capital

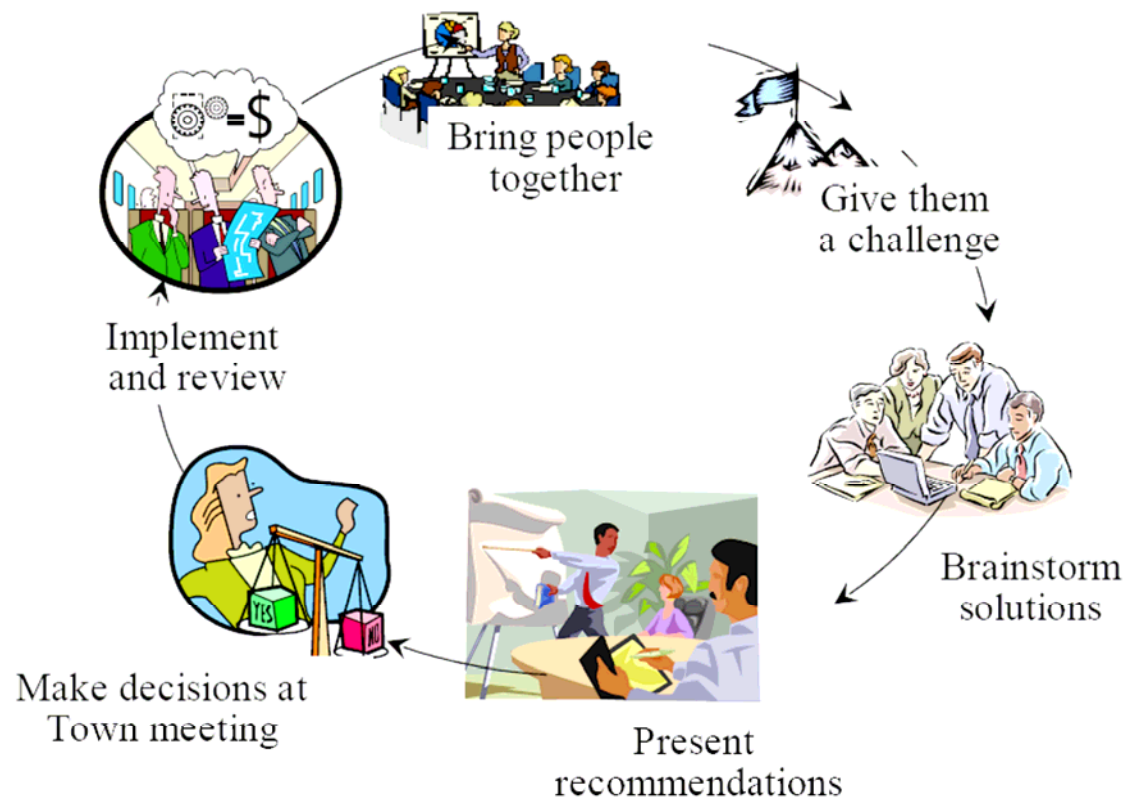
Automobile fleet leasing customers given summary reports of monthly usage – not all backup detail.

Less paper, postage, labour savings from less handling, reductions in computer processing time and customer queries.

Resulted in \$100,000 in savings



In Summary...





The Power of WorkOut!!

The Hornbeck cases ...

- Employee of the Year Award.
- 5 Year appreciation awards.
- Crew Transportation.
- Vessel grocery solution.
- Employee medical plan.
- Satellite phones for all vessels.
- Casual to Permanent Employee Status.
- Company Newsletter.
- Quarterly Training Workshops.



Questions??