

**15.394**

**Designing and Leading the  
Entrepreneurial Organization**



**MIT Sloan School of Management**

# Cypress Semiconductor



- ❖ Evaluate Cypress's performance. What are their strengths and weaknesses?
- ❖ How well is Cypress managing innovation?
- ❖ How is the culture at Cypress being developed and maintained?
- ❖ At the end of the case (1994), what problems or issues would you raise with Rodgers? What are your recommendations?

# **Cypress Mission Statement**



***“Cypress is smart, tough people who work hard, thrive on competition, demand victory, and will not tolerate defeat. We exist to invent, make, and sell the world’s best semiconductor products.”***

# Cypress: Core Values



- ❖ Cypress is about winning
- ❖ Cypress people are “only the best”
- ❖ We do what’s right for Cypress
- ❖ We make our numbers
- ❖ We invent and make state-of-the-art products

# Cypress Semiconductor



***“To win, people need clear and quantifiable goals, the resources to achieve these goals, and confidence that their goals matter to the larger corporate purpose.”***

T.J. Rodgers

**Do you agree with this? Why or why not?**



***What are the strengths and weaknesses of Cypress's policies and practices?***

# Cypress Semiconductor (B)



- ❖ By 1997, Rodgers had done away with the “killer software” and made use of the goals system voluntary (~1/2 Cypress managers use it).
- ❖ Rodgers acknowledged that HR had a critical role to play and hired seasoned professionals to help enhance individual development.
- ❖ In September, Cypress stock reached 24, a fourfold increase since April.

# Cypress Semiconductor



*“Most companies don’t fail for a lack of talent or strategic vision. They fail for lack of execution -- the routine blocking and tackling that great companies consistently do well and always strive to do better.”*

T. J. Rodgers  
CEO  
Cypress Semiconductor