



**Organization: Building Commercial Integration Globally**

**EMEA 2008**

MAKING SENSE OF OPPORTUNITY AND RISK:  
THE JOURNEY TO CONTRACTING EXCELLENCE

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## Synopsis

Rockwell Automation is in the midst of transitioning from being a U.S.-based products company to being a global solutions provider.

This presentation chronicles our journey from a contracting capability perspective, how we align ourselves functionally and to the enterprise, locally and globally.

## “Legacy” @ Rockwell Automation

- Having contracts people in the countries that traditionally know and understand local law, “owned” by the Country Manager
- i.e. USA and England
- In EMEA, also had a head office-based resource

# The Change

- Then:
  - Selling from one country into other countries  
(US to the rest of the world – later, selling from one European country to the rest of EMEA)
  - Being able to select one standard contract law  
(State of Wisconsin or English law)
- Now:
  - Having local sales offices in each country which in many cases implies that you have to use the local law; being able to speak the local language.
  - Focus on speed and agility – responding to market needs

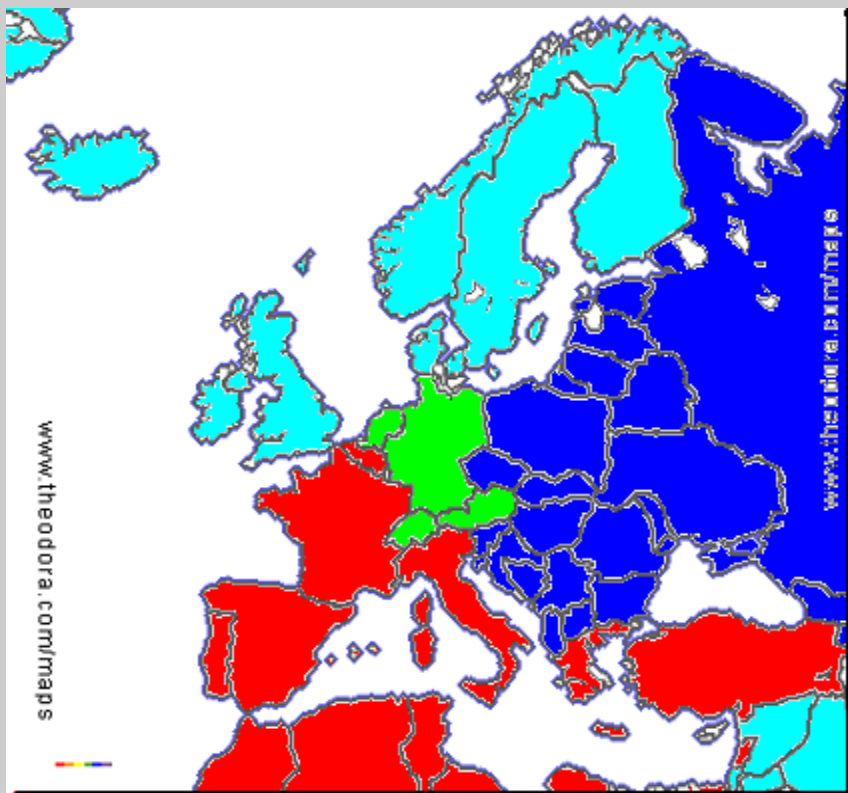
## **Vision Statement**

**Our customers rely on us to frame  
and close good business**

## EMEA Solution

- We want an organization that is aligned closely with Sales, but still independent from them
- Apply global policies to meet local conditions
- Closely align with the different business units
- Empower resources that are closer to the customer to make better and quicker decisions

# The Regions



- Nordic region – UK and Scandinavia as well as ME and English speaking Africa
- Central region – D, A, CH and NL
- Eastern region – Czech republic to Kazakhstan and Rumania
- Southern region – Mediterranean and French speaking Africa

"Maps courtesy of [www.theodora.com/maps](http://www.theodora.com/maps), used with permission."

# Voice of the Customer (VOC)

- To elaborate where we are, we performed a VOC in fall 2007. These were the main results:
  - There is a small disconnect in RA's sales strategy and the contract negotiation / approval process
  - The BUs consider Sales to be disconnected from the rest, whereas Sales considers the BUs to be disconnected
    - Funny enough, both consider they are well-aligned with C&N
  - The major causes are:
    - BU risk profile not well understood
    - Pricing and margin requirements in conflict
    - Lack of timely engagement with customer; too late in sales cycle

# Voice of the Customer (VOC)

- The areas that were most appreciated:
  - Risk Reviews
  - Contract negotiation and finalization.
- The area that works the least beneficially, especially from Sales point of view, is escalation and approvals process, in particular when multiple BUs are involved
  - Timeliness
  - Consistency between BUs
  - There was little alignment between the facts of the deal and the final decision

# Voice of the Customer (VOC)

- What did we learn?
  - C&N needs to take a more active role in getting approvals from BUs
    - Timely responses
  - The BUs and Sales need to understand each other better
    - TRAINING given
    - Communication still needs to be improved

## **Build up personal relationships ...**

- Country Managers
- Region Managers
- Head of the Region
  
- Head of Finance for each Region
- Credit Managers
- Marketing leaders
- Field Business Leaders

## Supporters

- Finding common objectives
  - Top-line sales growth and protect the company (i.e. profitable growth)
- Innovative and creative in how we get the business while still protecting the company

## Sales Training

- WHY does the Contracts Department behave like we do
- Strengthen Sales' commercial awareness and negotiation capability
  - Negotiations training
  - Negotiations planning
  - Negotiations Plan Authorization
- Being a bit tougher in negotiations, daring to pushback on customer and not accept everything requested or demanded
  - While, of course, still ensuring that customer respects us and knows what to expect from us (“keeping our promises”)

## Results to date ...

### BEFORE

**Imposing our terms and our  
chosen law**

**One, global standard set of  
terms focused on products  
sales**

**Rigid contracts and law  
departments**

**Cycle time measured in months**

### NOW

**We adapt and learn**

**We have solutions terms that  
are localized**

**We are a flexible and learning  
organization**

**We complete negotiations in a  
matter of weeks**

### Contracting Capability Maturity Scorecard

Areas of Engagement	Phases of Organizational Contracting Discipline Development				
	Phase I Start up	Phase II Disciplines Under Development	Phase III Discipline is Functional	Phase IV Continuous Improvement	Phase V World Class (BIB)
Leadership (Mark)	5	5	3		
Customer/Vendor Experience (Amy)	5	5	5	3	
Execution and Delivery (T3)	5	5	5	3	
Solution Requirements Management (Bill)	5	5			
Financial (Bill)	5	5	3		
Information Systems/Knowledge Mgmt. (Katherine)	5	5	3		
Risk Management (Stephen)	5	5	5	3	
Strategy (T1)	5	5	5	3	
People Development (T3)	5	5	5	3	
Key	5	Green = Full compliance to the behaviors listed in this Phase of development			
	3	Yellow = Partial compliance to most of the behaviors listed			
	0	Red = No compliance to the listed behaviors			

## Global Perspective: Add Value!

- Voice of the customer is key!
- Focus on proper alignment to ensure speed and agility
  - Act locally, report globally
  - Local leaders and skill sets
  - Regionalized tools and processes
  - Delegations of authority closer to the customer
- Risk Review a standard across business units and geographies
- Negotiations process disciplines enacted at every opportunity
  - Negotiations planning
  - Negotiations execution
    - Training
    - Lead – at table – consultation
- Be creative and innovative – ‘why not?’ rather than assume “no”

## Global Perspective: Add Value!

- People development
  - Establish leaders with subject matter expertise
    - IP, NDAs, subcontract management, government
  - Project Work – 6s and other initiatives with SMART goals
  - Succession Planning
- Socialize, communicate, reinforce, support, add value
- ...
- Start over again – do it again!!!

**Take the lead in taking territory!**

## Take-Aways ...

- Understand the needs of the business – what are the gaps in service or in performance
- A need for speed and agility
  - Alignment is key -- get close to your customers to provide expertise with speed and agility
  - Standardize tools and processes wherever possible
  - DOA to support ‘speed and agility’ mandate
- Measure that which you want to improve
  - Cycle time, process metrics which get at engagement
  - VOC to understand gaps and weaknesses
- Set clear guardrails, but ‘get crazy’ -- continue to push the envelope!
- Be agents or champions of change that impact the entire business!

**Thank you!**  
**Any questions?**