



ENGINES FOR RAPID GROWTH AND HIGHER PROFITS

Garry Jacobs, President

Mira International, USA

Bata

- **1922 Postwar Depression – Czech economy & exports down 75%**
- **1922 to 1927**
 - Employment doubled
 - Production up 15-fold
- **1922 to 1932**
 - Wages tripled
 - Cost of shoes down 82%
 - **Bata operates the tanneries, shoe manufacturing and shoe exporting business on earth**



1979 to 1981

- **\$10 billion No. 3 American automaker**
- **Japanese competition – 100,000 unsold cars**
- **Lowest in quality & satisfaction of US car-makers**
- **Obtained \$1.3 billion in US gov't loan guarantees**
- **Down to \$10 cash on \$50 million daily expenses**



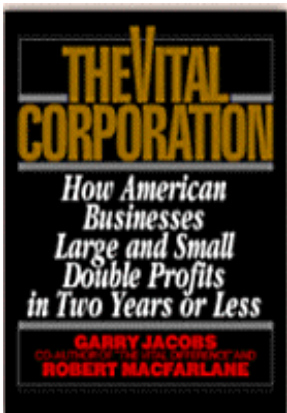
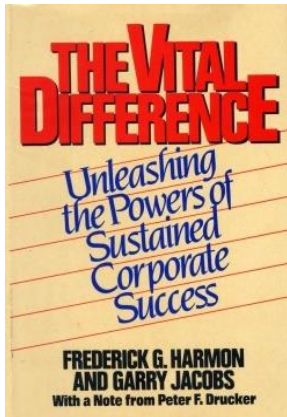
1979 to 1981 – lost \$3.3 billion

- **Expert opinion – bankruptcy within 6 months**
- **Our assessment – Chrysler need not fail**
- **Rose from last to first in quality and customer satisfaction ratings of US car makers**



- **Rose from last to first in quality and customer satisfaction ratings of US car makers**
- **1982 to 1984 earned \$3.3 billion net profit**
- **Net gain \$6.6 billion in three years**
- **Repaid loan guarantees 7 years early**

RESEARCH ON RAPID GROWTH & SUSTAINED SUCCESS



- Apple
- AT&T
- Bajaj Auto
- Bang & Olufsen
- Bata
- Ben & Jerry's
- Chrysler
- Coca Cola
- Delta Airlines
- Dupont
- Fed Ex
- Ford
- Gartner Group
- General Mills
- General Motors
- IBM
- Intel
- Levi Strauss
- Linear Technologies
- Marriott
- Merck
- Mesa Airlines
- Mr. Minit
- Northwester Mutual Life
- SAS
- Sears

NATIONAL & INTERNATIONAL EXPERIENCE

**Air, Land & Sea
transport**

Aerospace

Automotive

Chemicals

**Consumer & Industrial
Electronics**

Contract Manufacturing

Education

Environmental Services

Financial Services

Home Entertainment

**Hospitality & Food
Service**

ITC

Media

Pharmaceuticals

Precision Machining

Specialty Retailing

**Tools, dies, molds,
stamping**

THREE CONCLUSIONS

1. **Rapid growth in revenues and profits is possible for any company that really wants it**
2. **Growth is a process – a process that can be learned**
3. **The same process applies to poor performers and industry leaders**

THE PROCESS

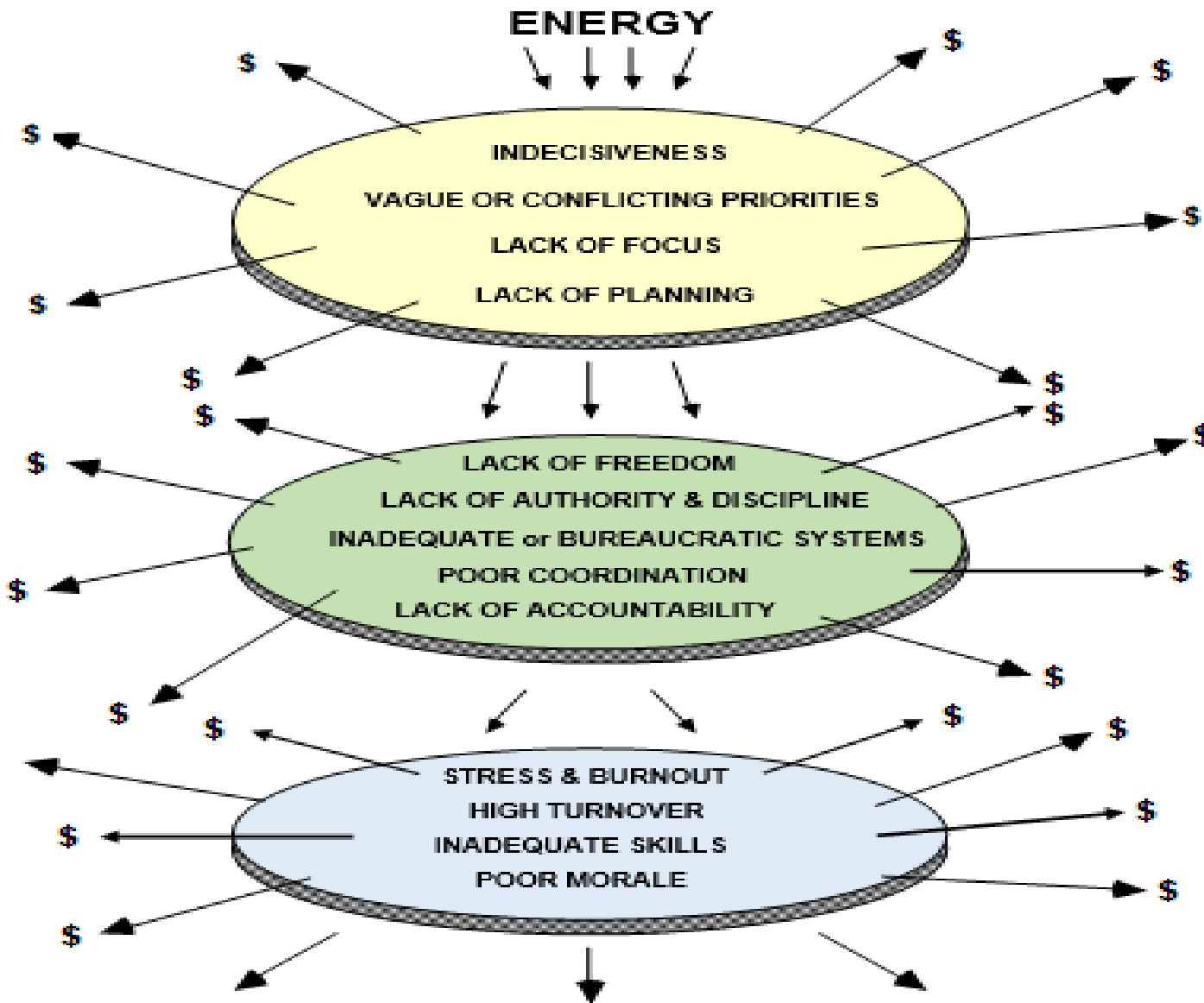
Performance of a business depends on its ability to release, direct, channel & transform human **ENERGY** into results.

A company is a living organism

CORPORATE ENERGY DISPERSION

EE = 75%

75%



56%

42%

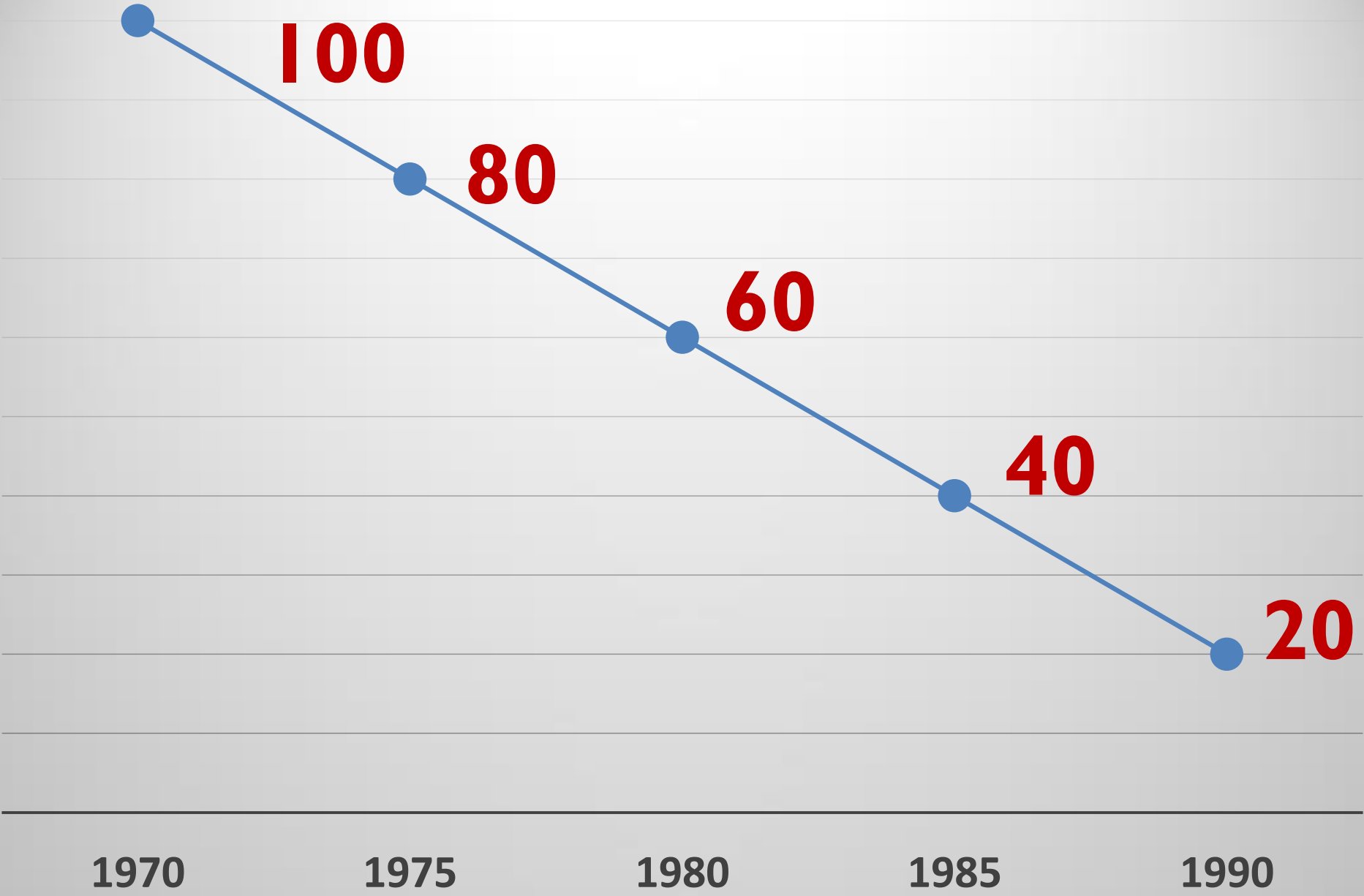
**LOW QUALITY & PRODUCTIVITY
FALLING REVENUES
LOSSES**

32%

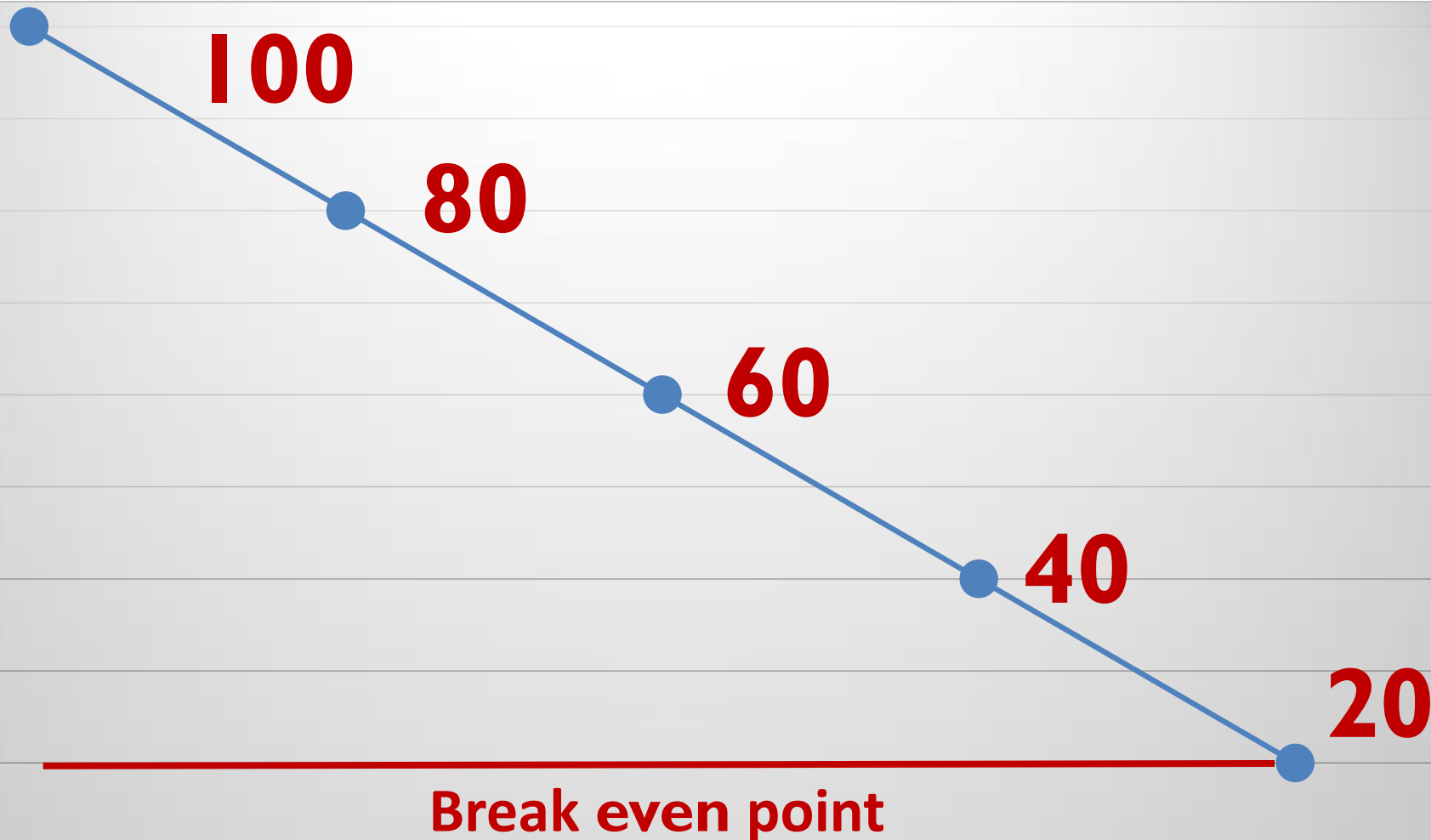
CORPORATE ENERGY CONVERSION



GLOBAL RAYON TIRE CORD PRODUCTION



Net profit to 1990



1970

1975

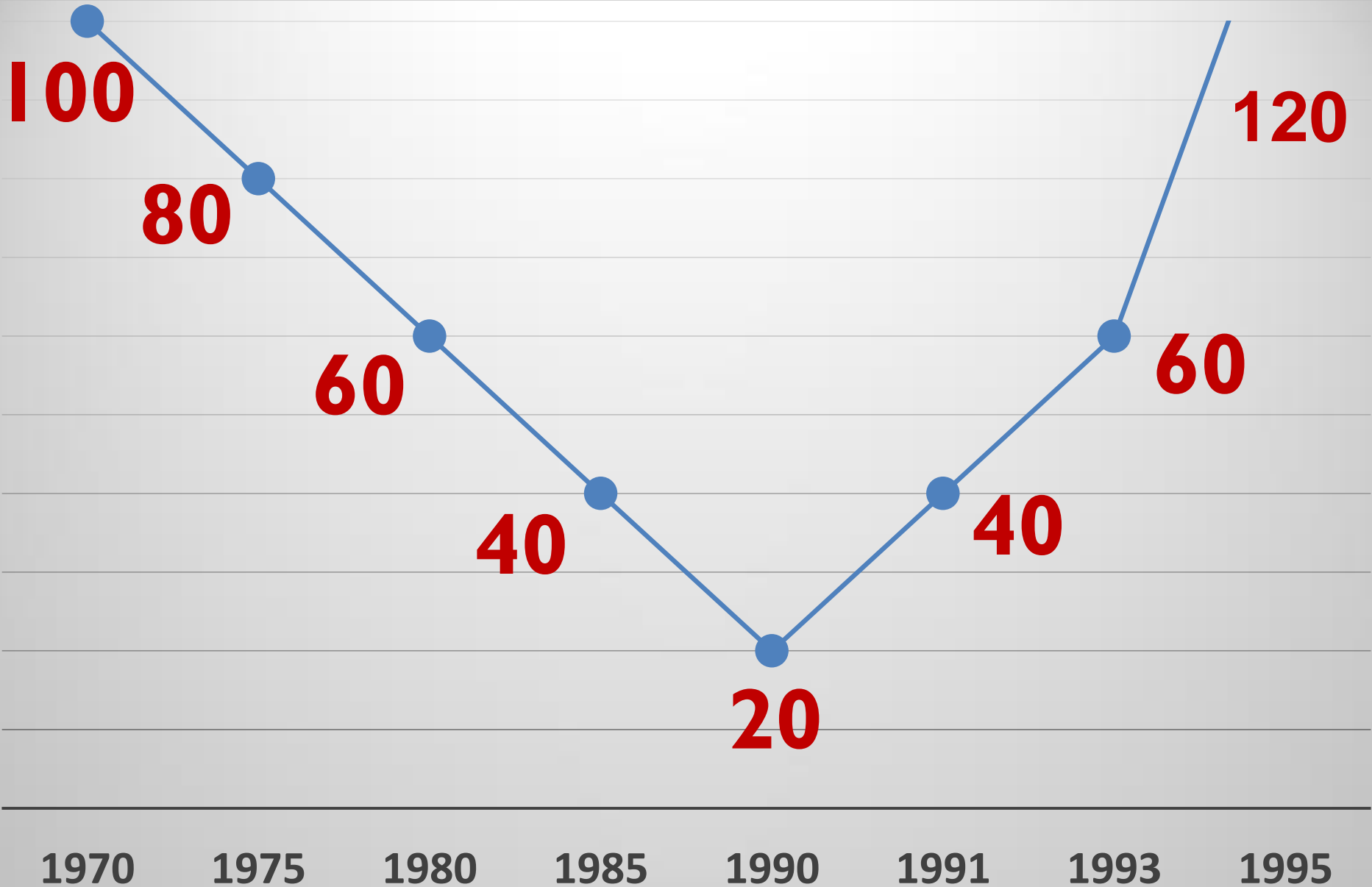
1980

1985

1990



Net profit to 1995



IS YOUR COMPANY

- **Market-driven?**
- **Technology-driven?**
- **People-driven?**
- **Finance-driven?**
- **Organization-driven?**

FIVE ENGINES OF GROWTH

Every business possesses five essential components which have the potential of being transformed into engines for higher levels of growth and profitability.





BAJAJ AUTO LTD. – 1986

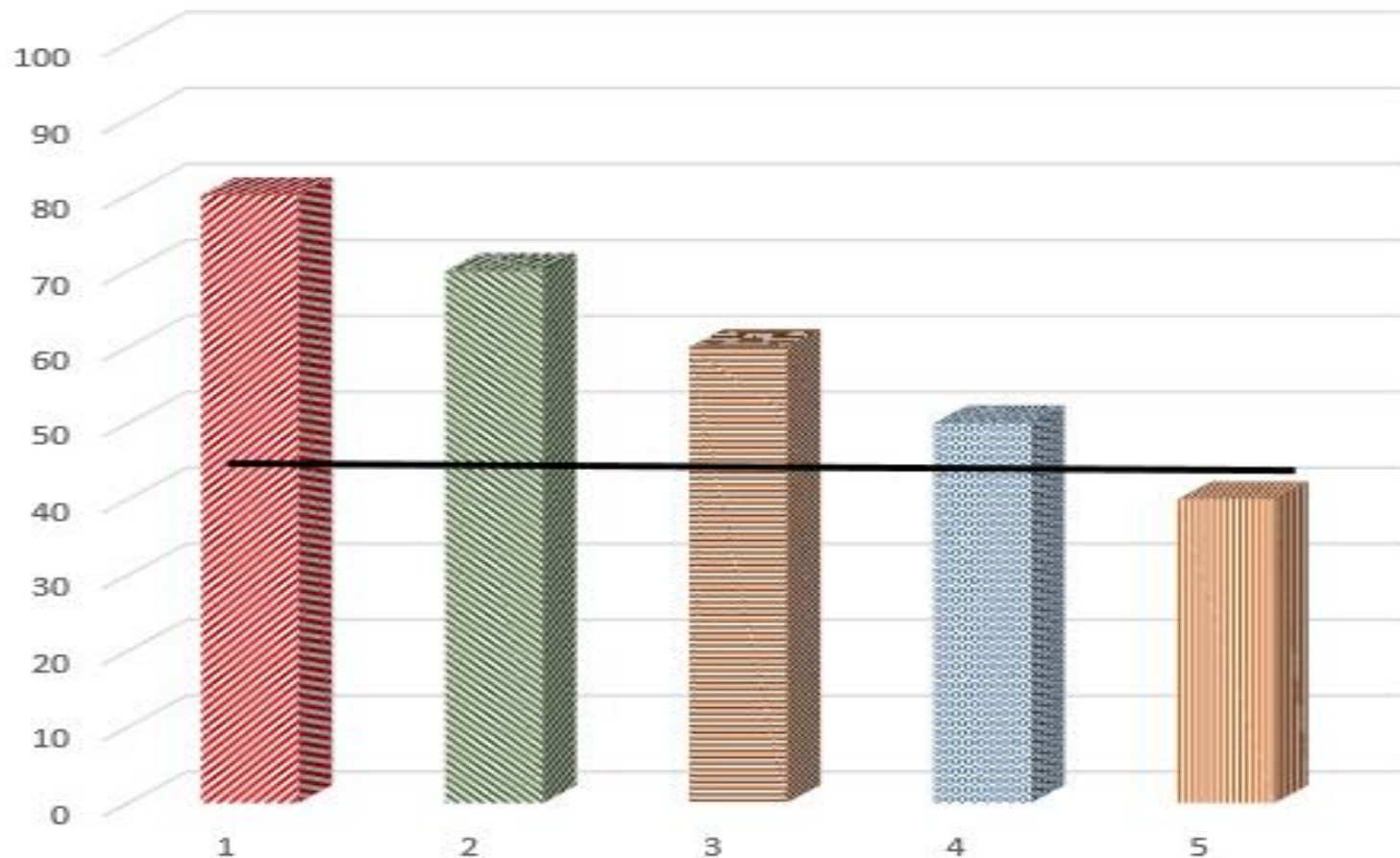
- **Founded by Rahul Bajaj, Harvard MBA, in 1969**
- **Largest Indian scooter manufacturer in 1986**
- **1986 Revenues \$38 million, earnings \$2.2 million**
- **Most traded company on India stock market**
- **Businessman of the Year in 1986**
- **Elected Board Member of World Economic Forum**
- **20 joint venture 2-wheeler makers enter Indian market**
- **Industry experts predicted rapid decline in Bajaj revenue growth and earnings**



BAJAJ AUTO – 1987 TO 1989

- **Mira made 130 recommendations for improving performance of Bajaj**
- **All 130 recommendations accepted for implementation**
- **Three year earnings tripled to \$6.5 million**
- **By 2013 Bajaj revenues exceeded \$5 billion**

BALANCING THE FIVE ENGINES



A company's overall results are limited by the performance of the weakness component

THE VALUE OF VALUES

- **Values are drivers of high performance and lasting accomplishment**
- **Values encompass physical, social, organizational, mental and psychological dimensions**
- **The power of values is fully released only when they are systematically & perfectly implemented**

VALUES ARE EVER RECEDING GOALS

- Values energize people & please customers
- Values improve products & elevate performance
- Values drive growth & multiply profits

A word cloud of values including Communication, Service, Integrity, Safety, Coordination, Punctuality, Truthfulness, Integration, and Speed. The words are arranged in a roughly rectangular shape, with 'Communication' and 'Service' on the left, 'Integrity' and 'Safety' in the center-left, 'Coordination' and 'Punctuality' in the center, 'Truthfulness' at the top center, 'Integration' and 'Speed' on the right, and 'Service' at the bottom left.

A MODERN TITANIC

- **3000 employees and 18 production centers**
- **In 2000, revenues US \$26M, net loss \$2.6M**
- **Accumulated losses of \$20M since 1996**
- **Mira was engaged by NIE in June 2000**
- **Sep. 2000, bankers declared it NPA, froze accounts**

THE TITANIC RESURFACED

- **In 2002 and 2004, major competitors entered the South Indian newspaper market**
- **From 2006 company returned to profitability**
- **This was accomplished with minimal support from the banks**

IMPLEMENTING VALUES

- **Firm Commitment**
- **Measurable Standards**
- **Clear Responsibilities & Accountability**
- **Systems to control & monitor**
- **Assessment of individual performance**
- **Recognition & Rewards**

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Your
Profit\$