

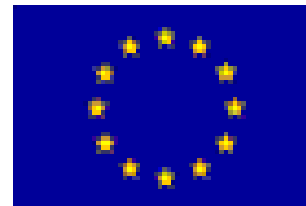
European Works Council

AVAYA

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Composing the puzzle of information received

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Who is Avaya?

Avaya is an American multinational enterprise which works in telecommunications branch, in particular in the areas of call centres and IP telephony. The company, which was formed in 2000 after a spin-off of the Business Communications Division of Lucent Technologies (AT&T Group) and whose headquarters is in Basking Ridge (NJ, USA), has about 21,000 employees at present and generates sales of around \$ 5.3 billion (business year 2007). In 2004 Avaya took over Tenovis, a German multinational enterprise which for its part was the product of a spin-off of the Telecommunications Division of Bosch and which worked solely at the European level. Avaya was taken over by Private Equity Funds TPG Capital and Silver Lake Partners for approximately \$ 8.2 billion in 2007. On December 2009, Avaya successfully bid the Canadian multinational telecommunication equipment manufacturer Nortel Enterprise for \$900M.

Restructurations in Avaya

Unfortunately Avaya, as most North American companies, is used to make a wide application of restruturations as an instrument for reducing internal costs an increase margins. Obviously, one of the main areas where these restruturations are applied is human resources. That's why Avaya EWC is often engaged for information and consultation processes regarding HR reductions impacting more than one country in Europe. In case of mass redundancies under respective national laws, the agreement states that Central Management shall inform the EWC even if only one country is affected. Consultation rights are in this case only in charge to local Workers Representative Bodies.

Information and consultation process - Targets

Given the consistent commitment of Avaya EWC in information and consultation processes, the Executive Committee decided to consolidate a certain procedure to be applied as a standard during the process. For doing that, the Executive Committee took into consideration the following targets:

- Information must be provided in due time by the Company.
- Quality of the information shall be accurate, in order to provide an added value during the national negotiation processes.
- Information must be shared on time to the national Workers Representative bodies.
- Local EWC delegates (representing in turn national Workers Representative bodies) must be involved in the process.
- EWC consultation rights must be exercised in an effective and professional manner.
- All the information and communication flow must be documented, shared and available for the future.

Information and consultation process - Instruments

For achieving these targets, Avaya EWC implemented the following important instruments:

- Activity Gantt diagram for the process.
- Standardized PPT presentation for letting EWC members report in their home countries the information in a suitable manner.
- Question and answers documents.
- All EWC delegates conference calls.
- Consultation document.
- EWC sharepoint.

Information and consultation process - Timing

The information and consultation process starts when the Company notifies to the EWC the intention to proceed with a restructuration.

Normally, this shall happen:

- When the decision has not yet been taken, on time for giving the EWC the possibility to influence this decision.
- Before or at the same time the Company informs any other Workers Representative body.

The notification may take place:

- During the annual EWC plenary meeting
- When unusuals circumstances may occur. In this case Central Management usually plans a conference call with the Executive Committee, followed by a face to face meeting. If countries or locations which are not directly involved in the Business Committee are affected by the extraordinary circumstances, the national EWC representative from the affected country may take part in the extraordinary meeting.

After informing the EWC, the Company shall start information, consultation and negotiations processes at national level, where expected.

Information and consultation process – Activity Gantt diagram

The EWC Executive Committee immediately produces a Gantt diagram with a proposed timescale for the information and consultation process. This methodology is useful for fixing dates and targets which can be shared with the Company and documented.

Information and consultation process - Standardized PPT presentation

The EWC Executive Committee normally prepares as soon as possible a PPT presentation with the content of the first information given by the Company. This presentation is distributed to all the EWC delegates for being used as a guideline during the Workers information process. This is a bit time consuming for the Executive Committee, but it's useful for letting the EWC speak with one voice to the European Workers.

Information and consultation process – Question and answer documents

The EWC Executive Committee starts collecting the questions from the countries for preparing a Q&A document to be sent to the management. This document shall be answered by the management accordingly with the timescale agreed in the Gantt diagram. This methodology is useful for keeping all the information exchange documented, traced and shared. All Q&A documents are shared in real time with all EWC representatives.

Information and consultation process – All EWC delegates conference calls.

A very important instrument for Avaya EWC are All EWC delegates conference calls. These conference calls are planned by the Executive Committee. The main language is English but normally also German and French translations are available. Conference calls are supported by Avaya Web Conferencing system, which provides documents sharing, chat and voting facilities. This instrument is fundamental for involving the delegates in the process, share informations with them, retrieve their questions and observations, taking decisions when necessary.

Information and consultation process – Information process closure

Once all the questions have been answered by the management, the Executive Committee usually prepares an information package containing all the documentation, to be sent to all the delegates. An All EWC Delegates Conference Call is held for deciding whether all the questions have been really answered and the information process can be officially closed. Normally Avaya EWC does not close the information process without a business case which gives visibility of the financial evaluations that are behind the decision to be taken.

Information and consultation process – Consultation document

Once the decision to close the information process has been taken, the Executive Committee prepares accordingly with the national delegates a Consultation document containing the position of the EWC about the following point:

- Adherence to the Directive and the Agreement by Avaya
- Cooperation between the enterprise and the EWC
- Recognition of transnational nature of measures
- Information and consultation in due time
- The quality of information
- Statement of position on the planned restructuring
- Corrective measures
- Cooperation with the trade unions
- Aspects to be addressed in the near future

Avaya EWC is normally requiring an answer to the document. After the document has been submitted, the Company is allowed to consolidate its decision and put it in place.

Avaya EWC Sharepoint

Avaya EWC owns a sharepoint website, provided by the Company and accessible only by EWC delegates. On this sharepoint all the documentation pertaining the EWC is uploaded. The documentation is available for all the delegates at any time. The sharepoint is really useful for letting all the documentation be available for any future utilization.

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Thank you!

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