

Case Study: Where Have All The Processors Gone?

It's hard to find a good, single, stand alone case study for a Processor. It's not that they are less common than Visionaries or Operators. It's just that by the very nature of who they are, they eschew the limelight. They prefer to work behind the scenes making sure the systems and processes are in place to allow good organizations to become great organizations.



They care little about seeking public praise or adulation. You don't often see a Processor striding up and down the stage at the annual company retreat, representing the business at a charity event or giving interviews to the local news station. Instead you'll be more likely to find them making sure that what the company does today is repeatable, consistent and scalable tomorrow and into the future. In many ways they are the unsung hero of our three natural styles.

That's not to say there aren't examples of them out in the wild. And it's not to say that at times we wouldn't want a Processor in charge. We shouldn't conflate the cult of the Visionary or the get it done mentality of the Operator with good leadership. Yes, quite often, particularly during the early stages of a company's growth we need a good V or O in charge. But there are occasions when we need the structured, methodical thinking of a P to put in place the systems and processes needed to stable the ship and get us sailing in the right direction again.

So rather than devote a case study to one individual this study will look at four examples of a Processor in four very different circumstances each with their own lessons.

Behind Every Great Company There's a Great Processor



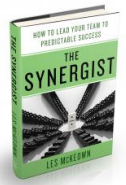
Peter Oppenheimer – Apple Inc. Senior Vice President and Chief Financial Officer.

When you think of the face(s) of Apple you'll automatically think of Steve Jobs, their truly Visionary leader. If you keep up to date with tech news you'll perhaps think of Tim Cook who was COO and is now CEO. And if you're an Apple geek you'll probably also think of Phil Schiller (SVP Worldwide Marketing), Scott Forstall (SVP iOS Software) and Jonny Ive (SVP Industrial Design). All of whom embody a range of V and O characteristics and who've taken over from Jobs to represent Apple at their now infamous product launches.

Seldom will you think of Peter Oppenheimer, Apple's CFO. A quick Google search brings up a handful of one paragraph Executive Profile's from the usual business publications but not much else. Yet Apple is sitting on cash reserves of \$97 billion and its \$400 billion market cap has (at times) made it the world's most valuable company. It doesn't matter how many V's and O's you have working for you, you don't get to that size without a strong P behind the scenes, ensuring that the systems and processes are in place to enable the company to move from good to great.

Oppenheimer is a P through and through. A stint in IT consulting with Coopers and Lybrand (now PWC), CFO of a strand of Automatic Data Processing and now Apple's CFO where his remit covers the oversight of the controller, treasury, investor relations, tax, information systems, internal audit,

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facilities, corporate development and human resources functions. All of which provide the foundation on which Ives, Schiller et al. can continue to create and sell great products and change the way consumers interact with technology. And all of which shows that behind every great company, there's a great Processor.

Sometimes a Processor Will Lay the Foundation

Charles Coffin - GE's First President

Formed as a result of a merger between Thomas Edison's Edison GE and Thomas-Houston, General Electric was not the 'House that Jack Built' but rather the house that Charles Coffin built. Coffin had been leading Thomas Houston and successfully competing against Edison's company for a number of years before they merged.



Coffin was a Processor at heart. Before he joined Thomas Houston he had been a shoemaker. There he learned that capital intensive machinery would enable companies to go after larger markets. He also learned how to build a sales and distribution market. During his time at Thomas Houston he was able to apply these lessons to achieve economies of scale by selling power equipment to central plants rather than individual businesses and by using a single sales force to sell a multitude of different products.

As the first President of GE he institutionalised the systems and processes which meant the company would continue long after he was gone. In particular he founded America's first research laboratory and the idea of management development as a process. This laid the foundations on which many of the great leaders of GE, including Jack Welch, have continued to build. It also led to Jim Collins naming him [the greatest CEO of all time](#).

In the Wrong Circumstances a Processor Just Won't Do

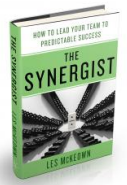


Leo Apotheker, CEO HP

After the departure of Mark Hurd as CEO, HP needed direction, strategic direction. When Leo Apotheker stepped in he said he could fix things. Unfortunately he wasn't the right man for the job. The problem was that as a Processor his frame of reference for a strategic vision means "Do we have the systems and processes in place to ensure that we can scale up for the long term?"

Unprepared for a company with so many different core competencies and thus the potential for non-compliance in each of those areas, Apotheker shirked away from trying to fix the issues and instead choose to change the problem to something more manageable. He looked to spin off the PC business, discontinued the HP touchpad and WebOS and bought Autonomy (an area of business he was more comfortable with from his SAP days). Unfortunately what he wasn't able to do in this was to unite his team around a common vision, communicate that vision to the organization (and other key stakeholders) and then execute on it. He lasted 11 months and is a good example that in the wrong circumstances a Processor just won't do.

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The Absence of a Great Processor Can be Detrimental

BP and ?

We all know what happened back in 2010 with the Deep Water Horizon accident and the resulting damage both to the Gulf Coast and to BP's reputation.

An internal investigation into the incident revealed that during the decade before the spill, BP's managers consistently ignored environmental & safety rules and that numerous smaller accidents pointed to the fact that a much bigger accident was looming around the corner.



Had there been a Processor in charge or at least close to the centre of power you could bet that these lapses in process would not have continued for this length of time. Liable incomppliance is anathema to a Processor and the first sign the company was not complying to environmental or safety processes would have demanded an immediate investigation and re-design of the process. To suggest it went on for more than a decade is to suggest that any Processors within the firm were either concentrated in positions of little authority to implement change or were continually over-ruled by V's and O's higher up the firm. In this case the absence of a great Processor was detrimental to the firm and also unfortunately to the surrounding area and the people who live and work there.