

PART ONE. QUESTIONS 1 to 12.

F: Good morning everyone and welcome. Thanks for coming. My name is Jane Watson and I look forward to meeting you all personally. Some of you are here just for today, others, I know, will be attending for all three days. I'm just going to say a few words on behalf of my company who have organised this event, Global Conferences plc. As you know today's seminar is The Business Master Class to be conducted by our distinguished guest who I will introduce in a moment. But first a few quick points of organisation which perhaps you'd like to note. All the sessions will take place in this hotel except for the last session on Tomorrow's Software, which will be at the New City Hotel. We will meet there at 2pm and this will give us a chance to see in action some of the things we have been discussing. A map with directions to the New City Hotel is available from me if you wish to make your own way. Alternatively there will be a bus going there at 1.30pm. There is limited car parking at the New City Hotel so if you wish to drive there you will need a permit. You can get one from the conference office.

Now to the reason we are all here. We are very fortunate to have a seminar today led by Dr Martin Sangalli, one of the most prominent and well-respected commentators in the world business community. He has been asked to advise many large corporations. He is a specialist in the strategic use of information technology in banking, pharmaceuticals and retail. He has his own company called Logic Solutions which consults with some of the biggest names in the world of

business. He is also an adviser to Intertel and a non-executive director of Global Conferences.

Thousands of business and technology managers have benefited from reading his best-selling book, Intelligent Change. Always inspiring and thought-provoking, his ideas have helped hundreds of organisations to gain a glimpse of the future. He is Europe's most famous IT Analyst. Dr Sangalli – welcome.

M: Thank you Jane for that flattering introduction. I hope I can live up to it. So to begin. There are two main difficulties facing all corporations today. Firstly, how to make themselves more customer-driven. Secondly, and as a result of that, is the question of how to go about the major task of developing and implementing new organisational structures. This is a senior management session and is designed to provide you with two things. I hope that by the end of the session you will be equipped to design your own framework for action. To help you do this you will also be able to take away documentation of real-life case studies that I have been involved in. So, if you would like to look at the screen...

PART TWO. QUESTIONS 13 TO 22.

M: Of course, I was looking forward to it. I mean, it meant seeing the results of quite a lengthy process to find the right person, which I myself had invested quite a lot of time in. It's a demanding post, with a lot of responsibility. I think the potential we thought we'd spotted is being realised, and that she's going to deliver the sort of new initiatives we hoped for. She's already got the team adapting to her approach. But I did feel a bit stupid in the meeting,

sitting there without the right figures. I just can't believe I didn't pick up the chart. I could still see it, sitting on my desk.

F: Well, the whole thing was a serious challenge, and if I'm honest I didn't really feel up to it in the first place. It wasn't a good time to be going away from the office, and I certainly didn't feel happy, being asked to present pretty different ideas at this stage of the game. I completely understand that the last thing they wanted was to have someone dropping in from above, as it were, and saying, oh, well, we've decided to change the rules, etcetera. They'd been applying the system as it was in good faith. And then I was just so tired. What with the wedding celebration going on in the hotel, I definitely didn't get enough rest, and that left me disorientated and so I under performed.

M: I wasn't happy to be going out there when there was so much that had to be dealt with, just left there on my desk. My secretary's extremely good, but she can't do the impossible, obviously. But it was clearly crucial to get some kind of idea of what it looked like, whether we were on to the right kind of thing. Getting the right location and space is vital. I'm more or less convinced that this is right for what we want. It will attract customers. The trouble is, I had out-of-date architect's plans with me, so I kept getting confused about the dimensions. But the hotel staff were really helpful when we were trying to get the up-to-date stuff faxed through.

F: It's the first time I've been over there since we decided to go ahead with the expansion and I must say I was impressed with the number of really good candidates there were. It really is a good region, in terms of being able to attract and recruit the right people and I'm confident we chose the right people. I wish the same thing was true for the other branches. What I just can't believe is that I managed to set such a bad example by arriving a whole hour after we should have started. I felt like a real fool, going on about heavy traffic, when I'd never accept that kind of excuse myself!

M: They said it was all different, and they certainly weren't wrong! I could hardly believe some of it! It's definitely eye-opening to see what policy can mean in reality. But the way they're applying it, I mean the actual techniques, really is impressive. I didn't say anything, of course, just took my notes, and I will be drawing up my report as soon as I can. I'll definitely be recommending that some of their ways of going about things get applied in the other branches. It was confusing at the same time, I have to admit. They were showing me all these graphs, different models of analysis, and I couldn't really follow that way of presenting the data. And then that guy's accent! Great hotel, though.

PART THREE. QUESTIONS 23 TO 30.

F: Good morning, nice to meet you. Do sit down.

M: Thank you.

F: Now you're Human Resources Manager of Jenkins, aren't you? Give me some background on the company – so I get a general picture.

M: Stephen Jenkins founded the company nearly thirty years ago, and named it after himself, and he ran it for a long time. Last year one of our competitors proposed combining, with the idea that separately the two companies were too small to survive. They were probably right, but anyway Stephen turned down the offer. Then, because he was getting on, he handed over the day-to-day running to his daughter, Catherine, while retaining full control himself.

F: And you make children's clothes, don't you? Aren't there problems in the sector?

M: Well, we mostly sell to retail chains, which sell them under their own brand labels. Things aren't as easy as they were, what with cheap imports, and the more expensive children's boutiques making inroads at the top end of the market. But we position ourselves in the middle range, so we're not too badly affected. We're under increasing pressure to cut our profit margins, though, because of growing competition between high street retailers.

F: What would you say is the company's strength?

M: It certainly helps that we supply those large retailers I mentioned, and in fact some of them have been customers for years. I suppose, though, that we wouldn't have survived this long if it wasn't that we don't send anything out unless it meets very exacting standards. Our customers appreciate that, plus the fact that we aim to keep the time from order to delivery very short, and they're prepared to pay a premium for it.

F: What about weaknesses?

M: Well, we've got a poor record in providing training on the machines we're currently using. And I have to say that Stephen used to run the company in a very old-fashioned, autocratic way, which alienated a lot of the workers. Despite Catherine's more enlightened approach, it's an uphill struggle to try to change attitudes and improve co-operation.

F: Never an easy task!

M: No.

F: You mentioned on the phone that there's a problem with a particular group of workers.

M: Yes, there's very high turnover among the machinists, that's the people who actually make the clothes. They say they're faced with unreasonable demands all the time, like having to learn to operate several machines instead of just one or two. Many of them think they could get an easier job for the money, because there are plenty of other jobs on offer locally. The reasonably healthy state of our order books gives them a certain amount of job

security, but they just don't seem to care.

F: How's their work organised?

M: We've changed to a 'sectionalised flow' approach, which means the machinists work in teams. Rather than each machinist being assigned a complete item of clothing, the work is divided into batches involving various operations, each of them undertaken by one machinist. As that person finishes, the work is passed on to the machinist responsible for the next stage.

F: Has that had any impact on what you produce?

M: Yes, it's enabled Catherine to introduce a policy of rapid diversification of the product range, so the number of itemised clothes has leapt. That's the total number of different styles, in all the different sizes. And that's reduced batch sizes: long runs on an item are a thing of the past. At least half the styles used to be carried through from one year to the next, but now only a quarter are, so as you can see, it's had quite an impact on the rate of change.

F: What's the effect on the machinists?

M: That policy was part of a raft of changes, one of which is that the machinists are now paid on a piecework basis, rather than at an hourly rate. They're furious about that, though to be fair, the rate that's paid for learning to use a new machine has been calculated so as to make sure that no-one loses out in the short term. And they're also aggrieved because so much is new, and far more batches of work fail quality inspections and have to be redone.

F: Now tell me something about training...