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access equipment to many of North America's largest incumbent telecom operators, for US\$2.1 billion, in April 1999.

- Fore Systems, a NASDAQ-listed supplier of enterprise networking equipment, for US\$4.5 billion, in June 1999.

In the 1999 Annual Report Lord Simpson wrote:

Our future will be digital. We will lead the race to capture, manage and communicate information. We will ride the rising tide of demand for data transmission. We will be a leading global player in communications and IT. And, we will do this because: we act fast, we are global, and we are leaders. To exploit the opportunities we see ahead we have reorganized into three key divisions: Communications, Systems and Capital.

In November 1999, GEC renamed and re-branded itself "Marconi" after the inventor of wireless transmission, Guglielmo Marconi, to symbolize this new direction.

CREATION OF VALUES—"THE MARCONI WAY"

In late 1999, John Mayo and Rob Meakin, the HR director, launched an initiative to define a set of values that would form the basis of the "new" Marconi. They themselves talked with more than 100 senior managers across the company and asked some fundamental questions:

- What was it really like working at Marconi?
- What were the values people held most strongly?
- How well did the values guide their day-to-day actions?

Focus groups worked at identifying values that were desired in the "new" Marconi. They also identified certain embedded values, which the employees cherished.

In addition, a team undertook a study of the vision, mission, and values of Marconi's competitors and high-performing peers in comparable industries, in order to challenge themselves to create values that would be real differentiators and best-in-class.

A draft set of beliefs and values was prepared and a process of consulting more than 1,000 people across the company was undertaken. Mayo and Meakin ensured that at least one of them attended each of the focus group meetings. Over the next few months, the draft was refined and finally evolved into "The Marconi Way" (Exhibit 2).

Senior managers in Marconi were introduced to the Marconi Way in Atlanta at a management conference in February 2000. They identified key behaviors that underpinned each value and agreed to start being measured against them by their superiors, peers, and direct reports in a 360° appraisal.

The management expected that the Marconi Way would help the organization move past its GEC heritage into the new future. To reinforce the values to the employees, each employee was given a pack containing details of the Marconi Way and the new "This Could Be Your Finest Hour" advertising campaign launching Marconi (Exhibit 3). A letter accompanying the pack also outlined details of 1,000 nil-cost options awarded to every employee, which would vest at a share price of £16.03. Essentially, the employees were given a target to double the value of the firm in three to five years from the quoted price of £8.015. The option plan had the desired impact on the workforce: As one manager recalled, "Little cards appeared on people's desks with £16.03 written on them. People were truly focused on the share price and motivated to achieve the target."