

GENERAL ELECTRIC

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GENERAL ELECTRIC



HISTORY

- 1876 – Edison opens laboratory in Menlo Park



- 1878 – Edison Electric Light Company formed
- 1892 - Edison General Electric and Thomson-Houston merge to become *The General Electric Company*



OTHER GE INFO

- One of the original 12 companies on the Dow Jones Industrial Average (1896)
- Headquarters in Fairfield, CT
- 2012 Revenue: \$145 billion
- Global Presence in over 100 countries
- Employees: 301,000 (2011)

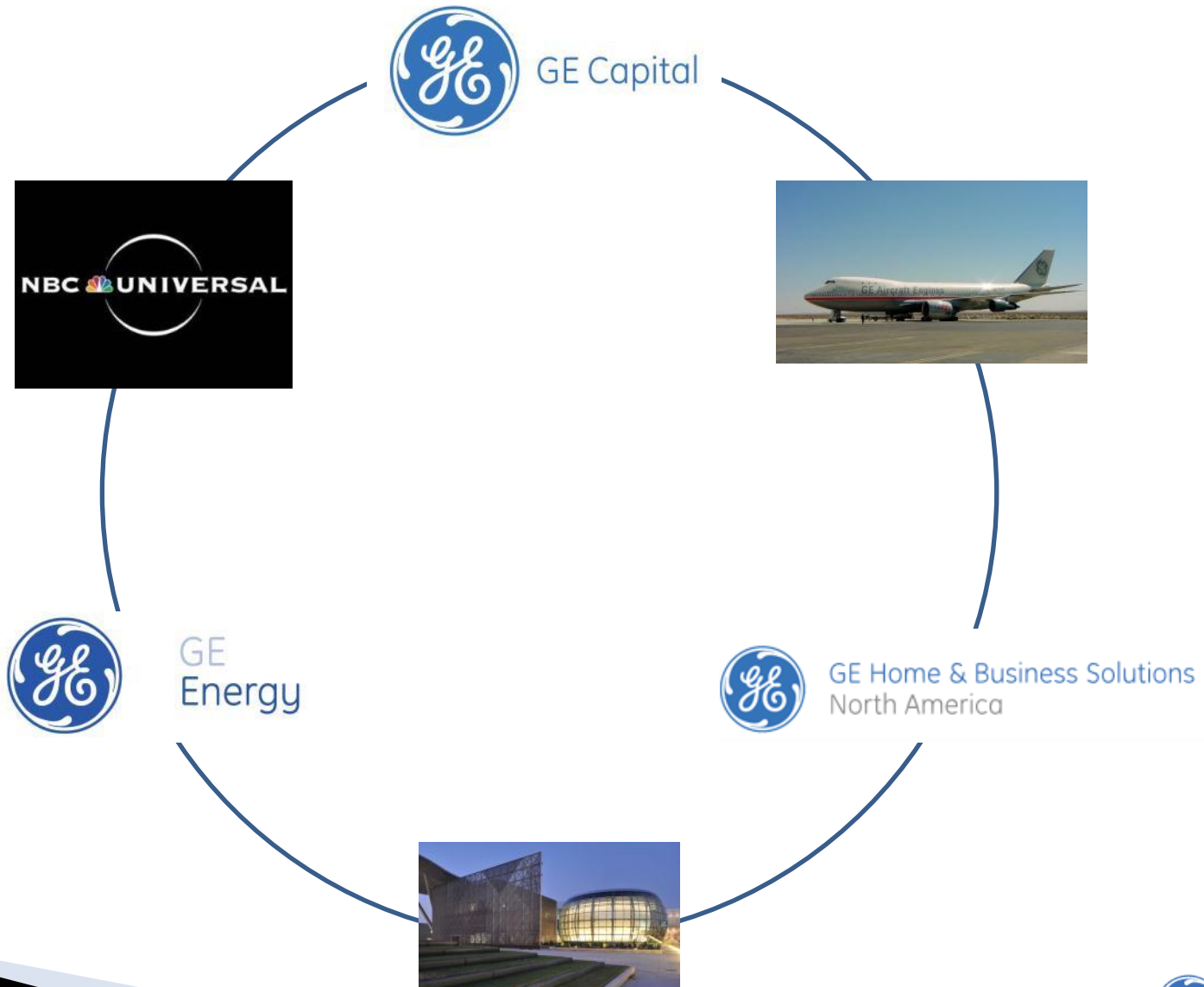


GE imagination at work

GE PRODUCTS

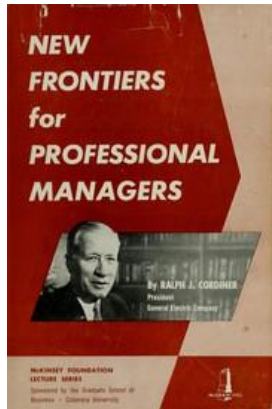
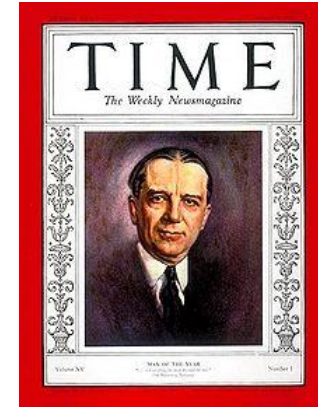


GE SUBSIDIARIES



CONSTANT CHANGE

- 1930s – GE is the model for this era's corporate form



- 1950s – GE delegates responsibility

- 1960s – Period of profitless growth

STRUCTURE - 1973

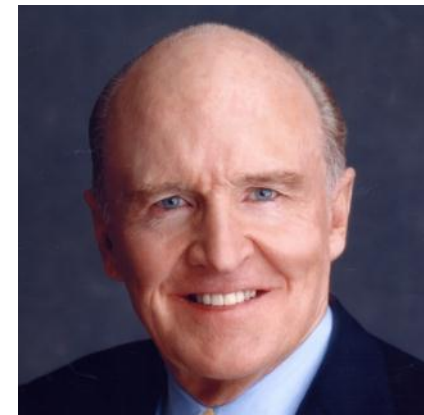
- Reginald Jones – Takes over as CEO in 1973



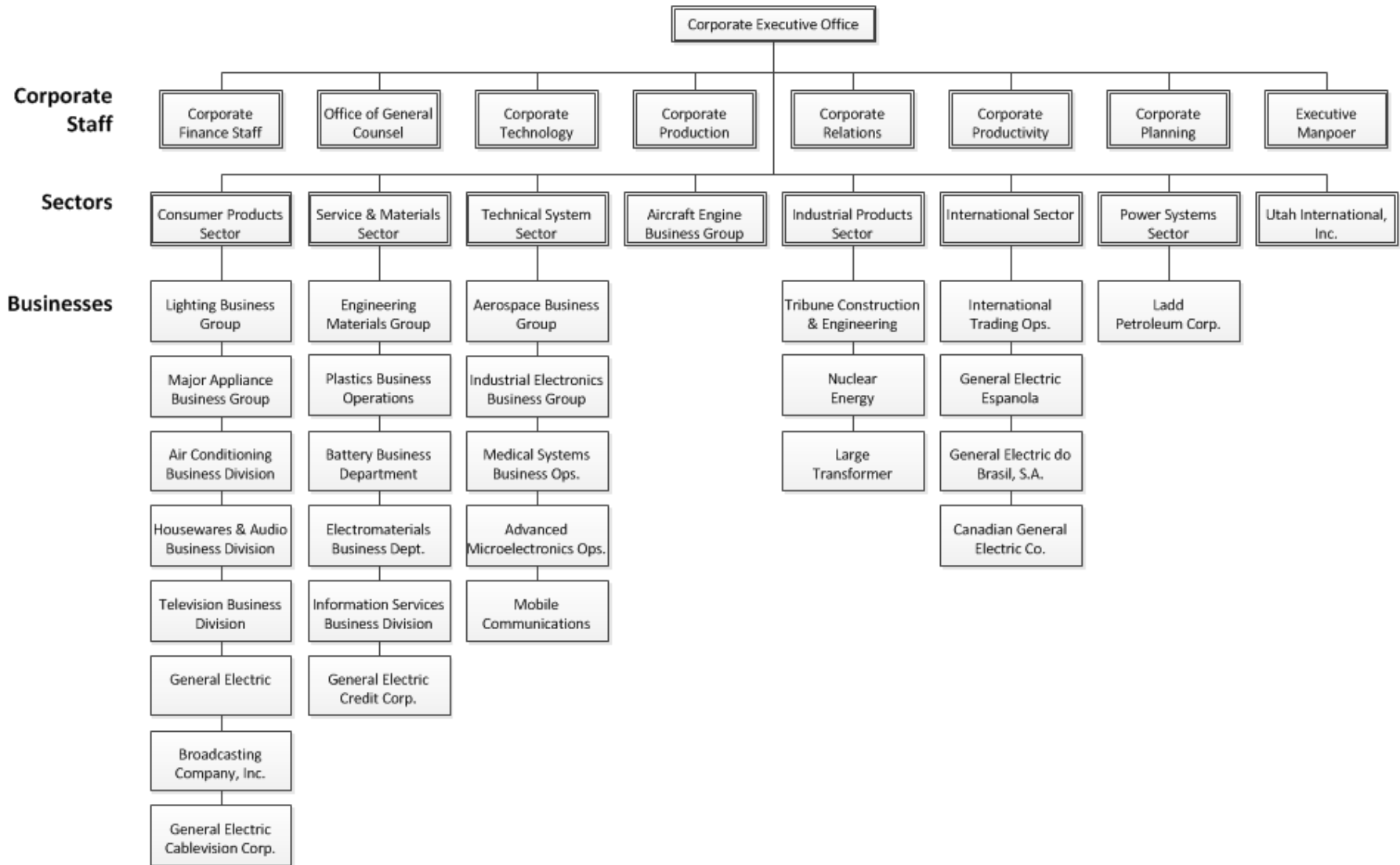
- Inherits a recently restructured company
- Continues to refine strategic planning processes
- But... unable to keep up with the volumes of information generated by 43 strategic plans
- 1977 – Adds a new organizational layer: Sectors

FACTORS DRIVING CHANGE

- GE had many strengths at the time of the Jones/Welch transition (1981)
- GE “strong and steady in the water”
- SBU-based structure and sophisticated planning processes not sustainable
- Other factors driving change
 - US economy in recession
 - High interest rates
 - Strong dollar
 - High unemployment



GE STRUCTURE – 1981



CHANGE AGENTS

- Change agent: Jack Welch (Neutron Jack)
 - Convinced that bold action was required:
“For me, the idea is to shun the incremental and go for the leap...”
- Change recipients: GE organization



CHANGE RESISTERS

- Potential change resisters
 - GE senior management
 - Large headquarter groups
 - Bureaucracy in general



OVERCOMING RESISTANCE

- What would you do?
- Jack's method

REALISTIC APPLICATION

- Nuclear reactor business in San Jose

STRATEGIES AND INTERVENTIONS

- #1 or #2
- Fix, Sell or Close
- Crotonville

GE STRUCTURE - 1992

