



*it
does
matter*

ALEX WALKER

Foreword by John R. Walter

it does matter

by Alex Walker

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I HOPE YOU ENJOY THESE EXCERPTS FROM MY BOOK,
PLEASE FEEL FREE TO CONTACT ME AT

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JACK IN THE BOX!

I thought I was a hard-working person - then I went to work for Jack!

(Excerpt from this chapter)

NEWCASTLE UPON TYNE, ENGLAND 1968

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Jack saw Ken writing entries in his record book one morning and asked Ken "What are you doing with the book?" He explained that he liked to keep a record of his work and Jack, thinking it was an excellent idea, immediately asked Ken for a copy of the book. Ken said he could not do that, as the book belonged to him and not the company. A public row ensued (not unusual during Jack's regular plant tours), and I saw Jack storm off back to his office, like a white tornado smashing through the busy factory. Ken came to see me and complained that Jack had just fired him for refusing to share his information. I told Ken to remain at work while I went to see Jack in his office.

Jack was eating his usual full English Breakfast on a tray from the café and asked me abruptly what I wanted. I suggested that he had been hasty in firing Ken, who had a long service record with the company and had never previously been in trouble. Jack was insistent that the dismissal stood unless Ken handed over the information. I urged him to re-think and find an alternative way to satisfy both Ken's and the company's needs, but Jack insisted he would not withdraw the dismissal and went back to eating his bacon and eggs. Before I left Jack's office, I informed him that unless he reinstated Ken within the hour, I would withdraw all our labour from the factory. Jack did not take this threat from a 21-year-old upstart well and had difficulty in keeping his runny fried egg on his breakfast plate. I left his office with a somewhat flowery, but clear answer, and an equal determination not to be bullied by a boss who had rushed to a decision without thinking. I felt strongly that the matter could have been resolved with a little more patience and thought - not something Jack or I had in abundance.

Back at my machine, I called the committee members over and informed them of Jack's refusal to reinstate Ken. The Chapel committee voted to support my proposal to withdraw our labour, so I closed my toolbox, switched off my machine, and walked out of the factory. It was quite a sight to see each machine in the factory close down one by one. The employees followed me out into the car park, and I could see Jack at his office window, gesticulating and shouting at us to return to work.

...WHAT HAPPENED NEXT?

BACK HAME TAE TRY AGAIN

*If you think you might be in the wrong industry sector,
think twice before making the same mistake again*

(Excerpt from this chapter)

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CAERPHILLY, WALES 1980

We were the leading printer for Johnnie Walker Red and Black label brands and produced the “gold colour” on Johnnie Walker labels with a bronze powder process that gave a unique metallic gold finish. The Johnnie Walker Marketing Department loved the appearance it gave; the method involves bronze powder ‘dusted’ onto a printed adhesive graphic where the powder sticks to the prepared image. Special brushes and rollers remove the excess powder while throwing up clouds of bronze metallic dust over the entire production area. It also required a lot of skill and knowledge by the machine minders to maintain a consistent quality level. However, wastage was high, and the inconsistency of the process meant that thousands of hours were spent in the quality inspection area trying to separate imperfect labels from good ones; hence the high price/high-cost process ate into our otherwise healthy label margins. I found myself in the Johnnie Walker Bottling Plant almost weekly, assuring the customer that our next batch would be of significantly better quality than the last. It was not unusual to start a meeting in those days with a glass of Black Label, despite the 9 am time. It was also a privilege to play the nearby Turnberry Golf Course (now owned by Donald Trump) on many occasions. The Johnnie Walker Distillery had Corporate Membership, and a round of golf usually started with players being provided with a half bottle of Black Label to keep out the chilly western winds. It was a struggle to drink the other half bottle supplied for the back nine holes! My golf game always seemed to deteriorate on the back nine, although over the years my game hardly changed whether I was sober or not!

To improve the quality and cost-effectiveness of our label production, I visited the DRUPA Print Exhibition in Dusseldorf, Germany, to review new labelling equipment. As I was leaving Dusseldorf Airport for my return flight to Glasgow, I felt a tap on my shoulder and was quickly pushed against the wall and surrounded by armed police. They handcuffed me, marched me to their police van and drove me to the local jail!

...WHAT HAPPENED NEXT?

THE FIRST VIRTUAL FACTORY

*The contract required a Near Site in Scotland.
Corporate imposes a worldwide embargo on new facilities.*

(Excerpt from this chapter)

GLASGOW, SCOTLAND 1992

Winning is always enjoyable in business, especially when it comes at the end of a long, and hard-fought fight for survival. Thorp Arch was now adding new customers to its growing portfolio, increasing sales and profits, and we were introducing new products and services all the time. I was busy finding our Near Site facility in Scotland's 'Silicon Glen' to serve our newly agreed 4-hour fulfilment service to IBM's Assembly line near Greenock.

The phone rang. It was my boss, Fred, in Chicago: "Alex, I understand the new IBM contract calls for you to have a Near Site Plant in Scotland. Unfortunately, the Board has resolved today not to approve any new Plants for the foreseeable future. We have issues in different parts of the world and are cutting back to contain our losses. Sorry to bring you bad news, but the Chairman and I know you will find a way to keep the IBM contract."

IBM insisted they needed a Near Site to support their Just-In-Time supply of parts to their PC assembly lines. At my next meeting, I decided not to inform IBM of Donnelley's decision, at least not for the moment. I needed more time to consider what I could do to save the contract and, more importantly, the future viability of the Thorp Arch Division. Walking across the IBM car park on that Friday evening, I bumped into Allan, a friend and supplier of ours, who said: "You look as if you've lost a pound and found a penny, Alex. Fancy a beer and a pie tonight?" I had planned to drive back to Yorkshire, but a beer and a pie sounded just what I needed compared to a miserable long drive home. We agreed to meet later at a pub opposite Allan's factory in Glasgow, a short distance from IBM.

...WHAT HAPPENED NEXT?

STRATEGY IS ONLY ABOUT WINNING

*When you build trust with great customers
they will also help you when times get rough!*

(Excerpt from this chapter)

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THORP ARCH, ENGLAND 1993

Derek, who was a senior procurement manager, collared me during one of my frequent visits to IBM: "Alex, you and Thorp Arch have been great supply partners for us. I want to inform you of the forthcoming major changes that are bound to adversely affect your printing business. We don't see the future of documentation remaining in print, as with the onset of digitalisation it's likely to move to non-print media like CD's and will eventually be available online."

Derek was frank and, as usual, supportive. "Nothing will impact volume in the short-term Alex, but we are sure a steady decline in orders over time will be the trend. As one of our best supply partners, we wanted you to be aware of this now as it will undoubtedly affect your business going forward." It was devastating news. Our Global Technical Documentation Business had significant investments in print equipment and resources spread throughout the world, and I now realised that our printing 'Doomsday Clock' was ticking fast. I thanked Derek for giving me advance notice and once again made the long journey back to Thorp Arch with mixed feelings.

The phone rang. "Alex, this is Martin, I'm Marketing Director of Motorola Europe, based in the UK. I got your name from IBM; they say you're good at solving problems and could help us with our documentation supply issues." Within days I found myself in front of the Motorola Europe Marketing Team near London, where Martin gave a presentation of Motorola's Mobile Phone Business, explaining: "The reason I called you Alex was that despite having six printers producing documentation, they cannot keep pace with our mobile phone market demand. It's getting so bad that we're now rationing product sales in most of our European regions."

I asked Martin to describe their process from software design engineering to final assembly and distribution. He then spent the next hour writing on large sheets of paper and hung each page around the meeting room walls. Eventually, when I could see he was about to run out of wall space, I interrupted and said: "OK, Martin, thanks for such a detailed overview of your processes." He asked me what my thoughts were, and I proceeded to tear a tiny piece of paper from my notepad, about the size of a postage stamp, wrote on the paper, folded it until it would fold no more and handed it to Martin. I asked him to open it and read out loud what I had just written. He read out the words 'GIVE US THE ORDER', then sat back, smiled and asked, "How can you guys help us, Alex?"

...WHAT HAPPENED NEXT?

UPWARDS AND BACKWARDS!

*Digital technology becomes a real threat.
Will we be the quick or the dead?
Slow death is not a strategy.*

(Excerpt from this chapter)

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YORK, ENGLAND 1995

We won a large Magazine contract which included inserting a prize draw form into a national magazine, awarding good prizes to the purchaser. If the card inserts had an identifiable number on it, the purchaser could merely phone up and claim their prize.

The phone rang, it was the Magazine Publisher: "Alex, our security has noticed that a high number of our prizes are being won and delivered to the York postal region. We may have a security problem in your plant." I realised that it amounted to fraud so, in collaboration with the Publisher and the local Police, we set a trap the following week. We were able to identify four of our employees involved in the scam. We called the Police, and the four culprits immediately admitted the fraud, were arrested and taken for questioning. The Publisher thanked us and worked with us to tighten the security of their prize draw for future print runs.

My lovely Mum was staying with us, and I told her the story of employee fraud over dinner that evening. She listened carefully, then enquired what I would do with those employees. I replied that the Union was involved and were making an appeal for clemency the next morning. They had already phoned me to ask me not to dismiss the employees. I explained that I had met with my Managers that afternoon and their unanimous vote was to dismiss the four employees concerned, as my management were worried that any leniency would send the wrong message. Mum looked at me and said, "Son, you've told me that the four employees have admitted they did wrong, and they now have a Police record to show for their deeds. It looks like it's now down to you to decide their fate tomorrow morning. Don't you think that they have been punished enough? From what you say, they're not well off, and if you fire them they will not get another job easily in York, and certainly not a job that pays them as well as your company does which will badly affect their families. I think you should give them another chance. Remember Son, when you're down and out, you never forget kindness when it's shown to you." I told my Mum that I would sleep on it.

...**WHAT HAPPENED NEXT?**

GOING DOWN, ALL THE WAY

*Professional advisors can get things wrong.
Be prepared when you both get it wrong; it will hurt*

(Excerpt from this chapter)

YORK, ENGLAND 1996

Now a free agent, I wanted to create a customer service focused business that would help customers drive their products from design to delivery into their markets quickly. Most companies responded to market demands too slowly and I saw a gap in the market as a supplier to companies who needed support in getting their product cycle times down.

I met Josh in his office overlooking the Lace Market in Nottingham, England. Josh differed from your usual former Bank CEO. Previously he had the distinction of being the youngest Building Society (Mortgage Bank) CEO in the UK. A firecracker of a personality who liked nothing better than to get to the point without delay! Josh had created a unique business model; matching former CEOs and high-level Finance Directors with Venture Capitalists and Private Equity firms looking for top-level candidates for Management-Buy-Outs.

I was in full flow presenting my career to date and ideas for a business start-up when Josh stopped me in my tracks: "Hang on Alex," he said, as he picked up the phone, "Eric, get over here quick - you need to meet this guy and listen to his story!" Eric brought with him the Senior Partner of their large Corporate Finance firm. They seemed to enjoy my story and ideas, and promised to look around for a Management-Buy-Out opportunity to match my skills. Eric soon called and said he had faxed me a profile of a small printer in the Midlands that was for sale. He said that I should look at it as the audited accounts were extraordinarily healthy, and although only a small business, its profits and cash flow would be an excellent vehicle for my future acquisition plans.

I visited the small plant and, frankly, could see nothing unusual about its products, equipment or people. However, the financial accounts and the trading record were excellent, so I made an offer with the support of a Venture Capital firm and a Bank. I hired a top Audit firm to carry out independent due diligence, and their report showed a robust well-funded balance sheet going back four years, with stable cash flows and a low-cost base. It seemed perfect to use as a financial platform to attract more significant investments on a buy-and-build strategy. The opportunity to restart my career excited me.

...WHAT HAPPENED NEXT?

THANK YOU FOR MAKING US STRONGER

Make sure you get equity - then show them how it's done!

(Excerpt from this chapter)

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KIELCE, POLAND 2002

Kielce and Starachowice towns both suffered in the wake of Communist rule with Starachowice suffering the most with unemployment at over 35%; both towns needed a major facelift. The President had carefully selected a 'yes man' as Plant Manager at Starachowice; he revealed little and spent most of his time spying on employees through his security monitor - he told me his job was to make sure the employees did their work. I replied, "Maybe they know you are watching them and want to keep you in your office!" The translation didn't work well, so we moved on.

Most of the employees at Starachowice had moved over when the company purchased the assets of an older Print plant in Katowice, some 160 kilometres away. There had been little attempt to create a unified business culture between the three groups of employees at Kielce, Starachowice and Katowice, which resulted in the lack of a single company identity. Kielce, as the residence of the Lady President and the original location, assumed the role of 'Big Brother'.

I spent the remainder of my time walking around the plants, and meeting with key managers and employees. On the last night, I had dinner in Kielce with Bill and his team: "Well, Alex, you have had a look at the business - is it broken?" My reply to Bill was equally short, "No, it's not broken." I went on to explain that the present management team was focused internally and would not be able to take the business through to a successful shareholder exit. I pointed out that they were failing the investors and employees by not taking advantage of exports to the European print market, and they were not getting the best out of their people. Bill then asked what needed to be done to fix and prepare the business for a future shareholder exit. I said there was an urgent need for a new strategic plan, and some short-term measures should also be taken immediately to stop the current financial losses. Management had lost the trust of employees, and the current environment lacked the openness to thrive; employees had told me they were frightened to speak openly. Their sales profile indicated that they were focused solely on their domestic market, whereas I felt there were substantial export opportunities.

Bill offered to extend my temporary consultancy contract to the end of the year, which would mean me moving to live in Kielce.

...WHAT HAPPENED NEXT?

EPILOGUE

it does matter

Tips from the road less travelled

LEADERSHIP

Leadership is a bit like sandpaper, it doesn't have to be abrasive - but without the grit it is useless.

CUSTOMER SERVICE

*Good customer service makes your business better.
Fabulous customer service is far more powerful, driven by customers who tell everyone just how great their experience was.*

MERGERS & ACQUISITIONS

Beware of mergers, it might mean that one of the parties has given up.

QUALITY

Quality may no longer be free, but it sure is cheaper than poor quality.

TRADE UNIONS

*Trade Unions have had their day, their year and their century;
if you treat people well Unions become redundant.*

MANAGEMENT

*The keys to great management are employee efficiency,
customer focus and supplier reliability.*

CUSTOMERS

Listen to customers who ask for help; they needed it yesterday.

SUPPLIERS

Pick the best ones, give them a hard time - but build trust.

COMMUNITY

The people that live near your business location are the family and friends of your employees. Helping your community will make employees appreciate you more.

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Some names and identifying details have been changed to protect the privacy of individuals. I may have changed some identifying characteristics and details such as physical properties, occupations, and places of residence. I have tried to recreate events, locales and conversations from my memories of them.

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