



---

# MOTOROLA GTS - 2000

May 12, 2000

# Cost per Hire Survey Experienced Exempt-US only

<u>COMPANY</u>	<u>YEAR</u>	<u>AMOUNT</u>
IBM	1997	\$ 8,000
IBM	1998	\$ 9,200
KODAK	1998	\$10,000
INTEL	1997	\$ 7,000
INTEL	1998	\$ 8,000
ALL INDUSTRIES	1997 <sub>(AVERAGE)</sub>	\$ 8,767
ALL INDUSTRIES	1998(E <sub>-AVERAGE</sub> )	\$ 9,030
MOTOROLA	1997	\$ 8,200
MOTOROLA	1998(E <sub>-YTD</sub> )	\$ 8,500
<b>MOTOROLA</b>	<b>1999</b> <sub>(PROPOSED)</sub>	<b>\$ 6,300*</b>

\* No charge for DL's or Non-Exempt's. Search Fees to be determined.

# Cost per Hire Survey Experienced Exempt-US only

<u>INDUSTRY</u>	<u>YEAR</u>	<u>AMOUNT</u>
MANUFACTURING	1995	\$11,398
COMPUTERS & PRODUCTS	1995	\$8,451
AVERAGE-ALL INDUSTRIES	1996	\$8,512
AVERAGE-ALL INDUSTRIES	1998E	\$9,030

(Assumes 3% increase per year)

Source: Saratoga Institute's 1997 Human Resource Financial Report

# 1999 GTS Funding Methodology

- **1999 BUDGETED COSTS** **\$25.2M**
- **1999 EXEMPT HIRES** **4,000**
- **1999 COST PER HIRE** **\$6,300\***
- **28% Reduction in HR costs for Staffing**  
Year over year
- **23% Reduction in Cost Per Hire**  
Year over year
- **No charge for DL's and Non-Exempts**
- **No charge for Internal Search Fees**
- **Beyond 4,000 Hires** **Pay as you go**

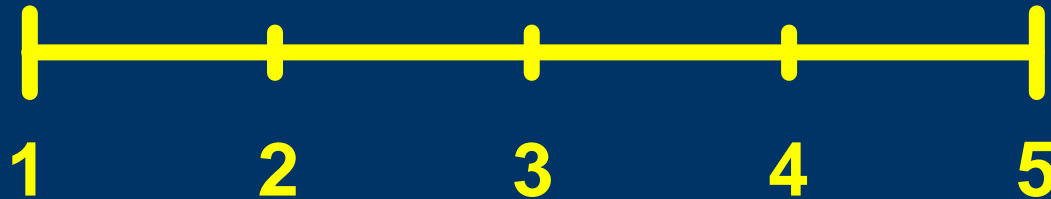
\* Does not include: Applicant Travel, Relocation, or Executive Search Fees

# In Addition to Cost Effectiveness

## Why create a Global Talent Supply?

- Global Demand for skills has increased more rapidly than supply
- Need for consistent, effective HR planning process
- Motorola business compete with each other for candidates
- We need one face to the candidate
- No consistent, focused Candidate Sourcing capability in Motorola
- No shared recruitment processes and systems worldwide
- No leveraging of Motorola resources at Universities
- No shared Diversity Sourcing and Recruitment plans
- Lack of a visible attractive career path in Staffing
- Inadequate Staffing Systems

# Environmental Turbulence

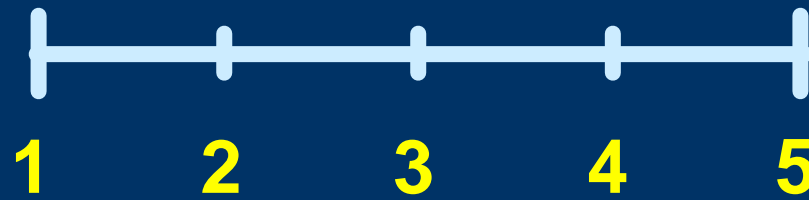


- **Customers/Consumers are more demanding**
- **Competitors are more capable and different**
- **Political, financial, and social instability/uncertainty is increasing**
- **Opportunities and expectations of key talent are increasing exponentially**

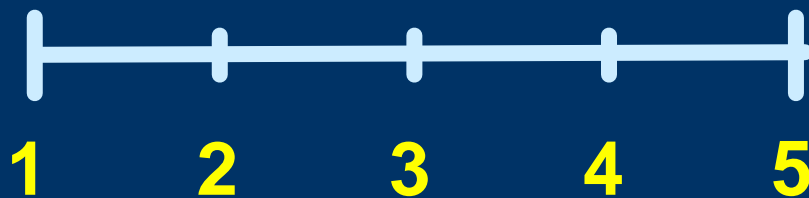
# Strategic Response

- Anticipating customer needs/competitive pressure
- New product speed-to-market
- Innovation/concept renewal
- Identifying and Adopting best practices

## Environment



## Strategy

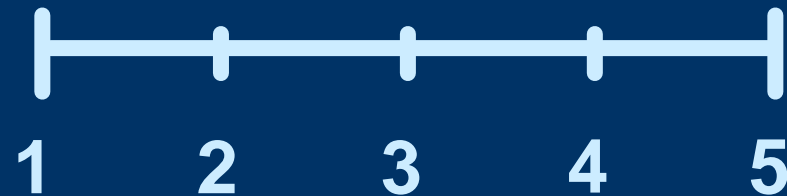


# Organizational Readiness

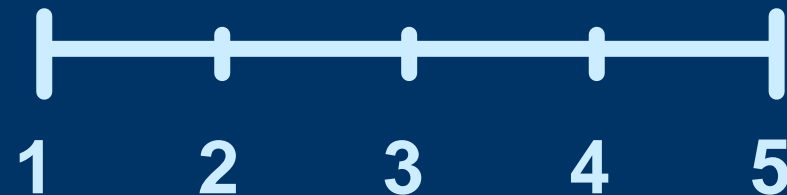


- **Willingness**
- **Skills, Knowledge, & Abilities**
- **Processes & Systems**

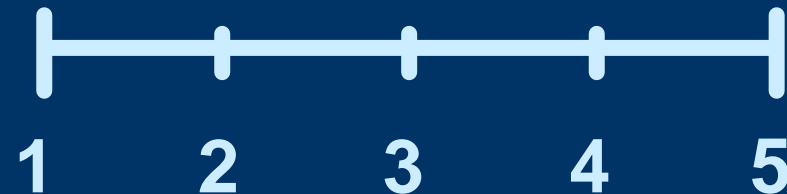
## Environment



## Strategy



## Readiness





# Change Imperative



*“When the rate of external change  
exceeds the rate of internal change,*

*The end [of your business] is in sight . . . .”*

— Jack Welch  
CEO, General Electric

# Our Key Contribution



Organizational Readiness is our domain!!

Our clients rely upon us to supply the raw talent required to succeed.

# The War for Talent

- In 15 years there will be 15% fewer people aged 35-45.
- U.S. economy is likely to grow between 3% and 4% annually.
- Therefore, demand for talented 35-45 year-old leaders is likely to increase by 65% while the supply decreases by 15%

Source: U.S. Demographics

*We must get ahead of this curve by hiring the brightest now and figuring out how to keep them!!*