

BATCo.
Guidelines

3th January 1987

To Mr. E.A.A. Bruehl

Strategy Reviews 1987

In previous years, the Operating Groups, Inasco and Amatil have been asked to complete a Strategy Review by the end of April for discussion with the CPC during May.

The aims of this have been:-

- (a) To ensure that each Operating Group and Company formally reviews its objectives and strategies at least once a year.
- (b) To identify major new opportunities for development.
- (c) To discuss these with the CPC so that any new development in thinking can be taken into account in B.A.T Industries' own Strategy Review in June and in the Guidelines which are sent out at end July.

An assessment of the results of last year's reviews suggested that there was a danger that these were becoming rather mechanistic and it was felt that there might be some advantage to moving to a more flexible system, which is not tied to such a rigid timetable.

It has therefore been decided to vary the form and timing of the reviews asked for during 1987, placing more emphasis on specific issues and asking for reviews to be completed at times determined by the issues themselves rather than the planning timetable.

It will still be necessary for as many as possible of the issues to be resolved before the Guidelines are sent out at the end of July and it would also be helpful for any issues with a significant Group impact to be identified and discussed ahead of the B.A.T Industries' review in June. However, it is believed that these requirements can be met and that it will still be possible to introduce significantly more flexibility into the system, especially as this year there will in any case be a review of many of the Group Issues during the Chairmans Advisory Conference in May.

The CPC discussions of the Plans during January will provide an opportunity to identify the strategic issues for review and I will write to each Operating Group individually following these meetings, to confirm the issues to be covered and the timing for the Strategy Reviews.

The reason for writing to you now is to give advance warning of the change in emphasis which you may also wish to communicate to BATIG.

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