



Supply Chain Operations & Technologies
 Supply Chain Vendor Compliance
 Fraud Detection & Reduction
 Good Governance
 Turnaround Help

Since January 1996

In the December 12, 2011 issue of *Information Week* magazine, Editor Rob Preston wrote a rather scathing article about the waste from the proposed merger between AT&T and T-Mobile. Mr. Preston calls the acquisition attempt "...a microcosm of this country's economic atrophy: billions of dollars set aside and countless hours of work consumed to pander to regulators and special interests rather than create anything of value."

On December 20, 2011 I read in my local newspaper that the AT&T/T-Mobile merger was dropped by AT&T who will take a pretax charge of \$4B for the breakup fee. One could argue that, as part of the merger process, people were employed and paid for their work which therefore helps the economy, but Mr. Preston's point is clear and well-taken: imagine how much value could have been achieved for the \$4B plus all the money paid out in salaries, expenses, and fees.

What surprises me, as noted by Mr. Preston, is how AT&T could not have known that federal regulators – the Department of Justice and the Federal Communications Commission – would have a problem with the deal. For all the expertise and resources at its command and history as a guide, it seems that someone should have anticipated the regulator resistance and either recommended scuttling the deal at the start or submitting a modified merger plan that would pass federal regulator scrutiny. I don't know anything about the process of submitting mergers to federal regulators but couldn't someone at AT&T have simply asked federal regulators for an opinion first before embarking on this nearly one-year long and expensive journey? (If the answer is "no" then federal regulators need to update their procedures and permit a discovery process.)

This news story has reminded me of a saying (that I'm paraphrasing) that seems to be the mantra of some organizations: Why ask for permission when you can ask for forgiveness?

Charging ahead without due diligence, without team consensus, without effective communications, without holistic perspective, without alternate insight, and with pride and politics in place is a sure-fire recipe for destruction and damage to an organization. Money is wasted, time is fretted away, valuable opportunities are lost, and competition gains footholds. The effective leadership of senior management is needed to set the tone of the organization – a.k.a. the Control Environment for those of you Sarbanes-Oxley COSO compliance framework fans out there – and create an atmosphere that recognizes haste makes waste but without suffering paralysis by analysis. This delicate balance is very achievable but I often find out-of-reach from organizations mired in the same tired acceptance of their status quo.

In my experience it takes fewer resources to make good decisions than to recover from bad decisions. Connecting the disconnected dots up front is far more efficient and effective than dropping the ball time and time again.

Thanks.

Norman Katz, CFE, CFS
 Katzscan Inc.



Visit our web sites:

<http://www.katzscan.com/>

<http://www.supplychainfraud.com/>

<http://www.vendorcompliance.info/>

<http://www.turnaroundhelp.com/>

<http://www.supplychainsox.com/>

**Do you know of a company
 - maybe your own -
 suffering from
 disconnected dots?**

Find out!

www.disconnecteddots.com

Let's link!

www.linkedin.com/in/katzscan

**Follow Katzscan on
 Twitter!**

<http://twitter.com/katzscan>

Katzscan is on Facebook!

<http://www.facebook.com/katzscan>