

Dear All,

Re: [July 18 Roundtable on Short-Term / Long-Term Management of Public Companies, Our Periodic Reporting System and Regulatory Requirements](#)

Thank you for this great opportunity to submit my views on this topic, a burning passion of mine, with more a focus on reporting systems and other aspects of SEC regulations and its impacts on capital markets. Short-termism is indeed a strangely coined phrase and craves my indulgence to speculate that its somehow intricately interwoven into the focus on my submission.

My background:

Attached is a functional bio summary. Lots of experiences (over 30 years) in banking and large North American multinational Corporations such as General Electric; Hewlett Packard etc. We witness the real issues from inside out on a daily basis; issues that can and has impacted the markets very negatively due to management's shortsighted blindsightedness unable to see the forest for the trees; what's right before their very eyes.

This is a time when we boast of the most 'educated' workforce, yet bombarded by stifling bureaucracy; lethargic management; disillusioned staff and unproductive processes. The obsolescence of education. Jeff Immelt former Chair/CEO of the nearly busted General Electric where we tenured for 10 yrs, used to openly boast "get those ivy league MBA's- we'll pay well to have them repaid"..and he certainly was paid well and GE paid the well.

Classic working case study :- The demise of an American icon - GE - who could have imagined except maybe some from the inside the loss of 160 billion in market capitalisation within 15-18 mths and subsequent 100 billion dollar shareholder class action suit. Culpability (they got a real Culp now-Larry) of willful ignorance and abrogation of social responsibility-not a case for plausible deniability-before their eyes daily-abysmal 'CUSTOMER SERVICE' (a phrase so abysmally abused as the **customer is placed last** not first in many larger corporations-they seem to prefer a pampered staff that plays to the fiddler) poor management strategies; and its eventual impact to cash flows, shareholder confidence and bottom lines. But he walks with a 200 million package. Thank god we dumped all shares at \$29.00 then Buffet did his billion dollar do a month later.

A brilliant example of how top down implementation did not harmonise with bottoms up delivery capabilities. Totally bereft of vision and astoundingly arrogant in their egotistical emanations. The moral bridles and loopholes wherein slips the demons of Corporate destruction. They lost the Battle of Midway, the meeting of minds at the middle.

This despite the advice to them from equally overqualified and egotistical overpaid advisors such as Harvard Dean Nitin Nohria/Rakesh Khurana etc- to quote:

""We find that **leadership is context-sensitive**; to be an effective leader in one era may be quite different from being an effective leader in another. This leads us to conclude that leaders need to have **contextual intelligence**--they must be able to sense

changing contextual circumstances and the business opportunities and challenges they present.” @ Rakesh Khurana / Nitin Nohria

Catchy sounding eh:? guess GE did not catch this one. The hordes of the East are hungry, focused and productive - creativity is a cliché easily copied = lower business costs, the competitive edge. Their R and D costs to simply identify the chinks in our armour so obtusely blinded to us.

The former Board had well paid members, former Chair of SEC Mary Shapiro etc \$200,000.00 plus some per annum for what really? Was she aware of salient changes to SEC regulations that governed management conduct in stifling employee expressions or retaliation-April 01st 2015- Rule 21F-17. A week after this my four cases currently with the SEC began and proved-poisoned tree retaliation. Never visited SEC webpage prior to this nor interacted, but it cometh forth - a delivery from above...that was classic top down implementation for bottoms up delivery.TCR1433919196499 -dd. June 10th 2015; TCR1445408164336 -dd. Oct 18th 2015, TCR1465891936924 dd.June 14th 2016, TCR1490550984570 - 03/26/17

Concept of the 5 paths:

Attached is an interesting **social commentary** dd. Oct 24th 2011- 4 pages 100 words, to GE Execs on competition "What would you do if you were CEO GE Capital", one of their better deliveries,not acted out or too little too late premised on the concept of the 5 paths.

Rati Index – 1-5 with 5 being the best.

- Innovative resourcefulness - 4
- Demystifying ambiguity-transparency-2
- Simplifying the 'complex' - 2
- Connecting the 'gaps' for opportunistic fits – 4
- Fast tracking efficiency and proven competence – 3

In summary its ironically or amazingly very simple:

Do what's required to harness process efficiencies and maximise utilisation of intellectual capital.Concept #4 above.Implementation may not be as simple requiring a political will and inscrutable moral character. The will of the politicians will be to unbind the bureaucratic fetters that suffocates sustainable growth-a mandate promised by current Mr T administration.

And so ends my simple contribution concerning the big players and protection of markets from rogue mismanagement.

SMEs:

Now for a very brief overview of the smaller but equally important SMEs - Small and medium enterprises. Partial extracts from article by Dr Thomas Goldsmith article titled "*Shaping the landscape*" - The value of engaging in policy - @ThomasGoldsmith.

Economic inputs:

As at Dec 2017 SMEs in Canada consisted of 1.18 million businesses or 97.7% of all businesses. Employ 8.3 million individuals. 21.926 medium sized businesses employing a further 2.4 million folks, SMEs account for 42% of total value of exports. In the UK they account for 99.9% of businesses-employs 16.3 million.

The policy gap:

Despite their weights in UK/Canada - its still the big players with the dedicated in-house resources and external influences (WTO cross border issues) that shape policy decisions. In contrast, small businesses may lack the resources to dedicate their valuable real time no downtime time, money or energy solely to policy engagement. This disengagement with policy making is unfortunate as good policy and regulatory reforms can help transform the way SMEs operate. At the very least, they can go a long way to reduce the bureaucratic and administrative burdens that may be disproportionately difficult for SMEs to comply with. Large businesses can easily afford legal and compliance experts.

Politicians and policy makers love to play to this audience as its attractive and almost cliché-good for their souls but not pocket holes as big business lobbyists bombard them with a surfeit of submissions and succour. Just how effective are the business Chambers of Commerce in traversing the international issues. They may also be resource constrained.

Conclusion:

Ultimately policy is shaped by those who turn up, participate or who turn up their influences. Those who do engage are much more likely to see the reforms and results needed to help their businesses prosper. While SMEs may be resource constrained, initiatives can be harnessed via the other forums that allow them to organise together. Their time is now to make use of these resources fully to reflect their interests and sustainability.

This forum therefore provided by the SEC is marvellously appropriate. Again US preponderance of initiative and creativity-the engine and imperatives that drives a great nation so fully embraced by the current business and sustainable focused ironically hated regime.

God bless America and us all.

Friend in divine grace.

Mr Nitty Maharaj
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BCCTC - British Canadian Chamber Diary
July 6-Belgian Chamber AGM and Garden party
Sept 10 - Hong Kong Canadian mission.

TREATISE OF A CEO

A world famous Toronto hospital has a plaque at their world famous Cardiac Electrophysiology ward that says effectively:- “A well informed patient is well on the way to healing”, which is mostly true for chronic long term cases.

At GE, a well informed and organized staff is mandatory to be well on the way to delivering quality customer service, given the complexity and global scope of this company.

Being well informed and organized denotes myriad requirements and potential adjustments at multiple levels to facilitate delivery capabilities. We will therefore now like to introduce, with current GE ratings based on four years GE Capital exposure, the:

CONCEPT OF THE FIVE PATHS

*Rating index – 1-5 with 5 being the best.

- Innovative resourcefulness - 4
- Demystifying ambiguity-transparency-2
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The primary objective of this path will be to frustrate and defeat inefficiencies thru creatively dedicated teamwork; seamless alignments of people and processes to encourage adaptability and agility for a behemoth; new thinking and thinking beyond the safe zones. The ultimate translation = superior customer service on all fronts (both hard and soft) and a true shareholder value proposition.

THE PLAN

Having four years experience of the richness of GE’s globally expansive and enterprising empire; as a CEO would dedicate myself to the critical objectives outlined in the Concept of the five paths above. The focus will be more from the administrative ‘soft’ side of the business, often overlooked, as the manufacturing sector continues to produce superior quality products that auto sells GE. This dynamic often lulls us into a false sense of security, but ‘softer’ administrative and process issues/frustrations can fester like a malignant cancer and if ignored unnecessarily longer than is healthy, can cause very disruptive interactive damages (morale/financial/image share value etc).

1. Creation of a uniquely creative Company Architecture book for a uniquely creative company. We need a book for focussed reference purposes due to the size of GE-like none other. Helps to inform on the *who/what/where* and even the *how*’s. This book can be an addendum to the high level Chart shown in [attachment #1](#) reflecting company details like ownership percentage/org structures, system accessibility etc.
2. Prior to deployment of any charts, a full audit and ‘blitzkrieg’ of all current databases to ensure both accuracy and focus as there can be lots of confusing invaluable. This will be of value to the concept of creating seamless alignments for efficiency deployment (problem solving). Resources shall be dedicated to keeping these always updated – see high level chart-[attachment #1](#).
3. The leveraging and deployment of created *efficiency tools* that has proven its merit (Macro choices to manipulate large databases). While what works for one may not work for another may hold true; in this expansive environment sometimes what works best should play the test. Some live examples attached-[attachment# 2](#).
4. An audit of Supervisor’s supervisory skills to ensure that they are really supervising and not simply administrating. Some 360 feedbacks will be a start point for trench assessments. A critical assessment area will be

a test of talent; meaning of on the job knowledge and skills; life experience? and how well and how equitably do they SHARE these to develop subordinates rather than maintain a monopoly to control, subjugate and or manipulate to dependency or lackeyism. This will enable them to be true enablers/leaders- drivers of excellence and efficiencies. The Executive arm now talks about ‘leading from the middle’, a natural follow on should be for our middle to lead from the bottom.

5. Special projects for special critical problem areas:–

- Cash Application process - details follow .
- GECARS *AR system* – enhancements/improvements well underway – maybe external input/resources required for creating more adaptability. Analysis of ‘rejected’ support cases on process improvement /GECARS enhancement initiatives may unearth some gems. A rich internal resource area untapped?

CASH APPLICATION PROJECT

Project Code: “*The perennial problem*” – Justifying a revolutionary fix.

This project will require highest level IT input and proactive participation. The first steps:-

- Ideas and improvement initiatives feedback from all players affected will also be garnered as a preliminary source database for fostering familiarization with issues and potential solutions.
- Workflow analyses to assess % fallouts and TIME SPENT by support or ancillary staff (eg Collectors) in resolving cash related issues.
- Determine feasibility of assessing the fallout from sitting or unapplied cash –eg. Time value, cost and legalities of sitting cash both to GE and affected customers. Maybe the current escheatment process has captured this factor already.
- Database cleanup to reflect accurate and up to date data.
- Chart the architecture book with a precision flow of the key elements interactions of the cash process. eg. Lock boxes to ledgers/banks etc.

The Fix:

1. A GE Bank

Not a far fetched theory, once SEC regulations permit an operational framework, as it will create the funnel concept. Utilising unique IT resources and GE’s established global physical network of offices, a very cost effective dynamic can be created to span and cover GE’S global businesses. These bank or ‘process centres’ will serve as the ‘cash heart’ of GE to inextricably link ALL of GE’S units minimizing the tremendous energy currently devoted to chasing cash issues. In lieu of a real bank, but more a process centre where customers mail payments for GE processing, a unique grid network to connect incoming sources by ledger/l/boxes etc may be requisite. IT input.

A recent initiative/pilot-The EIPP; the GE Payables portal is attempting some harmonisation of the cash process, but it is seeking to bring the customers to GE rather than taking GE to the customers as this fix is propositioning. The EIPP may also be very protracted in progress to full utilisation with as much as 50- 70% non participation (larger customers) as it is strictly voluntary.

2. A Quarantine process

If currency favours the current matrix with diverse banking structures etc., then a quarantine process may be the ideal idea to capture all cash app fallouts. Have seen this process work magnificently in the supply chain returns business at HP and was an integral part of its Implementation. It almost immediately reduced fallouts by 50-60 %. Implementation of this concept for a cash process will of course be a bit different and this is where GE'S resourceful innovativeness may translate this proposal to success. Eg. There can be fallout analyses tools eg.by cash codes/bots to drive resolution/fixes and mitigate recurrence at root.

Conclusion – [cash apps project](#).

Only under the scenario of the perfect efficiency storm utilising the Concept of the five fold path and it's adherents will the old system prevail as a uniquely reborn and robust business entity with frustrations alleviated and aspirations highly positive. A true *morale booster*. Under this scenario, the fixes proposed above may then be moot or irrelevant; to some degree with the quarantine suggestion.

ESTABLISHMENT OF FC'S (Focal Centres)

Per the #1 or high level chart, these critical centres or persons (focal points) will play a key role to dissolve irritants (not humans) that can and do create cross currents of disharmony and a pulling apart rather than an integrated approach in the GE Capital/GE client relations. The enzyme for this togetherness; mutual understanding; co-operation and *taking ownership of ignorance* for benefit to the whole. A critical responsibility can be to ensure databases accuracy at all times. Access to all non HR operations databases.

A salient feature of these entities will be an absorptive capacity for assimilation of mass/complex data and intelligent, focussed and rapid dissemination to concerned tenants. A vertical and cross functional overlap of the FC's and the Lean/Six Sigma/IT groups can be implementation of workflow analysis tools / Accounts Receivables bots or neural agents to assess and leverage the deployment of efficiency tools/matrixes. Some may even be built into AR system as enhancements.

As processes align seamlessly over time, the functions of these entities can devolve back into their respective natural ownership constituents.

SOME PONDEROUS POINTERS

1. The new value proposition - "We are builders not Bankers"-most appropriate as building opportunities arise almost daily at GE; even if not new, to build upon what's already established.
2. Per Chart #1, silo Executives may need to conduct wrap around exercises. Ie.Trying to wrap their minds around the myriad ALL to be in absolute clarity of the total picture.
3. Management consultant Tarun Khanna's profile feature – extract "creating opportunities for experimenting". While of good merit, especially at GE, we will be careful to quantify experiments with Ombud's or employee's consent as appropriate. Ad hoc 'experiments' are excellent to test management potential etc, but in an often stressed out environment, there ought to be caution from a health consideration perspective. Sometimes it may also be difficult to differentiate or qualify between experiment and real issues in the GE environment.
4. A Hippocratic Oath for Management ...@ Rakesh Khurana/Nitin Nohria – Harvard Business School.

<http://drfd.hbs.edu/fit/public/facultyInfo.do?facInfo=res&facId=6523>

“In light of the diminished public trust in business managers, is it time for management to embrace its own hippocratic oath, that would spell out a common understanding of their role in society and the conduct expected of them”. This can harmonize with Point# 4 of “The Plan”.

5. “We find that *leadership is context-sensitive*; to be an effective leader in one era may be quite different from being an effective leader in another. This leads us to conclude that leaders need to have *contextual intelligence*--they must be able to sense changing contextual circumstances and the business opportunities and challenges they present.” @ Rakesh Khurana / Nitin Nohria. GE has many leaders from a different era.
6. We can have all the latest catch phrases that sounds impressive; what is more impressive is the total quality focus for quality results.
7. Assess integration, quality, integrity/transparency and harmonization for a seamlessly smooth transition – *project potential for process improvement*. This ties in to point # 4 under “The Plan”. Supervisory disseminations or lack thereof – total lack of transparency or clarity in many instances. Maybe these are also ‘experiments’.
8. The very unpopular and ubiquitous D word – Duplication of efforts. Opportunity for *lean project*.
9. *Culture*: One that is more predisposed to the corralling of ‘Mavericks’ and subjugating to communal or cooperative ventures. This can stifle individual creativity and be de-motivating=loss of talent. The essence of the ‘free’ system gravitates to and rewards individualistic entrepreneurial input. Apple Computer. The stuff that built America-the original GE. *This will also prevent the misuse/abuse of managerial influence that allocates the intellectual input of third parties to the politically favoured for both their career enhancements or usurpation by Supervisory staff for their own career benefit.* A senior Executive did once indicate that this duality(entrepreneurial spirit as an employee-J.Welch) was harmoniously achievable at GE. Would revisit this thinking.
10. A review of current EMS process and introduction of a global key word or phrase search engine to facilitate a ‘talent fishing’ by seniors.

Conclusion:

In conclusion, would say that HR has a truly challenging job at GE; sifting through and analysing an incredible talent pool to connect gaps to opportunistic fits. While EMS is a fine tool, well informed and enabling Supervisors/Managers are even greater tools for progressing the company’s greatest assets; its employees. GE Capital is becoming more like a ‘Mother ship’ as it takes on more of the broader GE business units into its receivables and risk fold. These core units are now becoming like the satellite ships of the mother, whereby Capital assumes more and more of a coaching and leadership role as compliance regulations are tightened and processes improved. eg. AML rules/ treatment of credit offsets etc. The incoming core units are for the most part blind to these regulations and this is where the integration team has a crucial role to play. Transparency and communication of clear facts to ALL affected players is critical. Attached model – the Digital tree. Should these core silos and Capital follow the five paths and work closely with each other-TRUE teamwork, just maybe this world’s largest company can achieve the near thought of impossible. Ie. Maintaining the adaptability, agility and potential culture of a small/medium company while maximising utility of the wealth and richness of resources that only a very large company can offer.

END

Respectfully submitted to GE Capital leadership team Oct 24th 2011 under auspices of GE CEO challenge competition.

Disclaimer: please note that nothing contained within this presentation shall be construed as a construction, allusion or aspersion to persons, places or events within my workplace proximity.

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