

~~DRAFT 12/92~~
NOTE TO THE TOBACCO STRATEGY REVIEW TEAM

To King
TSR

TSRT INTER-COMPANY SECONDMENTS

The principle objectives of secondments between each of the tobacco operating groups are twofold;

1. To offer a significant management development opportunity for those participating and;
2. to provide an additional source of talent for companies with posts to fill.

The current process also has the following advantages:-

- a) The individual companies are able to offer distinctly different development possibilities.
- b) The process can be used to accommodate managers who may be temporarily blocked in their existing position.
- c) The process can help breakdown barriers both in business terms and culturally.

Actual Benefits

In general terms, the objectives of the process have been met over the last 12 months. The managers who were seconded report that the experience was a very valuable one, whilst the receiving company regularly report their wish to extend the secondment if possible.

The Current Situation

At the present time there are 22 people on secondment. the total number of people who have participated in the scheme during the course of 1992 has been 27. The number of candidates identified for potential transfer is 47.

The largest current provider of secondees is Souza Cruz who are contributing over half of those seconded, whilst the recipient of the most secondees is BAT Co. BATCF is currently the least active in terms of donors and recipients.

	<u>Donated</u> <u>%</u>	<u>Received</u> <u>%</u>
BAT Co.	35	60
B & W	5	20
Souza Cruz	55	15
BATCF	<u>5</u>	<u>5</u>
	100	100

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From a functional point of view, by far the largest number of secondments are within the Marketing and Sales functions, with the rest being relatively evenly spread over the other functions as follows:-

	<u>% 1992</u> <u>Secondments</u>
Marketing/Sales	59
Finance	7
Production	11
R & D	7
Personnel	4
Legal	4
Leaf	4
GM (Laux to Venezuela)	<u>4</u>
	100

Financial Situation

A meeting between the four companies, held last November, clarified the situation in relation to the costs of secondments. Briefly, it was determined that the receiving company should contribute to the extent of the normal salary which would be paid to a local employee performing the job. The balance of the costs involved including salary make-up, where necessary, plus accommodation and travel costs would be borne by the donor company.

Issues

Whilst the process is generally considered successful, a number of issues have tended to inhibit the growth in numbers of secondments as follows.

1. The process of arranging secondments can sometimes be lengthy. However, it is anticipated that increasing personal contacts may impact on this situation.
2. The differing organisational structures and management development practices between the companies can limit the potential usefulness of secondments. This perhaps explains the relatively low participation of finance staff in the process.
3. Transfers of secondees from a high to a lower wage economy tend to increase the cost of secondments to the donor company in a way that can affect willingness to participate in the process. However, in general terms, it is accepted that the secondment process is cost effective in relation to other possible forms of management development.

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