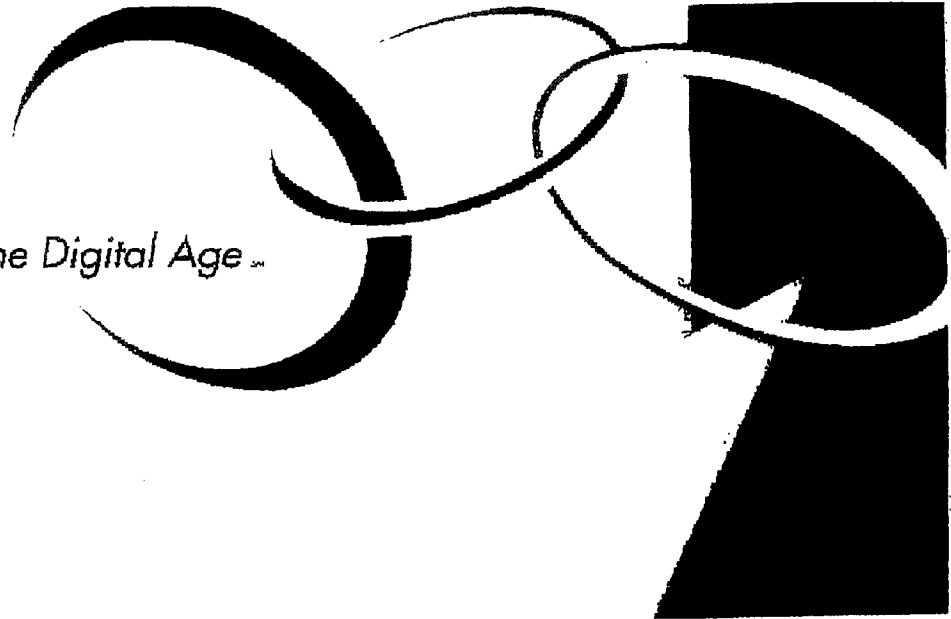# COX COMMUNICATIONS

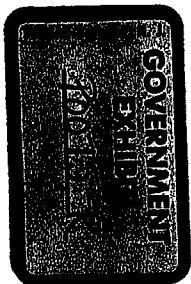*Your Friend in the Digital Age ..*

Project Catalyst

Sponsor Update

September 22, 2003

cat·a·lyst (kăt'l-ĭst):
n. 1. *Chemistry.* A substance, usually used in small amounts relative to the reactants, that modifies and increases the rate of a reaction without being consumed in the process.
2. Catalysts enable reactions to occur much faster or at lower temperatures because of changes that they induce in the reactants. A catalyst reduces the energy required for the reaction to occur.
Sources: American Heritage Dictionary & Wikipedia

Goals for Discussion.

In the last 10 weeks, Project Catalyst worked to understand key issues, and has defined a case for change with measurable benefits.

- Overview of Recent Efforts

- Summary Conclusions and Action Plans
  - Supporting: JDE Replacement
  - Enabling: Supply Chain & Capital Project Management
  - Monitoring: Business Drivers

- Overall Business Case and Rollout Plan

- Approval to Move Forward

Competitive Advantage.

REDACTED

Program Characteristics.

REDACTED

Supporting Elements.

REDACTED

JD Edwards Replacement.

REDACTED

REDACTED

Supporting Elements Preliminary Timeline.

REDACTED

Enabling Elements.

REDACTED

REDACTED

REDACTED

Collaborative Planning Benefit.

REDACTED

REDACTED

As-Is Project Management Process.

REDACTED

REDACTED

SCM and Capital Projects Implementation Plan.

REDACTED

Enabling Elements.

REDACTED

REDACTED

REDACTED

Using LRP to Track the Roadmap.

REDACTED

Aligning Investment Spend.

REDACTED

REDACTED

Opportunity Summary.

REDACTED

Business Case (2004 – 2007).

There are tangible, assignable benefits targeted at $70 million over 4 years and an ROI of .

Benefits		Benefit Target
Supply Chain Management		
	Sourcing	REDACTED
	Collaborative Planning	
CPE Process Standardization (Labor)		
	Fulfillment Optimization	
	Procurement Compliance	
Capitals	Process Efficiency (Labor)	
Finance	Procurement Company	
	Back Office Efficiency (Labor)	$0
	· General Accounting	
	· Finance Analysis & MGT Reporting	
	· Accounts Payable	
Total Benefit		$70.3

Costs		
	Hardware Costs	
	Software Costs	
	Labor Costs	REDACTED
	Internal	
	*External	
	Expenses	
Total Cost		
NET BENEFIT		REDACTED
ROI		

23

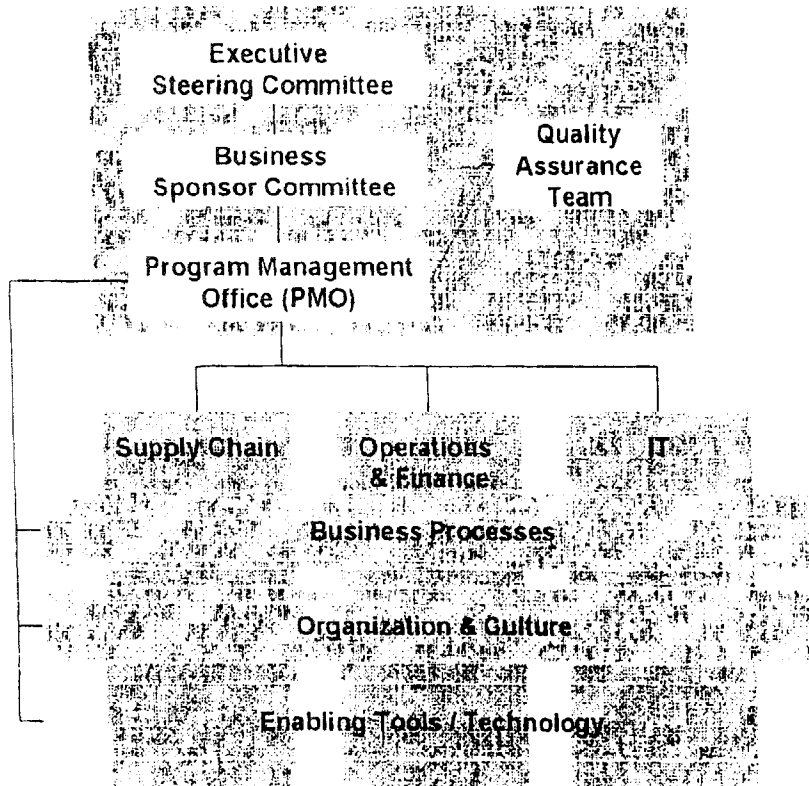Operating Cash Flow Calculation – (Pending Review)

REDACTED

Program Timeline (Preliminary)

REDACTED

Assigning Accountability.

This governance structure will align the tactical and strategic business objectives of the project.

Sample Governance Structure

Key Considerations

- Manage as an ongoing program
    - Create or extend program office
    - Dedicate a small core team of experts
    - Measurement doesn't end with last "rollout"

- Establish metrics and accountability across functional areas

- Ensure HR involvement early in the program to help manage pace and impact of change

- Get commitments from heads of relevant functions for process improvements and cost reductions

The business is running well, but there are tactical reasons for mobilizing now.

- Field is getting increased pressure to reach OFCF goals and is looking for better processes and tools to help

- Momentum growing with Field and among key players at Corporate

- The technology platform is "smoking" and will take 18-24 months to be implemented effectively (option value of a technology failure is high)

- We are in a moment of calm (no acquisitions, business strong)

- Ability to integrate and automate with current Sarbanes Oxley project

- Other initiatives around standardization make the culture open to change

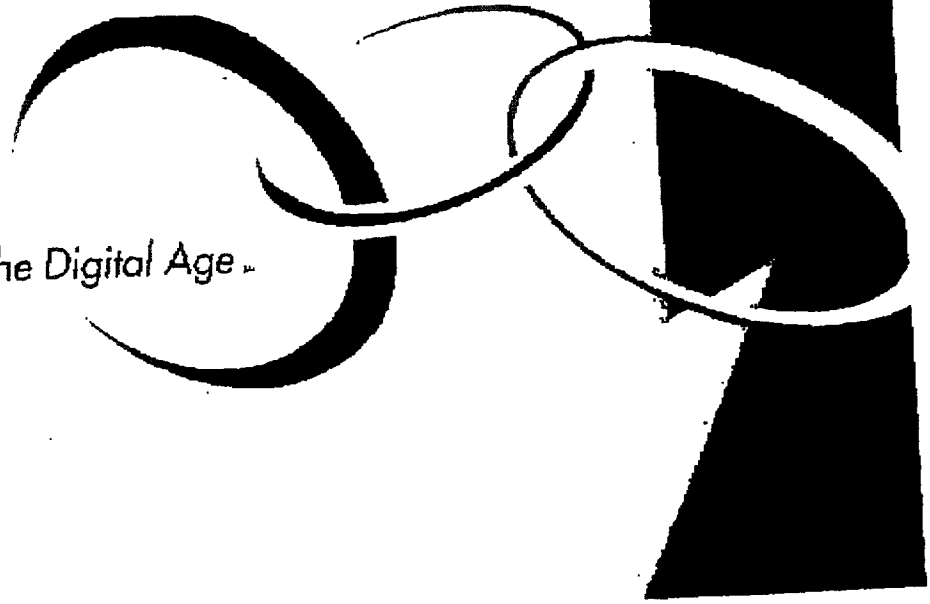- This will <u>enable</u> our ability to meet shareholder value targets

Next Steps

Receive approval and kickoff the project.

- Executive communications
  - One-on-one Sponsor discussions
  - Refine key messages and business justification
  - Dry run for JOR Meeting

- Refine key points of Vision with Field

- Continue Q4 project planning
  - Communicate road show
  - Refine solution with Field input
  - Confirm governance and internal resource commitment
  - Attack quick wins to build momentum

COX

COMMUNICATIONS

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Appendix

Sponsor Update

Key Changes.

REDACTED

Costing Detail

REDACTED