



Introduction to Management GPC lecture 17.06.08

As Rhod just said, I work for the Department of Management Science and Innovation at this place and your introductory class, introducing you to not only just to management but also to UCL, is something that's um for a long time now, we in my Department have tried to sort of concentrate on and Rhod just made mention about all of the books and things and one of the things that we've always tried to do whether it's been in lectures or through books or through working with companies and organisations, erm, in the UK and elsewhere or through research projects or anything else like that, is to try and establish for us er some kind of knowledge and understanding as to why some companies and organisations work better than others and why some er fall by the wayside and the stuff we've done over the years er really one of the points that it arrives at is this thing about from management to leadership and that's why the talk is, has that as it's heading. It's a kind of summary about whatever used to happen in the past, perhaps that was right for those times whatever is right for now and whatever is right for the future has to be something that is different in those times erm and that hopefully over the course of the talk this afternoon we make some of those things clear. Um it starts, if you like, from the title of the department that I work for, the Management Science and Innovation Department, er but the practice of the management of companies and organisations erm has to change and has to become very much more expert. Part of that is to do with Science and a part of that is also to do with the management of scientific things and making things, making technology, making products and goods and services so much better than they ever were in the past and that there are examples that you can look at that show in companies and organisations that are well run and that are successful er and that are profitable that scientific kind of approach does indeed have a part to play. And the other part of which, is innovation, so much of practice in organisations and companies is about trying to do what is being done but better, part of that hypothesis certainly is that, for the future there has to be change, there has to be innovation, there has to be different ways of thinking and working about the ways in which companies and organisations operate and companies and organisations deliver their products and goods and services for the future. So that's the first part of the theme and the second part of the theme, I guess is right back to the mundane and the very very prosaic, erm I cant speak for the countries that you all come from obviously but in this country erm I was going to say since you've arrived, its not quite that bad, but certainly over the course of this year the cost of fuel and energy has gone up by about a half, by about 50 per cent, the cost of finance, the cost of money has gone up by about 20 per cent and it is very much harder to get hold of and all of that means that if for no other good reason er then you have to look at different ways of managing and directing and running companies and organisations because everything is getting so much more expensive and, if you like, that's the context in which I'll deliver these few opening remarks.

Right on the front of you notes, you have here a structure for the talk that I'm going to give, I've got the notes er pumped up and blown up. I'll put them up on screen as a kind of guide er for the talk this afternoon and hopefully you see where some of this stuff is coming from as the result as it says the first part of this is from management to leadership. The second part of this is to try and look at this and this is what people actually do and need to do in companies and organisations if they are to be successful. The third thing is about the leadership difference, comparing and contrasting those who do and the success that they can from time to time achieve with those that do not and the failure that is achieved and then the final part, the short part at the end, is about how you actually go about managing and developing this expertise for the future. Whoops its and I've got...it's got a moving bench this is an innovation er erm yeah, and I've brought some other papers along some examples from organisation and company practice across the world, one is indeed from North America, but otherwise the other two that I've brought for you to have a look at, one is from Brazil and one is from Bosnia Herzegovina, so as well as getting a talk from a Londoner you have some examples from different quarters of the world as examples er to build some of this stuff up. Right the other thing I should say before getting on is that if you have any questions at any stage do please put your hand up and ask away and I do my best to answer them to the best of my ability.

Right any immediate questions anybody? Right okay, well then over the page and on to the first sheet of notes, do take copies. Here you go, oh right you didn't get one either, it's alright neither did I. Right, ladies and gentlemen, er be making yourselves at home. There's another innovation lights work. Right if you can see that, well you can't really see that on the screen, that's better yes right okay all that this is, is a slightly larger er representation of the notes that have been handed around to you and which I'll use just as a guide to the talk. So you have these notes on the second page of your notes and all that this means that I have written down here is that I mean it's an English version of, apart from anything else as I said just now the reason why you have got to be prepared to do things differently in the management and ordering and leadership of organisations is that it is far too expensive to do things in whatever might have been the old ways and the second point here about replacing hierarchies of people – certainly one of the reasons why companies and organisations have had such numbers of people in management and administrative positions is because, there was no presumption that anyone in those positions was actually any good at anything except for their own narrow bit of the job. What this is about therefore is making sure you have far fewer people in managerial or leadership positions with a far greater level of expertise, if you

employ one person who is an expert who is going to things right for you it is much better to pay them a little bit more for that than to employ 20 or a 100 erm people who do not have that kind of clout and authority. So that's the first point I would make, the need to replace hierarchies and office structures with people who are trained and committed and who can deliver something else. The second part of this, as I've said just now, many managers are expert at specific aspects of there task but without that kind of authority erm that is, is needed to manage and lead and direct organisations. And I've put at the bottom there, it's because of the need for attention to the bit that people do not like. Again I cannot speak for the countries and from all the different and diverse parts of the world er that you yourselves come from but certainly in this country, if you ask somebody in authority to produce a set of calculations or a design or a specification for a new car or something like that, they can do it with no trouble at all. If you ask them to face a group of people such as yourselves, they will do anything but do that . They will say "No No I'm too busy! No I couldn't possibly do that! Ooh I'm shy. I'm frightened." Erm there is all of that kind of stuff and it is in so many of the top and senior positions in this country certainly. You find that this is the bit that people do not like and the minute that you ask them that you've got to sort out this particular problem or you've got to give this particular talk they go into sweat and even with the summer we've been having in this country, they go into sweat and they go into all sorts of fear. They justify by saying that this is soft or touchy feely esoteric sort of stuff and it's nothing to do with the hard part of running a business and that it detracts from profits. Of course the biggest charge on any company or any organisation, even in these days of high oil and high finance prices, is the cost of the staff and if you do not look after your people then you are wasting the investment, you are wasting the commitment of your people. If you have that kind of expertise it is always a prime cause of profit. The examples that we use in this country if, you'll all know about, any of you not come across The Body Shop? Right yeah so you all know what The Body Shop is. The Body Shop was founded by a lady called Anita Roddick back in 1974 or 1975 in this country. We had a recession at the time, there were twice the number of people out of work that there are today, the last thing this country need was another cosmetics company. And so she says, right, I don't mind any of that, she needed a job, she needed to support a young growing family and she said I've always wanted to work with cosmetics, I've always wanted to work with women from all parts of the world so I'm going to found a cosmetics company based on a human condition and a sort of high ethical aspect and because she got that right, she was able to create a business empire that was eventually worth over a billion Dollars, over a billion Euros, about 650 million Pounds at the time that it was sold. If she had just gone down the line of clicking her fingers and ordering people about and producing wonderful products, nobody would ever have heard of the Body Shop because it would never ever of got off the ground. By the same token if you do not have this expertise, this is where you get into trouble. Now I don't, have any of you tried to drive a car around this country over the past weekend? Right, if you had done you would have found that apart from anything else you would have had difficulty getting petrol for the car because there was a petrol drivers strike. A shell strike exactly that, since we've been in this room, Shell have generated about a 120 Million Dollars of turnover, right, that's since we've been in this room since two o'clock. What the lorry drivers, the drivers who are working for Shell want is the first institutional pay raise for 15 years. Now with the profit levels that are going on and the fact that the drivers have not had a pay rise for 15 years, anybody in any position of authority should either be able to deliver the pay rise or to explain clearly to the drivers, why the pay rise is not possible? The Shell Company does neither of those things and so we have to walk, it's as simple as that and all the time that somebody does not sit down with the drivers there will be another strike – this coming weekend and one after that and until the matter is sorted out but eventually somebody is going to have to come to grips with this human part of management or the problem is just going to go on and on and all the time the company is making all of that kind of money, think how much more they would make if they actually treated the staff and were prepared to deal with the staff face to face and on the basis of integrity.

Right, okay, that's the first part, any immediate questions or points anybody? Okay well over the page then, right now all of this stuff at the top about leadership roles and expertise and all of these kinds of things, all of that means you have got to have the combination of personality, of expertise, integrity and honesty that means that people will give you a kind of status as a point of reference, they will follow you. What is meant by personal and professional icon is some kind of identity with the person in charge, either because they are a good person or because they are an expert person or because they have done this, that and the other or because you have seen them on the television or because you have seen them walking around the place where you work and all of those kinds of things, where all of this is actually coming from is the bit at the bottom of the notes here. Er the position of leaders is among people, not in an office, not in a meeting cowering away behind a beautiful expensive office or something like that. It is certain that if you are in a position of authority, of responsibility, a position of accountability that you will have to attend meetings but the job itself is face to face it is among people and that, if you like, as I've said just now is at the core of creating profitable and effective companies and organisations and all of this rest of this stuff is about these are the things that you have to learn and be good at and become good at if you are to stand any chance of doing this properly. Where it says the pivotal roles of, all that that means is if you don't have these, you're not going to be fully effective in a company or organisation er for the future. If you're the person in charge, right, your knees can turn to jelly and all of that, but people will expect you to hold that position and to speak with authority and responsibility when they come to you. They expect you to make decisions – either they will ask what your opinion is, but eventually they will take responsibility, say, 'right, I've heard everybody's opinion and now this is what we go of to do.' You have got to be able to communicate and you have got to be able to communicate honestly and with integrity. Now in practise, you can't always tell everybody the full truth, you should never ever tell them lies. Now in practice that doesn't always happen either erm and you can usually tell when somebody is either being a little bit shifty or something like that, it's like watching a small child, you know, you see a load of water on the floor and you say how did that water get on the floor? Did you spill your drink? No? well somebody did! Well it wasn't me. Well it was an accident, and it goes so on like that. You get the same in leadership and management positions. One of the great presidents, or one of the presidents that the Americans hold to be one of their greatest, was Ronald Reagan, and he could do most of this because he was a trained actor.

He could stare at the camera with a totally honest face and he could either tell the truth or not as he chose and then they worked out that while he indeed could control his face and hands from here, if ever he started to tell an untruth his little legs started to start working and he would start walking up and down on the spot like this and so they used to stand him behind a desk that was wrapped around here and did not show his legs, so that the top half of him, he was a trained actor he could control, the bottom half of him you assume he was telling the truth because you could not see his little legs going up and down. But of course the serious point about this was he was a great communicator and he learned how to manage the communications that he needed to give to the American politics to the American people and indeed to the rest of the world and it is a lesson to everybody that you have got to be able to manage the ways in which you communicate. The other one which I would draw your attention to is this thing about enthusiasm. It's quite simple: if you work in aeroplanes, you have to be an aeroplane enthusiast, if you work in a university you have to be a university enthusiast, if you work in Coffee Republic you have to be a Coffee Republic enthusiast, you cannot expect other people to be enthusiastic and committed to something that you yourself are not committed to. And one of the worst things that again managers will say is "oh, I don't want to do this but we have got to so we'd better make the most of it." Right, all that you're going to do there is put everybody's back up, they're going to think that they're wasting their time and if you've accepted a position of authority then you deliver whatever is required in the name of that authority provided it has been you can justify. In that way the minute you start giving some kind of shifty answer to people you damage that kind of integrity and if something is wrong and you've been asked to implement it, then you either accept the wrongness and implement it anyway or you withdraw from the scene or you argue the toss until one person or the other gives way. Okay, those things, those were the main things about the pivotal role or the other thing I would draw your attention to, as I said at the start, I work for a department part of which is called Innovation and somewhere inside anybody that aspires to any position of authority, you're not going to be able to work in a predictable world or we can't even see from inside this room, we can't even see what the weather is like and you can be sure even though we've got the lights on, you can be sure it's daylight because, you know, we've only been here for an hour or half an hour or so not for 8 hours erm but you cannot be absolutely sure what the weather is like. If you cannot be certain what the weather is like between coming into a building and going out of that building, you certainly cannot be certain about a how a company an organisation or it's products or services are going to turn out over the future and if ever anybody says to you "this will work and there is absolutely nothing to go wrong with it" then run away from them as fast as you can because they have almost certainly not thought of everything else. I'll just give you a couple of examples, right, one of which is a small example to make the point, about 5 years ago I had my appendix out. Now I was a bit, very very old to have an appendicitis operation. The surgeon said to me after I had had it, he said "there is now nothing else that can possibly go wrong with this part of your body." Anyway, so I looked at him and said, "oh yeah?" and he said "no, I absolutely guarantee there is nothing else that can possibly go wrong with this part of your body." 24 hours later it got an infection and I had to have huge great doses of antibiotics. Now that was a surgeon. Right at the other opposite end of the spectrum um or the Airbus company that makes or half the worlds airliners is now sort of producing the worlds largest airliner but back in 2005 they said we are going to be producing one of these planes every month, they're going to be rolling off the production line, it will be in full service by 2007. There will be 40 of them in the skies by 2008, and by 2011, it will be the worlds largest, everybody will be seeing these things so commonplace or erm that you won't take any notice of them. To date in 2008, there are three of them in service. Half the production has been cancelled and the reason for that is because the person in charge assumed every time he puts one of these huge components on a transporter on the roads of the south of France or on the canals of the south of France there would be no hold-up, there would be no broken traffic lights on the motorway, there would be no cones, no car crashes, there would be no sharp corners in these little French villages; that you know lorries have to go ever so slowly around and of course once you say yes there'll be road works in the road, his delivery schedules were fouled up and he had not thought of them. This particular guy also, rather than concentrate on delivering the airliner, actually concentrated on delivering his own bonus and at the moment he is on remand in a French gaol accused of some kind of corruption in the design and delivery of the big Airbus. So you have got all of those things that you have to take into account, right, if you are faced with problems you have to have some kind of response. You cannot edit those problems out either by concentrating on something else or by denying the existence of those things. Right any questions or any points about any of that ladies and gentlemen? Yes?

(Question from student- inaudible)

Right, if the person in charge, if you as a group, we suspend judgement, if you as a group work for me right. Yeah but if you tell me I'm doing something wrong, that this cannot possibly work, I can either say to you, "yes, I understand, you're right, we have to change" or as you've just said, "go away!" Right, now apart from anything else, anybody who's got any expertise, anybody who's got any authority will say I'm listening. First of all because their expertise and their authority means that either you ask me a question that I do know the answer to in which case I'll find out for you and come back to you. If I'm not sure about what I'm doing, yeah, then as you say, you know, "go away" like that. Then if you then sort of say "no" but the problem won't go away, then I'll start shouting at you and I'll go red in the face, right, and I'll start blustering, you know, and like so "I'm not arguing this - I'm right and you're wrong!" It's denying the, you're denying the facts and what you're actually doing is not pulling authority but pulling rank and once, if you have authority you will be able to explain why we have chosen to do something, if all you have is rank, you know, you just clicking your fingers, you will do it because I say so but that will not make it right.

(Student)

The company's name? What, Airbus EADS, it's Airbus Industries, the parent company is a French company called EADS erm and the particular individual the Chief Executive he is a bloke called Noel Forgeard and he is the one who at the moment is on remand in a French gaol, having had his collar felt erm and is awaiting trial.

Any others ladies and gentlemen?

Right, okay, over the page then erm onto the stuff about the difference. Right, now look, we start with a really easy question. You know you just put this back to yourself and then sort of turn it on its head. What is the kind of person you would prefer to work for and what is the kind of person you would not prefer to work for? Do you prefer to work for somebody that's good? Do you prefer to work for somebody that's honest? Do you prefer to work for somebody that is straight? Or do you prefer to work for somebody who is shift, who you can never get hold of, who never tells you the truth, who boasts about their own achievements or which do you prefer? And of course that actually then answers the question about where the difference actually comes. As I said just earlier if you can't tell the full truth, then at least tell no lies and in practise if you ever get caught telling a lie, you know, you ask me can you have the day off and I say yes and then change my mind and say no or whatever it is, then you never trust me ever again and it's as simple and straightforward as that. Right, is that the fire alarm? Right, no worries, speak over the top of that bleep. Right, the other thing then comes, it's not always easy to be as straight and as level and as up front as that goes, so there is, it is true that a requirement for a certain amount of courage, you know if you're placed in a position of authority there are going to be times when you're going to have to use that authority to go and do something and you know that you're stepping in an uncomfortable situation, you know that perhaps you're going to have to take an unpleasant decision, to have to tell people unpleasant news, it goes with the territory. If you're not prepared to do it, you should consider whether you want the job or not at all. There are far too many managers in this country who are delighted to take the bonuses, the medical care, the BMW, everything else that goes with the job and then you say, "right, do the whole job," you know, it's sort of "oh I couldn't do that," it's, you know, "I feel uncomfortable about it" and it's going back a few years but one of the hospitals out in the west of the country, we had a huge scandal, it was at a children's hospital down at Bristol in the west of this country and all that was happening was there was a problem with some of the children surgery which meant that the injuries being caused as a result of the surgery were very much worse than they should have been and in some cases the children were dying. Anyway, eventually there was an investigation and two surgeons who were found to be frankly rushing their work were removed from the situation. The question then to the director of the hospital was, "why did you not do something about this?" and the answer was "I didn't quite like to." They were very unpleasant, they used to shout at you and it was just purely, it was a lack of courage, it was a lack of determination and you've got to have both if you're going to go into such a position. The second thing is that you've got to know everything about everything that's going on around you. It doesn't mean you've got to be able to do everything, it is much better to know too much and leave people to get on with things than to find out there are things you don't know and be caught out by surprise and certainly again in the country, we've had a situation where in some companies and in some organisations where an awful lot of people in management positions never ever received any kind of grounding in what the company actually did. Just up the end of Tottenham Court Rd opposite Warren St tube station there is a very good Sainsbury's supermarket. I see you've found it. They do excellent sandwiches, yeah, jacket potatoes, Chinese Chicken and hot and spices and also ready to eat fruit and pasta as well if you want something less healthy than Chinese Chicken. Believe me it was not always the case, the Sainsbury's company used to be the biggest grocery company in this country; between 1985 and 2005 it lost half of its market and the reason for that was that the people in management positions never ever saw Chinese Chicken, an apple, two punnets for two pounds of strawberries or anything else because they were working out of their offices either down further west in London or else out of their regional offices up in Northamptonshire and the West Midlands. A few years ago all of that changed and they said, "right, we're actually going to get the managers doing what managers should be doing which is making sure there is food at the shelves and people at the tills to serve those customers buying food from the shelves." And it's transformed, even in three years, it's transformed the company around so having gone steeply downwards over a period of time, it now starts to pick up again er and the point was that at long last the people in charge of the company started getting involved in the detail of what was actually important to the company.

Right any questions or any points on any of that ladies and gentlemen? Yes please.

(Student inaudible)

You have to have both, you cannot get results without knowing the details, right, you cannot make a presumption of profit, you've got to know where that profit is coming from, you can't make a presumption of cost either, you've got to know where the cost is coming from. You've got to have both and your only ability to focus on the results comes from knowing this, that and the other. If you're going to make profit out of the Sainsbury's store, is the store clean, is there stocks coming in to the store enough so that we and everybody else can buy from it, right, what if there are road works in Tottenham Court Rd? Can we get our deliveries in? What if there is a traffic jam or what if it is things like that and it's knowing that kind of detail. It's a good question and I'll give you another example of this. A few years ago up in the West Midlands of this country, a friend of one of my colleagues, he ran a fish processing factory and he used to get the stocks of his fish from a hundred miles away, 150 kilometres away at Liverpool. By chance he found that he can get his fish stocks much more cheaply from the south of Spain which was 2500 kilometres away, so he cancelled the contract with Liverpool and started driving his fish stocks up from Spain. Now, it works for a time but of course when things go wrong with something like that things really do go wrong and there was a customs strike on the French-Spanish border and there is a customs strike in Calais and Boulogne on the north coast of France which means that things get held up. Lorries started to break down, the trucks started to have punctures and things like that and then once they got across to this side, if you ever go for a drive on an English country motorway, you take a sleeping bag, you take a flask, you take plenty of sandwiches because the traffic in this country is far, far too heavy for the road network to support and as a result of this the final truck that ever went into this fish factory that came up from the south of Spain, it lost its refrigeration, it had been on the road for nearly 3 weeks which means that when they opened it up the fish was nice and warm and it was three weeks old and – but the serious point was

he'd done it to cut his costs. It had cut the cost of the fish but everything else had gone wrong and that's the point about the attention to the detail. If you just focus on the result you will only see the cost cutting if you focus on each of the details, yes this becomes cheaper but all the other bits become more expensive and there is much more to go wrong. Okay, any others ladies and gentlemen?

Right, the other things, there are things about the traits and qualities that I've said about, the questions about leaders and non-leaders that I've put at the bottom of the page there. Very briefly to say, the question is about people in positions of high status actually accepting the responsibilities and obligations that go with that. The point again, as I've said just now, is you've got to be prepared for the nasty and unpleasant parts of the job, if you're preaching perfection you would not want somebody in that position to do the job at all. I said at the start I'd say something briefly about the developing of leadership. All of these things that we've said about, the things about knowing and understanding where you work in, being a good communicator, being a great enthusiast, being a great advocate for your company or organisation, then you can learn all of this stuff. You can also learn the calculations and the detail and the ability to focus on results, as Abdullah has quite rightly just said erm you learn all of that and also you learn the commitments and you learn the ability to communicate, you learn the ability to argue a case, you learn the ability to justify something, you learn the courage and the backbone, if you do have people who ask you awkward and strident questions, it goes with the job and if you can't argue back with somebody who after all is working for you then perhaps it is your own expertise that is short, not that of the person who is asking you quite legitimate questions. So in a nutshell there are many areas in which you can work up your knowledge and understanding of your company, your organisation that you can work for. The expertise that you need to deliver the results and also your ability to master your particular brief, to learn erm the context of a situation and to be able to train and develop yourself apart from anything else, in order to make yourself effective in those positions. It is something that is continuous, something that should go on, something that should be professional. Professional people such as lawyers and doctors have to do, have to learn and develop every time a new technique or a new law is passed and it should be the same for managers also. Every time a new set of circumstances has to be faced then people in authority should develop themselves to face it.

Right then, I've put at the bottom of your notes erm some immediate conclusions and really all that that does is to encapsulate, and to put into some slightly different words, some of the things I've just said. Erm the appointment to leadership positions is actually the beginning of hard work rather than an end in itself. Knowing and understanding the result, the detail, the priorities and all of those sort of things, being able to communicate erm as we've said just now and then to reinforce that through the use and value of university and college courses, going on short courses, going on things down at the London Business School or other business schools wherever else they may be, all that you're doing with that is building up people's expertise, all that you're doing with that is giving people indeed a very different perspective, a very different basis, a different expertise to that which was in place before. In place before, as I am sure you'll all know, certainly in this country, we used to have the situation whereby the best bus driver would become the bus company manager. The best plumber would become the best plumbing manager, the best teacher would become the head teacher and what that meant was that you took them away from what they were good at and put them into a position that they would not necessarily be able to be any good at. You take this kind of an attitude, you're actually building people's expertise the whole time. You're giving them a basis of something that they can do rather than guessing at whether they will be able to do it or not. Right, ladies and gentlemen, any questions or points on any any of that lot? Yes please.

(Question from student- inaudible)

Right, about mathematical and economic models? Right I shall immediately second guess you there by saying my main research interest is actually in investment appraisal. Right, the model that was the original model of hedge funds that was produced won a Nobel Prize for economics, right, ten months later it went broke, ten months. The two lads that had invented it had not even had the opportunity to spend their million dollars, you know the Nobel Prize that's the first thing. The second thing is, there are 483 Hedge funds that have gone broke this year right, the modelling and all of this only works in one given set of circumstances and the minute the price of electricity changes, the calculation has no validity. You have a situation at the moment for example where this week they have announced the increase in oil production right. He economist would say "ah that means the price will come down." In practice what it's actually meant is that the price has gone up and the reason for that is because all the time the big oil producers of the world, Russia, Saudi Arabia, Norway and all of the others are producing the oil, everybody who wants oil is snapping it up before the production levels come down again. So as it comes flooding on to the market, you know it's a little bit like if we had no bread for a fortnight and suddenly somebody comes in the door with a lorry load of bread right, the price of that will go up, you know. All the time there is somebody in here who has not got any and so it is with oil. It's not rational, in a lot of cases it is counter intuitive but it is what actually happens. The other thing, I said my research interest was in investment appraisal, right, but you can come to a rational conclusion about whether you should own something or lease it, right, but in practice of course what happens is that you will choose whichever you prefer and pay the price. If, you know any sort of rational approach for example, any rational approach would say you would never ever own a car in this country, you would hire one when you needed one, right, and yet everyone in this country owns cars. There are about 60 million people in the country and about 55 million cars on the road which means that rationally people started driving when there about four years old. Now it's not quite that bad, in some parts of the country they actually start driving when there about eleven um the legal age I think is either 17 or 18 um but again people are, the purchase is not a rational decision. By the same token the investment is not a rational decision. There's a, er one of the cases that we looked at in the last example was the Norwich Union Insurance Company, they opened a call centre in India and said what do you expect to get out of this call centre in India and the precise answer of the Chief Executive was "we don't know but we are confident of success anyway." He was going to India because it was a nice

place and because everybody else in the financial services industry was doing it. It was a works outing, you know, again if you were taking anything like a rational decision there is labour and technology available within the European Union or at a fraction of the cost of India and without the trade or the tariff barriers in between. Now that's only part of the answer, you know, to the rational economic model but using the two or three examples right is to demonstrate that it does not work or does not work fully in most sets of circumstances, you've got to have the other side as well. As I said to Abdullah's question you've got to concentrate on the results, you've got to make a profit but the route to that is much more convoluted than just making calculations. That was a very long answer to a very good question.

Any others ladies and gentlemen? Okay well look and as I said at the start there are some examples here for you to pick up and have a look at, erm the purpose of the talk then was to give you an overview of some of the work that we do in this country and some of the conclusions that we've come to about this area of management under the summary heading of From Leadership to Management. Erm thank you very much indeed for having me along, welcome to London and however long you are in London for enjoy our wonderful University and enjoy our wonderful city as well because it is.