



Alistair Richards



Alistair, Chief Operating Officer at Guinness World of Records, has enjoyed a blue-chip management career that has taken him to the top of one of the world's best known publishing ventures.

Its main publication, Guinness World Records, is a record breaker in its own right. With sales of more than 100 million copies in 100 different countries and 37 languages, it is the world's best ever selling copyright book, even outselling Harry Potter.

Richards has been a convert to the SCQuARE process for business planning ever since he was sent on a course during his first job at Colgate-Palmolive. He joined the company as a graduate in business studies. SCQuARE was part of the induction package for new joiners to the management team. Within nine years he became the company's sales director.

Richards says SCQuARE was widely used and liked by managers within the organisation as it offered both a rigorous thinking process and an effective management tool for managers

who had to produce plans to cope with a variety of issues. It was the starting point on which all plans would be developed, be it the overall business plan or a national account plan.

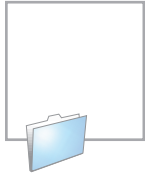
He also says that SCQuARE was particularly useful during his time at Colgate-Palmolive for what he describes as high-pressure internal planning meetings with senior management. In particular, there was an annual forum in which management would discuss how they could develop major national accounts like Tesco and Sainsbury. Key account managers would have to sell their ideas for improving sales and relationships with these retailers to the senior management team.

Invariably, these meetings would feature a PowerPoint presentation, a sense of business theatre and some degree of pressure on the presenter to deliver a convincing plan. However, the intention was that out of these meetings would come the overall document which the business would use as the basis for negotiations with the retailers and to finalise trading terms each year.

In 1995, he left Colgate-Palmolive to become sales and marketing director at Hasbro Toys, where he eventually became its regional MD, marketing globally recognised bands like Action Man and Monopoly into key and varied markets like the UK, the Nordic countries, Holland, Turkey, Israel and South Africa.

“A PROPERLY PREPARED PLAN WHICH CONTAINED THE CORRECT ANALYSIS OF THE KEY ISSUES WOULD NOT JUST GET YOU THROUGH THE PRESENTATION, IT WOULD ALSO EFFECTIVELY PROVIDE YOU WITH A LARGE PART OF THAT WORKING DOCUMENT,”

“When I joined Hasbro, it was a company without tools, process or training in relation to planning. Culturally, it was very different from Colgate-Palmolive and was almost entirely focused on prices and



packaging. I believed we were more than a distribution arm of a multi-national with major tangible assets like Monopoly and Action Man. I had to convince the UK company, and then the International president, that we needed change management and a new business culture,” explains Richards.

“At Hasbro, I first used SCQuARE as a way of working out where we were. As a tool, it gave me the capability to analyse what was good and what was bad and to test my own analysis.” He thought that his proposals for change management would be a difficult internal sell. “They were toy people and to them I was a toothpaste person new to toys. Their values were all about newness, freshness, novelty whereas my natural focus was all about account management and the values of brand building,” he explained. However, his concerns proved unfounded and his ideas were adopted. As with many SCQuARE plans developed for an internal audiences, much of the content could be used in subsequent pitches to external audiences.

“The retailers were sophisticated customers looking for more. By using SCQuARE, I could get our managers to speak their language. They judge the performance of sales, products and brands and use the same measurement criteria we developed in our plans at Hasbro. Culturally, they find a way of positioning arguments in headlines, which is also exactly what SCQuARE does,” says Richards.

Now he is running a publishing, broadcasting and products & licensing

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business with a team of 35 managers to support him. The broadcasting outfit makes TV programmes, mainly in the UK, France and Germany, which are sold into the US, the Nordic countries, Spain and Japan. It owns over 350 hours of programming. Its need to pitch to the major national networks like ITV and NBC in order both to get commissions and sell shows is one of the reasons he has sent much of his team on the SCQuARE course, including his TV sales manager and the heads of TV, marketing, international sales and publishing. He has also sent the head of IT on the course so that he can clearly understand the planning process, the template his fellow managers use and the process adopted.

“I want them to have the skills to work up their own ideas and to have the ability to test these ideas for themselves,” he explains, as this allows him and the team to run the business with a huge degree of autonomy.

Although he says he has found that using SCQuARE plays less of a role for himself personally than it did at either Colgate-Palmolive or Hasbro, he believes that it really helped him when he arrived at the job and immediately had to write the business plan for the way forward.

It was, he says, a strange time for the business which had just been bought by HIT Entertainment PLC, the licensing company which owns the rights to Bob The Builder and Thomas the Tank Engine amongst others.

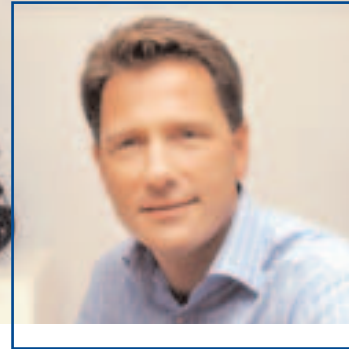
He was originally tasked with running it and making it sellable. He used SCQuARE to explain to the organisation what he wanted to put in place. His plan, chiefly aimed at HIT’s CEO and head of Mergers & Acquisitions, used only headlines.

It identified what disciplines needed pulling both together within the organisation and how it should structure itself to deal with its highly seasonal selling peaks (Guinness World Records is traditionally published in September, but the majority of its sales are in the intense November/December pre-Christmas selling period). The plan focused on two key objectives: 1. to create a slim-line and effective management team 2. to make it a number-focused business with a core process and financial targets.

Three years later, the plan has worked. HIT has since decided to keep the business rather than sell it. It is clear that SCQuARE has played a pivotal role in Alistair Richards’s management career. A convert himself as a graduate trainee at Colgate-Palmolive, he has continued to advocate its value and has since recruited new managers to the SCQuARE process at both Hasbro and Guinness World Records.



maclaren



Mike McCulloch

Mike McCulloch, General Manager at Maclaren Europe Ltd, has been an advocate of the SCQuARE process for business planning ever since he went on a course whilst business development manager at the toy company, Hasbro. Since then, he became Hasbro's business head in the UK and Ireland before taking up the reins at the baby equipment company in January 2002.

The ubiquitous Maclaren buggy was the brainchild of the British inventor and former test pilot, Owen Maclaren, who had the inspiration for a lightweight, foldable buggy whilst pushing his US-born grandchild around in a traditional and unwieldy pram during a family trip to Britain.

Owen Maclaren, who had been involved in the design of the undercarriage for the Spitfire fighter plane before World War II, applied his knowledge of lightweight, load-bearing structures to produce a prototype foldable buggy, weighing just 6lbs, by using tubular aluminium. Patented in 1965, the concept has since become the 'must have' accessory for parents around the world.

When McCulloch arrived at Maclaren, he was keen to introduce his new management team to the SCQuARE process he had learnt at Hasbro. One of his first tasks on joining the business was to put together a strategic plan to move the business forward. He sent three key individuals, the company's European sales manager, its European marketing manager and its sales administration manager, on a SCQuARE course.

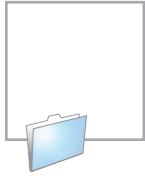
The rationale was to create a tool for joint planning. "I wanted a tool that we all understood and believed in so that when we sat down and did planning together, which I think is the most powerful way to do any kind of strategic planning or account planning, then we would all know what we were trying to do and how we would go about it."

"The feedback from them on the programme was very strong. We could immediately sit down and get on with some planning. It was actually the first time we had used SCQuARE in the business. We set out to identify how we were going to develop the Maclaren

business through 2004 and beyond. This helped us to produce a two/three year plan for Maclaren in its totality. It not only addresses customers and the market, but it's a comprehensive strategic plan covering all aspects of the business. SCQuARE provided us with the framework to get the thinking going, to do the analysis and come up with the strategy. The plan sets out how we can grow the business significantly not only in the UK but also in Europe over the next two to three years.

When drafting the plan, we asked ourselves 'is it bullet proof?' When the board comes up with the questions, will we be able to come up with the answers? The advantage of the process is that you don't have to debate how you do it, it becomes part of the

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culture and, therefore, it has a really integrating effect on the business.”

It was Alistair Richards, now Chief Operating Officer at Guinness World Records, who first introduced McCulloch to the SCQuARE process when he sent a number of Hasbro executives on a tailor-made course specially prepared for the toy company.

“We weren’t good at strategic planning,” explains McCulloch, looking back at his time at Hasbro. “Not only the longer term planning, but the shorter term planning as well. Things like putting together good account plans, marketing plans. We didn’t do that sort of thing very well and the reason for this was we didn’t have a rigorous thinking process or a good tool to use that would enable us to do the analysis and come up with the key strategies to take us forward.”

A number of McCulloch’s colleagues went on the programme and, as McCulloch confesses, both he and his fellow managers were somewhat sceptical before they went.

“We were all booked up to go several times and cancelled each time. We’ve all been on training courses where you’re wasting time, looking at your watch thinking you could be somewhere else or doing something more productive than sitting in a classroom,” he explains.

“A number of us wondered if it was really worth doing, but I have to say it is probably one of the most intense

pieces of training and learning that I’ve ever been through in business life.”

However, it was also the ability to put the process into application immediately afterwards that most impressed McCulloch. “It’s one of the few tools I’ve learned where you can go away and start using it straight away. It has all sorts of applications, big or small. Once you’ve learnt it, it tends to shape the way that you think about everything.”

He also found that the process accelerated and aided creative thinking. “It provides a fantastic framework to shape what you do. If you just sit around a table doing some brainstorming or blue sky thinking it’s a complete waste of time if there is no structure or framework to it. SCQuARE helps you to get to a conclusion by getting you to sift through what is relevant and identify the real issues that need addressing.”

The three immediate applications were the development of the annual strategic plan for the business, the production of the annual marketing plan and key account plans. McCulloch says that the priority was to get the strategic plan done first. This covered a range of issues including proposals for developing relationships with new and existing customers, brand priorities, the allocation of budgets, the setting of budgets for growth, the identification of possible new distribution points and a review of new product development. The rationale for doing this plan first

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was that it could then be communicated to the relevant sales and marketing managers so that key points, especially in relation to the company’s customer strategy, could readily be incorporated into their plans.

Hasbro also used the SCQuARE team as the facilitators for a two or three day planning session, which was usually held at a hotel or an “out of office” conference facility, during which senior management would address the key issues facing the business, the main market complications and the opportunities it could capitalise upon.

McCulloch says that the SCQuARE process provided his managers with a real sense of direction and gave them more confidence in their dealings with outside parties and other parts of the business. He also says that the business produced sharper business plans which, in turn, resulted in better relationships with customers and improved sales.

“I always like to judge things on the basis of results. The SCQuARE process helped us grow the business and make it more profitable, so you really can track its value,” he says.