

# Larry Rodo

Drive for Results in 2011/U.S. Meeting Presentation/March 24, 2011 (approx. 35 minutes with 2 videos)

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[TITLE SLIDE]

- **Good morning, everyone.** It is **GREAT** to see all of you.
- The meeting this morning is the start of something great.
- Last night we had a lot of fun. It's no secret that we have been tightening our belts and driving hard, and last night was a great opportunity for all of us to let off some steam.
- This morning, the serious work begins again.
- We are going to have a conversation about where this Company is going, and what we are all going to do today, tomorrow, and in all the days to follow to address the ongoing challenges of this market.
- **Because we said we would.** We introduced that statement of commitment more than a year ago, and it has **never** meant more than it does this morning.
- We are accountable to our results, and we are accountable to ourselves, and there is no difference between the two.
- We have to keep our promises in the days ahead – **all of our promises.** We will do this together.

**[SHARED ACCOUNTABILITY AND TEAMWORK]**

- When we win, we win as a team; and when we lose, we lose as a team.
- We are in a transitional time for this Company, and for this business.
- Now is not the time to point fingers and blame other people, or other departments, for the situation we're in.
- **Blame accomplishes nothing.**
- We need a new level of interdependence in 2011. We are responsible for our business areas, but we are also responsible to each other and to this Company. **The same values drive all of us: Dignity , respect, and an unshakable devotion to the Brink's legacy.**
- We need to work together; we have to work smart; we cannot underestimate the competition; and we must make sure we are providing what the market values at all times.
- **We have to find the right balance between short-term gains and long-term investments.**
- Some long-term investments we've made include Brink's University, and the Training programs that continue to emerge and evolve. We are training our people to do their jobs better than our competitors and equipping them with the knowledge, as well as the equipment, they need to lead the marketplace.
- Product Development and Innovation is another long-term investment. The work Jim Poteet's group is doing doesn't happen overnight, but can require long cycles to develop, pilot and deliver new solutions to our customers.

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- These are the long-term investments that we know will pay off over time.
- Short-term gains are what we need right now. Wins right now, in the short-term, are what make the long-term investments possible; and without short-term successes, we're in trouble.
- I am tired of our results not being what we need them to be, and I'm sure you are, too.
- At Brink's we do not hang our heads when the market hands us a challenge. We stiffen our resolve and take longer strides.
- This meeting is in strong support of our first Path to 2015 Strategic Imperative: People Development. Getting together in a venue like this one is crucial to moving this Company forward. Today and tomorrow we will share our concerns, and our ideas for meeting the challenges of this economy head on and moving the needle decidedly forward.
- More than anything, teamwork is the single most important aspect with the potential to affect success.
- We have to continue to develop our teams. Continuous learning and continuous improvement are a must, because the knowledge we had yesterday may not be enough to get us to tomorrow.
- Leadership will drive and create the vision necessary to direct your teams to the summit, and it is the people on your teams who can ensure everyone makes it to the top.

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- I'd like you to see a powerful story about teamwork, and what it takes, literally to get to the top.

**[Everest climb video plays here.]**

- Sacrifice. Commitment. Perseverance. Team members who step in when they are called upon to lead. The messages in that story that have parallels in business are as true and poignant as they are numerous.

### 3

#### [THE BRINK'S WORLD]

- Let's look at the Brink's World. Our global coverage is impressive, and our reach is increasing.
- Our overall financial outlook has improved, and our stock has been on the rise during the past 6 months. There are three primary factors driving that:
  - The market has improved 20 percent during the past 12 months.
  - There is the perception that the global economy is improving.
  - There is confidence on the part of the financial industry in the management of The Brink's Company.
- In Europe, no country is hitting its numbers and we are restructuring.
- Brink's Russia is a bank, and therefore is not permitted to lose money. So, if their operations run at a loss, the corporation must allocate the funds needed to return it to profitability.
- In the Middle East and Africa, growth will be slow, and we have to focus on ethics and integrity.
- For Asia Pacific, we are restructuring, and there lies our greatest market potential, particularly with China and India.
- LATAM has shown solid performance; they are focused on succession planning; and we are happy with the acquisition of SPP in Mexico.

### 3

- BGS has seen improved demand for its Diamond & Jewelry services, but because of such troubled industries as big pharma in the U.S., we need to rebound.
- Regarding adjacencies:
  - We acquired ePago, which is part of LATAM and which is expected to produce approximately \$40M during 2011.
  - We acquired ICD Security Solutions in the Asia Pacific Region. ICD earned \$20M in revenue during 2010, and they have secured new business that we expect to position them for 50% revenue growth during 2011.
  - We purchased Threshold Financial Technologies for \$50M at the close of 2010, and we expect Threshold's 2011 revenues to be around \$50M.
- At BCO, the attitude of our holding Company is changing, as we move from a pure play CIT Company to a Company managing companies with more diverse interests.
- Think about it. From 1859 to 2007 we were an Operations-driven Company. Beginning in 2008 we began to transform ourselves into a Solutions-driven Company.
- Here in North America, we are embracing this culture change and moving the needle in the right direction.
- So far this year we're making marked progress on our Four Strategic Imperatives: People Development, Core Business Maximization, Solutions Delivery, and Long-Term Growth Investment.

**3**

- I have to tell you, I can't hear enough about our Four Strategic Imperatives. Everything we do comes back to those Imperatives and our Path to 2015 objectives. They keep us focused; they keep us centered; and they help us keep our eye on the prize.

# 4

## [CHANGE AND DECISION MAKING]

- **You will see a great deal of change this year.** More than last year. I need you to be ready for it, to embrace it, and be ready for the next change that will come after that.
- These will be sweeping changes in the way we do business, changes that will challenge our ability to ride the tide.
- The changes to our hiring process; Brink's University and our new training programs and training centers; a new Sales organization; the PeopleSoft upgrade; the Revenue Management Project; our move to Oracle; Process Improvement and other changes to the way we operate.
- We change because we must, and because we can, because that's what it will take to ride the tide of this new economy, and the economies that will come after this one.
- Change is all around us. It will not go away. We had better embrace it, and be prepared to shape it.
- We must stay focused. The pace of business and the pace of change in the economies around the world are speeding up. They will not be slowing down.
- To stay relevant and to remain on top we will have to think and act faster than our competitors.
- Move quickly through the steps of a typical decision:
  - Identify the purpose of your decision.



## 4

- Do your research and gather information.
  - Identify the judgment criteria the solution should meet.
  - Brainstorm and list different possible choices for solutions.
  - Evaluate each choice in terms of its consequences, and determine the best alternative.
  - Put the decision into action.
  - Then gather metrics and evaluate the outcome. What lessons can be learned? What are the short-term impacts?
- You don't have to wait until everything is in place. Sometimes having 80 percent of the information on hand is enough to make a decision.
  - When you can, make decisions face-to-face. Email is terrific, but studies have shown it can often isolate decision makers and slow results of a decision making process.
  - Use this meeting to get together with others to work through decisions you need to make. Share information, break down the silos, and speak candidly with one another about what needs to be done.
  - We will spend a great deal of time talking about solutions during this meeting. That time will be well spent.
  - The intellectual capital here this morning is staggering. There are also strong personalities here who do not hesitate to speak up, even in a room like this one.

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- I need to hear from everyone. **Do not be afraid to speak up.** All of you have something to contribute, and I am asking for your contributions.
- **All the solutions we need to the problems we are facing as a Company are here in this room.**

**[GREAT IDEAS ARE EVERYWHERE]**

- **Great ideas are as close as your employees.** They need to be encouraged to share their Process Improvement ideas, and you are the leaders who can encourage them.
- Most people want to contribute to the company they work for, and everyone wants to be part of a company's success story.
- Innovation is not just top down; it's also bottom up. The people with their feet on the street have ideas about better ways to move customer valuables. The people handling the money see ways to handle it better.
- Every employee at every Brink's branch has the opportunity to be part of our success, so encourage your employees to let us know about a better way.
- Not everyone has the courage to speak up. Not everyone will stand up in front of everyone at a speak out and share their ideas in front of the entire branch. They need you to let them know they have a voice, and that you are listening, because the next great Brink's idea may be on the tip of their tongue right now.
- No company can stay the same and survive. Ongoing incremental improvement is essential for Brink's to grow, evolve and keep moving in the right direction.
- **Many of our employees have ideas for new solutions and continual improvement, and we need to make sure those ideas are being heard.**

## 6

### [SECURITY IS PARAMOUNT]

- At Brink's we often concentrate on physical security, and making sure we put the procedures in place, purchase the right equipment and promote the right behaviors on the part of employees to make sure everyone comes home at night.
- Our customers expect this from us. It is part of our value proposition, and customers count on this Company to keep safe the valuables they entrust to us.
- There is another threat to security we all need to be mindful of: cybersecurity or information security.
- Here are some of the predictions for the remainder of 2011 that have the potential to impact Brink's:
  - **Malware creation**. That's viruses and Trojan horses, being created at an even faster rate. IT spends a great deal of time preventing intrusions into our network. Help them out. Don't visit more websites than you need to, and don't click on links in emails from people you don't know. If you have questions about an email, call the Service Desk; and it's a good idea to update your virus protection regularly and scan for threats once a week.
  - **Social media**: Cyber-criminals have found social media sites to be a perfect working environment, as users are even more trusting with these than with other types of tools like email. Don't talk about **any** aspect of your job with Brink's on **any** kind of social media.

- **BlackHat SEO attacks**. That's the indexing and positioning of fake websites in search engines that take advantage of hot topics to reach as many users as possible. These sites feature malware disguised as plug-ins, media players and similar applications. If you or members of your teams need plugins, let IT install them for you.
- **Windows 7** is influencing malware development: The newest operating system is the newest breeding ground for malware threats.
- **There will be new attacks on mobile phones**, and the threats for Android are expected to increase considerably throughout the year, becoming the number one mobile target for cyber-crooks. Don't open emails from people you don't know or click suspect links in emails you receive on your smartphones.
- **Tablets**. The dominance of the iPad is being challenged by other competitors entering the market, and tablet PCs are fast becoming a major consideration for cyber-criminals in 2011. I've seen some iPads here at Brink's, so if you are using one be mindful of potential threats.
- **HTML5**, the new language for the Web, can be run by browsers without plug-ins, providing another way for hackers to exploit security holes to attack users regardless of which browser they use. Make sure you run any security patches you receive from IT as soon as you receive them, and restart your computer afterward. IT works hard to keep our network safe.

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- We also have to watch out for highly dynamic and encrypted threats designed to connect to a server and update themselves before security companies can detect them.
- Here's something many of you, except Rob Trotter of course, probably didn't know:
- In 2006 the global profits from Internet fraud and security breaches surpassed the profits from the worldwide illegal drug trade. That was back in 2006.
- It's not enough to protect our people and our customers' valuables. We also have to protect our information, as well as information from our customers.
- Every month we process more than 1 million emails in the U.S., and every month there are more than 7 million attacks against our network.
- We have to stay current and sharp, not just to stay relevant, but to adequately protect ourselves against evolving electronic threats. Our customers are counting on us to keep our data, and their information, safe from criminals.
- **If we don't stay sharp, we're no longer relevant and our customers don't need us. We need our customers to need us.**

**[2011 BEHAVIORS]**

- There are some key behaviors that will assist us in creating success this year. As you work toward our goals, keep these principles in mind.
- **Accountability.** We are accountable for what we do, as well as for what we do not do. There are no mundane items, no unimportant tasks. Everything we do is a demonstration of our commitment to the job at hand, and a testament to our ability to keep the promises we make. We do it because we said we would.
- **Consequences.** Discussing consequences is not about fear. Consequences are a reminder about what can happen when we don't do what we know will make us successful. We have to spend our intellectual and financial capital on the right things, and we have to make the right moves every day.
- **Meet deadlines.** This goes hand in hand with accountability. Taking your job seriously and personally means following through on your commitments without exception.
- **Teamwork.** I can't overemphasize teamwork. Silos have no place in a modern organization. We have to work together at all times.
- **Respect.** We must do the best job we can for the customers we serve, and treat each other with unceasing, uncompromising respect while we do it.
- **Simplification.** Do not make the process, the project, the problem, or the solution more complicated than it needs to be.

## 7

- **Monitoring results and meeting plan.** We succeed or we fail based on our financial results. Although in 2010 we did not do what we needed to do, in 2011 we are capitalizing on the momentum we created to drive the performance that has always been a hallmark of Brink's.
- **Commitment.** As leaders in difficult times, we have to elevate our level of commitment. At the same time, we have to lead a balanced life and successfully manage to deal with the pressures of working in recessionary times.
- I don't need to tell you this is not always an easy task. There are times when my life is not balanced, but we need to find that balance to be the best version of ourselves we can be for this Company, as well as for the other people in our lives.
- We're past theory. This is about **working** and **being** smart, strategic, practical, tactical, innovative, and doing everything we need to do to meet the needs of the marketplace.



## [MCDONALD'S AND SUBWAY]

- On Monday, March 7, McDonald's, once the largest QSR in the world, handed its crown to Subway, which had 33,749 restaurants worldwide at the end of 2010. They accomplished this by creating the perception that their sandwiches are healthier than McDonald's food offerings. They also introduced the \$5 footlong, and they've sold a lot of those.
- There's more to the story than sheer number of locations and a lower price point.
- McDonald's is still the industry's revenue champion, and part of the company's strategy is that they are still growing, but that they are growing smart, and that they are concentrating on getting better, rather than getting bigger.
- It's working. McDonald's reported \$24 billion in revenue for its last fiscal year, compared to Subway's estimated \$15.2 billion. But you better believe McDonald's is keeping a close watch on Subway.
- We need to ensure our pricing strategies are aligned with our Operations strategies, because you cannot have a high-cost Operations model selling a low-value return.
- We are not the least expensive armored carrier, but we are the best at what we do, and we need to keep improving to stay that way.
- Today Tom Kane is going to talk with you about companies that have reinvented themselves, and this afternoon and tomorrow we will address some critical questions about where we're going, as well as generate ideas for specific strategies and tactics for the coming months.

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- We're going to address some decisive questions: Who do we want to be? What is our game changer? We will have a robust discussion and develop definitive answers to these key questions.

**[YEAR-TO-DATE RESULTS]**

- I want to address our year-to-date results. Overall, they are not the results we need them to be.
- Dori is going to give you a complete picture of our results so far this year, and when she's done it will be clear to everyone we have some ground to make up.
- I'll tell you this: We are doing a course correction, and doing what we've always done will not get us to where we need to be.
- Dori's also going to talk about some low-hanging fruit that we can harvest to improve our results. **We need to make that harvest now.**
- **We need a new standard for data accuracy and we need it from everyone in the Company who inputs data.**
- This is the information we use to talk with our customers, and it has a **tremendous** effect on our profitability.
- From employees driving routes to Money Processing branch managers entering data from runs, **every piece of data has to be spot on.**
- A key piece of our data is forecasting. We have to be able to forecast near-term (1-3 months) results accurately, for our shareholders and for effective ongoing operations.

## 9

- Successful forecasting of budgets, sales, and all other numbers that affect our margins and profitability means you understand your part of the business, that you have the right KPIs and metrics in place, and that you are effectively managing your area of responsibility.
- We need accurate numbers, and so does the financial sector, which considers reliable data an important indicator of our financial intelligence. If we miscalculate our projections we can lose credibility, and our stock price can suffer.
- **The revenue is in the details.**
- We need short-term wins; we need accurate forecasting; and we need the right behavior in place so that our efficiencies improve to the point that there is no low-hanging fruit or obvious ways to improve.
- Dori is going to ask for changes in behavior. **We will make the changes she advocates and we will make them now.**

**[DRIVE FOR RESULTS]**

- 2010 was a foundational year. We put the people and the structures in place.
- We have set the stage, and now it is time to deliver.
- The time to Drive for Results is now.

**[Drive for Results video plays here.]**

- In 2011 we will move the needle far. We will succeed in 2011 **because we said we would.**
- **We are not here to be victims. We are here to meet the challenges that have been placed before us by this economy, and by this marketplace.**
- **We are not measured in the good times.** We are measured in times of adversity, and the history of Brink's will note the actions we take today, tomorrow, and the day after.
- We have an opportunity to do better than we have done before. **We will not let this opportunity pass us by.**
- We all need to drive for results in every single one of our jobs for this Company.
- There's not one person or one group of people responsible for the results in our 2011 plan.
- **We are ALL responsible for Brink's results, so we need to create the right results in everything we do. Make no mistake; this is the year that we drive for results.**