Institute of Management Services — West Midlands Region

Autumn Programme 2016

The West Midlands Region warmly invites you to the following Autumn events:

In September a Visit to the British Motor Heritage Museum, Gaydon, Warwickshire (just off M40 Motorway), to explore the world’s largest collection of historic British cars including concept cars which never made it into production as well as some cars which are now British motoring icons. The Museum has recently undergone major refurbishment and includes new interactive exhibits. The visit is open to family and visitors and the adult admission fee is £14 but each Region member will receive a contribution of £6 towards the admission fee.

A planned visit to Thornton’s Chocolates, Pinxton, Derbyshire (just off the A38) (date and time to be determined), to view the production processes of one of The UK’s classic chocolate producers. This event is open to adult family and friends. If you wish to attend this event please register your interest and we will keep you informed of developments.

Early in November the Region Informal Dinner, at the Badgers Sett, Hagley. (off A456). Members partners are also invited but members and guests are expected to pay for their meals. The Regional Board will provide table wine/drinks.

The Region AGM will be held early January 2017 at Premier Inn, Stratford Road, Hockley Heath B94 6NX. Members are invited to attend to review the year’s activities and learn of future plans.

Please register for the events by e-mail or by the reply slip in your copy of the Newsletter.

Important Notice — Future WM Newsletters Electronic Only

To help contain costs from 1st January 2017 the West Midlands Region Newsletter will only be distributed to our members electronically. Please ensure your current up to date e-mail address is registered with the Institute. Reports on the Region’s activities will of course still be included in the Institute’s Journal.

Institute’s 75th National AGM

Members are invited to Institute’s 75th AGM and presentation to be held Friday 21st October at 10.30 am at the George Hotel, Lichfield, Staffordshire. See the Management Services Journal for more information

UK Productivity at new low

The Office for National Statistics continues to give disturbing news about the UK’s productivity compared to the other members of the G7 advanced economies. The UK’s output in 2014 was 18 percentage points below the average for the other six countries of the G7 group.

Since 2010 the UK has had the second highest employment growth in the G7 (2nd to the USA) and this combined with an increase in weekly hours worked is believed to have contributed to the productivity gap compared to the other nations. In 2014 UK output per hour worked was lower than Spain, Ireland, Belgium and the Netherlands.

In manufacturing the UK was 24% less productive than Germany and 45% less productive than the USA.
On Friday 24th June the results of the UK referendum were announced with 52% voting to leave and 48% voting to stay in the European Union. A ‘stay majority’ had been anticipated and the exit vote is a momentous decision by the UK population to leave the economic and political structure which has been the backdrop for the UK’s economic well being for over 40 years and is a move into a future which at present is far from clear.

The full ramifications of this decision are still emerging and it may take a period of years before the full implications are apparent with the risks of unintended consequences along the way. The unexpected referendum result led to Prime Minister Cameron’s resignation and for the swift election of a new leader by the Conservative Party, leading to Theresa May becoming the Prime Minister. The new PM quickly showed this was a new government by her Cabinet appointments including the appointment of Brexiteers to important positions including leading the negotiations for our exit from the European Union, but the PM also made it clear that there would be no rush to formally tender our withdrawal from the EU. The Scottish First Minister was also quick to raise the question of another referendum on Scottish Independence, since the majority in Scotland voted to remain in the EU. The British Government is taking the view that there needs to be period of reflection and consideration of the anticipated protracted and complicated negotiations with the EU.

What is clear is extracting the UK’s economic and legal links with the EU and negotiating a new relationship with the EU and new trading agreements with other nations will take time – at least 2 years and some critics have claimed it could take up to a decade. Unfortunately the one thing that business leaders and economic decision makers do not like in this Globalised economy is uncertainty.

Already the Pound Sterling has lost considerable value against the US Dollar and other major currencies (and World commodities such as energy and food are priced in $s). Some of the major banks have announced their intention to move several thousand highly paid jobs from London to either Dublin or Frankfurt. A further risk is that businesses will defer investment in new projects during this period of uncertainty. Already Nissan have announced that no further investment or new models will be made at their vast Sunderland plant until the full details of our future relationship with the EU are known.

The UK economy for number of years has been lagging behind its G7 competitor nations in terms of productivity and although the UK’s GDP has grown this has been achieved by an increased workforce. If the free movement of labour from the EU is to be curtailed then there must be significant improvements in the UK’s productivity if we are to maintain and expand our gross national product (and standard of living) in future years.

No doubt this momentous decision will create both threats and opportunities and the Institute and its members will need to respond to these new challenges.

### Bletchley Park code breakers

On Saturday 12th March a party from the West Midlands Region toured Bletchley Park, the World War 2 British code breaking headquarters. The work at Bletchley Park reduced the war by 2 years and was one of the most closely guarded secrets of the war. It was only some 30 years after the end of World War 2 in the late 1970s that the work at Bletchley Park became public knowledge.

The German Armed Forces in World War 2 regarded their Enigma coded messages as unbreakable.

The Enigma coding machine was originally developed in the 1920s and sold to commercial organisations such as banks to encode confidential messages. The German military forces adopted the Enigma machine for encryption and developed the machine adding extra complexity for coding messages, so that the combinations for encrypting characters in messages ran into millions and by the outbreak of the war, the German High Command were confident their encoded messages could not be broken.
Bletchley Park code breakers continued

In 1938 Bletchley Park country house and grounds in Buckinghamshire was purchased to be the headquarters for Britain’s code breakers and intelligence gathering. Britain’s leading universities were scoured to find mathematicians and others from a variety of backgrounds to work at Bletchley Park. Among the distinguished academics recruited were Alan Turing and Gordon Welchman, who were both to play vital roles in the work at Bletchley Park.

Polish military intelligence had been able to break the German Enigma codes in the 1930s and with the invasion of Poland, the Poles shared their knowledge with the British and French and provided an example of the Enigma machine to British intelligence. But with improvements to the Enigma machine and changes to operational procedures including daily changes of code settings, the German High Command was confident that their coded messages were unbreakable and could be transmitted as morse code by radio. British radio listening stations recorded the coded messages and Alan Turing provided many of the initial leads in deciphering the intercepted German Enigma messages.

Gordon Welchman began to analyse the source of the Enigma coded radio traffic to identify the German command structure and realised that Bletchley Park needed to move from a ‘cottage industry’ with a handful of people to an ‘industrialised code breaking operation’ if the vast quantities of coded messages were to be deciphered sufficiently quickly for the information to be useful.

Welchman, Turing and others wrote directly to Winston Churchill the Prime Minister and gained his support to give the highest priority to providing people and materials to the Bletchley Park operation. To aid and speed up the code breaking operation the ‘Bombe’ electro mechanical machines were developed by Alan Turing and improved by Gordon Welchman.

Eventually nearly 10,000 people were employed at Bletchley Park and supporting out stations, with 200 Bombe machines to help decode the messages. Towards the end of the war the Colossus electronic computer was developed to help in decryption.

It was claimed that in the Western Desert campaign, General Montgomery commanding the British forces was reading messages sent from the German High Command in Berlin to their commander, before Field Marshal Rommel the German Afrika Corp commander had received them. But great care had to be exercised in how the information gained by Bletchley Park was used so that the German High Command did not suspect the Enigma coded messages were compromised.

As ever the weak point of the German Enigma system was the human element. German operators were careless and took short cuts and had particular styles and formats which they tended to use over and over again which helped the code breakers to decipher the messages. Bletchley Park was one of Britain’s wartime triumphs and best kept secret.

Amazon’s retail revolution

On Tuesday 26th April a group from West Midlands Region visited the Amazon Fulfilment Centre at Rugeley, Staffordshire. The building is huge – about third of a mile long and the internal structure is an open space but within this there are four stacking towers and connecting floors and a maze of conveyor belts. All operations are totally dependent on Amazon’s IT systems from the moment inward goods are received from the supplier or manufacturer to the moment they are despatched to the courier for delivery to the end customer. A very impressive operation.

Amazon began operations in Seattle, USA just over 20 years ago selling books on line from a garage and in two decades has grown into a multi-billion dollar global company which has transformed retailing. The Rugeley centre holds thousands of product types and tens of thousands of items in the stacking towers – everything from CDs to pet food.

On receipt of a pallet of goods from a supplier, these items are unpacked and checked that the correct items have been received and are in good condition and then the individual items are stored randomly in whatever vacant bin space is available. So each bin contains a random range of product items but each product item is recorded on the IT system with the location of the bin. When a customer order is received for that product item the system directs the picker to the nearest bin with the required product item.
Amazon’s retail revolution - Continued

The advantages of this approach are that that particular product items are scattered across the store areas so if there is large demand for a particular item there is no congestion or contention from the pickers trying to get the same product item and most items are within a short distance of the picker. Also since each bin contains a random selection of different product items the picker can easily identify the particular item they require for the order.

At all stages the customer order is checked to ensure the correct items have been picked including automatic weighing of the parcel to ensure it is within the expected weight for the order items, and automatic routing for packaging and only at the final point of despatch is the customer’s name and address label printed and applied to the parcel.

All stages of the operation are entirely dependent on complex sophisticated IT software systems so these systems have to be very resilient. About 1,000 permanent staff are employed at Rugeley supplemented by seasonal workers to meet peak demands such as the pre Christmas orders. It was pointed out that Amazon do not operate zero hours staff contracts, and seasonal workers are given a minimum of 21 hour per week contracts. Most permanent staff work the same 10 hour shifts for 4 working days with 3 days off.

A very interesting insight into how goods you have ordered on line reach your front door.

Region visit to Gloucestershire and Warwickshire Steam Railway

On Saturday 14th May a group from the West Midlands Region visited the Gloucestershire and Warwickshire Steam Railway which is a volunteer run heritage railway which runs along the Gloucestershire/Warwickshire border. The railway was originally part of the GWR (Great Western Railway) but the line was closed in the 1970s. The GWSR has restored and reopened 12 miles (19 km) of line, operating between Cheltenham Racecourse and the site of Laverton Halt and there are plans to extend the line.

A very enjoyable day was spent riding the train through the scenic countryside and exploring the railway and its facilities, including Julian Cutler the Institute National Chairman trying his skill as a railway signal box operator.

West Midlands Region Board Members Directory for 2016

Region Chair –
John Hopkinson FMS

Region Treasurer and Events Co-ordinator—
Julian Cutler FMS

Secretary and Membership Development Officer
Steve Cullen FMS

Executive Members:
Bill Acres  AMS

Stephen Burchill MMS

Peter Story FMS

Julian Cutler
Region Treasurer &
Institute National Chairman

Please note that the IMS Head Office e-mail address is now admin@ims-productivity.com and any messages for the West Midlands Region should be sent to this address and marked ‘For the attention of the West Midlands Region’.