Zeus, Inc., headquartered in the United States, is a leading global designer and manufacturer of heavy equipment. Zeus employs approximately 17,000 persons in its manufacturing, assembly, and research and engineering facilities. With some 300 U.S. and 125 overseas locations where Zeus-trained service personnel and Zeus parts are available to repair and maintain its products, Zeus has an outstanding reputation for customer service. In 1999 Zeus reported net earnings of $35 million on sales of over $2.1 billion.

Zeus has a strong emphasis on quality which focuses on providing a comparative advantage to customers. This emphasis, supported by extensive training programs, has resulted in improved product quality with significantly reduced warranty expense to Zeus, better work processes emphasizing cross-functional teams, and smoother product introductions. Zeus’ management believes this emphasis on quality is a key to improving Zeus’ financial performance.

Electronic controls—the use of a computer to control the equipment—are a major development in Zeus’ efforts to gain market share in its highly competitive industry. Zeus first started shipping electronically controlled equipment in the late 1980s. Today most of Zeus’ products are electronically controlled, which means that each product includes at least one computer. These computers not only control the engine, they also manage how the horsepower is used by the machine and its operator and provide the owner with information to help run his or her business more efficiently.

Zeus’ North American Distributors

There are 24 Zeus distributors covering the United States and Canada, each of which handles Zeus’ products in a specified geographic area. These distributors are independent businesses, although most of their owners have some past relationship to Zeus (such as a major customer or former employee). Each distributor has a contract with Zeus specifying the rights and responsibilities of each party and the conditions under which the contract may be canceled by either party. The typical distributor has been associated with Zeus for many years—there has been very little turnover.

The typical distributor has a headquarters location and several branches in its territory. The Memphis distributor, for example, has branches located in Memphis, Little Rock, and Cairo, Illinois, and has about $50 million a year in revenue.

Zeus has a special sales force that deals with the large, national customers, but the Memphis distributor territory includes about 30 large equipment dealers to which the distributor sells equipment and repair parts. This is a very competitive and cyclical business. Product quality has greatly improved over the recent past, causing the replacement and repair business to stagnate. The only way to increase equipment sales has been to take market share from competitors. In addition to designing and producing superior products, an important competitive factor is providing outstanding service to customers.

Another response to this stagnation in the equipment business has been to diversify into selling services. Zeus’ management expects that within 5 years information and information-related products will be a very significant proportion of the distributors’ business. This represents a major change for distributors, for these products seem strange and intangible in comparison to the traditional business of selling and fixing equipment.

The ZOCS Project

In Zeus’ very competitive situation, one way to obtain a competitive advantage is through outstanding customer service. Consequently, Zeus is committed to customer service that ensures that the customer will be delighted with every aspect of his relationship with Zeus. The performance of the distribution channel is critical to providing outstanding customer service and Zeus’ management wants a world-class distribution network.

Due to the highly competitive nature of its business, Zeus has instituted and is in the process of implementing the ZOCS (Zeus Outstanding Customer Service) system, a computer system to support operations for both Zeus and its distributors.
The purpose of the ZOCS system is to secure a comparative advantage for Zeus and its distributors by providing uniform outstanding service to their customers. To this end ZOCS will implement uniform processes throughout the Zeus distribution system. ZOCS also includes the installation of a computer/communications network to connect all of the distributorships and their branches to Zeus headquarters and thereby to each other.

According to Jonathan Buthman, marketing vice president:

When our customers come into their home distributorship they are well taken care of. But if they break down far away—in Salt Lake City or San Diego or Vermont—they might not get the same good treatment because the local distributor may not know who is responsible for taking care of warranty work or the exact configuration of the equipment. We want to have a common standard of performance nationwide just like McDonald’s or Budweiser beer. We want our customers to get the same good service in the same way no matter where they may be. That is why we need the best uniform business processes supported by instantly available information throughout our distribution system.

Nathan Byars, controller of the Memphis distributorship, explains:

Today if a product we sold here breaks down in Salt Lake City they have to get on the phone and call us and we have to go through our records to look up the product to find warranty information, the history and configuration, etc. With the new system the person in Salt Lake City will put the product’s serial number into his computer and it will bring up its history record. That will be such a great benefit to both us and our customers. The phone calls will go away.

We also have a lot of information that goes between us and Zeus and other distributors. We are now going to have a visible inventory nationwide. The first time one of our people keys in the number of a part that we need but don’t have and sees one in Texas that can be shipped to us immediately, he is going to say “Wow! This is great!”

Also, as mentioned previously, Zeus products are rapidly incorporating computer technology, and management foresees the day soon when providing information will be a major contributor to the bottom line. Computers must have software to operate properly, and that software may have bugs or need to be upgraded to improve the equipment’s performance or to provide better information to customer management. Today, whenever a software change is made, Zeus must send the change to each distributor location on a disk, and managing the disks and making sure that the current version is always used is an almost impossible task. The solution to this problem will be to maintain the latest version of all software on a central database at Zeus headquarters and download it directly to the equipment when and where it is needed. This, of course, requires a communications network that will be a part of the ZOCS system.

Computer systems are critical to a good distribution system, both at Zeus headquarters and the distributors, and the systems at these two levels must be coordinated so that they work together effectively. Unfortunately, the distributors have had a wide variety of local systems to manage their operations. Half of the distributors used systems provided by Milroy Systems, Inc. (MSI), a software house that specializes in software for heavy equipment sales and service organizations. Five distributors had systems provided by another software house, Titanic Systems. Each of the remaining seven distributors used a system that was different from all the rest. Consequently, the Zeus IS group was in an impossible position whenever any aspect of Zeus’ distribution computer system must be changed. According to Harvey Snider, Zeus’ IS distribution systems leader:

Whenever we need to make a change, my first task is to figure out who is doing what today, which takes a lot of time and money. Then I have to develop a solution to deal with each unique case, which takes a lot more time and money. Moreover, by the time I am finished with all this, what I did is no longer what we need because it took me too long to get it done. We must have uniform systems at all our distributors.

The ZOCS project was begun in July 1994 and was scheduled to complete the rollout of the system to all distributorships by the end of 1998. System design and development was to take 15 months, with the Alpha test scheduled for the fourth quarter, 1995. The Beta test was scheduled for the second quarter, 1996, and two pilot installations were to be completed during the third quarter, 1996. Rollout to all distributorships was scheduled to begin in the fourth quarter, 1996, with all distributors up and running by the end of the third quarter, 1998.

This project was expected to cost about $60 million, about half invested by the distributors and half invested by Zeus. The total cost was to be spread over 7 years. The annual benefits after system installation were projected to total around $27 million per year, with about $18 million going to the distributors and $9 million going to Zeus. The direct benefits to Zeus did not meet Zeus’ normal investment criteria, but Zeus management felt strongly that this project was necessary for Zeus to continue to be successful in the U.S. market.

The project team included some 40 people from Zeus, along with some 60 other people from contractors and the distributorships who worked on the project.

The Computer/Communications Network

The architecture of the proposed computer/communications network (see Exhibit 1) has three layers: branch, distributor headquarters, and Zeus headquarters. These three layers are connected via a TCP/IP wide area network (WAN).
Consider first the distributor headquarters, where there is a LAN connected to the WAN through a router. The LAN connects an applications server, a database server, and various PCs and printers to each other and through the WAN to branches and Zeus headquarters, and thence to the other distributors and Zeus’ subsidiaries. The applications server stores the applications software and makes it available to the PCs on the LAN, but does no processing itself. The database server maintains the databases for the distributorship and provides data to the PCs upon request. The PCs, located throughout the distributorship, run the applications software to support the business processes of the distributor.

The normal branch has a LAN similar to the one at the distributorship, except that it has no database server so its data are provided by the database server at the distributor headquarters. Again, the branch’s PCs run the applications software that is furnished upon demand by the branch’s applications server. A small branch with only a few people is treated like a PC on the distributor’s LAN and obtains both its software and data from the distributor headquarters via the WAN.

Zeus headquarters also has a LAN that connects a national database server (which Zeus calls its central database server) to the mainframe at the Zeus Data Center that supports Zeus’ legacy systems. The central database server (CDS) will provide common cross-distributor information such as the parts master database, national parts inventory database, standard repair times, and product service history summary database.

**The Business Processes**

A major objective of the ZOCS project was to produce and institute good, uniform business processes throughout the system so that a customer gets the same treatment no matter where he may be in the country. The ZOCS project plan has identified some 28 common processes that support all 24 distributorships’ operations. The order fulfillment process, for example, includes activities from when the order is placed until the bill is paid. The preparation of a proposal to sell equipment to a particular customer is another common process. When a breakdown occurs anywhere in the United
States, there is a process that determines Zeus’ liability under the warranty and reimburses the distributorship that performs the required work. Many of these distributorship processes interact with corresponding processes at Zeus headquarters, so the ZOCS project must include these processes at both levels.

**The Applications Software**

Computer applications have been identified that support these 28 business processes. These applications are categorized in the following four areas: financial, marketing, service, and parts.

The distributorship financial applications include accounts payable, general ledger, and accounts receivable.

The main application in the marketing area is customer management, which includes maintaining contact lists, call reports, a history of proposals, and other information that assists the sales force in dealing with the customer.

The service applications include work orders, warranty, and shop management. The work orders application keeps track of progress on the work order, parts used, labor hours used, and so forth. The warranty application maintains information that enables the distributor to determine what work is required under the warranty and to assure that it is done and that the appropriate money transfers are made. The shop management application manages all the active work orders in the shop, provides standard times and costs to the work order application, and gathers data on actual times and costs that can be used to measure performance of the shop and to improve the standards when necessary. There is also a preventive maintenance application that helps manage preventive maintenance contracts. Another application is project management, where the distributor will take responsibility for a complex project that integrates Zeus equipment with other equipment for special applications.

Parts applications include order entry, inventory control, and physical inventory. Zeus also must track used or damaged components that can be reconditioned. The customer must be given credit for the component he or she provides, the component must be sent to the vendor who will recondition it, and the vendor must be billed for that component.

**Reaction to the ZOCS Project**

The ZOCS project received a varied reaction among the distributorships, which are all independently owned businesses.

Hiram Patterson, owner of the Salt Lake City distributorship, opposed the ZOCS project:

That project will cost me roughly a million dollars, which will eat up most of my profits for several years. Surely there is some way to allow us to share information without all that expense. Furthermore, I am not happy with Zeus trying to tell me in detail how to operate my business. This is a family business, and we’ve been operating this distributorship and providing excellent service to our customers for over 50 years. I seriously doubt that the people at Zeus headquarters know as much about running our business as we do!

Jack Claiborne, owner of the Memphis distributorship that uses the MSI system, saw the need for the ZOCS system and was a strong supporter of its development. He said:

Of course I am not thrilled at having to invest over a million dollars in a new system, especially since I have a pretty good system already that I have paid a pretty penny for. However, our business will live or die on the basis of customer satisfaction, and the ZOCS system figures to give us a substantial improvement in the ability to serve our customers the way we would want to be served. It’s just something that we have to do to prosper in this business.

A number of alternative approaches to developing the system were considered. The distributors who already were using the MSI system thought that the first step should be to standardize on that system throughout all the dealerships and then upgrade that system where needed. Other approaches considered were (1) having the Zeus IS group develop the new system, (2) outsourcing the development of the system to EDS or Andersen Consulting or some other organization, and (3) employing a systems integrator to put the systems together, primarily from purchased components.

After a good deal of discussion the following approach was adopted: The Zeus IS group would manage the project, but hire MSI to upgrade the existing system that was in use at 12 of the distributorships. One reason for not adopting the existing MSI system was that it was based on a minicomputer with dumb character-based terminals, and a LAN-based system with a graphic user interface (GUI) was thought to be a better approach. Although the applications would be upgraded and the systems would be integrated into the new network environment, the present MSI users would not see many exciting improvements in the basic systems.

**Implementation of the ZOCS System**

While MSI was developing the software, Zeus put on a big push to get the computer/communications infrastructure in place by offering to pay part of the hardware cost for distributorships that would install the equipment early. Quite a few distributorships installed this equipment before the first Beta test of the software was completed. When it was learned that some of the hardware was inadequate for the system and had to be replaced, Zeus ate the cost. The problem of deciding on the technology can be frustrating. Jacob Hickson, Zeus project manager for the ZOCS project, reflected on the problems that
rapid technological change poses for a project like ZOCS that takes several years from inception to completion:

One of the most frustrating aspects of this project is the turmoil that faces everyone in the choice of technology. Pick any component—the applications servers, the database servers, the network, the workstations—and within a 12-month period the price/performance capability changes dramatically. You are faced with rolling something out quickly, but at the same time keeping up, which is an almost impossible task! You have to draw a line somewhere, and that is the part that no one is very good at doing.

The Alpha Test

The Alpha test was started in the second quarter of 1996, 6 months late. They did not have a suitable environment for testing at that time, so they set the system up as best they could on a server and workstation at Zeus headquarters and brought in a number of distributors and walked them through the processes and applications, trying to validate functionality and capability. This testing turned out to have been inadequate, to say the least.

The First Beta Test

They started the first Beta test at the distributorship at Green Bay in July 1996, only 3 months behind schedule. It was a disaster, and the system was pulled out after only 10 weeks of attempting to operate it. According to Hickson:

We made about every mistake that you could make. The software was full of bugs. A hardware/software component of the initial architecture was inadequate—we literally couldn’t keep the server up and running for more than a 24-hour period. The users were not ready—they didn’t manage the training and we didn’t follow up on it the way we should have. The implementation process wasn’t capable, and we didn’t have the right leadership. Nothing was really up to snuff.

One of the underlying causes of this disaster was that they tried to maintain an original schedule that was totally unrealistic. They had several teams involved in different aspects of the project—information systems, the MSI development team, a business process team, a training team, and distributor people—and each team was under intense pressure to meet its deadline. The result was that there was no overall teamwork, little communication, and no understanding of where they stood on the overall process. They did not have a cohesive team that could look at the overall process, evaluate where they were at the time, and decide what they needed to do before attempting to install the system. Consequently, they launched blindly into something for which they were woefully unprepared.

The disaster at Green Bay was a tremendous blow to the Zeus team’s morale, and resulted in a lot of voluntary turnover. Many of the most capable members of the team, whose skills were in great demand, transferred to other projects within Zeus or were hired away by outside firms. Also, the morale of the distributors plummeted. According to Byars:

This was almost the end of the project. With the distributors being independently owned, there was a lot of skepticism and a lot of people saying: “You’re requiring me to spend a lot of money that I’m not going to get anything for.” And when you go through a disaster like that it is easy for them to resist the project. The only thing that saved the project was the unwavering support of the project sponsor, Zeus marketing VP Jonathan Buthman, who just insisted that everyone fall in line and continue the project to a successful conclusion, no matter what the problems. He made it clear that if you dropped out of the project you would not continue to be a Zeus distributor.

The Second Beta Test

The team learned a lot from the experience of the first Beta test. They spent several months working to eliminate the problems with the software and training that had surfaced in Green Bay, and then started the second Beta test at Oklahoma City in April 1997. It went much better. According to Hickson:

The major difference in our approach was that in Green Bay we tried to implement everything at once, but at Oklahoma City we had three major phases, and some minor ones in between. We started with the finance applications on April 1, 1997, started the service applications on July 1, and started the parts applications on August 1. By the end of September the whole thing was operational, and we fixed the problems and the distributorship signed off on it on May 1, 1998.

One of the problems that they struggled with in implementing the ZOCS system was the cultural differences between the distributors and the Zeus project team. Hickson explains:

The distributor organizations are used to operating on a crisis basis. A customer comes in with a broken-down piece of equipment and you deal with the problem and get him on his way, and then you deal with the next customer’s problem. They are used to that kind of interaction. Then we come in and say: “Here is the schedule, and here is what you need to do to get the job done. Now do these things and we’ll come back and see you next week.” That doesn’t work because that is not the way they operate. We came in and changed the rules on them, and didn’t even tell them what the new rules are. So we have had to learn how to identify and develop leaders and train them to manage the implementation of all of this change that is inherent in converting to the ZOCS system.

The Memphis Pilot

The Memphis pilot began in March 1998, when the distributor started selecting process leaders. They already had the hardware up and running because they had been scheduled for conversion much earlier. On June 15 they brought up accounts payable
and general ledger. Simultaneously they began training their trainers who would train the operations and service people before starting to bring up the operations components on August 15. They completed the conversion to the new system by the end of September. Incidentally, the ZOCS project was originally scheduled to have all distributors up and running by that time, so the project was seriously behind schedule, with only 2 of the 24 distributors up and running by then.

On April 15, 1999, Byars evaluated the Memphis experience as follows:

We had a lot of problems, but have gotten to the point where our heads are above water. We haven't solved everything, but problems are not coming at us so fast and furious now. This has been a typical family squabble—there has been a lot of finger-pointing and frustration.

We were the first group that the Zeus implementation team has taken through the new training process. A lot of their folks were learning at the time, and a lot of the documentation was weak. They have learned a lot from our experience and they have upgraded their training again. We are going to send some of our people to the first upgraded training session next week.

Although there are a couple of things that they really have to do some work on, most of the software flaws are just a lot of irritants. The major problems are in things that Oklahoma City did not have as part of their business, or they didn't have on a big scale. For example, Oklahoma City did not have a preventive maintenance program, but we do have that business, and we had a rude awakening because that module had serious design flaws. We are still trying to work through these problems.

Converting data from our old system to the new one was my most frustrating problem. The new database is really good in that it contains a lot of new data fields that will help us with marketing, keeping track of customers and equipment, etc. When we did the conversion those fields were entered as blanks. Then the first time someone used that record the system stopped him on a dime and said, "fill it in." That really frustrated the operators who were trying to use the system to do their work for the first time. As a result of this, I had to spend a couple of months personally recreating a lot of entries. Where I usually get our books closed the third week in January, I got it done the first of April.

We are concerned that we still need to make a lot of corrections, but Zeus is back on a rapid deployment plan. They argue that it is better to set a system out there that everyone is using, even if it is imperfect, and we can see the logic in that. But we still think it would be better to take a couple of extra months to get things fixed so that it will be a little easier when they go to other places. We should have devoted more time and effort to reducing the pain, but they didn’t see it that way.

At this time there were four distributorships up and running, although not yet running smoothly. Zeus was pressing forward with plans to have seven more distributorships up and running by the end of 1999.

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**Status as of May 1, 2000**

As of May 1, 2000, 17 distributorships were running or in the process of installing the new system. According to Hickson:

We have made progress in the installation process, but they are still rough. On the basis of what we learned from the first four installations, we have developed a good plan—we know what has to happen when, and we are able to provide the right tools to support the key events that have to happen and the key work that a distributor has to do.

Between the Oklahoma City and Memphis installations we took about 4 months to get the bugs out of the system that had been revealed by the Oklahoma City experience. But Memphis still had a lot of problems because of the components that had not been implemented in Oklahoma City, so we had to start back at square one with them. The reality is that some of these changes are just being put into place right now.

We have had a real struggle in determining how much effort to devote to getting the system to have the kind of capability that we all want it to have. We see the need to get everyone up quickly and say “O.K., you can invoice customers and you can track inventory, so let’s go.” And they say, “Yeah, but how do I manage this particular activity?” Well, they did it manually before, or they didn’t do it. There are lots of different dynamics that come into play there.

Despite all we have learned, as we go from distributor to distributor we still have uniquenesses in terms of where they are coming from. We know where they are going to—that is crystal clear to us. What we don’t know, and what we really don’t put a lot of energy into, is where are they starting from. We give them the tools, and we give them a gentle nudge and tell them how to get there, but we can’t attempt perfection. Our goal is 24 up and running on the system, not one running perfectly, and that has been a source of conflict.

Each of the Zeus distributorships in North America, all 24 of them, are now network capable. They have deployed 145 file servers and 145 network connections, all to the same specifications. Lotus Notes email has also been deployed to all those locations and is being used throughout the distribution system. The central database server (CDS) is up and operational, and they have had serious problems with its data because of problems with other Zeus information systems that supply the data. According to Hickson:

One of the key pieces of information that distributors need is data about parts. Whenever a new part is released or a price changes, that information must be available to the distributors, and in the new system parts information is available to everyone through the central database server (CDS). Zeus management decided to centralize our warehousing, and in the process of doing that they installed new purchased software to manage our inventories. That has been a horrible mess, a complete disaster, and the result was that we had to turn off the CDS parts system for several months until they could get the data cleaned
up. The distributors on our new system were dependent on that information, and all of a sudden it is not there. Now what do I do?

We had a similar problem with the Zeus system that manages information on standard repair times (SRTs), the information the distributors use to do repairs. During the time when they were having those problems Zeus released four new machines, so these should have been lots of parts and SRT information going out to the distributors, but we had to shut off the system until they could get the SRT data cleaned up. The people in the field are trying to repair equipment and submit warranty claims on Zeus, and they don’t have the SRT data they need for these activities. What a mess! These problems were not the ZOCS team’s fault, but they damaged the credibility of the new system. And they point out how vulnerable a tightly integrated system can be.

The problems with the CDS data were extremely frustrating for the distributorships. Byars explains:

We have worked like galley slaves to get this system installed and working, and many of the most important functions are dependent upon the data available through the CDS. But much of this data has not been usable for 9 months! Now, we can understand having problems with a system—we’ve had our share of them. But 9 months go by and the system still doesn’t work! They forced us onto the system and we can’t use it! What are they doing up there?

We still don’t have uniform processes, which was a major objective of the new system. But putting in a system doesn’t change processes, especially when the system doesn’t work. The CDS not working has provided lots of excuses for not changing our processes.

Despite all the problems, there were indications that the new systems were having a very beneficial impact on those distributorships that had installed them. According to Hickson:

We have done an analysis of the sales and profit history of the first four distributorships that were implemented. We found that although there was a sharp drop during installations, sales increased by 22 percent during the first year after installation was completed, while sales only increased by 12 percent for all distributors during that period. The effect was even more pronounced for profit before income taxes—a 60 percent increase for the first four installations versus a 15 percent increase for all distributors. These are very impressive figures on year-to-year changes.

Nathan Byars was not impressed by this analysis:

We do not agree that our good performance was due to the new system. We were so tied up trying to get the new system working during the first year after installation that our good performance was in spite of the new system, not because of it. We still expect that the new system will improve our performance, but we haven’t gotten to that point yet. I suspect that the first four installations performed better than average because the Zeus team chose the best-run distributorships to implement first.

In 2000 the ZOCS team was starting one new installation each month, with the process taking from 4 to 6 months depending upon the distributorship. The team anticipated that all distributors would be up and running by the end of the second quarter of 2001, almost 3 years behind the original schedule. According to Hickson:

We are implementing one distributor a month now, with a 4-month cycle from start to finish, so we have 4 to 6 of them going all the time, all in different phases. We have three two-person implementation teams that manage the contact with the distributor during the installation. Each team has one to two active projects at a time, depending on scheduling and how many delays they encounter. The teams have a predefined number of visits that they make that are scheduled around events such as kickoffs, training sessions, starting a phase, etc. The implementation teams are on site about 3 weeks during the first year, broken up into 2- to 4-day trips. There are additional training people that are used—the implementation team doesn’t do much training.

Our biggest problem is the organizational adjustment that is required by the distributorships—getting their heads around the fact that this takes a different mind-set than they are used to. The notion of making changes is what is different for a lot of them. They have to understand and accept that people are going to have to go through some training and make some adjustments, and at the end do something different. This whole mind-set change has been the biggest challenge so far.

The Future

With the end of this long project in sight at last, the question for the Zeus ZOCS team is “Where do we go from here?” Hickson explains:

Zeus has distributorships in some 27 countries outside North America, and we originally thought that we would move this new system into our international distributorships after we got the system implemented in North America. However, we tried it in Taipei and had a disaster. One would think that the distributorship function would be about the same no matter where it is located, but the issues are broader than that. It is clear that, in addition to cultural differences, there are differences in financial systems, inventory management capability, repair shop operations, and a host of other areas. We definitely have learned that an overseas distributorship is not just another distributorship—it’s a different animal.

We also intended to go back and do some serious reengineering of our processes. The question is “What does that mean?” We have a wealth of opportunities in many areas to tighten up the flows and improve the business. But which of them are we going to do? Where is the most value, both for Zeus and for the distributors? Although we have some ideas, we don’t have a plan—we haven’t had time to think about that yet. And with the distributors exhausted and in a certain degree
of turmoil, there is a great deal of uncertainty about the future.
What do we prepare for? Are we going to do something major, or
are we just going to keep the system running for the time being?

The long, difficult ZOCS project has had a decidedly negative
impact on the relationships between Zeus and its distributors.
Nathan Byars expresses his view of the future of the system:

We are very frustrated because there are a lot of big gaps in the
system that is being installed that we have known about for
years, but nothing has been done about them because all the
available resources have been used getting the system running
in all the distributorships. There are a lot of changes that we
need, and the distributors are getting organized to see that they
get done.

We have set up a Z/D steering committee, half of whose
members represent the distributorships and half represent
Zeus. It is co-chaired by a distributor and a Zeus manager. This
steering committee will study the things that need to be done
and define projects and do a cost/benefit analysis of them.
Then they will prioritize them and present them to the distribu-
torship council made up of all the distributorship owners and
several top Zeus managers.

For the recommended projects the Distributorship Council
will determine: (1) Are we going to do it? (2) How much will it
cost? and (3) Who is going to pay for it? The intention, of
course, is that everyone will pay their fair share. I hope that we
can work through it and make good progress.

Both Byars and Hickson agree that, up to this point, the focus
of the project has been on the needs of Zeus and the distribu-
tors, and the customers’ needs have not had a high priority. They
are hopeful that these needs will be emphasized in the future,
but the distributorship council will have to determine who is
going to pay for those things that primarily benefit the customer.