



# INTER OFFICE MEMO

TO: ALL EMPLOYEES

DATE 10/14/83

FROM: William E. Flaherty

SUBJECT: ORGANIZATION REALIGNMENT AND MANAGEMENT APPOINTMENTS

Consistent with Executive Staff's continuing emphasis on organizational improvement programs, and based on the review of 1984 plans in light of progress over the past four years, the following thirteen major corporate issues have been identified for 1984:

<u>ISSUE</u>	<u>PRIMARY RESPONSIBILITY</u>
1. Marketing Issues	Marketing
2. Product Portfolio Management	Administration
3. Superior Customer Service	Private Business Operations
4. Government Business Opportunities	Government Program Operations
5. Health Care Cost Containment	Health Industry Services
6. Alternative Delivery Systems	Health Industry Services
7. Provider and Professional Relations	Health Industry Services
8. Financial Effectiveness	Finance and Actuarial
9. Regulatory and Legislative Environment	Administration
10. Corporate Image	Administration
11. Organizational Effectiveness	Administration
12. Strategic Business Planning	Administration
13. Systems Development	Administration

Based on Executive Staff's conclusion that each senior executive must be actively involved in achieving the program results needed for each of the corporate issues, and since the work assignments for the six issues assigned to Administration are so diverse and complex in nature, it has been determined that Administration should be separated into two units.

Subsequently, under the new configuration, which is effective immediately, Administration will consist of Human Resources; Systems and Facilities; Corporate Planning and Research; and the General Auditor function. The areas of Corporate Communications and Public Affairs will now report to Corporate Marketing and Communications under the direction of Mike Cascone. It is felt that this reporting relationship will enhance the goal for successful implementation of the program of action as described in the Corporate Image issue paper. It will also enhance the goal toward the successful achievement of the programs described in the Regulatory and Legislative Environment issue paper. Executive Staff perceives both of these areas as being critical to the ultimate success of private business marketing performance for the 1984 operating plan.

This expanded role for Mike Cascone, now appointed Senior Vice President, Corporate Marketing and Communications, recognizes his leadership and assistance to Executive Staff as a group and individually, and the awareness that solutions to public affairs and regulatory issues are essential to the private marketing effort -- especially in terms of the intense political activity facing the Plan over the next several years. As a result of this realignment, John Slye, Vice President, Public Affairs and Corporate Secretary, will now report directly to Mike Cascone.

In addition, Bob Endriss has been named Senior Vice President, Corporate Communications and Advertising, reporting to Mike Cascone, and will remain a member of the Executive Staff management group. The recent premium tax issue and our current difficulties with the State Insurance Department demonstrate the need for more intensified communication efforts with our various publics -- and, in particular, with our subscribers. This area will now receive focused attention through continuous senior management involvement. As a result, Bill Peaks, Vice President, Corporate Communications, and Roy Fouts, Director, Advertising and Sales Promotion, will report directly to Bob Endriss.

As an extension of the above changes, we are pleased to announce that Bill Dodd has been appointed Senior Vice President, Administration, reporting directly to the president. Bill recently held the position of Vice President, Operations Planning, and has held several positions since joining the Plan in 1976. Bill has exhibited tremendous leadership skills in many corporate areas, and especially within Operations and Government Programs. He was strategically involved with the successful acquisition of the South Florida Medicare Part B contract in Dade and Monroe Counties. Bill served in the United States Army from 1950 until he retired as a Lt. Colonel in 1971. His military tenure spanned a wide-ranging career, including administration and data processing. He joined the National Association of Blue Shield Plans as a senior consultant in 1971 and was responsible for planning, developing and coordinating the utilization review program. He was also instrumental in the development and implementation of the first Medicare Part B regional computer center.

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Concurrently with Bill's appointment, we are pleased to announce the appointment of George Cassady to the position of Vice President, Human Resources, reporting directly to Bill Dodd. George has held the position of Director, Training and Development, since December 1981. He joined the Plan in 1977, following a 20-year career with the United States Army. During his military service, he held a variety of management and leadership positions, ranging from Infantry Platoon Leader to Personnel Officer of a 5,000-person organization. He retired from the Army with the rank of Major. Prior to becoming Director of Training and Development, he held various positions within Personnel, including Senior Management Development Specialist and Manager of Employee Relations and Organization Development.

In addition to George Cassady, those reporting directly to Bill Dodd are Ron Cronovich, Senior Consultant; Carl Demery, Vice President, Corporate Planning and Research; Bud Bolin, Vice President, Systems and Facilities; and the General Auditor function.

Effective with the above changes, the positions previously reporting to Vice President, Operations Planning, will now report as follows: Ray Chaffin, Director, Government Programs, will report directly to Dan Lewis, Senior Vice President, Government Program Operations; and Spero Saxon, Director, Manual Systems and Methods, will now report to George Brown, Senior Vice President, Private Business Operations.

Also in line with the above organization realignment, and due to the nature of the Corporate Aircraft Operation and its daily coordination with the President's Office, that unit, under the supervision of Lee Perdeu, Chief Corporate Pilot, will now report directly to Janet Rogers, Administrative Assistant to the President.

As Executive Staff continues to address the 1984-1988 plans over the next several months, particularly as they relate to the thirteen corporate issues and programs, it is anticipated that added emphasis on results to be achieved will require intensified team efforts and corporate-wide coordinated action plans similar to those used in the recent Marketing Task Force efforts. This increased activity will result in some additional organizational changes.

We will continue to strive for organization improvements in order to increase our overall management effectiveness, and on behalf of Executive Staff, we thank you and look forward to your continued support and cooperation which is so important to the ultimate success of these programs.

-- William E. Flaherty

WEF/jr