

ABC COMPANY

Strategic Planning

SWOT Analysis



Strategic Solutions Partners, LLC

Confidential Report to Management

ABC Company Inc.
SWOT Review

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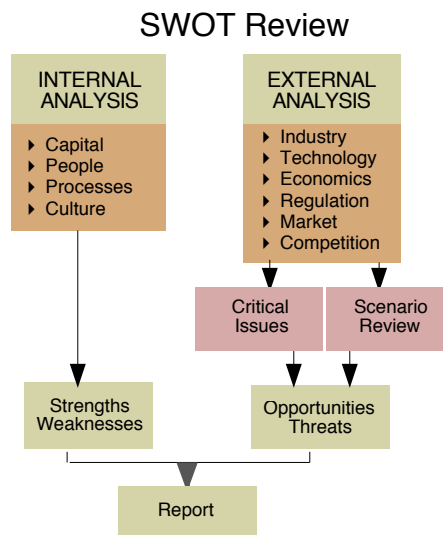
ABC Company Inc. SWOT Review

Preface

One of the first steps in developing a Business Plan is to inventory the assets of the enterprise and array them against the challenges facing the organization. This is a self-assessment that asks the questions “Who are we? What are we good at, and not so good at?”

This process also demands that we examine both the possibilities for constructive use of the assets and impediments to success that are likely to be encountered. “Where are the best uses for our assets? And “What might prevent us from succeeding?”

We call this process a Strengths, Weaknesses, Opportunities and Threats analysis or SWOT Review. It is a formal, critical examination of the internal and external environment. The elements of a SWOT Review are shown in the diagram below.



This work directly involves the people in the process, giving them a sense of ownership, bonding and commitment. It gives management a clear "look in the mirror" representing how the employees, customers, suppliers and even competitors view the company. It gives the participants and analysts a deeper understanding of the company. The SWOT is a critical component of the planning process and necessary before advancing to phase two – Strategy Formulation.

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The SWOT

A SWOT analysis is essentially opinion research. These analyses are *subjective* inasmuch as they comprise the collected opinions of staff and management. This subjectivity necessarily results in bias. The bias that is common in SWOT analyses skews the data toward negativity because people are intimately familiar with their daily work and the problems with which they routinely contend. They are able (and willing) to express them in considerable detail. They have less need to contemplate what is working well and little time to imagine its significance in a competitive environment.

Therefore we commonly observe in most SWOT analyses, a marked tendency toward more comment on internal issues (strengths and weaknesses), rather than external issues (opportunities and threats). Additionally and importantly, because problems are more immediate and often more easily identifiable than solutions, we tend to see more citations of weaknesses than strengths and more threats than opportunities.

The results of this SWOT analysis provide directional guidance only. They are *not* to be interpreted as statistically accurate. For example, if 14 of the 28 employees interviewed cite integrity as a strength of the company this does not necessarily mean that 50% of all employees believe that. It *does* mean that integrity is a valid characteristic of the people in the company and is an asset available to advance the company towards the achievement of its vision.

These results are only a snapshot in time. They indicate only the conditions that exist at the time the picture is taken. The reader is cautioned from attempting to infer any trends from these data. However, these results can be a baseline from which trend information might be gained by repeating the interviews at a later date and comparing the results.

Interviews were scheduled with 29 ABCCo personnel selected by management as having a strategic sense and a willingness to candidly express their observations and concerns. On November 4th and 5th SSP conducted a total of 28 interviews. One person was unavailable due to a last-minute change of schedule. The interviews were conducted in private and the participants were assured that their specific comments would be held in confidence, but that their input would be collected with others and presented to management in summary form. The questions were open-ended and designed to elicit “top of mind” responses.

Demographic data collected includes Functional Area, Gender, Interviewer, Location, and Management Level. The following initial tabulations were performed on the data collected:

- Strengths** - by Owners, Location, Management Level and Gender
- Weaknesses** - by same variables as above
- Opportunities** - by the same variables as above
- Threats** - by the same variables as above.

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A summary of these results follows:

Strengths - Strengths are internal attributes of the company. They are the “assets” or resources that the organization can employ to achieve its vision. They are categorized into four groups People, Culture, Process and Capital.

People – characteristics of the personalities that ABCCo people display.

Culture – the ways in which the people interact among each other, the approved behaviors and the environment created in the workplace.

Process – the characteristics of the products and services offered by R&RS

Capital – the collection of resources possessed by ABCCo that enable the company to meet customer needs.

The group identified a total of 134 strengths led by People with 53, followed closely by Culture with 47 then Process with 25 and lastly Capital with 9. The single most cited strengths were Integrity and Quality First with 11 each. However, the **People** category showed a tighter cluster of overall agreement which indicates that this is perceived to be the most powerful strength of the organization, followed closely by **Culture**.

Weaknesses are also internal to the company. They are offsets to the Strengths, and are categorized into the same four groups.

The interviews identified 273 weaknesses, with **Culture** leading at 123 followed closely by **Process** at 120 (see page 4). The single most frequently cited weakness in the **Culture** group was Poor Formal Communications with 16 followed by Heavy Workload/Overload with 15. No Vision/Plan/Strategy and Lack of Focus/Clarity are related and if added together would total 22 citations – this clearly is seen as a major concern of the company.

The interviews identified 120 **Process** weaknesses. The single most frequently cited weakness was No Marketing/ Sales with 17 followed closely by High Cost at 15. Weak Product definitions received 12 citations and if combined with No Marketing/ Sales, the total would come to 29 surpassing all others by a wide margin. **Capital** was cited least often at 8.

The lack of a formal Marketing function and related Sales process is a concern. Although receiving only a few citations **Capital** could become a major constraint if an aggressive growth strategy is adopted. Not enough attention is being given to this area.

Overall, the high ratio of Weaknesses to Strengths is a concern, especially in the **Culture** group.

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Opportunities are external to the company and are categorized into the following 6 groups:

Industry – favorable events or conditions peculiar to the class or group of companies that produce and provide similar products and services

Technology – advances in information or mechanical systems that can be exploited by ABCCo.

Economic – favorable consequences of conditions affected by the overall economic climate both foreign and domestic.

Regulatory – favorable rulings or legislation that relax constraints or provide incentives

Market – favorable conditions or attitudes among customers and prospects

Competition – events or conditions penalizing or disadvantageous to existing or potential competitors

The relatively small number of opportunities cited suggests an inadequate external view. Competitive intelligence is lacking, as is any awareness of the impact of most external forces.

Threats too are external to the company and are categorized into the same 6 groups. The relatively small number of threats cited confirms an inadequate external view. Competitive intelligence is limited to price. And focus is primarily on the pending loss of Amtrak business. Risk of being “blindsided” is high.

Cross-tabulations - Owners

To gain additional insight we performed a series of cross-tabulations which compare and contrast the responses of selected groups. The first set of “cross-tabs” look at the owners vs. the other respondents.

Notably the owners collectively seem to have a grasp of the major Strengths cited by the other respondents, but overall there seems to be little common agreement. This may be due to a functional orientation (the operations person seeing things through a different lens than the customer satisfaction person), but it may indicate a degree of divergence as to priorities. If so, this needs to be corrected as it can result in conflicting and counterproductive efforts.

The big “watch-out” on Weaknesses is the lack of awareness of Poor Formal Communication by all the owners. The fact that this weakness was cited by more than half of the respondents and yet is missed by the owners is startling. The other concerns surfaced from this view are the references to tension/fear and secrecy as characteristic of the environment. The consultants’ view is that some of this is related to the regimentation and hierarchical structure naturally occurring with an abundance of former

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military personnel in the company management. The military works very well on a strict chain of command and “need to know” philosophy. These same strengths of the military can be very debilitating to a commercial enterprise if practiced to the degree that they retrain initiative, and limit access to information necessary to perform one’s function.

There exists an overwhelming awareness that Marketing and Sales is inadequate. This is widely acknowledged and needs little elaboration. Some attention to the inadequate facilities issue may be warranted. This was not a common citation, but was forcefully voiced by field managers when it came up.

Under Opportunities the noticeable lack of comment on Industry, Economic, Regulatory and Competition issues by the owners is a concern. With little strength in Marketing and a myopic view of the world, limited to existing customers, new business potential is being overlooked whether it is available from current accounts or new prospects.

Threats reveal that rapidly escalating liability insurance costs and related Workers Compensation costs loom large as potential problems. With a semi-skilled workforce operating in a semi-hazardous environment using outdated SOPs and with limited supervision the accident rate will climb and these costs could have the same effect as malpractice insurance costs have had on medicine – it can tip the business on its ear. The owners need to have a keen awareness of this issue and a contingency plan to contend with potentially severe cost increases in this area.

Cross-tabulations – Location

To determine if the field perceptions were different from those at headquarters we tabulated these data.

The field personnel are in general alignment with headquarters in perceiving **People** and **Culture** strengths. There appears to be a difference of perception of the Process strengths. This may indicate a misconception as to the efficacy of the SOPs and training provided. This could be a “watch-out” if the processes are not well defined and not adhered to by the field. Quality and performance could suffer.

The field does not share the same perception of People weaknesses that are cited by headquarters personnel. This might be due to a lack of routine interaction between headquarters and the field. If the field feels isolated and disconnected from the headquarters group this could result in counterproductive efforts. This is a “watch-out.”

The field appears to be in general alignment with headquarters on **Process** weaknesses. However the issue of inadequate facilities was strongly cited by the field and appears to be “off the radar screen” for headquarters staff. If the facilities are essential and indeed inadequate this could put pressure on the **Capital** plan and result in unanticipated service failure or other customer dissatisfaction. This too is a “watch-out.”

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The field appears to be unaware of the external environment in general. This is a common occurrence inasmuch as they tend to be fully occupied in the day-to-day activities and interact primarily with their customer, thus the **Market** opportunities are most apparent.

The field does not perceive external threats beyond the obvious competitive pressure. The issue of insurance costs and worker comp. result primarily from field related activity. If they are not aware of these issues it will be extremely difficult to exercise any management of these costs by headquarters. More education seems indicated here.

Cross-tabulations – Staff

To determine if the staff perceptions were different from management we tabulated these data. Staff is identified as those personnel with no management role or those who function as individual contributors.

Staff seems to collectively recognize the same strengths as does management. However it is interesting to note that they are not at all congruent. Each person sees things differently. This may be a consequence of the functions performed, but it also may speak to the “stovepipe” mentality that limits distribution of knowledge on a “need to know” basis.

Staff personnel do not see the **People** weaknesses. This may be due to lack of interpersonal interaction. They do perceive the Culture weaknesses and are especially tuned into the communications issue. There appears here a big “watch-out.” There exists an undercurrent of tension among the staff and some management. Left unattended this can become corrosive and result in significant deterioration of productivity and customer satisfaction.

Staff perceives most of the Process weaknesses as does management with a significant sense of compartmentalization. They have no perception of the Capital condition.

Staff is generally unaware of opportunities beyond the **Market** area. This is not uncommon.

Staff appears to be unaware of the external environment and perceive few threats. The citations noted in the Regulatory area are not perceived by the management group. This issue could potentially “blind-side” the organization – this may be a “watch-out.”

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Cross-tabulations – Gender

To determine if the perceptions of women were different from men we tabulated these data.

Women are in general alignment with the men on perceptions of strengths except that there is little congruity with the exception of technology where there was a consistent view of technology as a strength.

The largest concern expressed by women is in the area of Culture. They are consistent with the notion of poor communication and are concerned with the perceived lack of upward mobility for women. They as a group felt more isolated because of a lack of data from the “informal” “good old boy” male-dominated network. This is a “watch-out.”

Women appear to perceive the process and **Culture** weakness similarly to the field and staff groups. Same issues of compartmentalization and communication.

Women see opportunities in the **Market** area. Similar responses as the field and staff groups, for presumably similar reasons.

The significant citation by women was in the area of insurance costs. This is likely a result of their specific jobs. Although cited only once, it is notable that there is a perception of threat from ADA and State mandated regulations which needs to be considered in the planning process.

Customer Comment

ABCCo nominated 15 current customer contacts and seven additional new or indirect customers for interview. From this list we were successful in completing 13 interviews.

The overall consensus of customers confirms that ABCCo provides a high-quality service, that they are perceived to be higher priced than the competition, and that they are quick to respond to requirements and requests. Customers consider the services that ABCCo provides to be very important and rates ABCCo very highly in performance. **Not unexpectedly, the ratings for “Value for the Money” were lower. This suggests that the product definitions are not clear and/or customers are not fully perceiving the benefits of the products.** Customers rated the competition somewhat lower, but not dramatically.

Customers saw rapid increases in business opportunities in the near future driven mostly by the RR intention to reduce labor costs and outsource more maintenance and repair functions.

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Competitor Comment

ABCCo nominated eight competitors for inquiry. We were successful in contacting seven. Through customer interviews we identified two additional competitors that we were successful in reaching. Results of the inquiries varied wildly from eager respondents to total lack of cooperation.

The primary observation is that the industry is fragmented and populated by small to medium sized (< \$100 MM annual revenue) independent companies providing a number of services, either directly in competition with ABCCo or in related areas.

Technology is not sophisticated and not universally installed. ISO certification is not universally available. Training is spotty and primarily related to safety, secondarily to work procedures. Unions were present but in minimum numbers of employees.

The opportunity for ABCCo to scale-up through merger or acquisition seems obvious. However, different operating philosophies are driving most of the competitors with a clear intent to focus on low cost/low price offerings, this is a “watch-out” to “knock-out” issue.

Supplier Comment

ABCCo nominated six suppliers for interview. We were successful in reaching five. The feedback from this segment confirms that ABCCo is perceived as a well-managed company with growth potential.

Most of the suppliers had business relationship with ABCCo for three years or more. Most reported that ABCCo represented a relatively small proportion of their total business volume. Some also served competing firms although the respondents refused to provide any comment on differences between ABCCo and competitors.

Most saw no potential problems or changes within their scope of service with ABCCo or the market. One supplier commented on RR outsourcing as an opportunity for growth.

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Critical Issues

- ABCCo is has been built on high quality people who like the company and want to do the right things.
- Management is open and receptive to making necessary changes to improve the organization.
- People are skilled and eager to contribute beyond their assigned roles.
- People personally trust management and generally respect the management team for its integrity and capability.
- The market is growing and presents significant opportunities for the company.
- There exists a perception of a high quality product and a focus on customer responsiveness.
- Systems are improving.
- The culture at ABCCo is precarious. There is a high risk of collapse if communications and consistency of delegation do not improve. Management must understand the positive and negative impacts of its style on the employees.
- There is an undercurrent of tension among the people who feel excluded from information and without visible career progression opportunities.
- The adoption of a regimented, militaristic management approach can be detrimental to productivity if not understood and managed properly.
- There is a pervasive sense of overload and near burn-out among everyone. This is exacerbated by a knee-jerk style of prioritization and resource allocation.
- There is a paralysis of decision making in the intermediate management ranks due to the stovepipe organizational structure and micro-management style.
- Vision is fuzzy. There is a lack of a clear, commonly understood and accepted view of the company direction.
- Products are undefined and there is no understanding of the price/value relationship for customers.
- Marketing and Sales is notably absent and hard to create without clear product definitions.
- Overall lack of external view and appreciation for implications i.e. escalating insurance costs potentially having a devastating effect on the company,

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Consultants Recommendations

1. ABCCo needs to develop and express a clear vision of it's future. This vision ideally will describe the company at maturity. The vision will guide decision making and setting priorities on which business opportunities to pursue and which problems to attack first.
2. ABCCo needs to create a plan to pursue its targeted opportunities and attacking its problems. This plan will express the goals and objectives of the company and will empower people to make the right decisions.
3. ABCCo needs to define its products, describe the value-proposition and aggressively promote these to existing and prospective customers.
4. ABCCo needs to establish a formal Marketing and Sales function. Ideally this function will not only include dedicated personnel, but become part of the core of the company. Everybody should understand their roles and the roles of others with respect to finding and filling customer needs.
5. ABCCo needs to penetrate deeper into their customer's decision-making processes. Buying roles need to be determined and buyers at all levels need to be contacted and influenced.
6. ABCCo needs to develop a formal approach to implementation including rules for delegation, accepting assignments, decision making, progress monitoring and performance review.
7. ABCCo needs to create a more associate-friendly environment with clear policies on important personnel issues such as role definition, career path planning and consideration for promotion.
8. ABCCo needs to create and implement specific action plans and programs to advance its progress toward achieving its vision. These programs need to be supported by the correct organizational structure, adequate resources, specific timetables and contingency plans.



Functional Area
Gender
Interviewer
Location
Management Level

	T. B.	K. B.	G. M.	V. O.	M. M.	J. C.	D. B.	P. G. T.	F. C.	D. J.	D. L.	P. O.	M. P.	D. M.	J. H.	R. M.	B. G.	E. R.	B. E.	B. A.	S. R.	K. A.	D. D.	D. C.	D. H.	D. T.	B. D.	C. M.	J. H.
Functional Area	E	E	O	M	H	O	O	M	M	S	O	O	S	O	O	O	M	O	O	H	S	S	H	O	O	S	O	O	O
Gender	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	X	X	Y	Y	Y	Y	Y	Y	Y	X	Y	Y	X	Y	Y	Y	
Interviewer	R	R	R	R	R	R	R	A	A	A	A	A	A	A	R	R	R	R	R	A-R	R	R	A	A	A	A	-	A	A
Location	H	H	H	H	H	F	F	H	H	H	F	F	H	H	F	F	H	F	H	H	H	H	H	F	F	H	H	F	F
Management Level	O	O	M	S	M	M	M	O	S	M	M	M	M	S	M	M	S	M	S	M	M	M	S	M	M	S	M	M	M

Legend

Functional Area

- E = Executive
- O = Operations
- M = Marketing/Sales
- S = Support Services
- H = Human Resources

Gender

- X = Female
- Y = Male

Interviewer

- A = Courtney
- R = Cross

Location

- H = Headquarters
- F = Field

Management Level

- O = Owner
- M = Manager
- S = Staff/Individual Contributor

Responses

- = High
- ◐ = Medium
- = Low

Sample Interview Questions

What is the company's greatest strength? Would you say that the importance of this strength is high, medium or low? What do you base this on? What can be done to take advantage of this strength? Is there another strength?

What is the company's greatest weakness? Would you say that the importance of this weakness is high, medium or low? What do you base this on? What can be done to mitigate this weakness? Is there another weakness?

What is the biggest opportunity you see for the company in the near future? Would you say that the importance of this opportunity is high, medium or low? What do you base this on? What can be done to take advantage of this opportunity? Is there another opportunity?

What is the biggest threat you see for the company in the near future? Would you say that the importance of this threat is high, medium or low? What do you base this on? What can be done to diminish this threat? Is there another threat?

What is the biggest obstacle you face in meeting your goals and objectives. Why? What could be done to overcome this obstacle? Why hasn't it be done yet?

What makes you feel best about the company and your job? Why? What could be done to translate this to other people and their jobs? Why hasn't this been done already?

Do you have all the resources you need to do your job effectively and efficiently?

If you could ask for any one job-related thing from the company what would it be? Why?

Who is your best customer? Why?

Who is your worst customer? Why?

Who is your most formidable competitor? Why?

Who is your least formidable competitor? Why?

In your own words tell me the company's mission.

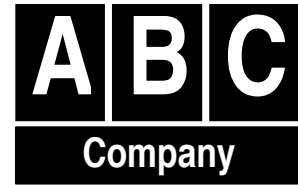
What is holding the company back from achieving the mission?

Is there anything else that is important for the company to know or do?

If you were in charge, what is the one thing that you would do to help the company meet its goals/objectives?

If you could change one thing in the company what would it be? What would be the impact of that change?

SWOT Analysis



Strengths

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53 People

- 11 Integrity
- 9 Capable/Smart
- 8 Receptive
- 7 Dedicated
- 5 Knowledge/Expertise
- 4 Can Do
- 4 Disciplined
- 2 Dependable
- 2 Respectful
- 1 Concerned/Caring

47 Culture

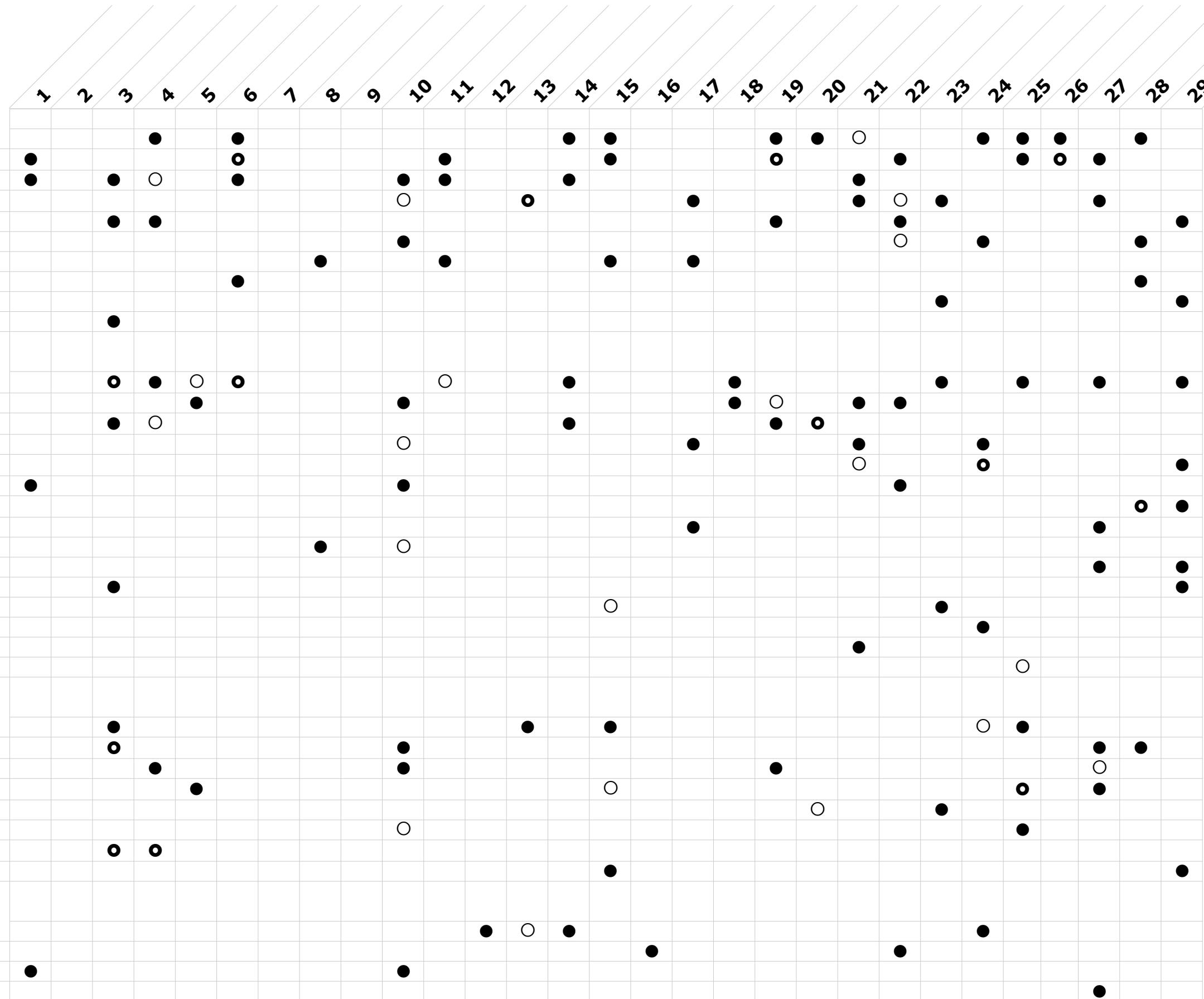
- 11 Quality First
- 6 Support/Tools
- 5 1 on 1 Communication
- 4 Teamwork
- 3 Can Disagree
- 3 Union Work Force
- 2 No-Fail Approach
- 2 Pride
- 2 Growth Orientation
- 2 Operational Orientation
- 2 Empowerment
- 2 Cautious/Conservative
- 1 Personal Development
- 1 Leadership
- 1 Compensation

25 Process

- 5 Flexible
- 4 Mgmt. Reports
- 4 Quick Response
- 4 Training/SOPs
- 2 Product Line
- 2 Customer Relationships
- 2 Customer Satisfaction
- 2 Pricing Model

9 Capital

- 4 Technology/Systems
- 2 Locations
- 2 Financial Strength
- 1 Infrastructure



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	XYZ Services	SXC	T C V	MOTOR	NBSXS	COTR	CASDE	COX	STC	XZY	NS	TWA	GRAMS
Customer Contact	BR	Bobbie	RET	Mike	XTC	DTS	RMN	SSW	BRT	GT	TG	Pat	Ken
1 Services													
Vehicle Processing													yes
Railcar Inspection	yes	yes		yes	yes	yes	yes	yes	yes	yes	yes	new	
Cleaning & Repair		yes					yes	yes	yes	yes	yes		
Shortline RR													
Trucking													
Warehouseing													
Rail Switching													
Other			terminal services										
2 Years w/ ABCCo	2+	2	9+	3	1.5	10+	10+	3	15-Oct	long time	15+	new	2.5
3 Importance (1-10)	8	8-9	10	10	10	9	9	8-9	8-9	10	9	3-10	9
4 Understanding (1-10)	8	9	8	10	10	9-10	9	9	no response	5 - hot & cold	8	8	10
5 Performance (1-10)	6-7	8	9	8	8	9	8	9	no response	9	8	strong 7	10
6 ABCCo Does Well	no specifics	their job	manage people maintain equipment	solicit new biz	follow instructions training self-auditing	training	investing in people	communications	no response	hire good people front line mgmt	knowledge base training	respnsive attention to detail	desire to do well
7 ABCCo Not So Well	no specifics	no specifics	no specifics	periodic review stop by more often	aggressive sales	no specifics	no specifics	no specifics	no response	no response	expensive	limited scope	no specifics
8 ABCCo Could Do Better	be in Detroit	Rail Switching	lower rates	no specifics	no specifics	no specifics	no specifics	no specifics	no response	decide what to be take some risk	no specifics	expand	no specifics
9 Not Met Expectations	no	no	no	no	no	no	no	no	no response	systemic loss probs.	isolated good reponse	no	no
10 Value for Money	8	10	6-7	7	no response	top notch	5	9	no response	no comment	7 - a little pricey	neutral agreed rate	bargain
11 Other Areas	no specifics	no response	no specifics	cost prohibitive	no specifics	no specifics	no	fixed repair facility	price competitive	vehicle handling	yes next 10-20 yrs all kinds	other locations	no specifics
12 Other Firms	Interrail Sheridan TTX	Watco Railserve	ITS GPS ATS	Interrail Harbor Freight	ResCar	no repsonse	Parsec ITS ATS GPS QTS Railogistics	M-Bar-D Southeastern Railway Watco	no response	Auto Whse Co Interrail Caliber Auto Xfr Complete Auto Network Auto Distribution	Caliber RMC Services Mech Prepping Rescar P.B.L. Inc.	dozens "bottom feeders" on price	no specifics
13 Others Rating (1-10)	Interrail 8	Good job	Perform well	8	8	no repsonse	Parsec (6) ITS (7) ATS (7) GPS (4) QTS (1) Railogistics (5)	M-Bar-D (6) Southeastern ((6) Watco (6)	no reponse	8-10	they're players some good some no so good	no response	no specifics
14 Future Changes	more outsourcing	no specifics	growth new terminals	increased activity	more biz for RR	none	no specifics	no specifics	no reponse	more services RR outsourcing turn-key opns.	rapid outsourcing maint & repair	dramatic expansion well positioned	new facilities
Comments					can't rate value		expensive but good			not serious about bid responses	you get what you pay for	"RR employee free by 2003"	personal friend of Gerstle's

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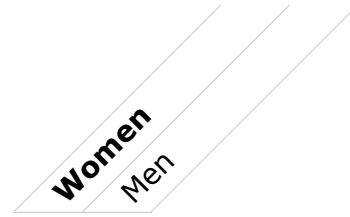
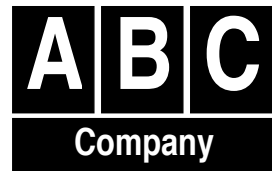
	Transfer	Group	Companies	carts	Servemart	Some Rail Services	D Rail Inc.	New Solutions	Transport, Inc.	Terminal Corp
Competitor Contact										Tom Stangl
Role/Title	CEO	President	CEO	Sr. VP Marketing	Controller	Dir. Communications	Office Manager	CEO	Controller	President
Services										
Vehicle Processing	yes	yes						yes	yes	
Railcar Inspection		yes		yes			yes		yes	
Equipment Repair		yes	yes	yes		core business	yes			yes
Shortline RR			yes							
Trucking			yes							
Warehouseing			yes							
Rail Switching					yes				yes	
Other					as required		fueling			Rail Terminal Ops.
Geography										
Locations	10	Midwest, East	40-50	100	52	78	20	Baltimore	33	51
West Coast	no	no	Washington	US and Canada		US, Canada, Mexico	U.S.	no	So Cal - Benicia	LA, Stockton
Scale										
Revenue		\$25-\$50 MM	\$100 MM	\$100 MM	\$50 M	\$100-\$200 MM	\$8-10 MM	less than \$10 MM	less than \$50 MM	\$100 MM
Volume		2.5 MM vehicles								
Employees			700		2-4 per location			21	700	1100
Years in Business		25	20	32		30	10	1	20	20+
Publicly traded		no	no	no	Marmon Corp.	Progress Energy	no	no	no	Landco Int'l
Union Labor		both	12 employees		strong no	both	no	all	10 employees	limited (ILWU- west)
Technology		Proprietary & RR	declined	new system	customer legacy	Baan	none	yes	in-house	in-house
Integrated sites		yes		by January 2003		yes	no		yes	yes
Quality										
AAR Audit Scores		mid 90's	declined	99-100	not applicable	declined	yes, declined		99.5	declined
ISO 9000		yes								certified
Other			other non-specified	FRA, DOE		declined	no	internal, declined		
Training							none			
Safety		yes		yes	extensive			yes	yes	yes
Work Processes		yes		yes				yes	yes	yes
Other		ISO 9000	non-specified		behavioral approach	welding			personnel	management
Customers										
Railroads		CSX - class 1's	declined			class 1's, TTX	BN, other class 1's		class 1's,	class 1's
Beneficial Owners				leasing co's - GE	Texas Eastman, Dow		several small	GM	auto mfg.	
Comments				tank car speciality	profitable, high-quality			small, aggressive		

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	DEF	GHI	JKL	MNO	PQR	
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Supplier Contact <small>Role/Title</small>		consultant				
1 Products - Services	tie-downs	materials	chocks	Banking	OEM parts	
2 Years	3-4	3.5	6+	2+	10+	
3 Percent of Revenue	6-8	small	35%-40%	small	2%	
4 Trend	growing	growing	growth 5% -7%	growth	declining	
5 Good Customer?	wonderful	first class	very good	yes	great	
	mutual understanding	good field people office keeps up	ordering clarity	great future	no research needed pay on time	
6 Main Contact		Owners	each location		Greg Miller	
7 Frequency	2-3 year	2-3 year	never met	quarterly	3-4 year	
8 Other Firms	declined response	RMC Svc. - ATL	class 1 RR	declined response	Transco Zeftek	
9 Future Changes	no specifics	RR outsourcing	nothing	status quo	hopes to regain lost biz	
Comments				well managed know the biz good job w/ finances		



Crosstab by Gender

11 Industry

4	Insurance Costs	2	2
3	Undifferentiated		3
2	Workers Comp		2
2	Low Margin		2

Technology

Economic

3 Regulatory

1	ADA	1	
1	States	1	
1	Minority Preferences		1

9 Market

4	Amtrak		4
2	Price Buyers		2
1	Customer Intimacy		1
1	Weak Contracts		1
1	Contract Cycles		1

11 Competition

8	Low Price		8
1	Increasing		1
1	New Entrants		1
1	Illegal Activity		1

Observations

by Consultants

Commentary:

ABCCo has been built on high quality people who like the company and want to do the right things.

Management is open and receptive to making necessary changes to improve the organization.

People are skilled and eager to contribute beyond their assigned roles.

People personally trust management and generally respect the management team for its integrity and capability.

The market is growing and presents significant opportunities for the company.

There exists a perception of a high quality product and a focus on customer responsiveness.

Systems are improving.

Observations

by Consultants

Commentary:

Culture is precarious. There is a high risk of collapse if communications and consistency of delegation do not improve. Management must understand the positive and negative impacts of its style on the employees.

There is an undercurrent of tension among the people who feel excluded from information and without visible career progression opportunities.

The implications of a adopting a regimented, militaristic management approach can be detrimental to productivity if not understood and managed properly.

There is a pervasive sense of overload and near burn-out among everyone. This is exacerbated by a knee-jerk style of prioritization and resource allocation.

There is a paralysis of decision making in the intermediate management ranks due to the stovepipe organizational structure and micro-management style.

Vision is fuzzy. There needs to be a clear and commonly understood and accepted view of the company direction.

Products are undefined and there is no understanding of the price/value relationship for customers.

Marketing and Sales is notably absent and hard to create without clear product definitions.

Overall lack of external view and appreciation for implications i.e. escalating insurance costs potentially having a devastating effect on the company,