Momenta Corporation (B)

Kathy Schlein, through her laughter, wondered: "Does the ceremony involve any bloodletting!"

Kathy was Momenta Corporation's fifty-second employee. At her first Friday afternoon company lunch, Kamran Elahian, Momenta's president, was asking her to affirm her faith in the Momenta Maxims: "Do you believe in the Maxims? Are you willing to live your life by them?"

The Momenta Corporation

Momenta had been launched in September 1989 by Kamran Elahian to compete in the emerging pen-based computer market. Initial financing had been provided by U.S. and Far Eastern venture capital firms. As described in the Momenta (A) case, Kamran had already helped found two other high-tech companies: C.A.E. Systems, Inc. and Cirrus Logic, Inc. This third venture had been started with ambitious goals—Momenta would develop, build, and sell several hundred million dollars worth of pen-based computers, and it would operate from the beginning as a global corporation. A press release elaborated:

> Momenta's goal is to produce a highly portable, user-friendly computer that will totally transform the way computers are used. It will be for the large number of people who simply want to get their work done, wherever their travels take them. It will be the computer for those who are unlikely to purchase a computer today, or if they do, to not fully utilize it.

> In addition to having a vision for what his new product will be able to do, Elahian sees the need for new approaches to doing business in the 1990's. Among Elahian's goals for Momenta is a plan to take the company public in Taiwan, Japan and the Common Market. In each part of the world, he plans to set up fully functional, local companies to leverage skilled local labor, highly favorable interest rates and equity markets, to do business in those parts of the world, and to draw from each what each does best. For example, Elahian anticipates that Momenta will do product development in the U.S., initial manufacturing in Japan, volume production in Taiwan and localized software development in Europe.

The Pen-Based Computer Market

Growth in the pen-based computer market in 1991 was expected to be rapid. Although GridPad, the lone player, had shipped only a few thousand units, InfoCorp estimated that 22,000 units would be sold in 1990, rising to 3.5 million in 1995. A Prudential-Bache analyst estimated a $3 billion dollar market by 2000.

Several firms were expected to compete for this market. Some $50 million of venture capital had been committed to start-ups, and established firms were contemplating entry as well. *BusinessWeek* reported:

>...The start-up that has generated the most interest is Go Corp., which has formed an alliance with IBM....Go is headed by S. Jerrold Kaplan, a co-founder of expert-systems software maker Teknowledge Inc. The company has raised funds from major venture capital firms, including Kleiner Perkins, Caufield & Byers...

>Software makers are already anticipating a big market. Mitchell Kapor, VisiCalc designer Dan Bricklin, and former Microsoft executive Vern Raburn are behind Slate Corp. in Scottsdale, Ariz., the first company dedicated to writing programs for pen-based computers...

>In addition to all the start-ups, IBM, Apple, and Wang are believed to be developing their own handwriting-recognition machines. And Japan's electronics makers, including Sony, Canon, and Toshiba, are already dabbling in the technology...

>For the Japanese, the new technology is especially promising because it can accommodate handwritten Kanji characters. That could vastly expand the Japanese market. What's more, Japanese suppliers are already way ahead in advanced screen and component technology.[1]

Kamran commented on the potentially crowded field:

>You want to have competition. I prefer to be in emerging markets, which lots of people are eying, rather than be in a situation where you are the only one in the market. That usually suggests you are too far ahead and the market is not there yet. What really matters is to be one of the two or three companies that collectively own 80% of an explosive market.

He was not discouraged by the interest of the large firms:

>When you look at an emerging market, the established companies sometimes have a research project and some smart marketing person who goes around saying that this market will be big. Especially as start-ups come along, the good marketing persons within bigger organizations say "Ah! Something new is coming. We better go and participate." But, in general, the established companies rarely succeed, especially in the early years. The people who were big in mainframes did not succeed in minicomputers. When PCs came along, the mini-computer people weren't the big winners. So, whenever you are going through market shifts, there is always a period of three to five years before the big corporations really can overcome their inertia.

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[1] *"*The Pen: Computing*'s* Next Big Leap,*" Business Week,* 5/14/90.

As for the competition from start-ups: there is good news, and there is bad news. The bad news is, to start a pen-based computer business, you need $50 million: $15 million for R&D, $15 million for marketing and launch of the product, and another $20 million for the working capital. The good news is that the $50 million scares a lot of venture capitalists away from funding start-ups in this area. They say we cannot commit this kind of money. Therefore, companies who have the credibility to raise that kind of money have a significant advantage.

The Founding Team

Kamran described the individuals on Momenta's founding team and how he had recruited them:

Altogether, my approach was to bring in very successful high-growth-oriented individuals who were much, much stronger than I could be in their functions. I wanted VPs who were much better than me and who had been through successful start-ups before. This would allow us to anticipate a lot of the problems and help us manage the growth.

Shiraz Shivji is our vice president of Engineering. Shiraz was at Commodore for eight years, and then he helped Jack Tramiel turn Atari around. He was the father of the Atari ST, Atari's most successful personal computer. When I approached him through a mutual friend, he had just left Atari.

Shiraz didn't need much convincing. When I described my vision of an easier computer and a global company, he said, "Kamran, you've been preaching to the choir." Eighty percent of Atari's sales are from overseas, and it is very marketing driven. Shiraz himself was born in Tanzania and has engineering degrees from Southampton in the U.K. and Stanford.

Beatriz Infante, our director of Software Development, is a 12-year veteran of Hewlett-Packard. She came to the United States from Cuba as a child, was first in her undergraduate class at Princeton and her graduate class at Cal Tech. She was the best software manager I knew at H-P, and in an era when you now need to develop 200,000 to 400,000 lines of code, her experience in "big-scale" programming is vital.

I had tried to convince her to join me at C.A.E. and Cirrus, but she turned me down both times. This time I didn't try, but she read one of the articles that had been written about me, and she contacted me and said, "Kamran, why didn't you call me?"

Bob Groppo is our director of Hardware Development. He was involved with several start-ups, and he was one of Intel's technical stars. When I asked my friends, "Who is the best guy that you would take out of Intel who understands both systems and chips?", they said: "Bob Groppo: He walks on water. But don't try him; you'd never get him to leave Intel." Somehow, after a lot of coaxing, I managed.

I didn't use recruiters or professionals. One of the advantages of doing something new is that people who are in that market do not know anything about you. Anybody you might want on your team will listen to you at least once, and then it is up to you to convince that individual to join you. Had I come from that industry already, a lot of people might not have returned my phone calls because they would say, "He has this style of working, and it does not fit us." Here I was a total unknown but, with all the PR we had, everybody was curious, and so they talked to me.

A trade paper, *Upside*, attributed Kamran's success in fund-raising and recruiting not only to his track record, but also to his personality:

> He is smooth and charming, a masterful storyteller and intriguing conversationalist. "Part of the reason we invested," IVP general partner T. Peter Thomas sheepishly admits, "is his charm."

> Under the charm, apparently, lies a tough businessman. Mr. Thomas calls Mr. Elahian "tenacious." Says the venture capitalist, who has served on the board of Cirrus since 1985, "It doesn't matter what's in his way. He gets things done expeditiously, inexpensively and he leaves a good taste in people's mouths when he's done...

> And Cirrus Logic president Mr. Hackworth adds this: "He's a little like a dog grabbing a man's leg. He doesn't let go easily."

Progress in the First Year

By the fall of 1990, Momenta had hired vice presidents for Marketing, Manufacturing, and Finance. Kamran described the additions:

> We got John Rizzo as our vice president of Marketing a few weeks after our formal launch. John's specialty has always been value-oriented marketing, creating this love affair between the customer and the product. He came to us from Weitek where he was vice president of Marketing. Weitek was a successful start-up with gross margins of better than 60%. Before Weitek, John was at Apple, where he was the Macintosh product marketing manager.

> John Fischer, our vice president of Manufacturing, was at Hewlett-Packard for 16 years, and most recently he was general manager and president of a joint venture between H-P and Oki, of Japan. Before that he was general manager of world-wide manufacturing of all printer circuit board facilities, with 11 factories reporting to him all over the world. His expertise is global manufacturing with very high quality and very high volume.

> Our latest addition is Rocky Pimentel, vice president of Finance. He joined us from Conner Peripherals, where he was a co-founder and vice president of Finance. Conner has been the world's fastest-growing corporation; it went from zero to one billion dollars in less than five years. Before Conner, he was at Seagate Corporation for five years as corporate controller. So he understands very high-growth, multinational corporations in extremely competitive markets like the disc-drive industry.

John Fischer commented: "I used to get calls from head hunters to join start-ups all the time. I was attracted here because Momenta's concept was revolutionary. The global concept was exceptionally unique."

Rocky Pimentel said: "I was doing well at Conner, and I gave up some income and options to come here. But Momenta was trying to do something extraordinary, and I couldn't take the risk of not joining; if they succeeded, and I wasn't part of it, I would regret it forever."

Momenta had recruited more than two dozen hardware and software engineers. "I have real tigers," said Shiraz Shivji, the vice president of Engineering. Beatriz Infante, the director of Software Development, described how she recruited her team:

Programmers have come here because of the opportunity to work with a better team than they have ever worked with in their lives. We don't tell them what environment we program in, or the product specifications. We simply say we are going to do pen-based computing. Then they talk to other people who are here and get excited about the quality of the team that we have put together.

The broad concept of pen-based computing had been translated into concrete specifications. Beatriz explained:

Initially, in the product design, we went through the we-can-do-anything stage. It was all very nebulous. Then we went through a process of crystallization and making trade-offs. That was sometimes painful.

The design team had decided to take some technological risks. Shiraz explained:

It should be possible, in theory, to have a power supply with 95% efficiency. We are going to shoot for that, so that we can get a much longer battery life for our machine than anything else that's on the market. But there is no guarantee that we will be able to pull it off. In fact, since we are pushing the frontiers of technology, it would be really disappointing if everything went right.

Building a Corporate Culture

From the beginning, Kamran had tried consciously to design a corporate culture for Momenta:

In my first company, C.A.E., we never talked about corporate culture. In the second company, Cirrus Logic, we were forced to think about it after the company was about two and a half years old; when we grew to a size of 100 people, the lack of a corporate culture and cohesive team-oriented system became evident. We then hired an organization development consulting group, which did the traditional things of creating a personality profile of each member of Cirrus's executive team and tried to get us to understand each other.

I learned that it wasn't so much their method that mattered; it was the process. We were all busy. We were all reluctant to spend a couple of weeks on how to work with each other. I reluctantly attended the sessions. But through that process I got a much better appreciation of our executive team and how much miscommunication and lack of team spirit there was. And the time we spent talking about team work brought us together.

The process also led us to make several changes in personnel and to bring in vice presidents who could manage the growth. It taught me a lesson. I decided the next time I would start working on corporate culture and teamwork early on, *before* they became a problem.

My determination was reinforced on the first day we met as a group at Momenta. We started with a lot of high-powered people from different companies like Hewlett-Packard, Apple, Atari, Intel... each of these corporations has a different communications language, a different culture, and a different way people work with each other. So in our little group, people were using different terms for the simplest things, like for example, the "action items for a meeting." One person referred to them as AIs, one as TBDs—To Be Dones and another as TDLs—To Do Lists.

I also expected that people who came from different companies would bring different styles of working as well. Intel, for example, is a confrontational type of company—they believe confrontations are good and healthy. H-P is more consensus driven—their culture is "let's agree on objectives and make it happen, once we've agreed on objectives."

It was very important to create a culture that was ours, rather than what had been H-P's, or Apple's, or Intel's. If we wanted to succeed and move forward as a team, we needed to be able to communicate with each other, to have the same language and the same goals.

And the only way to do that is to spend the time to define it. It is not something that you or I can say, "This is going to be your religion, and tomorrow you are going to act this way." It is something that needs to be agreed on. We needed something that people would internalize and continue believing in.

The method that we developed was to have a lot of intensive meetings specifically called with this topic in mind. These meetings were at strange times— Sunday afternoons or early Saturday mornings—so that people had to live with the inconvenience of coming and they could see that it was an important subject. We started with six people, and as the company grew, we kept adding people into the process.

At our first meeting, we started off by trying to define corporate culture. The consensus was: "Corporate culture is the way people get things done around the company." I asked a simple question: "Who are these people who are getting the things done for us?" It is *us* who have to make it happen! We changed the definition to be the way *we* do things around here, rather than the way things *are getting done*. This was a big motivating factor for us, once we recognized *we* were in charge.

Then we talked about all the things that were bad in our previous jobs. People would say, "We hated bureaucracy in the last place that we worked. We did not like the political system that existed there. We did not like people who were not up front, who had hidden agendas and would not say what was right and what was wrong to our face." At the end of the meeting, we had a huge list of things that were disliked in our previous positions.

For the next meeting, which was a few weeks later, I summarized this list. There were a few things I had missed, and we added those items back to the list. Then it became a lot easier to ask the group, "Why not create a culture that is the reverse of this list?" For a couple of hours, we had exciting discussions about what would be an ideal situation, and at the end we had a pretty long list that the team thought should be the elements of our culture.

I circulated a summary, and, in our third meeting, everybody critiqued this list. We went into more detail and changed some words and made sure we all agreed that we had a definition that made sense.

At the end of the third meeting, the vice president of Marketing, John Rizzo, and I decided we had better add some pizzazz and slickness to this topic. Initially, we tried to create five Ms to describe the Momenta Maxims, but that didn't work. John then suggested five Ps, because most of our maxims seemed to relate to people, process, productivity, and performance. But we couldn't get our vision—which is "one thousand days to immortality and a commitment to excellence"—to fit a P!

Finally, John thought about "Perspective" and we had the five Ps of Momenta for our Maxims.

We presented the five Ps at a meeting and said, "We are going to publish them as the maxims for our company. They will be the fabric that binds us together as the elements of our corporate culture. Since we're the guys in charge, if we don't believe them, let's change them." We all said, "No, we believe in them, and let's make them happen."

Beatriz commented:

The process of reaching consensus on our maxims was important. They were not a life-or-death situation, or like product decisions, that we might have had irreconcilable differences over. So they helped us to learn how to work together. The process itself forged and shaped our means of interacting. It helped build trust in each other. We learned to talk things through and not jump on each other in a personal way.

Implementing the Maxims

Kamran described how he tried to make the maxims the "rules of the game" by which the company would live:

Enforcement of our maxims cannot be done through a police state. It is something people must internalize. My job is that of a coach: to enforce our maxims in a positive way. We do many positive things. Any potential employee receives a copy of the maxims along with their offer letter. In our letter we say, "Please make sure you study and understand these maxims, because you are going to be asked to pledge your commitment publicly." When they join, we get them to sign a plaque, in front of the team, affirming their commitment.

Once a quarter, I spend a couple of hours with all the new members of the team to describe how the maxims came along and what was the process. I give them a chance to ask questions and to talk about whether and how they have seen our maxims being violated.

The more you make the culture accessible and the more you talk about it, the easier it becomes. So we have posted the plaques with our maxims in all of our conference rooms. Whenever I get a chance in a meeting, I point to a maxim I have been in violation of, or to some other divisive issue where our maxims might be violated. It is important for me as the CEO to follow the maxims and to allow others to hold me accountable. Invariably, there are cases of violations. We all lose our tempers at times. We all forget about our maxims and make mistakes. It is the way we manage these and the resolution of conflict that says how well the maxims really work.

As part of our corporate culture, we have also created a meeting maxim: Start on time, have an agenda, listen actively to other people, be objective, respect all the views, reach closure on the issues, and finish the meeting on time. We have encased these meeting maxims in a plastic icon, and we have these icons lying around in our meeting rooms. Anyone is allowed to pick up an icon and show it to other people when they think a guideline has not been followed. We have a lot of fun with this in meetings.

As the corporation starts getting bigger, hopefully we can bring in some organizational development people who will carry the message to all the people at Momenta and get their buy in. I will not be able to do as much by myself as I can now. But our actions are more important. If I follow the maxims, I don't need to say much. The vice presidents follow the actions of the CEO, and the directors follow the actions of the vice presidents, and the managers follow the actions of the directors, so it becomes like brushing your teeth. If you learn how to do it in the early days, you continue to do it over time.

Kamram described his management style:

If you get good people and you believe in them and let them believe in themselves and let them go and achieve their best, that's when a lot of phenomenal progress can happen. Fundamentally I believe that good people can do a lot more than they believe they can do.

I always talk about the story of this little girl who went to the zoo with her father and saw this big elephant that was tied to a little rope. And the elephant looked quite sad. The little girl asked, "Daddy, how come this elephant which is so big doesn't run away?" Daddy didn't know. They asked the zookeeper. The zookeeper said, "When we brought the elephant here, it was a baby elephant, and he tried for 30 days to run away and he couldn't. He gave up, and he has never tried it again." Fundamentally, the elephant in his own mind sees himself as a baby elephant.

Many of us are afraid to try something because we tried it before and failed. If someone comes and pushes us to do it and we try it and succeed, we start to believe in ourselves. If you push the envelope once and you see that it is great and that nothing disastrous happens then it becomes addictive. Each time you want to push it a little bit more and a little bit more. And, when many people are simultaneously pushing the envelope and trying to stretch themselves, you achieve unbelievable productivity.

Our people are experienced; they are not starting from scratch. They have the passion and the zeal and the belief that if there is a will there is a way, and they will go and find a way, and it's fantastic.

A lot of times I promise our investors and the media that we are going to do something great. Then I come back, and I get my team, and I say, "Hey, you guys, you need to make an honest man out of me. Let's make this thing happen." Somehow they go out and do it; they pull many rabbits out of the hat.

The Management Team's Perspective

Members of "Coach" Kamran's team shared their perspective on the organization and its culture.

Rocky Pimentel, vice president of Finance: It is not good enough for me to get the job done at all costs if we are not creating the right kind of organization. Financial success is not enough. There are some very financially successful companies that are dysfunctional from a humanistic point of view. I was on the founding team of two other start-ups—Seagate and then Conner Peripherals. This definitely has been the most supportive.

We want to share successes and failures in this company. We do not have the cult of the personality. We have all been successful before. At some other companies, it is Finis Conner who is Conner Peripherals, Steve Jobs who is Next, and so on.

We do not want to depend on an individual personality to pull the whole thing off. But I think consensus management is a failure as well. It is the other extreme. Both are dysfunctional.

Trust is very important. If John Rizzo is making a decision on spending money on advertising, and I am not around, I have to trust he knows my thought process. I must have confidence in him to make the decision in the best interest of the company.

I was a skeptic initially when I was being recruited. One of the things that convinced me was the strength of the management team. But it was also a concern. Could they all work together? I found a great deal of openness and sense of helping out. It is an attitude that walks in the hallways.

If Momenta is successful, there will be a different management story to be told. Kamran has selected people who can walk both lines between business and the humanistic element. I am sure that, as our business matures, we will have to make hard decisions about people, but the difference is that it will hurt.

There is a keen concern here for organizational development as well as for the business itself. Long term, the success of the corporation will come if there is harmony within the population. This harmony will come if we show attention to people throughout our workday and we have sensitivity to people.

Beatriz Infante, director of Software Development: The most important thing I have found in my management experience is building common values and a style of interaction. You must be able to exchange ideas without arguing about people. It's like establishing a common bus protocol; if you know *how* to communicate, the *what* doesn't have as much potential for being inflammatory. For example, even though Bob Groppo, the director of Hardware Development, and I often disagree about technical issues, because we have similar approaches to problem solving, the communication mechanism is never a problem. You can address the issues in a rational way.

We don't want prima donnas here. You work in a group—that is the rule. We want people here who will fit into the culture. I interviewed one fellow who was technically brilliant. But I could see him being successful only at a start-up where he was at the center of things and where grunts executed his designs. So, we didn't hire him.

One of my biases is that I tend to hire people who have been successful at big companies. If someone has been at a bunch of rinky-dink start-ups, I tend not to hire them….I want people who will be big fish in big ponds, who are not afraid of being the best among the best.

Our maxim, "Hire the best," tends to work out into hiring people who have very strong opinions. In conjunction with our commitment to consensus, this can create a long decision process. It is hard to get closure and keep that closure. I tend to err on the side of making a commitment. I will die before I change what I had promised. But, circumstances do change. If you take the approach that you are going to take a technological risk in everything, sometimes things can fail and prior commitments become obsolete. Then, you need to step back and reevaluate what needs to be done. You need to do what is right from a business and technical standpoint, given your current understanding of the issues.

Shiraz Shivji, vice president of Engineering: The human aspect of productivity is sometimes forgotten in Silicon Valley. When you look at how things are achieved, the numbers only happen because of the people. I once had a manager who prided himself on being unpredictable. He would

blow up for no particular reason. He told me that kept his subordinates on their toes. We are trying to create a more civilized environment.

One of the biggest problems an organization like this has is developing trust. It is not easy if you think you have all the answers. It's easy to say, "Respect all viewpoints." But it is very difficult to do. We don't start with a culture like Japan's.

John Rizzo, vice president of Marketing: When we started, we wanted to be in control of our culture. I didn't want to end up being a vice president of a company a few years down the road that I did not want to be a VP of. In my last company, it was very difficult to get the corporate team to focus on corporate culture. Before that, when I was in the Macintosh division, we had a culture which was: "Steve Jobs decides."

The key is not what is on a piece of paper or what is written down. You have to relentlessly discipline yourself and your organization to enforce your culture. Whenever I see a violation, it is like a dandelion in a beautiful piece of lawn: I have to pull it out immediately, roots and all. For example, if in our weekly marketing staff meetings, people start being critical of other people, I put an end to it, firmly.

In certain organizations, decisions are made in private deals, not in meetings. In meetings, people only stonewall. People have private lists, and they have public lists of what they want. That is not the kind of company we want to create. We want people to come to meetings committed to reaching an agreement and to honor the agreement afterwards. But, when you are in a high-velocity environment, it makes agreements and commitments difficult. You have to make an attempt to get everyone to commit, but people like me are on the road a lot, and action of some sort is better than no action. All things considered though, while our process slows down things at the front end, it gets things implemented faster.

John Fischer, vice president of Manufacturing: We are trying to build a company, not just a product. And, I want a company that has an identity. Our maxims provide the beginnings of an identity and a philosophy on how we are going to do business. It is nice to have that.

"Savor the journey" is an important maxim for me personally. Everybody is here because we want to be here. Some of us have put our family lives on hold; people put in incredible hours here to meet impossible deadlines. This product is a reasonable product for the world to have, but even with a visionary product, success is not guaranteed. So, we must enjoy what we are doing and have fun on the way.

Our strength is our weakness. We have some very strong players, but they also have strong opinions, and that can be a weakness. We are not as crisp in our decisions as we could be. We ought to get from A to B quickly. Our decision making should not be like IBM's. The lack of crisp decision making can be the death of small companies. I have seen this over and over again.

We have a default mechanism, which I am most concerned about. From time to time, we get into a "do loop." An example is the keyboard vent issue. We have used an outside industrial designer to design our machine for us. Two weeks after he turned over his design, he came back to us and said he wanted to add vents on the keyboard. So I told the designer, "Let's check with Shiraz." Shiraz started laughing. We agreed there would be no vents. Then John Rizzo, who had been away, got involved and insisted we have vents, and the process broke down. We stopped what we were doing and have been going round and round in meetings about the keyboard.

Shiraz added:

Simplicity is the principal rule of design. All classical designs are evergreen; they have nothing fake in them. The keyboard vents our designer wants to add don't serve any function. In the

long run, such frills backfire. Besides, the tooling would cost us $15,000 to $20,000. Marketing is very upset. They tell us we will sell 100,000 less units. We cannot stand by the numbers that we said we would sell without the vents.

John Rizzo responded:

When the industrial designer turned over his design to Engineering, he *forgot* to put in vents into the keyboard. When he remembered, he went back to Engineering to ask for the vents to be put in. He said that without the vents it would not conform to the machine's design language. Perhaps he wasn't tactful in communicating the importance of a consistent design language to John Fischer and Shiraz. But he's the expert in design, not anyone else, and besides, it is only going to cost $5,000 in additional tooling costs to put in the vents.

Kathy Schlein's Initiation

Kathy Schlein joined Momenta after receiving her MBA from Harvard Business School in 1990. She had been recruited by John Rizzo, whom she had previously worked with at the Macintosh Division of Apple Computer. As in her old job of Macintosh "evangelist," she would be responsible for convincing software companies to develop applications for Momenta's new machine.

Kathy described the first company lunch she attended.

It was a catered-in lunch. Kamran led the session, but in a very informal fashion. People described the progress that had been made since the last meeting. There were three of us who were new, and we were asked to introduce ourselves and talk about our pasts. Finally, there was the signing ceremony: A plaque of the Momenta Maxims hangs in the lobby, signed by all the employees. Now it sat on top of the overhead projector waiting to be signed by the new inductees. Kamran's voice became solemn.

"Have you studied our maxims?"

"Yes."

"Do you believe in the maxims?"

"Yes," said Kathy, raising her hands above her head, bowing deeply toward Kamran, "I believe, I believe."

Exhibit 1   List of "Don'ts"

CORPORATE CULTURE MEETING
12/7/89

THINGS THAT WE MUST AVOID AND ELIMINATE FROM OUR CULTURE

1. Bueracracy

too many meetings, memos, task forces

2. Incompatible people

prima donas, "heroes gone bad", lone cowboy, I people vs we people, problem finders vs. solution finders, negative thinking, those passing the buck

3. Poor leadership and management

Short term thinking, autocratic style, closed, secretive, political, destructive criticism, penny wise and pound foolish, indecisiveness, picking two wrong paths, getting off track, setting conflicting goals, setting up internally competitive situations.

4. Lack of Integrity and courtesy

Dishonesty to vendors, customers, each other. Bad mouthing the company, competition, investors. Poor quality, unresponsive.

Exhibit 2   First Draft of Maxims

"M^2
MOMENTA MAXIMS"

THINGS WE SHOULD PROMOTE WITHIN OUR CULTURE

PERSPECTIVE/VISION:

- Do your best, take pride in what you do
- Commit to excellence
- Every ceiling, when reached, becomes a floor

PEOPLE:

- Smart, dependable, "can-do" attitude, energetic, and honest.

PROCESS:

- Open and receptive to new ideas and mistakes.
- Positive, but self critical
- Trust everyone, deal with the exceptions individually,
- Raise a flag when you see a problem
- Own the whole teams problems
- Be open, be responsible

PRODUCTIVITY:

- No complacent behavior
- Ok to ask "stupid" questions
- Be sensitive to other peoples needs
- Be supportive of the whole team and supportive of the families
- Respect the team members, deal with individual problems directly, privately,
- Trust, support, respect
- Respect and consideration for other people's time
- Don't agree if you don't believe in your commitment
- Commit to the team, listen to ideas, be open to be sold.
- Don't assume commitment, ask for it, listen to different points of view, refine, try to sell,
      have private discussions if needed, once decided, communicate what was decided
- Cross sell the team

PERFORMANCE/RESULTS:

- Integrity when dealing with people inside and outside
- Recognize others good work
- Present a unified view to the outside
- Team members to recognize the top performer,
- Respect the customer and their perspective
- Less than 12 hour response
- Always say yes, yes but, ... never no
- Put yourself in the customers shoes
- Treat the customer as you would like to be treated

Exhibit 3   First Revision of Maxims

CORPORATE CULTURE MEETING
12/7/89

THINGS WE SHOULD STRIVE TO PROMOTE WITHIN OUR CULTURE

1. Great people

Smart, dependable, "can-do" attitude, energetic, and honest. Open and receptive to new ideas and mistakes. Do your best, take pride in what you do

2. Honesty, trust, openess

Trust everyone, deal with the exceptions individually, raise a flag when you see a problem, ok to ask "stupid" questions, integrity when dealing with people inside and outside, no "bullshit"

3. Team work

Recognize others good work, be sensitive to other peoples needs, be supportive of the whole team and supportive of our their/our families, respect the team members, deal with individual problems directly, privately, own the whole teams problems, the outside sees us as we are, shouldn't we? Trust, support, respect, team members to recognize the top performer, respect other people's time

4. Commitment

Be open, be responsible, don't agree if you don't believe in your commitment, commit to the team, listen to ideas, be open to be sold. Don't assume commitment, ask for it, listen to different points of view, refine, try to sell, have private discussions if needed, once decided, communicate what

5. Customer Empathy

Respect the customer, customer is king, customer is number one, listen to the customer.

Exhibit 4   Third Revision of Maxims
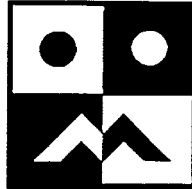
Momenta Maxims

Perspective/Vision
- Commitment to Excellence
- 1,000 Days to Immortality

People
- Hire the Best... Honesty, Intelligence, Perseverance, Team Oriented
- Inspire Passion to Achieve Our Best
- Savor the Journey

Process
- Identify the Problem... Be Honest
- Find a Solution... Use Our Intelligence
- Implement the Answer... Perservere

Productivity
- Do the Right Things, Do Things Right
- Trust the Team, Respect All Views
- Agree to Commit, Commit to the Agreement
- Team Is Power

Performance/Results
- Shareholders and Customers Fuel the Engine
- Deliver On Our Commitments... Products, Services, Profits
- Recognize Top Performance
- Perception Becomes the Reality

Exhibit 5   "Momenta Meeting Maxims"
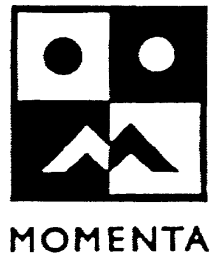
MOMENTA

"Momenta Meeting Maxims"

1. **Start on time**

2. Review the **Agenda**

3. Focus on **Objectives**

4. **Listen** actively

5. **Respect** all views

6. Reach **Closure** when appropriate

7. **Finish on time**

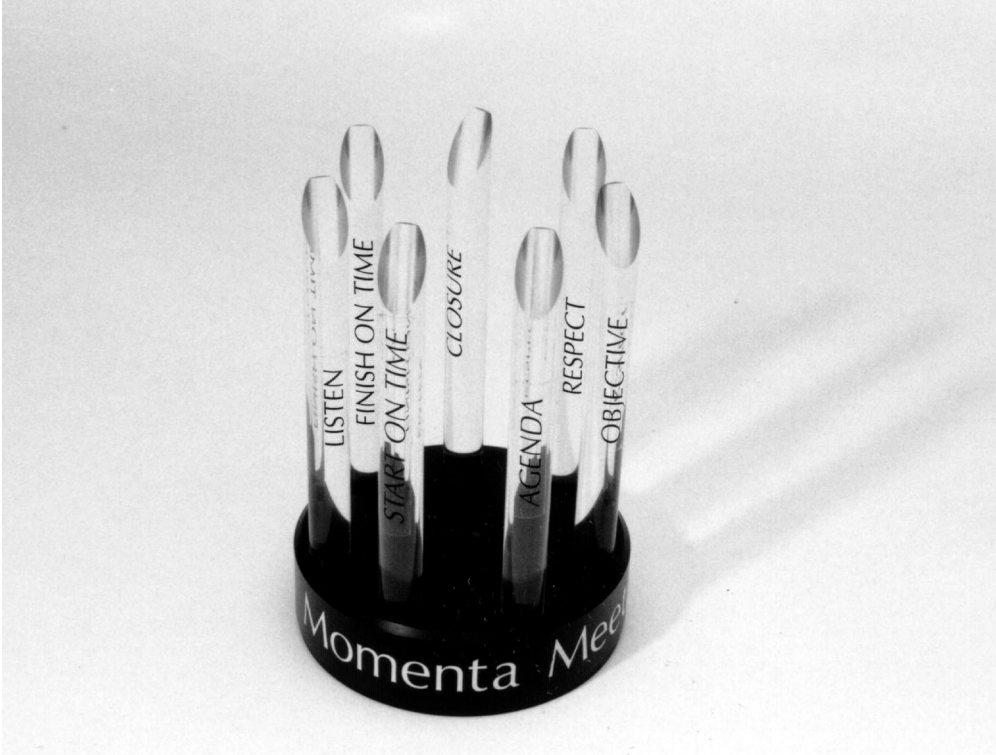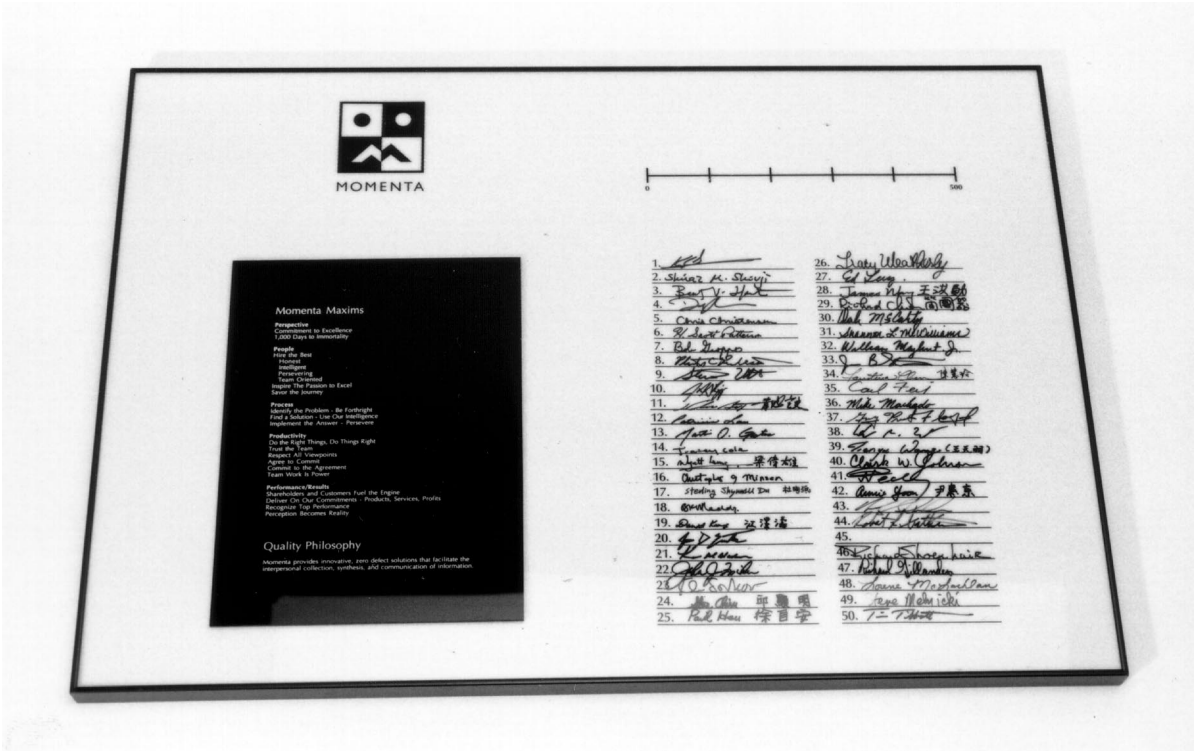**Exhibit 6**   The Momenta Meeting Maxim Icons

Exhibit 7 TheMomenta Maxim Plaque

Exhibit 8   Mock-up of Momenta's First Computer