



M. J. ALDRICH

PRESS CUTTINGS

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# INSIDE MANAGEMENT

## Aldrich's BET Buyout

**'When people say something can't be done, I start to get interested': Aldrich of ROCC Computers has already perfected a signature verification system**

'I'm not a technical man, not an engineer,' claims MIKE ALDRICH, the jovial chief executive of ROCC Computers. 'I just spend my time drinking coffee and smoking cigars. But when something comes up that people say can't be done, I start to get interested.' The latest – decidedly technical – result of this response to the seemingly impossible challenge is his signature verification system: the first in the world, now patented internationally, but biding its time. That, thinks Aldrich, will be in about five years, when 'fraud losses get out of sight', and such devices as credit card holograms ('easy to counterfeit') or 'eyeball measurement' (a recent unlikely suggestion) are proved wanting.

But the time has already come, he believes, for his major invention and ROCC's main line – private videotex systems, which link customers directly to suppliers through a network of mini-computers, telecommunications and colour television sets ('half the price of computer terminals', and very much easier to use). And the time has certainly come for the company itself to show new strength.

In its previous incarnation as Rediffusion Computers, ROCC was a lusty but somewhat anomalous subsidiary within the Rediffusion group. It emerged with new name and independent status last November, when Aldrich and his fellow managers, backed by Charterhouse Development Capital, bought the company from

British Electric Traction (which had taken over Rediffusion in 1983). The deal followed a year's anxiety: 'I was getting quite ratty,' Aldrich now says cheerily. Having sold off Rediffusion's TV rental side (to Granada) and the cable interest (to the ubiquitous ROBERT MAXWELL), BET was clearly considering selling the computer company – or was it? And if so, to whom? 'Until one hour before the actual sale,' Aldrich recalls, 'we didn't know whether our own offer was being considered or not.'

It was this uncertainty as to the company's future ownership, he suggests, that was partly responsible for its losses of £844,000 in the first half of the financial year 1984–85. Be that as it may, now that the uncertainty has lifted, what else will change, if the company is to achieve its aim – 'between 12% and 20% return on assets? Well, says Aldrich, the 'first thing about being your own bosses is that you make your own policies – whatever makes most sense in optimizing the business. In the past, for example, we had to hand over cash according to the cyclical demands of the parent company. Now we're free to invest where it's needed.' Another thing, he points out, is that managers now have a third as much time again for sheer thinking: 'It improves the quality of our decisions, the organization behind them.'

These changes apart, Aldrich's management emphasis remains much the same, and his faith in videotex undimmed. By 1989, he says, the annual market in Western Europe alone will be worth \$2.78 billion. If a certain confusion surrounds the notion of private videotex it is because it is equated with the public system, Prestel: 'The trouble with Prestel was that it was pitched at domestic users. We used the same technology, but to provide customers with a competitive weapon'. Ironically, one of ROCC's 500 customers is none other than British Telecom, operator of the Prestel system (and, happily for Aldrich with his love of Cuban cigars, the Russians have bought a £10 million network for the Siberian gas pipeline).

The other confusion to be cleared up concerns the company's new name. 'Rediffusion's Original Computer Company' is one suggestion; for some, 'Return on Charterhouse Capital' sounds more positive.

## Definitely not, Minister

**New copyright rules could take the fun from management training, complains Video Arts chairman Antony Jay**

'Managers don't read,' says ANTONY JAY brusquely, pointing to an egregious factual mistake still uncorrected in the 10th edition of one of the most famous management handbooks of all time – 'if anyone had read the thing, it would surely have been put right by now'. Depressing for the author of two decent books on management himself? Yes: but the very opposite for the chairman of Video Arts, whose business is thriving on just this managerial resistance to the written word.

Video Arts makes training films. But not the kind that gave training films a bad name. Video Arts' offerings have titles like *Who Sold You This, Then?*, *Meetings*, *Bloody Meetings* and *The Unorganised Manager*. They star the classic out-of-control manager himself, VA co-founder and director JOHN CLEESE (the glorious *Fawlty Towers* TV series, complete with main actors, actually evolved from a Video Arts training film), along with a roll-call of British comic talent: PENELOPE KEITH, ANDREW SACHS, RIK MAYALL, RONNIE CORBETT and ROWAN ATKINSON, among others. They also use the best scriptwriters and directors: Jay himself co-wrote *Yes, Minister*, and CHARLES CRICHTON, who directed a recent 25-minute, £50,000 addition to the catalogue, made *The Lavender Hill Mob*, one of the best of the Ealing comedies, back in 1951.

There's an obvious and serious point to the knockabout: people remember it and the lessons it is designed to support. But it's a fine line to tread. More than in 'ordinary' comedy, the situations and characters must be real enough for audience identification, otherwise the training effect won't happen. The unorganized manager, for instance, is the suppressed and dreaded *alter ego* that dwells under the skin of even the most efficient top executive, and when John Cleese demonstrates how not to 14 ▶

### Independence:

*Now the real challenge is to turn this management buyout from Rediffusion's Original Computer Company into a Return on Charterhouse Capital*



*Aldrich: attracted by the impossible*

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## REPORT

# ROCC's <sup>4526</sup> new push into videotex

British Electric Traction's former Rediffusion Computers subsidiary — taken over by a management buy-out last November — has released its first product under the new team headed by industry commentator Mike Aldrich.



Aldrich: sights on sales and marketing

The company, now trading under the name of ROCC Computers, has come up with a new videotex system, the R2840, which it aims to sell hard into the sales and marketing fields from this month. A 48-port model running ROCC's own Videotex Operating System, software, 33MB hard disc and tape costs a hefty £65,000.

In the UK, says ROCC, videotex — the generic term for any electronic system that makes computer-based information available via VDUs — is mainly used for marketing and selling, and in hospitals and training. The UK market for private videotex systems, worth around £12 million last year, is forecast by ROCC to grow to around £50 million by 1990.

Up to nine different processors inside the system control their own brand of application. For example, a communications processor helps to transfer information from the R2840 to IBM and ICL machines, while another processor controls the sending and receiving of messages over the telex network.