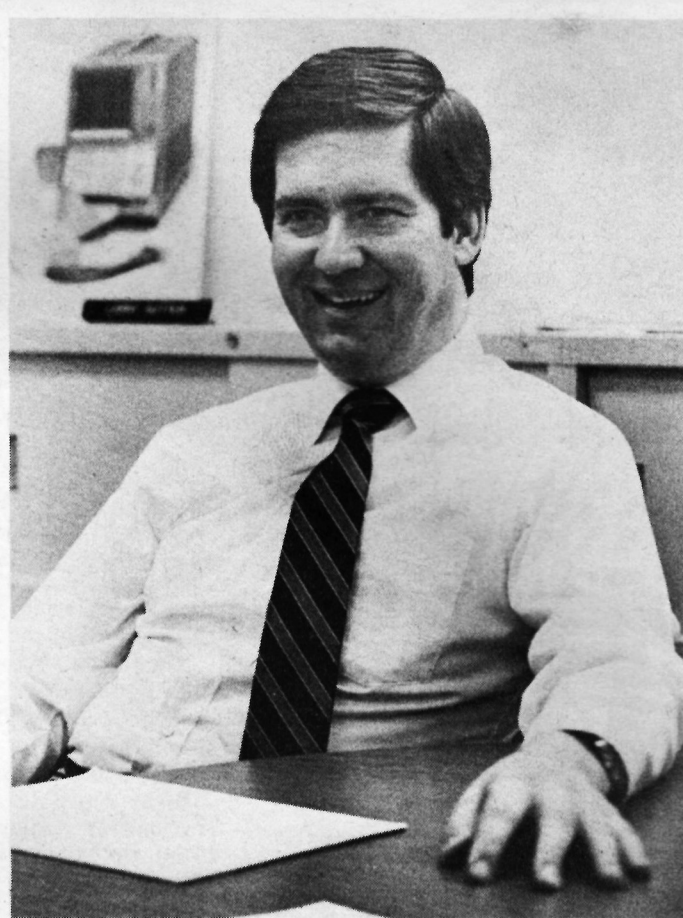


DAD General Manager

Taking Care of Business, Larry Sutter style

By CAROL TALLEY
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"THE WAY TO TELL if a company is well managed is not to go into the company, but to talk to the customer. That's the place you check the barometer." So says Larry Sutter, DAD General Manager and brand new Tektronix V.P.

Divisionalization, one of the newer words in the ever-increasing Tektronix vocabulary, has been the subject of many conversations of late. Yet often these discussions revolve around words like "processes" and "strategies"—words that make it easier to forget the human side of the change.

People are what Tektronix is all about, our finest resource and our hope. *Tekweek* therefore thought it appropriate at this stage of our corporate life to take a look at some of the people in the spotlight of our most recent and far-reaching corporate change, divisionalization.

For the next four weeks, we'll be talking with the Division general managers, getting a glimpse of the men who lead these not-always-understood things called Divisions. We won't just talk business. We'll ask about families, outside interests, their personal thoughts on management, and anything else that happens to come up.

First on the list is Larry Sutter, manager of Design Automation Division at Walker Road.

Larry Sutter came to Tektronix in 1976, the result of a "15-minute meeting I had with Bill Walker in Chicago which turned into a two-hour conversation. We had simply gotten together at the insistence of a mutual associate who thought we'd enjoy talking with each other."

Eight months later, Larry and his family were in Beaverton, Larry the newly-hired Product Marketing manager of Portable Scopes.

His work in Portables led to the general managership of the SPS and TM500 Business Units. He later became general manager of the then-existing Measurement Systems Division. In January 1979, he came on board as general manager of Laboratory Instruments Division, which was recently reorganized and given the name Design Automation Division.

Larry grew up in inner-city Chicago and graduated from Loyola University with a degree in Physics.

Tekweek: Are there any major differences between the old LID and the new DAD?

Larry: There are some significant differences, the primary ones being what business units are in the division. In LID there was 7000 Series, TM500, Semiconductor Test Systems (STS), and Microcomputer Development Products (MDP). In DAD, we kept STS and MDP; TM500 and 7000 Series went off to Instruments Division, and Instruments Division transferred Logic Analyzers to us. That's a major change. What it does is group all the digitally-oriented businesses in our area. ID now has the analog systems, the more traditional Tek businesses.

Tekweek: What about your own job responsibilities, how have they changed?

Larry: The Division general managers all have added responsibilities, which have to do with Earl and Bill's desire to have fewer, but more meaningful, control points. Divisionalization doesn't strictly mean decentralization and certainly doesn't mean autonomous behavior. That's what a lot of people think and that's very much in error. In fact, the Corporate Group will have more control than ever.

To pursue a cost of sales issue or some other thing, presently they have to solicit three or four people to resolve the problem. With divisionalization, eventually they should be able to simply grab me, or one of the other Division managers, to get to the bottom of things. There's a more focused accountability—and that's a significant change. We (the Division managers) are a lot more visible and a lot more open to the Corporate Group in terms of accountability.

Tekweek: It seems that almost everyone is in favor of divisionalization. Why then does it have to be such a slow process?

Larry: We've stated an intent to divisionalize, but haven't laid out a definite and complete plan of how to accomplish all aspects of it. Also, our priority is that we must take care of business as usual first. We can't sacrifice taking care of the customer, although that may mean divisionalization may not be as efficient for some things in the short term.

We want divisionalization to be an orderly process, to go one step at a time. My concern is that it's going to happen too fast.

It might be interesting to run off and divisionalize and ignore the business for a while, but that is not realistic. Customers are there who need to be served, and we need to develop and deliver products to do that. Each time you change management structure and job design, as happens when divisionalization occurs, you get a lot of temporary inefficiencies and anxieties that require addressing. It's a very complex process and has to be taken slowly.

Tekweek: How and why did you make the switch from the company you had been with in Chicago to Tektronix?

Larry: It was almost a mere coincidence. Jim Gowan, who is manager of Tek's European Marketing Center, had worked at my old company before and he had been after me to interview at Tek, but I had not been interested. Bill Walker was in Chicago for a meeting and Jim said, "Look, why don't you meet Bill and get acquainted."

It was one of those situations where I was not looking for a job and Bill was not hiring, but we sat down and what was going to be a 15-minute conversation ended up being a couple of hours. At the time, Bill sketched out on a napkin, which I think I still have somewhere at home, what was happening at Tek. What he described was divisionalization. Things weren't all laid out, of course, but still he described very accurately the rhyme and reason for divisionalization. This was in November of 1975.

That kind of rang a bell with me because I had experienced a lot of that where I worked before. As we got into the conversation, I found myself commenting on the experiences as I had known them elsewhere and I guess that is where my interest in Tek started.

That was November, and I just left it as a nice conversation and thought that was the end of it.

Bill called me a couple of weeks later and talked to my wife—I was traveling much of the time. In fact, he talked to her several times before he talked to me. We finally ended up having three or four conversations and he suggested I come out and look at Tek.

By that time, I was very interested. All the change the company was undergoing was very attractive to me. I knew about Tektronix from the quality products they had, but hadn't been interested from a business standpoint. Most of my experience was marketing, but as Bill described all the changes, I thought they sounded like a lot of fun and opportunity. I like change, I like the challenge of things up in the air.

So, anyhow, he tricked me. He had me out here in February 1976. It was 68 degrees and the sun was shining both days. I took a taxi from the airport and the cab driver had a set of golf clubs in the back seat. I asked him if it was always this warm in winter; he answered always. Bill also assured me it was typically sunny in February in Oregon. Later I learned that Tek calls this

phenomena "recruiting weather."

So, I moved out with my family. The next winter we had the drought, and the next two, ice storms.

I joined Tektronix for two reasons. The first is the basic integrity of the company. It's superb. This corporation has more backbone and more courage of conviction to the human values than I've ever seen in any company. But that alone was not enough. I also liked the change in business direction, that was exciting. Those two things together were an unbeatable combination and I've not regretted the move since.

Tekweek: Tell us some more about your experiences growing up.

Larry: I grew up in what is now referred to as inner-city Chicago, really a very tough and difficult neighborhood. I joke that I didn't see a tree until I was 12; that's a little overstated, but not by much.

I went to DeLaSalle Institute, a high school known as where the tough German-Irish kids from the wrong side of the track went. It was a firm school: Catholic, boys only, they ruled by understanding and the fist. It's quite well known. They've shaped up a lot of kids. In fact, the last three or four mayors of Chicago, except the current one, came from there. It's very unusual—located in an area you might not elect to leisurely walk through—and it has turned out a lot of fine people.

Tekweek: Were you a good student?

Larry: Yeah, I was a good student, pretty serious. Active.

Tekweek: Does that kind of background have anything to do with a desire to achieve and succeed?

Larry: Yes, definitely. Once you get a little feel for what the other side of the world's like, you learn you've got to keep striving, keep trying to better your situation or you'll get pulled down further.

I just read the book *Passages*, and it says that you must go through some trauma to grow and change, that without these disruptions you never get that maturing kind of learning. When you grow up in a neighborhood like I did, you get a lot of trauma and so, I seriously feel, a better opportunity to develop. More built-in chances, you might say.

Anyway, if you experience a lot of unsettling change, you learn from it and you work harder.

Tekweek: Were you in a gang?

Larry: No. For some reason, I don't know why, I never was. I could have been. Maybe I was too frightened.

One very good thing about so-called "blue collar neighborhoods" is that people have a very strong work ethic, they value the eight-hour work day. I give high value to the Midwest work ethic. Everyone worked, most all the time. Working wasn't something you thought about—you just did it.

Tekweek: Let's move up to the present day. Do you travel much in your job?

Larry: Probably 10-15 per cent of my time is spent on out-of-state travel. It should be more. I don't like to sit here, I'm not a desk person. I like visiting with customers and our field organization. The mechanics of traveling—hotels, airports, taxis—are not pleasant, but I like the effect of having first-hand dialogue.

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Larry Sutter

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Tekweek: What are your hours like?

Larry: There was a time in my life when I worked 60-70 hours a week, but about seven years ago I decided that was enough of that. I've done a lot of things since to keep my work in perspective with the rest of my life.

I usually put in a nine-hour day, I guess. I avoid work at home and make sure I take regular time off. So I work fewer hours than before, though the hours are more intense now.

It took me a number of years to learn to do this. In Chicago, I was into the office every morning at 7:15, after an hour's drive from the suburbs, and I often did not leave before 7 or 8. There were a lot of dinner meetings, a lot of international travel. After a couple of years, I had to ask myself, "What am I doing? I've got to start prioritizing, getting my life in order." I have two fine boys, now 11 and 13, and I'm not going to miss them growing up for anything.

If you have to spend too much time at work, you're kidding yourself. You either aren't prioritizing or you're not delegating enough.

Tekweek: How do you deal with the pressures of your job?

Larry: If work demands really mount and my "Red Light" starts to come on, I tend to clear my calendar rather than work more hours. I try to address the top three issues. I'll even cancel things and just sit there and think or go for a walk around the building. You lose objectivity and effectiveness when overextending—and I certainly don't help anyone when that happens.

I need to be sure my decisions are careful and thoughtful. Many of them affect a lot of people.

The other thing I do is delegate well. I have the very best people in Tek on my staff and that is very key. When in doubt, delegate.

My family helps considerably. We really enjoy each other and that keeps things in perspective. This helps the most.

Tekweek: Is it possible, or even desirable, to forget about work when you're not working?

Larry: I don't think that's necessarily an advantage. I share a lot with my wife. We often talk about what's going on at Tek.

I enjoy working; it should be enjoyable, as should other activities, but it shouldn't run your life. It's just another life experience that you deal with. I spend a lot of time on other activities. I read a lot, play tennis and enjoy sailing and boating. By 5:30 on a summer afternoon, you can find me waterskiing with my boys.

Tekweek: What kind of things do you look for when

hiring someone who'll report directly to you?

Larry: Results are the best indicator of future success. You have to make sure of a track record that's really there and make sure they performed some kind of leadership role in that.

I do a patterned interview and then an unstructured dinner interview where I try to learn as much about their personal life as I can. I try to look for people who have a balance to what they do. Some people think it is an attribute that they consistently work 60 hours a week. I don't want that. I want people who are going to work intensely for 40-50 hours a week, but not 70, week after week.

From a personal standpoint, I believe, if they have intelligence, a good work ethic and real honest-to-goodness integrity, they have the main elements for success.

Tekweek: What are the characteristics of a good manager?

Larry: The best people are very good at setting objectives. They know where they want to go, they know what the end result is, and they have personal conviction as to why they want to get there.

The most effective people are those who can communicate that to the people in their organization. This means communicating what their priorities are, why they are doing certain things, and why they're **not** doing other things. They must be able to distinguish that pretty clearly.

Secondly, they need to be able to lay out strategy, and they ought to be able to do that in simple fashion. I expect a manager to be able to tell me what are the three most important things he or she is doing. If a manager comes to me with a RIO document and says, "Here are 48 things we're doing that are important," I know that can't be true.

Also, a manager must make clear what criteria and processes he or she uses to make decisions, especially those dealing with basic direction or resource allocation.

A real danger is confusing activity with results. Activity doesn't get you anywhere. Too many people want to be paid for trying hard. If I try hard and don't succeed, I don't expect I'll get any sort of raise at all, in fact I'll probably lose my job. That's a hard fact of life and I don't know how to soften the statement, but we all get paid for our results.

Tekweek: What are the characteristics of a well-managed company?

Larry: A prime one is, do you have the ability to act responsively and responsibly? And the best way to judge this is not to go into the company but to talk to the customers. That's the place you check the barometer. We can analyze Tek, checking management processes, looking at *Tekweek*, at the Area Rep concept, Pay for Performance and open offices, but none of that means anything in itself. You need to go to the customer and find out what they think of the company. Unless they

perceive it as a high-quality operation where they're getting the most value for their money, all the other things don't matter. "Well managed" means creating customers.

I think one thing that divisionalization will encourage is a lot more of us individual employees being closer to the customer. It's very difficult in some of the large central groups. Many people haven't even seen a customer.

People need to know how they relate to the customer. We forget why we're here. **Customers** are why we're here.

I have the feeling that we're too isolated as a company—orders could go away tomorrow and not enough people would notice right away. *Tekweek* would still come out, wastebaskets would still get emptied. As a company of individuals, we're too far from the user. It's frightening to me. That's a prime reason for divisionalization.

Tekweek: If you could change one thing about your job, what would it be?

Larry: From a company standpoint, I feel one thing we all should do is to put more emphasis on what goes well. We spend too much time focusing on what does not go well and we lose track of all the good we do. We do a lot of good things around here.

These are tough times, true, but we're going to do fine, thank you. Everyone's worried about shutdowns and all that—yes, they are a serious concern to me, too—but let's not fall on our swords. This economic slowdown is a fantastic learning experience. No question it's traumatic. I have anxieties too; I'm not one of those people who pile up the vacation hours (I think I have two left), but let's try to focus on the good that can come out of all this. We have a lot of strength. Product plans look excellent to me. We are going to succeed. The opportunities are there for us to address. Let's get on with succeeding!

Tekweek: Let's talk about some specific good things about Tektronix.

Larry: The other night I was having dinner with a man from another company and he wanted to know what was this "Tektronix culture thing." I said, let me tell you about *Tekweek* and let me tell you about Area Reps. And I did. I think those two things represent a lot of the good that the company tries to espouse. The fact that Earl would go to an Area Rep meeting and answer 86 questions on the shutdown, and after that everybody gets a *Tekweek* copy, I think that's great. I've worked other places where it is very structured, very pecking-order-conscious, and you get a lot of second and third-hand data. It's very unnerving.

Our open-communication tradition has an uneasy side to it, too. Because we're so open, people know how the company's doing almost every moment. The danger there is that it could be unsettling.

But, I prefer it. It's honest and real.