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File CORA

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TMB Members
All Area Directors/GMs/Country Managers
All CORA Directors
All Regional CORA Managers
All CORA Central Management and Staff

Dear Colleagues

RE: CORA

I attach a copy of the presentation I made at the Global Strategy Conference last week, together with the handout provided on CORA roles.

Both are so fundamental to the way CORA progresses as a function, that I have taken the liberty of re-issuing them, and to an important broader audience.

The presentation covers, in outline only, **the Purpose and Direction CORA globally should be taking.** It also covers the priorities on which CORA centrally will be focused - until end-1997, and then into 1998. The latter will need some refinement as we enter our planning phase, and will be subject to TMB ratification.

The roles are important statements of what each of us should be doing, and I would ask you please to study these. They are pre-Navigator but I do not anticipate significant change. They do, however, capture the essence of Navigator in that **Central CORA will focus on strategy, policy, tools and transfer of best practice.** The end-markets and Regions will be responsible for CORA in their markets. Central CORA will, particularly in the transition phase, provide expertise and support but will be encouraging self-sufficiency.

I hope this provides direction and clarification on the way we wish to go forward. We all have much to do in making CORA **a world-class function, capable of playing its crucial role as a key platform for our global vision and strategy.** If you have questions or feedback, I would welcome the opportunity to respond.

Two further points. If you are unclear as to the Global and Regional CORA strategies, they are stated in the Company Guidelines issued recently. Secondly, could I commend you to the CORA Progress Report which comes out bi-monthly, and reports on our significant wins (we have many), and examples of best practice around the Group. Happy reading!



PAUL ADAMS

c.c. Mr. M. Prideaux

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Cora

Agenda

1. Purpose
2. Direction
3. Roles
4. Priorities

Cora Purpose

To protect and strengthen the business performance of British American Tobacco

1. P&L (volume, share, profits)

- Consumers' freedom to smoke
- Ability to market our brands to adults
- Avoid excessive/unwarranted excise/duties

Cora Purpose

To protect and strengthen the business performance of British American Tobacco

2. Assets (people, brands, acquisitions)

- Enhance our internal and external reputation as an industry, as a Company and as an employer
- Responsible Company in an industry under attack
- Leading global packaged goods manufacturer and marketer
- Authoritative voice of tobacco manufacturers

Cora Direction

As a function, CORA should be:

- Strategic
 - An essential part of the strategic business debate and decisions
- Owned by the line
 - Function is there to provide strategic input, expertise and resources
- Well interfaced with other functions in organisation
 - Especially Marketing and Legal

Cora Direction

As a function, CORA should be:

- Staffed with high quality, well rounded business people
 - Not just "communicators"
 - An important development function
- Causing higher corporate profile
 - "Stand up and be counted"
- A lead business function

CORA Centre Priorities

June 1997 - December 1997

1. Position papers
2. **Countering US-style regulation**
3. Beijing Smoking and Health Conference
4. IARC response
5. UK/EU advertising ban
6. Excise best practice tool kit
7. Corporate brand-marketing manual/materials
8. CORA strategic planning/guidelines
9. CORA staff planning and people development
10. Successful excise project in one key market

CORA Centre Priorities

June 1997 - December 1997 (Cont.)

11. Corporate marketing policies
12. Tar and nicotine yields (FTC)
13. Regulatory best practice development (incl. Risk assessment)
14. Smoking ban/accommodation - tool kit
15. Youth issues - tool kit
16. **Retailer education/mobilisation - tool kit**
17. Litigation support - communication planning package
18. **Resocialisation of smoking**
19. Successful excise project in two further key markets
20. Economic impact template
21. CORA tool kit (key materials references)
22. CORA skills training courses
23. Regional Scientist development
24. HORECA tool kit

CORA ROLES TMB

Overall role characterisation

- The Board:
 - 'owns' the Company's external profile (policy & identity)
 - agrees and then drives critical CORA initiatives

Profile

- Signs off all major policies/positions
- Has ultimate control over the corporate brand
- 'Owns' the key CORA priorities
- Decides central CORA plan & budget
- Decides major CORA HR issues (via Board CDM)

Key Changes

- Increased level of involvement in setting & delivering priority initiatives
- Control of the 'new' corporate brand

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- Clear CORA positions/policies signed off and implemented consistently across all functions
- Clear content, and rules governing the use, of the corporate brand
- Manageable set of priority initiatives
- Delivery on those initiatives (versus plan & absolute results)

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CORA ROLES CORA DIRECTOR

Overall role characterisation

- The CORA Director:
 - acts as 'initiator' and 'guardian' of overall policy, key initiatives and use of corporate brand
 - drives central resource allocation
 - manages-up the quality of service provided by CORA throughout the organisation

Profile

- Actively identifies, proposes and monitors priority initiatives
- As CORA 'guardian', agrees new policies & regulatory proposals, drives implementation of corporate brand
- Drives central resource allocation (incl. recommending centre plan & budget)
- Drives quality of planning
- Determines content & form of transferable best practice
- As head of functional CDM, agrees key HR issues

Key Changes

- Increased communication with line in setting priorities
- More active role in monitoring substance of policy, regulatory proposals, uses of corporate brand, content of best practice
- More focused resource deployment at the centre
- More challenge of planning at regional level

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- Trusted by Board members as a reliable judge of key initiatives & policies required
- No CORA activities taking place which run against policy or Company's overall best interests
- A comprehensive central CORA plan, including clear and manageable workplans for central staff
- Improved service levels from centre to end markets
- Improved planning at end market & regional levels

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CORA ROLES CENTRAL CORA

Overall role characterisation

- The central CORA team:
 - develops 'ammunition' for the end markets (mainly policy & supporting arguments/tools)
 - acts as a source of expertise, supporting end markets
 - responds rapidly to breaking issues which spill over national boundaries
 - actively manages global/international audiences

Profile

- Supports the CORA Director in all areas of his role
- Drives the development of policy, supporting materials and tools for use by the front line
- Identifies and develops rapid response to breaking issues requiring internationally consistent response
- Actively manages global/international audiences
- Ensures corporate brand is marketed consistently across functions
- Develops content of international training

Key Changes

- Move away from operational to providing the ammunition and backing it up with 'expert advice'
- Committed support to key initiatives as part of a multidisplinary team
- Developing & realising responses to breaking issues in hours, rather than days/weeks

'KRAs'

- Increased ability in end markets to act without central support
- Key policies, support materials & tools of the highest quality & constantly up to date
- Excellent service ratings from end markets
- Best practice identification of and response to breaking international issues
- Managed international media profile/contacts, leading to a shift in tone & content
- Excellent CORA training worldwide

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CORA ROLES REGIONAL DIRECTOR

Overall role characterisation

- The Regional Director:
 - is the driver of CORA in the region
 - decides regional CORA priorities
 - controls end market regulatory activity & marketing of the corporate brand
 - ensures regional audiences (e.g. trade blocks) are well managed
 - decides whether senior end market CORA appointments are appropriate (with input from Regional CORA)

Profile

- Decides regional CORA plan & budget
- Helps identify priority initiatives
- Decides content of major regulatory proposals
- Decides how corporate brand will be used at end market level
- Decides how to manage regional audiences
- Decides senior end market CORA hiring

Key Changes

- Actively involved in identifying and driving key initiatives within the region
- Active involvement in CORA hiring to help manage-up quality of function

'KRAs'

- Successful identification and handling of key CORA initiatives within the region
- No CORA activities taking place which run against policy or Company's overall best interests
- Increasing standards of competence in senior end market CORA

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CORA ROLES REGIONAL CORA MANAGER

Overall role characterisation

- The Regional CORA Manager:
 - supports the Regional Director in all aspects of his/her CORA role
 - has, primarily, an input role, informing the centre of end market needs and challenging end market thinking
 - inputs into each end market CORA plan and the policy content of any major local campaigns
 - ensures that best practice in end markets is captured and disseminated
 - actively manages regional audiences
 - shapes, by training & influence over GMs and Regional Directors, the development of people in the function

Profile

- Recommends regional plan/budget, inputs into end market plans/budgets, captures needs of end markets to inform centre
- Inputs into policy development and regulatory management
- Manages regional audiences
- Captures and promotes best practice within markets
- Actively influences hiring, evaluation & promotion of CORA staff in end markets

Key Changes

- Move away from 'solving end market problems' for them towards:
 - getting better plans in place, and
 - encouraging self-reliance, supported by central 'ammunition' and best practice from other end markets
- More active feedback to centre of needs of end markets
- More active involvement to ensure HR issues within CORA are addressed

'KRAs'

- Improvement in quality of end-market planning
- Move towards capable, confident end market CORA resources
- Clear input to centre of important needs emerging at end market level
- Improved profile within regional audiences
- Improved perception within regional audiences

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CORA ROLES GENERAL MANAGER

Overall role characterisation

- The end market General Manager should:
 - take primary responsibility for the delivery of CORA results in the end market

Profile

- Makes all major end market CORA decisions
 - end market plan/budget
 - how local audiences should be managed
 - how the corporate brand should be marketed
 - the approach to and content of internal end market communications
 - end market CORA HR issues (subject to regional/functional CDMs)
- The GM is as responsible for profit impact of failings in CORA as in any other functional area

Key Changes

- Move away from an attitude of 'CORA should be doing this' towards 'I should be making sure this gets done'
- Put CORA up there with Marketing in terms of importance to the bottom line of the end market

'KRAs'

- Improvement in quality of end-market planning
- Successful identification, prioritisation and clear ownership of local initiatives
- Successful delivery against CORA Plan
- Improvement in quality of end market CORA performance assessment.

CORA ROLES END MARKET CORA MANAGER

Overall role characterisation

- The end market CORA Manager should:
 - drive the management of CORA in the end market

Profile

- Act as the driving force behind all major CORA end market decisions
 - end market plan/budget
 - how local audiences should be managed
 - how the corporate brand should be marketed
 - the approach to and content of internal end market communications
 - end market CORA HR issues (subject to regional/functional CDMs)
- Identify and manage breaking issues with potential spill over effects
- Prepare materials for inclusion in best practice sharing infrastructure

Key Changes

- Increased communication with line in setting priorities
- Actively monitoring initiatives being managed by multi-disciplinary teams
- More networking with other end-markets

'KRAs'

- Improvement in quality of end-market planning
- Trusted by senior management as a reliable judge of key initiatives required
- Successful delivery against CORA Plan
- Clear individual work plans for CORA staff
- Improve service levels to other functions
- Materials submitted for inclusion in best practice dissemination
- Full use of best practice tools

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