

A “Real” Virtual Company – What a Difference !

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Classical Companies - Internal

- Compartmentation of virtually every aspect of business with specialist for each activity
- Large Number of Team Members for all Process and Product Teams
- People on programs are best available, not best in the world
- Multiple levels of “detached” management, frequently viewed as main source of “problems” or holding on until retirement
- Visibility into related activities at all levels leaves much to be desired
- Long time lag between information arrival and information acted upon or decisions made, which is paralyzing the business.
- Rules and Policies created as process fixes, and policing is compartmented with visibility only to specialized middle managers
- Intellectual property frequently decoupled from internal investments implying large variations in measurable benefits



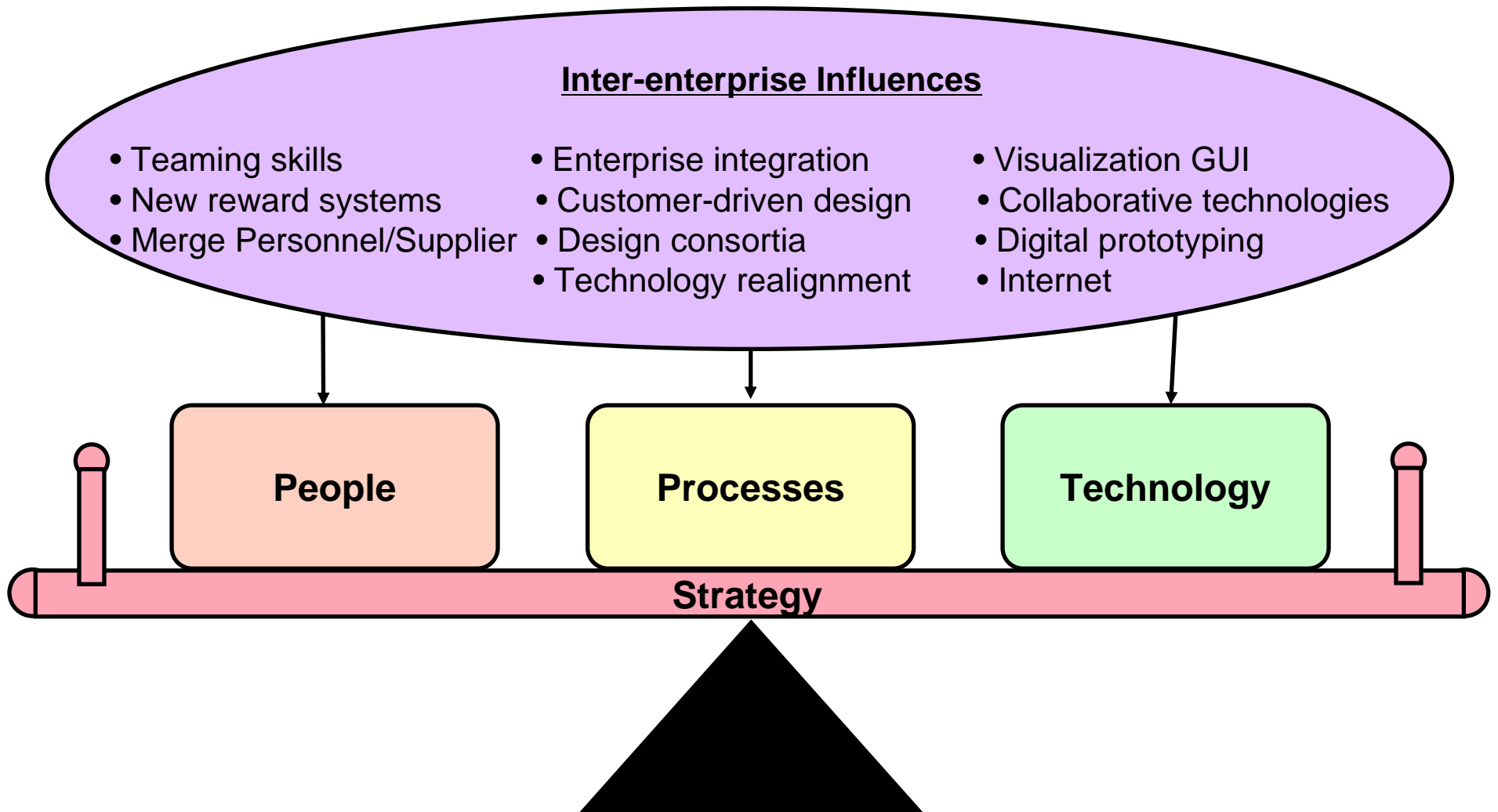
Classical Companies - Interfaces

- Supply Chain has little connection to ultimate customer satisfaction and is not a true partnership
- Isolated Board of Directors from where the work is done implying information time lag and “filtering”
- Detached & Dissatisfied Stockholders who can create revolts and Executive upheavals
- Strategic direction changes take a long time to make and to get total buy-in.
- Start Up Companies frequently are the source of reinvention of business and large shifts in basis of competition creating more turmoil and leading to increased executive staff size requirements



Extending Global Engineering Competitiveness Across the Supply Chain

Effective implementation of this next generation will require that people, processes and technologies be brought into balance and alignment



What is a Virtual Company?

- No Employees
- On Demand Access to World Class Resources & Personnel
- Heavy Emphasis on WWW and e-mail
- Few Brick & Mortar Offices
- Very Low Overhead
- Rapid Access & Decision Making for All Enterprise Elements
- Rapid Reconfiguration of Business Alignments & Partners
- Extensive Intellectual Property which is basis for internal investments



Management



Mobile



Home



Hotel



Inside VC

Permanent Shareholders



Permanent Board of Directors



CEO



Board Chairman

Frequent N on M Direct Communication To/From All Elements (WWW, e-mail, phone)

Design Team



Software



Hardware

Fabrication Team



Program Manager



Partner 1



Integration Partner



Laboratory



Partner 3



Partner 2

Raw Materials

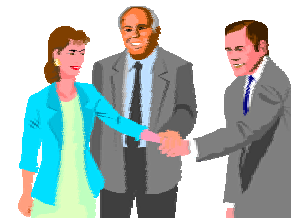
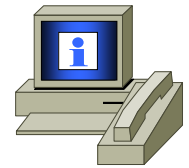


Small Core Support Team



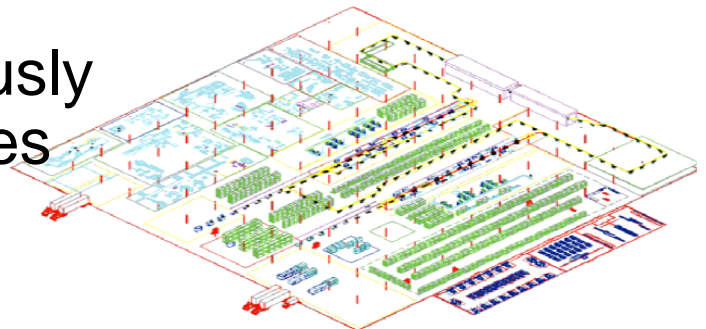
How Does Chorus Motors plc Work

- Weekly Formal Status Telecoms with Board of Directors (BoD), key Stockholders and Management involving key “Employees”
- Weekly Formal Telecoms for Program Status & Direction involving program team, suppliers, customers and executive management
- Regular Informal Telecoms for strategic decision making, discretionary investment and intellectual property decisions, problem resolutions (involving all contributing and participating parties and executive management)
- Continuous e-mail involvement of all relevant people associated with any issue
- <48 hour access to all elements of the business (Investors, BoD, Executives, Program Managers, Employees, Suppliers, and Customers whenever needed)
- Total Empowerment of Team Members within well defined boundaries which are flexible and evolving continuously through dialog
- Customers contributing to solutions as team mates



Can a Virtual Company Deliver Hardware?

- Supply Chain embedded much as people (No difference between suppliers and “employees”)
- On-Demand Factory Resources
- On-Demand development “laboratory” resources in rented company facilities with minimal capital equipment
- Custom Tailored & Re-configurable Enterprise to meet Customer Needs
- Company Valued Added Continuously Changing and Optimized to activities at hand



ABSOLUTELY !

**Our Factory is Embedded
Suppliers & People**



Chorus Motors plc Results

- Program costs are 50-70% lower than traditional companies
- Program schedules are highly parallelized and 50-70% shorter than traditional companies
- Wasted resources due to untimely information eliminated
- Contract Draft Changes and Acceptance in <48 hours (involving 30-40 Chorus people at all levels)
- Total Management structure involves effectively two levels only
- Strategic plan is alive and evolving continuously on at least a weekly basis
- Intellectual Property Creation and Maintenance is a natural part of the work process
- Discretionary resources can be committed within a week to good ideas (birth to funding)
- Company Fund Raising is accomplished on a need basis (usually within one to two weeks)

ANALYSIS



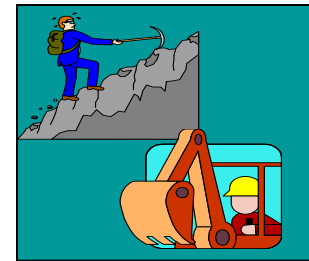
CONCEPT



Chorus Motors plc Employees and Suppliers

- Employees (President to worker) are on-demand contracted labor
- Integrated part, sub-system and system suppliers are dealt with as on-demand partners
- Enterprise treats all people as “Family”
- Raw Material and Catalog Item Suppliers dealt with over the internet.

PROCESS



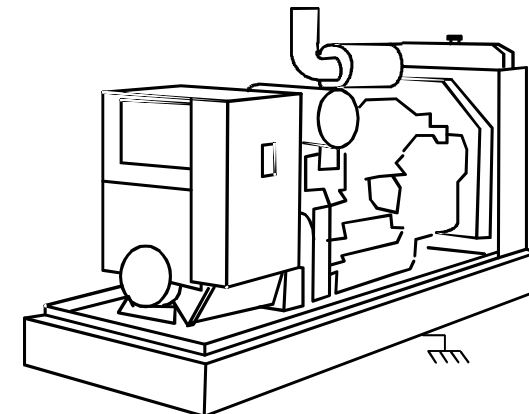
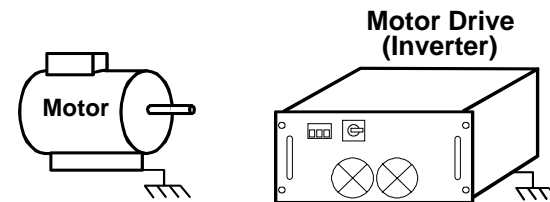
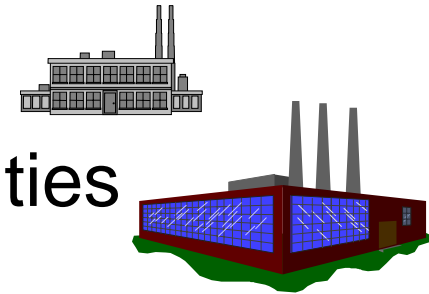
Basis of Labor & Partner Agreements are Identical

- Facilities, Capital Equipment and other resources supplied as part of on-demand activity
 - Computers & ISPs
 - Cell Phones
 - Offices
 - Software Production Facilities
 - Machine Shops
 - Assembly Areas
 - Test Areas & Equipment
- Travel compensated after completion
- Specialized job performance enhancements pre-authorized and compensated after established



Corporate Facilities

- Partners
 - Production and Integration Facilities
- Rented
 - Laboratory Facilities
 - Storage Facilities
- Owned
 - Research Hardware and Test Equipment
 - Versatile Power Generation Capabilities (Portable)



Overhead Activities at Chorus Motors plc

- Common Pool Staff
 - On-Demand IT Resources
 - On-Demand Accounting/Payroll
 - On-Demand Patent Attorneys
 - On-Demand Legal Advisors
 - On-Demand Business Research
- Bookkeeping and Business Administration done at performance level by workers/program managers
- Sales performed by all personnel (Shareholders, BoD, Executives, Workers, Suppliers and Customers)



Working Together

“Great discoveries and achievements invariably involve the cooperation of many minds.”

Alexander Graham Bell



Virtual Companies have big advantages
in achieving the New Competitive Demands
& Global People/Resource Requirements