

M J ALDRICH
PRESS CUTTINGS
JUNE 1997

Extract from
Brighton Evening Argus - E. Sussex

1997

Me...



& my money

EACH week we invite a prominent figure from the Sussex business community to tell us something about themselves, their career and how they look after their finances. This week our guest is **MIKE ALDRICH**, chairman and chief executive of ROCC Computers, based in Brighton and Crawley.

What was your first job?

Filling shelves in a green-grocer's shop.

How much were you paid?

£8 per week.

What might you have been?

Journalist.

What has been your best investment?

ROCC Computers Ltd.

And the worst?

Old cars.

How many mouths do you have to feed at home?

15 and a horse.

What sort of a house do you live in?

saving scheme you would especially recommend?

Buy a house, insure yourself, stay with mainstream products - TESSA, PEP etc.

Or warn against?

Smart Alec schemes.

How would you invest a lottery jackpot?

Would give most of it away to deserving causes.

What makes you angry?

People being cheated out of their pensions and security.

Your biggest regret?

That I don't have

What financial advice would you give to a son or daughter leaving home?

Talk to your parents before making big financial commitments.

What tips would you give to a school-leaver wanting to follow in your career footsteps?

Marry young, have a big family and work your socks off to feed them.

What was the best advice you have ever been offered, and did you take it?

Always do your personal accounts every Saturday morning.

Where would you go for financial advice?

To someone who wasn't selling something.

Is there any particular type of investment or

Greatest achievement so far?

Being a grandfather.

Have you any remaining ambitions?

Being a great-grandfather.

Do you have a price limit for a restaurant meal?

Depends on who is paying.

And the bottom line...From your own experience, have you any personal financial advice for Business Extra readers?

Being financially successful is about taking opportunities as they come and avoiding silly mistakes. All you need is common sense. Being happy is about making and keeping relationships - and that is much more difficult.

"Marry young, have a big family and work your socks off to feed them"

Mike Aldrich, head of ROCC Computers

Work process improvement

MICHAEL MARTIN ALDRICH, chairman of ROCC computers, discusses both the relationship and distinction between work process improvement and business process re-engineering, and their link with the impact on companies of technological change.

Most sensible managers are wary of new management fads, particularly when intensively promoted. "Business process re-engineering", which has been described as the radical redesign of business processes and their operation by cross-functional teams is on one level a concept whose time has arrived. On another level it is an advertising slogan allowing some elements of the IT and consultancy industries to promote ill-conceived attempts at organisational change.

As commentator and thinker Peter Drucker remarked, "Look, re-engineering is new because we didn't have it as a concept before." His argument - that only when something is established as a systematic discipline or organisable process does it really have an impact - is an interesting example of cultural attitudes.

Drucker distinguishes between two types of re-engineering: the redesign of sub-processes, and the reconfiguration of entire processes which alter the strategic and competitive rules in an industrial or commercial sector. The use of the word "re-engineering", however, is unhelpful in that it implies a disciplined, mechanistic approach to work processes. The reality is that working with people is the key to both redesigning sub-processes and reconfiguring for strategic advantage. Human

behaviour, not engineering, lies at the core of business process re-engineering.

The redesign of sub-processes is better described as "work process improvement". Its origins lie in the areas of "organisation and methods" and "operational research", developed during and after the Second World War. They concerned themselves with management theories, senior/subordinate relationships, hierarchical reporting structures, and labour relations, as well as the encouragement of science based innovation and the development of more empathetic attitudes towards change.

Nowadays, work process improvement takes place within new organisations which place much emphasis on quality, productivity, innovation, empowerment of working people, teamworking, flat structures, multiple skills and cross-disciplinary working.

Many of these organisations have taken factory language and applied it to white-collar office process. They talk of "baseline metrics" where task performance is defined at a micro-level; "case workers and production processes" where previously specialised or professional work has been de-skilled and automated into production processes; "business drivers", meaning critical success factors, and "continuous improvement", meaning ever-reducing cost per outcome.

"...work process improvement takes place within new organisations which place much emphasis on quality, productivity, innovation, empowerment of working people, teamworking, flat structures..."

.....
"...a formidable array of new technologies and techniques in electronic imaging has come onto the market, delivering economic benefits and potential business improvements..."
.....

White collar work is being automated today in a revolution as far-reaching as that of Henry Ford's factory production at the beginning of the 20th century, but less visible because there are no smoke stacks - merely continuous change.

"Work process improvement" is about iterative change - small steps that cumulatively achieve large benefits yet are controllable, manageable, measurable and likely to succeed. The term is being used increasingly for techniques which improve administration processes through the use of new office automation technologies to reduce the movement of paper within an organisation.

After a decade of hype, organisations are getting serious about working without using paper. Bearing in mind that paper has been used for record purposes for the last 2000 years, this is no small behavioural change; nor is it anything to do with green environments or improving working conditions. It is about business economics.

.....
The totally paperless office is not a cost effective proposition at this time but there are certain applications in the office that can be made paperless, either through electronic data interchange or through conversion of paper to electronic images at an early stage in the processing cycle. In recent years a formidable array of new technologies and techniques in electronic imaging has come onto the market, delivering economic benefits and potential business improvements through better quality and shorter process cycles. These innovations continue the theme of automation replacing the more routine and repetitive tasks prevalent in bulk administrative work.

Labour cost savings of 15% p.a. compound over three years are common with image processing and automated workflow. Organisations are setting up "new electronic mailrooms" where all incoming paper mail is opened, scanned, indexed, prioritised, routed, scheduled and tracked through the business. Metrics are applied for turnaround times and times to pass through competence zones and decision processes for each document. The new electronic mailrooms employ the most able people in the organisation.

Often technological innovations are the result of the convergence of existing technologies rather than the invention of new ones. A good example is in the financial services industry, where the merging of electronic imaging of forms through scanning and

the automatic data capture of information from the scanned forms by intelligent character recognition will revolutionise back office work processes.

Put simply, forms will be scanned at source. Forms processing departments will disappear. The scale of impact of this new technological innovation can be gauged by the fact that in the USA the data capture business is currently worth \$10 billion per annum and a large part of it will be rendered obsolete.

.....
Automatic forms processing is a process improvement, displacing manual forms processing. But there is obviously a boundary between work process improvement and business process re-engineering, even if it may sometimes be a little elusive. **How far do you go with work process improvement before it becomes business process re-engineering?**

Continuing the automated forms processing paradigm, if all financial institutions adopted document and forms scanning with appropriate indexing, they would significantly increase the accessibility of their stored information. At one level, that could help staff improve customer service and productivity.

At another level, an institution might want to give their customers access to their stored imaged information - for example, banks could provide electronic access to paid cheques so that customers could reconcile their cash more quickly. And at another level, banks could interchange images with other banks rather than interchanging paper documents. These kinds of changes could have strategic implications. Once information is held electronically in an organised and accessible form, innovative use follows quickly.

.....
Work process improvement is relatively straightforward. It begins with business analysis to gather facts and insights before formulating potential areas of improvements. The methods of analysis depend on how the particular organisation operates and behaves. The choice of people to carry out the analysis is also specific to each organisation, the sole requirement being that it is done competently within an appropriate framework of support.

.....
"...the merging of electronic imaging of forms through scanning and the automatic data capture of information from the scanned forms...will revolutionise back office work processes..."
.....

Finally, the identification and choice of strategies for work process improvement are intimately tied in with the characteristics of the individual organisation. Existing strategies, cultures and rules have to be considered, and people have to be involved and to be motivated to implement the changes successfully.

Thus while technology provides potential opportunities for work process improvement, these opportunities remain unrealisable until human resources organise to deliver the benefits. The technology is there to support the people, not vice versa. This is probably the secret of using technology successfully to improve work processes.

Strategic reconfiguration was and still is much more difficult, simply because it is not just a question of processes. It starts with a vision of why the business needs to change, where the business needs to go and how will it win in the new configuration and environments. Strategies, cultures, infrastructure and tools are equally important if not more so.

Human resources are of paramount importance. The development of these resources – to improve the quality of leadership, to create and sustain a common purpose that people can work towards, to build a culture of enterprise and opportunity, to grow by teaching and learning, to fashion ever-better working relationships and to bind people together through good communications – remains the supreme management challenge.

The battle today is to accomplish organisational change in harmony with technological innovation, and this is an area where senior managers, armed with inadequate evaluation and review processes, often struggle to maintain control. Business process re-engineering is about strategic reconfiguration – when one type of engineering company merges with another type, or when a catalogue company decides to use direct mail instead of agents.

BPR is driven from the boardroom whereas work process improvement is usually driven by line managers implementing efficiency, effectiveness and

.....
“The battle today is to accomplish organisational change in harmony with technological innovation, and this is an area where senior managers... often struggle to maintain control.”
.....

economic plans. Sadly, there have been cases of BPR being attempted by roving ad hoc bands of thirty-somethings appointed by senior managers to try to subvert middle managers felt to be change-resistant. BPR is sometimes translated as “boosting premature retirement”.

BPR has become an industry and with it have come methodologies, packaged solutions, numerous books and some case studies. There is much of interest and value in this work, but at the core is the challenge of “the vision thing” and change management which has been addressed in classical management works for most of the 20th century. The challenge is central to successful business development and every bit a “grand challenge” as some of the great scientific adventures.

The grand challenge for the business manager is to survive and prosper in an environment of global competition which is sustained by world class performance companies operating a free enterprise system. The pressure is such that work practices have to be under constant review and continuous change. In these markets you have to run very fast to stand still, and any lack of fitness is impossible to hide for very long.

Often it is difficult for people who have grown up in stop/go national economies with intermittent frenzied activity followed by frustrating slowdowns to adapt to globalisation where there is always somewhere to grow and to profit and where the performance pressure is always on. Continuous improvement is the name of the game.

BPR and WPI are tools to support continuous improvement, but the key management skill for success is welding people, resources, processes and technology together to meet the changing demands of world markets. Fads come and go, skill is more durable. ■

.....
“...while technology provides potential opportunities for work process improvement, these opportunities remain unrealisable until human resources organise to deliver the benefits.”
.....