

## Trevor Mann

### Chief Performance Officer



**Trevor Mann is the performance specialist at the heart of Nissan. After almost a quarter of a century working in key operations around the company, the Chief Performance Officer (CPO) is utilizing that experience to drive a relentless efficiency program in each of Nissan's six global regions.**

"I'm the conduit to check that the Nissan machine is operating to maximum efficiency. Each region must deliver on the strategy set at the center," he says.

Each month, Mann visits two operating regions to check on performance. The schedule means he tours the worldwide business every quarter. When Mann arrives – this week it might be the Resende plant in Brazil, next week Canadian sales operations in Toronto – there is usually something to fix. If the problem is serious, he may bring his team of specialists, either from headquarters or another part of the world, to ensure that each part of the organization is working properly.

Part chief engineer, part organizational motivator: Mann relishes the tension that his role creates. Those tensions, which he insists are positive, intensified last year when Nissan replaced its far-flung three-region operating structure with a six-region organization designed to impose greater management focus on each market.

"When I am in the region I review, challenge and help manage the performance of the whole business including sales and marketing functions within the regions," according to the CPO. "The leaders of the global functions set the targets and strategic direction of our operations. But in the different regions around the world, the execution of those functions and strategic delivery is undertaken by our regional heads, whom I manage."

The system is designed to ensure that Nissan delivers on its targets in a range of areas, from manufacturing efficiency to sales and marketing, and from product launches to dealer relations, supplier arrangements, pricing and quality controls.

Under the old structure, regions composed of disparate territories were overseen by executives who had other prime responsibilities. Management resources may have been stretched too thin, leading to launch delays, quality glitches, and insufficient cost control. Sometimes, manageable issues became serious problems.

Mann vows to change that. As part of the reorganization announced in November 2013, the CPO was entrusted with managing the new six-region structure. Reporting to him are six dedicated regional chairmen, each one responsible for multiple functions in their geographies – spanning R&D, plant efficiency, purchasing, logistics, sales and marketing, and brand development. There lies the tension: for managers in some of these functions must also satisfy the demands of executives such as Chief Competitive Officer Hiroto Saikawa or Chief Planning Officer Andy Palmer when it comes to pricing and market share. "I'm the tension between the regions and the function," says Mann. "It needs a coordinator, a disciplinarian who ensures that we standardize best practice."



He is paying close attention to a couple of regions currently: North America and China. "If they sneeze, everybody catches a cold," Mann explains. If North America accounts for almost a quarter of Nissan's total annual sales volume "it needs a level of attention" that ensures the market delivers on its potential. The same is true of China, which Mann describes as the company's next most important market.

The CPO claims the challenge is clear-cut, although he admits the management challenge is complex, reflecting the multi-function organization and sheer range of markets to cover. "We all know what we've got to do. If you look at the financial results we know where we are today. Our operating margin was 5.3% at year-end; we are targeting a sustainable 8% [operating profit] margin by the end of the plan."

According to the executive with performance in his job title, Nissan has to accelerate its performance in a range of areas. That will be achieved by reducing the company's total delivered cost per vehicle and improving sales and marketing efficiencies. This means extractive efficiencies in every part of the business before a vehicle reaches the showroom. Efficiencies are being pursued in purchasing, manufacturing, logistics and revenue-management – among other areas.

In manufacturing, for example, Mann has to ensure that new factories such as Resende and Aguascalientes are operating efficiently. But he warns: "We can't run our business from inside the factories. We have to manage the markets smartly, and launch good products with good brand power, and efficient sales and marketing – and then we will have busy factories."

Mann says this formula, ensuring that different functions are synchronized more effectively, "will build volumes and justify the investment we've made in the factories." He adds that the performance program at Nissan extends far beyond *Monozukuri* – the art of manufacturing efficiency. "I cut across all disciplines. It is part of a creative tension throughout the business

and its region, which ensures that we are striving always for greater efficiency."

Nissan is already benefiting from the additional scrutiny of its different group functions by the performance–team led by the CPO. This is ensuring, for example, that the roll out of Datsun is maximizing the brand's potential in emerging markets.

Mann feels the organization is making progress. "We are doing a good job but we've got to question the whole time exactly what is being done throughout the company - and to what effect," he adds. "We must look for options; we must identify risks and deal with them."

At an internal meeting in May 2014, the executive management at Nissan assessed the level of risk in the organization and whether it was performing against expectations. The executive group reaffirmed its commitments to the Power 88 mid-term strategic plan, reflecting the management's confidence in the latest performance measures.

In pursuit of those commitments, Mann will this year continue travelling across the organization: questioning, diagnosing, suggesting remedies. "I go through all of the business functions on each trip. We focus on whether we are achieving our cost-reduction targets, our quality targets, our market and segment share and managing all this within our expected selling expenses.

"We ask each function whether they are performing to their potential. We challenge the regions, and we challenge the functions to ensure we deliver on the plan.

"We are now entering the second half of Power 88, and there are a number of hotspots that we must focus on such as ASEAN, China and the US.

"But the opportunities far outweigh the risks," says the CPO. "We have got a plan to deliver. It's my job to execute that plan to hold the organization to account. It's exciting. I'm not daunted, I'm energized."