

# COMMUNICATE YOUR VISION

*Finding a common language to explain company principles comes down to simple math.*



Like any international organization, distance, along with language and cultural barriers, make effective communication challenging among the operating companies of **SOLERA HOLDINGS INC.** (SLH). This communications challenge became apparent to us following our acquisition of the Claims Services Group of **AUTOMATIC DATA PROCESSING INC.** (ADP) in April 2006. Now active in more than 50 countries across six continents, we needed to develop a universal “language” to explain our organizational principles to associates around the globe.

Our language, which I’ve refined over my 20 years in the auto claims business, is based on math or, more specifically, a series of ratio-based principles that require no translation. The principles — 80/20, 30/30 and 90/10 — have become deeply ingrained in

our business and guide all of our decisions, strategically and tactically as well as organizationally and individually.

The first, 80/20, is modeled after the Pareto principle, which states that 80 percent of the effects come from 20 percent of the causes. We ask all of our associates to Think 80/20. On an organizational level, that means the focus should be on the 20 percent of the work that drives 80 percent of the value to our customers and employees. On an individual level, associates evaluate project priorities using an 80/20 filter. With that filter, they can easily determine where their focus should be — on the 20 percent of the work that drives 80 percent of the results, ensuring that their decisions are aligned with our largest and most important customers.

The 30/30 principle emphasizes reducing waste and wasteful processes by 30 percent while improving throughput by the same amount. During difficult financial times, many companies look to cut costs and neglect to eliminate waste. They focus on decreasing expenses by reducing head count rather than increasing efficiency and streamlining operations.

At Solera, we encourage our associates to Act 30/30. Like many technology organizations, we practice Lean Six Sigma — adhering to highly disciplined processes that are designed to identify and remove waste. In addition to hiring Six Sigma experts to evaluate our operations, we have created a department within Solera called Enterprise Transformation and Operational Excellence. Its sole function is to help us implement Lean Six Sigma across the company.

Finally, we ask our employees to Live 90/10, which means we impart a “got your back” mentality that advises each associate to take 90 per-

cent ownership of the team’s project and leave only 10 percent to the team. This prevents finger-pointing and motivates associates to collaborate. It also teaches them accountability and helps individuals manage up, rather than waiting to be managed down to or avoiding responsibility altogether.

Communicating these principles is only one part of the equation. Ensuring that they are understood and lead to results is the other. I believe that our adherence to the 80/20 principle has contributed to Solera’s expansion into 16 new countries since the CSG acquisition and to our improved revenue and net income performance (through Dec. 31, 2007). By applying the principles of 30/30, we have completed a number of significant internal projects that reduced

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cost, waste and complexity while increasing efficiency. The savings have allowed us to both increase profitability and selectively reinvest in the company’s growth strategy. From the 90/10 principle, we are creating a global team environment, making our employees feel invested in, and tied to, the company’s results.

Implementing 80/20, 30/30 and 90/10 has been crucial to our success. And it can be just as important to yours. By using simple principles like these, you can explain your organizational and management expectations to any employee, anywhere in the world, in just a few minutes. ■

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