



MAGMA COPPER COMPANY

Magma Copper Company, along with the rest of the United States copper industry, faced extreme challenges due to increased competition, depressed prices, restrictive environmental regulations, and a host of other factors. At Magma, bitter adversarial relations between management and labor unions exacerbated these problems.

Magma hired Vanto Group to work with both management and labor to overcome this history of hostility and distrust, and to build an entirely new culture throughout the organization. Vanto Group worked with a cross-functional team of 140 selected individuals to develop a strategic focus for the company. The group created a vision of the company's future, formulated strategic goals to realize that vision, and launched a cross-functional initiative to involve employees in implementing the goals. Nearly 4,000 of Magma's 5,000 employees, including management, union officials, and employees from across the organization, voluntarily participated in this program.

Within three years, **productivity at Magma had increased by 86%, while production costs had decreased by 40%**. There were substantial reductions in absenteeism and grievances, along with substantial improvements in safety rates. Dramatically rising stock prices followed.

Vanto Group also worked with Magma's Tintaya mine, which Magma acquired from the Peruvian government. With the support of Vanto Group, the Peruvian workers were able to transform the culture of the formerly state-owned mine, which had been characterized by under-performance, hierarchical structures, and adversarial union-management relationships. **Production rose from an average of 10 million pounds to 140 million pounds in one year**. The traditional one-year Peruvian labor contract, which had previously taken six months to negotiate, was replaced by an unprecedented five-year contract that was negotiated in three months.

"The urgency of our situation forced us to focus on something that is crucial to the success of any merger or acquisition -- bringing people together as quickly as possible to find effective ways to run the organization. With Vanto Group as our partner, we rapidly built a new company, one that is thriving today."

Lee Browne

Former President and General Manager

Magma Tintaya South America

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GUIDANT VASCULAR INTERVENTION

A core business unit of **Guidant Corporation**, Guidant Vascular Intervention (Guidant VI) is a world leader in the design and development of cardiovascular medical products. Management, challenged by the demands of rapid growth and accelerating product development timelines, turned to Vanto Group for support in bringing about a shift in the organization's culture. The goals were to create alignment, integration, and collaboration among disparate functional groups that had traditionally operated as independent entities.

The engagement began with the formation of a leadership group comprised of managers from key areas throughout the company. Vanto Group facilitated the group in recognizing the embedded assumptions and attitudes that had divided them. Aligning behind a shared commitment to the company's larger goals and objectives, these managers began operating as a cohesive, cooperative, unified team.

Based on this success, Guidant VI asked Vanto Group to expand its engagement. Vanto Group conducted regular sessions with employees from all functional groups. Facilitated by Vanto Group, these **employees worked together across functional boundaries to bring a new coronary stent to market in an unprecedented 8 months**. Since then, the company has continued to introduce successful new-generation stents each year, and to maintain a working environment characterized by high levels of innovation, productivity, employee satisfaction and teamwork.

"Vanto Group's process was designed to revitalize the culture to refocus employees on driving results, welcoming and even initiating change, and creating a new leadership role in our company."

Beverly Mehlhoff
Director, Employee Education & Development Worldwide
Guidant Corporation

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LOCKHEED MARTIN

Lockheed Martin is a leading supplier of advanced technology systems, products, and services for government and commercial customers. The company turned to Vanto Group for support in resolving persistent communications conflicts among key participants in a program to design and build a satellite defense system for the United States government.

The program was in a state of crisis due to poor working relationships between Lockheed Martin engineering teams and among those teams and their customers and subcontractors. Low morale and extreme scheduling and budget pressures added to the crisis. Because of these spiraling problems and the erosion of customer trust, the program was threatened with cancellation.

Management attempted to solve these problems by conducting a number of offsite sessions with key team members. Dismissed by an increasingly cynical workforce, these sessions met with failure. Lockheed brought in Vanto Group to get the ailing program back on track. Vanto Group was asked to structure a series of courses for employees, customers, and key subcontractors. Within 18 months, the situation had turned around. Attitudes had shifted, both among those who participated in the Vanto Group programs, and among colleagues with whom they interacted. The downward spiral reversed. Morale and productivity rose as people began collaborating as a team, reaching program milestones, and meeting schedules.

The defense **system was launched on time and its on-orbit performance exceeded customer expectations.** Vanto Group was subsequently invited to conduct similar sessions in another Lockheed Martin organization.

"I attribute the ultimate success of my program to the attitude shifts and resulting team development, positive collaboration, and improved communication resulting from the work Vanto Group did with us."

Doug Diederich
Former Vice President Special Programs
Lockheed Martin Corporation

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NORTHERN INDIANA PUBLIC SERVICE COMPANY

Northern Indiana Public Service Company (NIPSCO) is a public utility generating electricity for Northwest Indiana. Energy deregulation had drastically changed the climate for the entire industry. In the former protected environment, NIPSCO could turn to the public utility commission for rate increases whenever costs rose. This environment had fostered a paternalistic culture, in which both labor and management had come to expect high salaries and job security that were not linked to performance. In the new competitive environment, the company had to control costs in order to survive.

Despite incentive programs, motivational courses, and other interventions, NIPSCO's culture did not adapt to the new environment. The workforce remained unmotivated and inefficient, and the expectation that they would "always be taken care of" persisted.

Vanto Group was hired to work with NIPSCO's Electric Production operating company. The primary goal was to reduce the cost of generating electricity in the company's four plants, from \$22 to less than \$20 per megawatt hour.

More than half of NIPSCO's managers and employees participated in the Vanto Group led initiative. As employees uncovered self-defeating attitudes and saw that their performance made a critical difference to the company's success, they shifted from a sense of apathy to a sense of responsibility for NIPSCO's future. When Vanto Group's engagement ended, a new competitive spirit had replaced the paternalistic culture of the past. The workforce **met the goal of reducing the cost of producing power to below \$20 per megawatt hour**, and significantly increased the level of capacity at which all four plants operated.

"During the work NIPSCO did with Vanto Group we tore down a lot of old traditional barriers.Instead of a very difficult and untrusting environment, there is a new attitude and a new level of productivity that reap benefits for the company and the workers."

Jerry Roberts
President, United Steel Workers of America
Local Union 12775
Portage, Indiana

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