

ROLM PHILOSOPHY

ROLM Corporation was founded in 1969 with four goals:

To Make a Profit

To Grow

To Offer Quality Products and Customer Support

To create a great place to work

The four goals are closely interrelated. One cannot exist without the others. In order for ROLM to profit, it must offer quality products and customer support. In order to grow, it must profit. And in order to develop quality products and customer support, ROLM must maintain a work environment conducive to creativity and productivity.

In the course of our history, certain practices have proven successful in achieving the four goals. These practices have become known as the attributes of success at ROLM. The goals and the attributes taken together constitute the ROLM Philosophy.

ROLM Philosophy provides a bond for this highly decentralized company. We do our best to maintain an entrepreneurial spirit and to avoid bureaucracy through broad decentralization of responsibility and authority. This approach necessarily leads to differences of opinion. However, we believe this is the only environment that provides the individual freedom required for creative thinking and a rapid response to the changing needs of the marketplace. We are convinced that a highly structured bureaucratic organization is much less effective than our organization. Certainly, that form of organization. Would never attract the excellent people we have at ROLM.

ROLM Philosophy is the basis for most of our decision making. It indicates much of what we are doing at ROLM and where we are headed. This statement of the philosophy is presented for your consideration and implementation.

ROLM

To Make a Profit

A primary reason for the existence of most businesses in our economic society is to make a profit. Making a profit is necessary to finance the business intelligently. On a continuous basis we need additional funds for doing research and development, expanding facilities, upgrading equipment, maintaining inventories, and strengthening sales and service channels. ROLM profits, with the exception of those distributed in our employee profit-sharing plan, have always been totally reinvested into business.

Further, making a profit is necessary to have the flexibility to make the correct long-term decisions for the company. A consistent profit advance provides a secure basis for thoughtful examination of future possibilities. Undue profit pressure forces an environment in which decisions may be made with poor planning and a short-term view.

To Grow

A company can compete successfully with others only if it grows. Further, the ultimate reward for our stakeholders investment is profitable growth. At ROLM we recognize two other major reasons for steady, planned growth.

First, there is a strategic reason. ROLM competes against the giants of the computer and telecommunication industries. Success in this competition is marked by gaining market share from companies that are less responsive and creative. We must grow to supply these large markets in which we choose to operate.

Secondly, there is a basic human reason for corporate growth. The environment that we continue to create at ROLM is one of expanding opportunity and challenge for our people. The opportunity for the growth of each individual is dependent upon the healthy growth of ROLM Corporation. Conversely, the growth of ROLM Corporation is dependent upon the growth of each individual.

To Offer Quality Products and Customer Support

ROLM has a single basic reason for being in existence: to provide the finest quality products and customer support. We have been and will continue to be distinguished by our excellent products and efficient customer support.

The goods that go out our back door - our products, our hardware - are conceived and manufactured to be of the highest possible quality. ROLM customers are led to expect the finest. ROLM people are committed to delivering the finest.

However, our products are only a portion of the total quality ROLM offers. We are also committed to providing the best customer support in industry. This includes meeting customer needs quickly, interacting with customers professionally, focusing on up time and offering a complete range of services. In this manner, we strive to earn the loyalty of our customers.

To Create a Great Place to Work

The first three goals of ROLM are shared by many companies throughout the world. The fourth, “To Create a Great Place to Work” is rare. We know of no other organization that makes this one of its basic goals.

We do this quite simply because we want to attract and motivate the best and brightest people that we can. In order to attract and motivate the best and the brightest people, ROLM promotes a humane and challenging work environment, a very competitive compensation and benefits plan, and physical surroundings benefiting the quality of ROLM people.

The humanity and challenge of the ROLM work environment is predicated on a dual responsibility. ROLM Corporation acts to provide equal opportunity to grow and to be promoted; fair treatment for each individual; respect for personal privacy; encouragement to succeed; opportunity for creativity; evaluation based on job performance in the context of ROLM Philosophy. ROLM people are expected to respond by being individually accountable; being helpful toward others to enhance teamwork; performing to the best of his/her abilities; and understanding and implementing the ROLM Philosophy.

Attributes of Success for ALL ROLM People

- Avoid bureaucracy; keep practices simple, but make sure they are communicated, understood, and effective.
- Freely communicate ideas and suggestions.
- Show initiative to assure you understand the performance expectations of your job.
- Avoid “finger pointing.” When you see a stalemate, encourage discussion to get the problem solved.
- Discourage rumors by communicating facts upwards, downwards, and sideways throughout the company.
- Use written communications when it makes sense to do so. Recognize the value of face-to-face communication.
- Focus on substance; it is always more important than form.
- Take a large view of your job; Do whatever it takes to make your tasks succeed, whether or not it's part of your “job.”
- Solve problems; don't make excuses or look for fault in others. Don't act “on the record” to prove something wrong; help make it right.
- Focus on the important issues; let the inconsequential slip.
- Build teamwork inside and outside your work. It avoids the need for bureaucracy.
- Fix problems as we grow; don't stop growing to fix problems. Don't fix things that aren't broken; try to anticipate things that may become broken.
- Set personally challenging and difficult goals that support departmental and Corporate objectives.

Attributes of Success for ROLM Managers

- Level with people. Communicate your expectations - encourage honest response.
- Get discussions made as close to action as possible; don't second guess them unless you have good reasons which you communicate. Let people plan and control as much of their own work as possible.
- Assure that people understand job performance expectations; then encourage their individual initiative to expand.
- Promote from within whenever feasible; seriously consider ROLM people if they want promotion.
- Identify and create an environment that motivates all ROLM people.
- Maintain equal opportunity and affirmative action practices that meet the spirit as well as the letter of the law. Assist individuals to compete and succeed and reward them on the basis of merit.
- Recognize individual accomplishment in and out of your immediate work sphere. Praise in public; criticize and private. Don't point to third parties to rationalize your failures.
- Help ROLM people build their self-image; treat them as individuals.
- Assure that people are paid fairly considering the labor market. Internal equity and individual growth, excuse me. Internal equity and individual worth to the Corporation; then give merit increases only.
- Communicate praise to individuals in the group; buffer them from group criticism; make sure they are aware of any real shortcomings.
- Gives salary and performance reviews on time.
- Document practices, policies, and guidelines for routine tasks critical to the smooth functioning of the organization. If the documentation does not reflect reality, rewrite it.
- Follow important projects and take continual corrective action, if necessary, to keep them on track.
- Manage by walking around. Recognize potential problem areas before they become major.
- Encourage each individual to develop his/her skills for career advancement.

Attributes of Success for Customer Support People

- Act as if the future of ROLM depends on how the Customer views your actions.
- Show genuine concern for the Customer's business.
- Know the limits of your authority and act to the fullest. It is OK to make an aggressive mistake.
- Solve the Customers problem even if it is not ordinarily your job.
- Act as if you work for the Customer and your next raise or promotion depends on how he evaluates your performance. It does.
- Take a personal interest in the success of the Customer's business.
- Acts as if the Customer is the only account you are working on.
- Be the Customer's advocate within ROLM. Do everything possible to get the customers problem solved.
- Show absolute loyalty to the Customer. Seek the customers loyalty in return.
- Follow through. If you sense that a Customer is dissatisfied, talk to him and determine what it will take to get him satisfied.
- Never shortchange your Customer. Always find out if there is anything additional you can do.
- Be proactive not reactive to Customer issues.