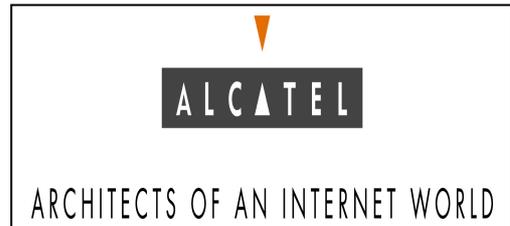


**ALCATEL (SCHWEIZ) AG: Satellite Office
Mollis**



This case study demonstrates how a multinational conglomerate established a remote satellite office in a small rural community in the lower Alpine region – as a direct result of the personal initiative of a single employee. Firstly, this decentralisation enabled them to meet the wishes and needs of this highly qualified software engineer and his team. Secondly they were able to recruit IT experts and software developers – in a lean market – and retain them in the organisation. Thirdly, to a limited extent, employment opportunities could be maintained in an economically disadvantaged mountainous border region.

1. Company name and function

ALCATEL (Schweiz) AG, Telecom Department

ALCATEL (Schweiz) AG is the Swiss subsidiary and branch of the Paris based French ALCATEL group, one of the leading organisations of the telecommunications industry worldwide. It manufactures telecommunications systems and equipment and also cables and components. ALCATEL is represented in 130 countries and offers products and services to network operators, service providers, businesses and end users.

2. Short description of the initiative

After 4 years of commuting between his home in the Glarnerland and the Swiss head office in Zurich a young electronics engineer and software developer at ALCATEL had grown tired of this way of living and working. He wanted to spare himself the journey to work in order to spend more time with his family. Therefore, in the summer of 1988, he proposed the idea of a remote branch office in his company. After a positive decision in principle by management in favour of this project, the office was opened in May 1990 with 4 employees. A few months ago the satellite could celebrate its tenth anniversary.

The local community Mollis, the fourth biggest community in the canton Glarus, with just 2,900 inhabitants and 1,200 households, is situated around 60

km south east of the company's head office in Zurich. It takes around 50 minutes on the motorway or just under 1 hour on the train to reach Zurich. Over the last 8 years the community has lost a disproportionately high number of inhabitants due to the recession. With its 39,200 inhabitants Glarus is one of the smallest cantons of Switzerland, its population has been suffering a slow but constant decline from migration since 1980.

The Mollis satellite office is a well-proportioned open plan office for 5 people with a floor area of 116 m². In addition there is an attic with 110 m² which is used as laboratory, computer room and storage space. The team in Mollis develops software for the ALCATEL group and, to a degree, also products for external clients. The satellite office is equipped with the same technological infrastructure as all the other development teams at the head office in Zurich and operates with the same methods and tools. The team distinguishes itself by a remarkable constant personnel and stability. It retained its original make-up since opening until 1995.

3. Innovative aspects, benefits and barriers

In general there are only a few hundred satellite offices in Switzerland. The electronics and computer industry proceeds very hesitantly where the establishment of satellite offices in mountainous and border regions is concerned, even though it manufactures the necessary technology itself. ALCATEL (Schweiz) AG in particular does not have a single instance of telework in any form at its head office so far. The establishment of decentralised workplaces in a remote development office therefore meant breaking new ground in the organisation itself as well as in Switzerland generally. With its software groups "on the green meadows" the organisation is regarded as a pioneer in this country.

Partly due to its local isolation, the team develops a strong identification with its output. This has a positive effect on efficiency and the quality of work. Based on his experience, the team leader is convinced that orders are fulfilled better and faster in the satellite office and goals are achieved more accurately and more rapidly than at the head office. In his opinion the following factors contribute to the qualitatively and quantitatively better rates of output and thus to the success of the satellite: The small size of the group demands and supports the versatility and flexibility of the team members; the team develops its own initiative and independence; fewer interruptions lead to a quieter working atmosphere and enable concentrated work; there is a need for additional and more accurate planning, communication and control which reduces the danger of failure of development projects. The biggest advantage of the branch office

for the employees is that it is now “the data that travels” instead of themselves. Not least, it also helps with the protection of the environment. The decentralisation of programming work in the branch office enables employees to carry out their profession in their home region instead of having to migrate.

Isolation from the informal information flow at the head office as well as restricted personal development and career opportunities are seen as the main disadvantages of decentralised work in a satellite office and separation from the parent company. There are hardly any prospects for promotion in the small group. Employees with clear career goals cannot realise these in small branch offices. The leader of the satellite office has the added problem of missing out on direct personal contact and sharing experiences with his peers.