



OFFICE MEMO

TO: BILL AREHART

15T

DATE 5/9/88

FROM: MICHAEL CASCONE JR. AT: EXECUTIVE VICE-PRESIDENT, PBO

SUBJECT: MARKET SEGMENT UPDATE, PRIVATE BUSINESS OPERATIONS

In early April, we distributed a memo discussing recent developments with Market Segmentation. The newsletter provided a brief background on the effort and a summary of the rationale behind the move toward segmentation. Today's update contains information specifically dealing with the organizational realignment which is being implemented to accommodate Market Segmentation.

As has been stated in previous communications, PBO is being divided into three market segments; Local Market Operations, National/Special Market Operations and Direct Market Operations. The Local team will be led by Larry Payne, Tom Dunn will head the National/Special group and Don VanDyke will have responsibilities for Direct business. The new organizational charts for Operations are attached.

Commitment has come from all levels of the corporation, to make the implementation of Market Segmentation a smooth and successful process. This commitment includes doing everything possible to keep each employee informed of what activities are taking place. As progress is made, further communications such as this one will be distributed.

As with Direct Market segmentation, this effort can have a tremendously positive effect on the ability of the Local and National/Special teams to meet the needs of their respective customers. By identifying and responding to these needs, we will be in a position to further our advantage in the marketplace.

Market Segmentation will bring about many necessary changes in the organization so that we may more effectively identify and respond to the needs of our customers. Unchanging however, is the belief that our employees are still the most important and valuable resource which this corporation possesses. By putting forth our best effort on this endeavor, we can guarantee success for years to come.

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