

## OUTLOOK Multi-national

The Management of Production and Supply Operations Division thought that everybody in the Division would appreciate a message from Mr Wickstead before he left to take up his new appointment as Vice President, Manufacturing and Logistics, for Xerox Corporation. I was asked to approach Mr Wickstead on their behalf.

Mr Wickstead readily agreed. 'Ask me the questions and I will answer them,' he said.

What follows is an exact transcript of the questions put to FW and his answers.

September 1971.

J.H.

**JH:** Mr Wickstead, you leave for the USA in a few days' time to take up your new appointment as Vice President, Manufacturing and Logistics, for Xerox Corporation. First of all, may I say that although all of us in PSOD are sorry to see you go, we are very proud, although not particularly surprised, that our 'old

boss' has the distinction of being the first Englishman to become a Corporate Officer of Xerox Corporation.

The news of your appointment has naturally prompted many questions in the minds of your old friends and colleagues.

First of all, the job itself. Vice President, Manufacturing *and* Logistics. I understand 'Manufacturing', but what about Logistics? It sounds as though you are about to take over command of an army in battle! The Oxford Dictionary definition is: 'The art of moving and quartering troops; supplying and main-

*Rank Xerox Mitcheldean Plant, England – September 1969*





taining a fleet.' Could you tell us please exactly what the job is, and what you see as its main objectives?

**FW:** The job is a new one but I see the main objectives as

- (a) Establishing a multi-national manufacturing policy based on the social economics open to a worldwide corporation.
- (b) Provision of facilities on a timely basis.
- (c) Procurement on an international basis.
- (d) Control of inventories.

**JH:** Since Xerox Corporation acquired the controlling interest in Rank Xerox, an increasing number of our Xerox Corporation colleagues have assumed appointments in Rank Xerox. Do you visualise in the future a wider interchange of Xerox Corporation and Rank Xerox personnel?

**FW:** Yes, I believe it is both desirable and essential. We have a lot to offer each other. We should not overlook the fact that PSOD has about 20 residents in the USA now. I would also like to see a greater interchange within PSOD between Mitcheldean – Venray – Welwyn.

**JH:** Although there has been some effort at standardisation, Xerox Corporation and Rank Xerox still follow many

different systems and procedures. What do you think about the practicality of accelerating the standardisation so that corporately we can benefit from the best of both worlds?

**FW:** I am sure that, providing there is an open-minded approach, it will be possible for great benefits to be achieved from further standardisation.

**JH:** What effect generally do you think your new appointment will have on PSOD?

**FW:** I believe PSOD is in good shape and I believe that a change in management is a good thing occasionally. Obviously there are great opportunities open to the Corporation in the areas I will be involved in. It really will be up to PSOD to play its part effectively if it wants to take advantage of the opportunities.

**JH:** You will be responsible for manufacturing, facilities, procurement, inventory control and distribution world-wide. May we please take them in that order?

## MANUFACTURING & FACILITIES

What will be the criteria for deciding where products will be built?

**FW:** The factors will remain reasonably

constant: long-term potential; social, political, geographical and economic aspects; availability of people; attitude of workers; skills available. But the priorities will vary.

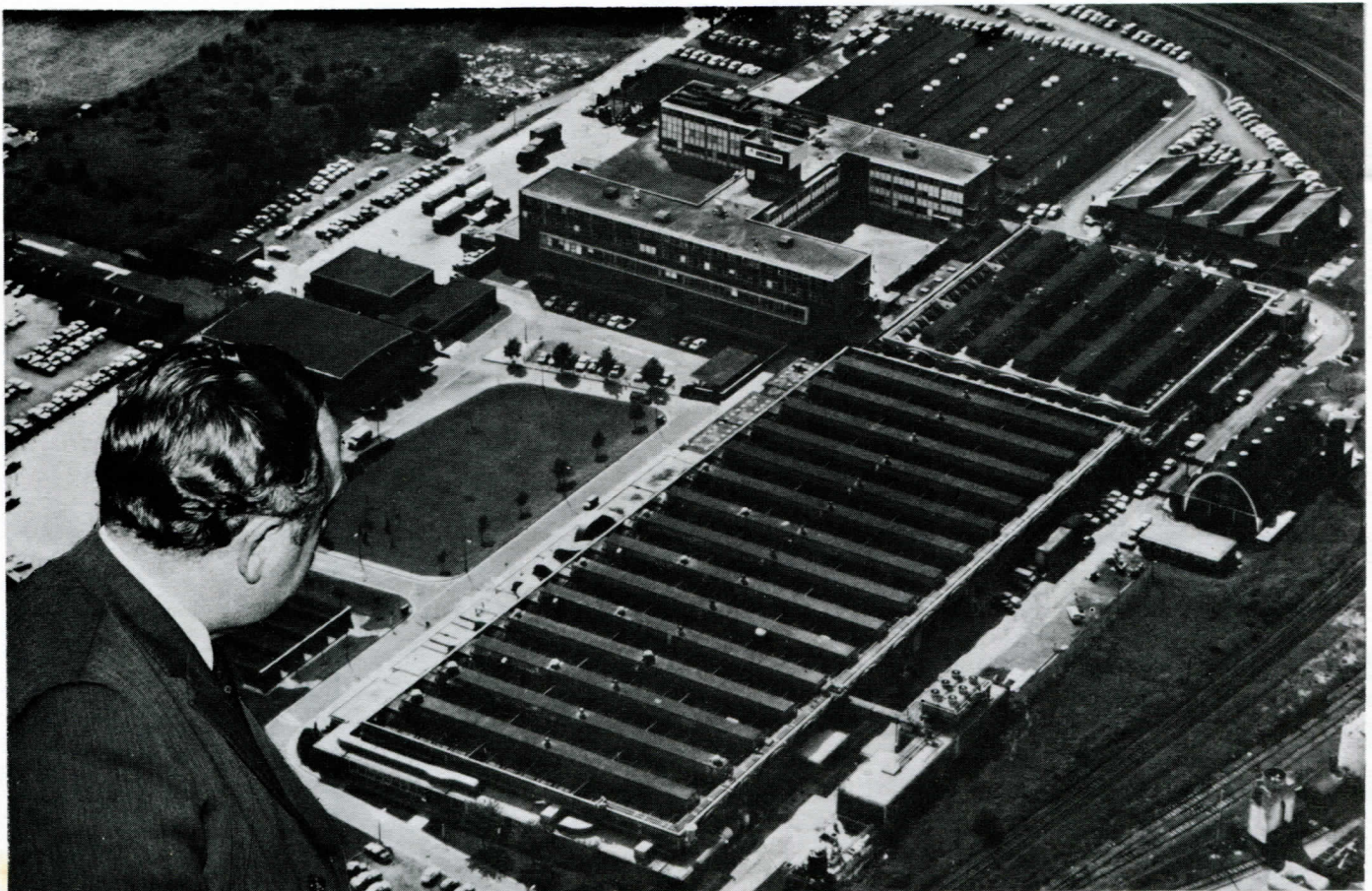
**JH:** Do you expect further substantial expansion of PSOD in the foreseeable future, or is PSOD's expansion likely to be slowed down in favour of further expansion in the United States and other overseas territories?

**FW:** PSOD already has major expansion schemes in progress and I would not expect to see any more in the next two years. Since I do not yet know the pros and cons I cannot really answer your question about the USA; but let me hasten to point out that Rank Xerox has more overseas territories than Xerox Corporation.

**JH:** Do you foresee any major expansion of manufacturing facilities within the United Kingdom?

**FW:** To be candid – no! I would not recommend that PSOD attempted to duplicate Mitcheldean within the UK in the foreseeable future, but that does not mean there may not be a good case for further satellites attached to Mitcheldean and Welwyn.

*Rank Xerox Welwyn Garden City Plant, England – September 1969*





**JH:** What is the future for Mitcheldean, Welwyn and Venray?

**FW:** I think the previous answers more or less answer this one but may I say briefly:

**Mitcheldean** should continue to provide help for other factories whilst continuing to develop and improve its own operations. Competition is growing and therefore Mitcheldean cannot rest on its laurels.

**Welwyn:** We need to continue to provide additional productive work to take advantage of the skills available. Also we must continue to press for permission for additional facilities. I believe that communication products will be successful — although the rate of development may be slower than we would like.

**Venray:** We have a five-year plan of development and I see no reason why this should not be successful, providing Venray continues to ask for and receive support from within the Division. The testing time will come when Venray starts to make its own components in volume.

## PROCUREMENT

**JH:** It has been suggested that we should minimise our investment in manufacturing and machine assembly and

concentrate our human and financial resources elsewhere — for example, on marketing and design. How do you feel about that?

**FW:** I do not know who said this, but I do endorse the desirability of a strong Research and Development activity.

**JH:** In some industries, Europe is as big a market as the USA. Do you think this is likely to happen with copying machines and, if so, what effect will it have on Xerox design — metric dimensions, for example?

**FW:** Xerox Corporation has already made a move in this direction by setting up the Rank Xerox Development Laboratory. In addition, attention is being paid elsewhere to the importance of international design. With regard to market levels, I think it will be some time before the Rank Xerox market will be equal to the Xerox Corporation market, especially for copiers.

**JH:** What are the real problems of manufacturing and assembling US-designed machines in other territories — Europe and Japan for example?

**FW:** The difficulty in this case is in selling them if they do not meet the requirements of the market — such as

voltage, frequencies, paper size, etc.

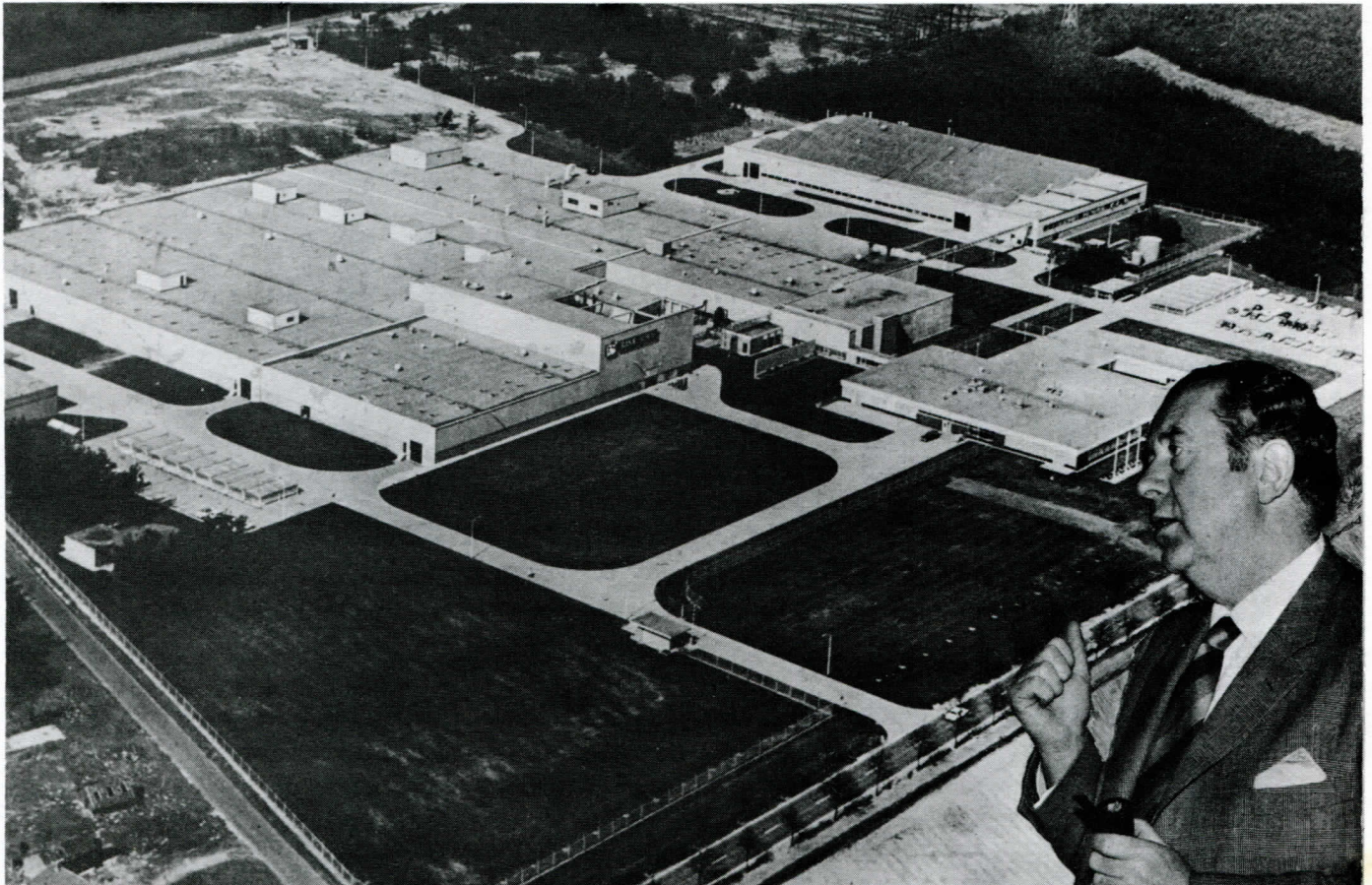
**JH:** Tariff barriers generally, and in Europe particularly, are coming down (presumably the 10% tax recently imposed by President Nixon in the USA is only temporary). What effect do you think this will have on the allocation of models to manufacturing and assembly locations? For example, is the policy likely to tend towards one model for one location, or the same model for several locations procuring parts from various sources, or perhaps towards several assembly locations obtaining some parts from a centralised parts supplier or a Xerox Corporation plant?

**FW:** An off-the-cuff answer is that, on a volume product, the tendency is likely to be towards several assembly locations with centralised parts supply, bought-out and in-house, and naturally supported by a second source on critical items. The forecast reductions in duties do open up new opportunities for us.

**JH:** To what extent do you think your work in Xerox Corporation will affect PSOD?

**FW:** I believe that PSOD can play a greater part in the activities of the Corporation because of its knowledge of international trading.

*Rank Xerox Venray Plant, Holland—September 1969*





**JH:** Both Xerox Corporation and Rank Xerox have tended to source outside a large proportion of their components, due mainly to the relatively small volume required. Now that volumes are expanding, and Xerox Corporation has worldwide management control, do you see a reduction in outside sourcing in favour of more corporate in-house manufacture?

**FW:** I cannot agree that volumes have directly affected the make-or-buy decision in the past. It would be wrong of me to predict any change in levels of in-house manufacture without knowing the facts, but certainly economics cannot be ignored. A lot depends on whether we can improve our facilities more quickly than our suppliers can.

**JH:** Following the establishment of RXDL in the UK, which utilises European and UK research and development resources, do you think that Xerox Corporation manufacturing will be making more use of European sources of supply, including Rank Xerox?

**FW:** There is a good possibility.

**JH:** Rank Xerox sales are increasing to Eastern Europe, and starting in China. Do you see this developing as a two-way traffic, with machines and parts being produced in these territories under licence or by contract?

**FW:** A very difficult question to answer. Personally I would have expected barter deals with Eastern Europe to have a better chance of succeeding than Eastern Europe manufacturing machines to our design. If Eastern European countries can supply us with materials, parts or equipment as good as or better than those from any other country, then I am sure we would be more than happy to deal with them.

## INVENTORY CONTROL & DISTRIBUTION

**JH:** As a member of the Board of Directors of Rank Xerox, you have for many years taken a positive interest in inventories world-wide. What do you think are the main difficulties in achieving effective international stock control?

**FW:** Ask me in 12 months and I may know the answer; but let me hasten to say I have a few ideas.

**JH:** What about distribution? Does it make sense in your view to have the factories and International Distribution Centres under one authority and Distribution under another?

**FW:** I think this is a matter that needs constant review in a growth market like ours. What was right yesterday may not be right for tomorrow. Workshop location has a bearing on your question, size of country another. May I duck the issue please?

**JH:** What are your views on despatching finished goods straight from PSOD factories to the field?

**FW:** I am convinced that certain types of goods could and should go direct and others through distributors, like paper for example.

## PEOPLE

**JH:** You have often said that people collectively represent the company's most valuable asset. To what extent do you expect to be involved in industrial relations on either side of the Atlantic?

**FW:** Not directly.

**JH:** It has always been your policy as far as possible to ensure a steady and continuous employment for PSOD personnel. This policy has also been firmly supported by Mr Derek Portman who succeeds you as Director of PSOD. Can we assume that you will continue to pursue this policy in your new job?

**FW:** Providing it is in the best interests of the employees and the Company – yes!

**JH:** You yourself came up, as it were, from the shop floor, you learnt the hard way and gained vast experience in the process. What is your advice to the new intake of young modern managers in PSOD? What do you think they can learn from the old hands, and what can the old hands learn from them?

**FW:** Have mutual trust for each other. The older person may not be able to tell the young man what to do but there's a good chance he can state what should not be done. Education alone will not get you to the top. Work and respect for others are equally important.

**JH:** When you are interviewing applicants for managerial posts, what do you look for?

**FW:** A decision-maker. A twinkle in the eye. A *worker* with experience and qualifications.

**JH:** During your long career first with The Rank Organisation and then with Rank Xerox, you have attracted and held lasting personal loyalty from liter-

ally hundreds of people with a variety of backgrounds and jobs. This is evidence of real leadership. What do you consider to be the secret of your success in this respect?

**FW:** Belief in people – hard work – forthright decisions, popular or otherwise – being prepared to take risks, to say what you think, and to see people and listen to their particular point of view.

**JH:** Do you think modern industry recognises the importance of getting the respect and support of the families of employees?

**FW:** Not as much as I would like, although I honestly feel our Corporation is better than most.

**JH:** What are your views on employees participating in local activities – for example, aspiring to membership of local councils?

**FW:** We have a real responsibility in this direction and I support it fully.

**JH:** How do you feel about the people you are leaving behind in PSOD?

**FW:** Jealous of their fine spirit of comradeship. Proud of their achievements. Thankful for all their help and cooperation in the past.

Now can I ask something of PSOD – will you please co-operate with the new management like you have with me in the past? I leave with the belief you will.

Good luck to you all.