



# Ray Harsant

Interviewed by

**Jonathan Sinfield**

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*Welcome to the Archives of Information Technology. It's the morning of Tuesday 7<sup>th</sup> August 2018 and we're in the London offices of the BCS. I'm Jonathan Sinfield, an interviewer for Archives of IT, and today I'll be talking to Ray Harsant.*

*Having qualified as a chartered accountant in London, Ray spent some time working in South America. In the late sixties, Ray joined Hoskyns, initially as company secretary, then in 1972 he was promoted to the position of financial director. Hoskyns became a market leader in computer services in the UK and a premier software consultancy in Europe. Oscar Wilde once said, 'To lose one parent may be regarded as a misfortune, to lose both looks like carelessness'. However, during Ray's 25 year career at Hoskyns, he had no fewer than five distinct parents to report to. We shall no doubt learn during the course of this interview whether this was fortunate or not, and if so, for whom.*

*Good morning, Ray.*

Good morning.

*Ray, perhaps I can take you back, perhaps you can tell our listeners where and what year you were born in, please?*

Twenty-first of July 1937.

*Right, yes. And whereabouts were you, were you born in London or...?*

Yes, I was born in Hornsey.

*Uh huh.*

I believe I was born at home, but I don't remember it very well.

*Right, okay. [laughs] And so what are your early memories, then?*

Well, it was the war obviously coming on and I remember being evacuated to Nottingham first of all.

*Right, okay.*

And I think it was basically following my father. My father had joined the army a year before the war broke out, because he knew that if you waited till the end, or when it did start, it would be quite likely you could be going into the infantry. He'd lost a brother in the First World War and he didn't want to see that happen to him. So he joined the Royal Army Pay Corps and as he quite rightly said, I fought the war with my pen. But anyhow, we also then went to Wales a few times when the bombing got very bad. But we always lived in north London in this period of time, other than when we were away.

[0:02:37]

*So your father signed up in 1938, yes?*

Yeah.

*And before that time, what was he engaged in?*

He was in, I mean basically it was a tough time in the thirties and he was a postman.

*He was a postman? Yeah.*

But he, you know, became a sorter. He was a very capable and talented bloke, but in those days opportunities for people from modest classes were very, very limited. And so when he did get in the army, you know, he made good progress and became an officer during the war. So that was very good. And stayed on a couple of years after the war, went to Suez and Jamaica on assignments and then came back and became a civil servant.

*Right, okay. In which area was he...?*

It was to do with telephone lines and controls, yeah.

*First mention of IT then, yeah?*

That's exactly, yes, indeed. He obviously foresaw.

[0:03:43]

*So, you started school in the war years as well...*

Yes, very much so.

*...1942 or whatever. So whereabouts was your school at that juncture in life?*

Yeah. The first school was Burghley Road, which is Tufnell Park.

*Uh-huh. In north London, yeah?*

North London, where I was there all of the time of my growing up. And that was actually a very good school, you couldn't not get into grammar school. I mean there was this extraordinary, and one of the great things for me, well I think I was ninth in the class there out of 40, that's the sizes classes were in those days, and yet I still got to grammar school, no probs at all. I remember meeting people at grammar school and they said, well, only two of us got from our class into grammar school. So I was very fortunate. But actually, when I got to grammar school I did quite well and, you know, I shot up quite well. But then, it seems a strange story, but I'm sure it's true. When I was fifteen I said to my father, well look, you know, I'm a bit fed up with school, you know, going up one staircase and having to go down the other, how do I get on to a good job. And he said, well, you know, you could become a professional. I said, what does that mean? He said, well, you could become a solicitor, an accountant, and various others. And I thought about it and I thought well, really I'm not suitable for a lawyer, I'm not a great speaker, and things of that sort. Okay, I can do an accounting. So actually, I left school literally the day after my sixteenth birthday.

*Right.*

And went into accounting. And I have to say, I still have the letter from the headmaster, you know, saying that's terrible, you know, if only you'd stayed on and gone to university you'd have had a really good professional career. And when I meet up with him up there, you know, I'll say, Mr Lockwood, you didn't get it completely right. [laughs]

[0:05:58]

*So Ray, if I can take you back to your secondary school days. You attended William Ellis Grammar School.*

William Ellis Grammar School, yes.

*That's in Parliament Hill, again in, Parliament Hill Fields in London. And you chose to leave school after your O levels, effectively.*

Exactly that, yeah.

*And what subjects interested you at school?*

Well, that was one of my troubles, was that I got three distinctions in my O levels. They were history, chemistry and Latin. Now, you couldn't have a more diverse group, which obviously showed I didn't have particularly strong leanings in any direction. So, I think that was one of the things. I couldn't see myself going on to become a scientist, I couldn't see myself, you know, going on to English and history and things of that nature. So that's another, I think influenced me to leave and go into something practical.

[0:07:05]

*Your time there, and it doesn't necessarily need to be at school, but are there any standout moments, let's say, taking your time before you attained sixteen, were there any standout moments that you feel influenced you through the rest of your life?*

No, I don't think so. It was a very good school, you know, grammar schools really did give people from, you know, modest background as I was, a terrific opportunity to make progress. And, you know, I enjoyed it there, I enjoyed everything. I was good at cricket, that was one of my strong points, so that was very nice.

*Any individuals that you feel were, acted as an inspiration at that juncture in time?*

Not friends. Some of the teachers were certainly very good. I mean interestingly enough, the Latin teacher really believed in me and that was very nice. And I've always been very tall, but gangly, and I've always been a bit sensitive about, you know, being different. And he was very good to sort of give me self-confidence.

[0:08:27]

*And so in 1953 you decided chartered accountancy was...*

Absolutely, yeah.

*So you signed on then as what would be called an articled clerk or...?*

That's right. My father got the *Accounting* magazine and saw there was a vacancy in the City of London and applied for it, went up for interview, and was taken on.

*And you joined the London firm of Sidford and Keen, yes?*

Correct.

*Were they a large or small...*

No, very small. Thirteen people altogether, including three partners.

*Right, okay.*

So it was very small, but gave me some very good basic training, but really, you know, I was quite green in so many ways. So when I passed my exams, I was still very unknowledgeable, really about sophisticated accounting in any shape or form.

*And what type of clients did Sidford and Keen have when they were...*

Well, they would be shops and small businesses, you know, single traders, things like that. We had one, as I remember, one cosmetics company, but that was about. You know, it was very small and fragmented, which was what the firm wanted to do.

[0:09:52]

*So after six years and having successfully qualified, you decided to move on to, well, talk about a new environment in terms of firms and location. Perhaps you can tell us about that?*

Well, I basically, you know, it had been a very tough five years of studying, because in those days one did correspondence courses, which meant that I used to study four evenings out of five after I got home from work, you know, I was working during the day as articled clerk, and one day of the weekend. So I'd basically take Saturday off and do studying and complete these papers on a Sunday. So it was very tough, I just felt at the end of it, d'you know, I've got to do something different, I've got to break out. And I thought well, go abroad would be something. But then I thought, I don't want to go to a British colony or be too British, I just want a complete change, just felt I needed the challenge. And I just happened to be looking down again at *Accountancy* magazine and I saw there was an advertisement for Brazil.

*Right.*

And I remember Brazil had won the World Cup the year before, so watching them on TV, and that was in Sweden, so I thought, why not, I'll apply. And I went for the interview and the guy said, I'm terribly sorry, but I know nothing about this job. The guy who normally does this is not around. I've got this book of pictures of Brazil and what it's like, and there were palm trees and exotic girls and so forth. I said, yeah, okay.

*So Pele took you to...*

Well, yeah, I saw Pele very quickly after I got there.

*Oh right, okay.*

Indeed. You're absolutely right in one.

*So you were, you went to Sao Paulo, joining Price Waterhouse?*

Yeah. And it was, it was basically a British run partnership. Charles Taylor was the number one guy. And, you know, so basically they recruited from Britain. We were miles cheaper to employ than the Americans. We did have the odd Canadian there, but it was nearly all Brits.

*So that must have been an immense change from...*

Terrific change, terrific.

*...from London to Sao Paulo was...*

Yeah. And, well, in those days, I mean Brazil and Sao Paulo were marvellous places to live. They were so safe, you can't believe. If you wanted to take a girl out you had to take her and her sister out, you know. And if you give the girl in the cinema a kiss on the cheek you've got a policeman tapping you on the shoulder, '*Não, não. Não é possível*'. Things like that. So it was just a very, very safe area. And it was fine. I could play cricket again out there. In fact, I played cricket for Brazil against Argentina.

*Oh right. Against the arch rivals.*

Yeah, absolutely. I did a tour there. But anyhow, it was all good fun and I learnt a heck of a lot.



[0:13:30]

*And what type of clients were you working...*

Well, all the biggest car companies, you know, domestic equipment, coffee exporters, chemical companies. You know, I mean they were all sizeable companies. Basically, most of them were American subsidiaries. But, you know, just completely a new area for me to learn and understand and so forth. And no, it all worked out very well.

*Did you attempt Portuguese whilst you were there?*

*Eu falo Português um pequeno.* Yeah, I did, I did speak Portuguese there. It's a bit rusty now.

[0:14:14]

*Right, okay. So if I was to ask you about your lasting memory of your accountancy days both with Sidford and Keen and PW, what would you say, what's...?*

Well, I think in both cases they were nice companies, nice firms to work for, good people and people helped you and helped you develop and grow, and I think that's the key, isn't it?

*Yes, yes. So you were out in Brazil, what, two or three years?*

Three years.

*Yeah, three years.*

And in those days of course, you know, air traffic was so very expensive that it was the three-year unbroken contract. So I've always felt sorry for my parents, that they suddenly lost their son for three years. And you didn't do phone calls in those days, you just wrote letters to each other. So I'm glad it didn't happen to me as a parent.

*So you returned in '62 to the UK? And you went to work as an accountant, with Marley Tiles?*

That's right.

[0:15:30]

*In Kent. So what took you down that route?*

It was just simply looking for a job, and I wanted to get out of the profession. I didn't find it satisfying enough to go into a firm for a week or two weeks, or three weeks and then walk away. You just felt, I just wanted to be part of a company and make things happen and participate and see things through. I'm not really a good adviser, I'd rather get my hands dirty.

*Right, okay. And so a couple of years with Marley Tile and you moved on again?*

I did, because Marley Tile was a very boring job indeed. I was in group accounts which collated information and assembled it for the board, but you really had very little contact with the actual industry itself. I think I had one visit in my two years to a branch where I could talk to the manager and discuss problems and things like that. So for some reason they were happy to employ accountants but they weren't to mess around with the business, you know. It was a family run organisation in those days, called the Aishers.

*Yes.*

And they wanted to, I think, have control of the business completely.

*Yes. I mean they'd owned the company since the thirties, Marley Tiles.*

That's right, well done. Well done.

[0:16:57]

*So you moved on to Kirk and Co, which is a tube...*

Kirk and Company Tubes, engineering company, yeah. I was fortunate, well, fortunate, it seemed to work. I just saw again an advert and applied and they were based in Rotherhithe and they had their own pipework fabrication business there. They basically had about three different businesses. This pipework fabrication where you literally assembled and put, you know, various complex piping together, they manufactured flanges, which was down in south Wales, quite a big factory there, and then they sold some – bought and sold – traded in various other engineering materials. And again, that had been a family company, but they were happy that I joined them, and they allowed me to do what I wanted to do, which was to mechanise the accounting and to bring in an invoicing system, you know, a mechanical one. And, you know, so we were able to, I mean, shed a lot of staff and make it more efficient.

*So were you the most senior finance person at the...?*

I was, I was a chief accountant. I reported to the company secretary, who was the guy who employed me. He was a very nice guy and he supported me. I mean sometimes when I was doing things, he said well, Ray, have you thought about this? Oh, thanks very much, and fix it. And we've remained friends, you know, after I left and we stayed in contact. But anyhow, it was a very good business for me, learning about the engineering industry in detail and being able to do some mechanisation.

[0:19:02]

*And when you talk about mechanisation, because we're now in, I'd say the mid-sixties, and you talked about mechanising, what was it, the sales ledger or the...*

Yeah. Well, it was basically the accounting and ledgers for them, plus the invoicing.

*Uh-huh. And what system did you deploy, do you recall?*

Yes. It was the Burroughs machine.

*Oh, the Burroughs.*

We looked at NCR and Burroughs, I went for Burroughs.

*And in short, you convinced the owners this was the way to go for...?*

Yeah. As I say, I was very lucky that they- well, I suppose they could see the savings I was proposing so they were quite interested.

[0:19:42]

*Mm. And I know you were there for four years, and as we've said, already said, about a couple of years with Marley Tiles. Is there, can you remember any particular challenges during that time and how you got over them?*

Well, I think often when you're changing things, it's people. Fortunately I had the support from the top, but you have to change people below you, and a lot of these people, particularly a couple at Tubes had been there a long time, were very, you know, to my mind, slack and sloppy and it did quite an effort to persuade them, convince them that, come on, we can do things differently.

*And what approach did you use to win their minds over and change their thoughts.*

Gentle but firm.

*Sorry?*

Gentle but firm.

*Gentle but firm, oh right.*

Never beaten. I'm an awkward, obstinate bastard.

*Oh right! Okay. [laughs] Shall we edit that?*

I don't mind. [laughs]

[0:20:47]

*So after four years, you...*

What happened was the factory down in Wales was getting bigger and doing more of the business and they realised, you know, having this pipework fabrication done in London was, you know, with huge amounts of fumes coming out into the air, pollution, that that ought to be moved down there as well. And I supported that and I said yes, that's definitely the thing to do. I said, but there's one thing, I'm not going. I want to live in London.

*Right.*

So, you know, I got them to agree to do it and then I said I'm not going. Anyhow, I believe it all worked out.

*So you were looking for another job and...*

I was looking for another job.

*And how did you come across your next employer?*

Well, I went to an employment agency and- but I remember him saying, I've got this one job in Greenwich. I said, well I'd be interested in that. And I think it was a furnishing company. And we've also got this firm of consultants. I said, no, I'm not interested in consultants, I don't want to- and, you know, there's going to be no real fun there. So I said no, so I'll go and see the other people. Anyhow, he came back and he said, oh, now the job's gone. So I said, oh well, we'll leave it for a while then. So after about a week or so there was nothing else cropping up, I said okay, I will go and see them. And that time I came across John Pearce who was the number two to John Hoskyns, was very impressed with him indeed. And I did my computer aptitude test that day. And then they called me back, you know, a week or so later. Then it was to meet John Hoskyns and John Pearce. And they really did, you know, shred me quite nicely. But, I stuck to my guns [laughs] and I certainly thought I have not got this job. I mean I couldn't answer some of their questions, I couldn't- and I didn't

feel I was convincing them of my replies. But, the next day there was a heavy thump on the, in the postbox and there was the letter with the offer.

*Offer of employment.*

Yeah, I think maybe, and I do think there's a truth in this, that they'd been looking for quite a time and they finally thought, we're not finding the right person, well, let's go for this guy. Because one thing I did have was the engineering experience, which is where they were wanting to expand into.

[0:23:45]

*So we're talking around 1968 here and you were interviewed by John Hoskyns?*

Yeah.

*And this is the same John Hoskyns who later went on to work for Margaret Thatcher, etc.*

Correct.

*So, so you were interviewed by the head of the company. And what role did you go in at?*

Well, it was basically to work for John Pearce, you know, the number two, in HSM, Hoskyns Systems Management, which was the bit that was going to be doing the engineering, okay? One has to realise that I was number 35 employee, they were employed, but they were going through a process of employing many, many people now, because they'd raised a lot of money very successfully with Schroders and another bank which no longer exists, and then they also had this negotiation for money from the National Research Development Corporation. So, they had done brilliantly, bearing in mind they were just a tiny organisation. I do think both Hoskyns and Pearce were just amazing people, amazing credibility. So I went to work for the engineering part for a few months and then they realised - up to that point in time they weren't doing their own accounting, it was all being done outside,

subcontracted - and they realised it was time they got their own financial guy. And so I was called across one afternoon to talk to John, John Hoskyns, to explain to him what would I do if I was given the company secretary job, which was basically looking after finance and admin. And I obviously convinced him because he gave me the job and that was what I did.

[0:25:48]

*Right, okay. And so that was how long after you joined? You joined the company in April...*

Oh, that was 1<sup>st</sup> January '69.

*Sixty-nine? Okay, so very early on and as you say, you joined what became the Hoskyns Group at a very early time.*

Yeah. Thing was, when I was- they were just, everything was changing so rapidly. You know, yes, we've employed this guy to do that, oh hang on, we've got this to do, yeah, let's switch him over to there. You know, that was, it was like that.

*Right, okay. And can you give us any indication of the size of the- you've said 35 employees, but...*

At that point in time, but they were recruiting at least another 100 that year.

*Really?*

Yeah.

*As early as that?*

And that first year I think our turnover was £200,000.

*Right, okay. And what type of clientele were they going after and getting at that juncture in time?*

Well, the thing was, it started off as a pure consultancy and they were just seeing the opportunities, you know, if you like, there was software, IT would be changing. And so they were expanding in all sorts of areas. Yes, the manufacturing area, they were coming up with software packages for, you know, for different, particular areas. Education, you know, having their own computer, an ICL computer, and doing processing for people. They were just going *boomph*, like that, you know, they raised the money, now's the time to expand, and they did.

*Who was the driving force behind the company at that juncture?*

It was John Hoskyns and John Pearce together...

*Right, the two of them?*

...they were, absolutely, you know, partners. And also they opened up in the States at the same time. It was going mad, really. Which, not surprisingly, there were problems, of course problems. Because by 1970, (a) there was a recession, a really nasty recession, and (b), you know, we had over-expanded and, you know, so we then had to sort of swallow very hard and cut back on a number of things we wanted to do. Yeah. And also, it made my job much more important, because up to a point when we were expanding rapidly, you know, nobody was really listening to me at all. Because it's all about, what are we going to do tomorrow, how are we going to get this, how are we going to move over there? So I was just sitting there, oh yeah, well okay, but you do realise... No, it's alright, we're going to press on and achieve this and achieve that.

*But you're saying there was outside finance at that juncture in time?*

We had a lot of outside finance and they were very good, then they raised another huge amount, 330,000 with American Express. So they were just so good at raising money.

*Right. But then you find those lenders were on your back, as it were, or...*



Well, not really, because they probably didn't know what was going on, because it all happened very, very rapidly.

*That doesn't sound like a bank to me. Oh, we're... [laughs]*

Well, I think it wasn't so much a bank lending, it was what you call corporate lending. You know, when you take an interest in an organisation and say that at some stage we can convert that into equity, and things like that. And so we had Schrodgers and American Express and then, say, National Research Development Corporation funding other things on the manufacturing side. So, but anyhow, we did have this big crunch, but that certainly, you know, made my job much more relevant. As I say, people didn't, weren't at all interested when I... but that gave me time anyhow to again, set up the accounting and mechanise it, I did Burroughs machines again and that all worked very well.

[0:30:05]

*It's interesting, really you're saying that, I mean as we're sitting here in 2018 we know that the role of finance has changed dramatically over the years and you wouldn't expect not to have a finance director these days, but back then, the finance man wasn't always involved in the decision making of the organisation.*

Well, a lot of- well, nobody listened to him too much, initially anyhow. You know, because I mean we were very much an entrepreneurial business and entrepreneurs want to achieve their ideas, but then they realise, whoops, financial reality means we've got to take a much harder view.

*But your experience was that they were keener to listen when they're struggling or harder times?*

Yeah, we're realising if we carry on like this we're going to get through all the funds, you know, and crunch, it'll be no good. So, it worked out, you know, perfectly fine in a way. We concentrated on the areas, we stopped over-expanding, we cut back on things that were never going to work and then it started to turn round. And, you

know, but what John, what Hoskyns appears to have done though, is recruit a really, a bunch of talented people and they were not just talented, they had a similar work ethos. We were a great team, really were, and that makes so much difference in a business, you know, when people are not trying to edge people out, they were trying to make, help each other to achieve more and for better.

*And of course the key for any business is not to run out of cash.*

Absolutely.

[0:32:06]

*And talking about cash, were Hoskyns involved in decimalisation?*

Yes, very much so.

*What was their involvement?*

Well, one of the divisions was Hoskyns Corporate Studies, which was a pure accountant, sorry, a consultancy, nothing to do with IT. And I believe Geoff Unwin was part of this project.

*He became the MD, didn't he, yeah. Geoff Unwin became the MD of Hoskyns.*

He became the MD in 1980-something, '84 or something like that. In '85, I've written it down. But, you know, here we're talking 1970-something, and he was quite a junior guy then.

*Right, okay. But it was working out the number of coins that...*

That's right, yeah.

*...when it went from pounds, shillings, and pence, which some of our listeners won't know what we're talking about here, but going to decimal currency. So you were*

*involved in it, as you say. So Hoskyns, as you say, consultancy, not just about pure IT.*

No, not at all. Not at all. Although in the end we did give it up, you know, we decided we wanted to be an IT company. But that's much later on.

[0:33:25]

*We've briefly mentioned, well briefly mentioned, you have talked about how important John Hoskyns was to business, but he of course had a famous career in politics as well and in the mid-seventies I think, so deciding to move on and effectively exit the business.*

Yeah. In fact it was 1973, you know, he really shocked me saying, I'm bored with this, you know, I need a change, I need challenges. He and I used to have lunch a lot. I have to say, not posh lunches, cafes and things like that. We used to talk a lot about things and, you know, the 1970s were very tough, you know, from a point of view of looking at the economy, and the unions were just so dominant and negative and destructive. And so in fact, I shouldn't really be telling you this, but there is one point that I remember saying to him after one election in the seventies, I said, 'So who did you vote for, John?' He said, 'The Liberals'. I said, 'John, that's a complete waste'. This is me talking to my boss, right?

*Yes. Yeah, yes.*

And he's not my boss there, he's my boss there. I said John, that's complete rubbish. I mean, you know, they're not going to be able to make the changes. You've got to get into the Conservative Party because only there can you make the changes. And I have to say, it's probably the only time I convinced him to do something, because he wasn't a natural Conservative.

*I suppose, what was your rationale, that you've got to be in power to change something, change anything?*

Exactly. No point being on the periphery, you know. That was simple. Anyhow, there we are.

*So Margaret Thatcher has got you to thank for delivering John Hoskyns to...*

Yeah, absolutely.

[0:35:30]

*So he decided...*

Yeah, so 1973. So, you know, it takes time to, you know, well, how are we going to do this? And we'd got the business turning round from '71 onwards and, you know, always reporting one year in arrears, aren't you? You can say actually we're doing better, well, but last year these figures are terrible. Oh hang on, when you see these ones they'll be much better. So, it took us till '73 to have a, starting a track record. And then what happened was, we had this branch out in the States, based in New York, and John Pearce had gone out roundabout 1971 to run it and, you know, he got it going very well and happened to bump into Martin Marietta and this guy called Barry Rowe and we started talking to them and they got, they were interested. You know, basically, Martin Marietta is Lockheed Martin today. They were two separate companies in those days, Lockheed and Martin Marietta, both in the aerospace. Both almost exclusively government business, well particularly Martin Marietta. And Lockheed not so much, but still a lot of government business. But they saw the IT world as something exciting they wanted to get into, which is why- I mean it was a very small investment for them, you know, for the size of organisation. But, they thought it would be a useful thing to do.

*So they sold out, as I say, to this American organisation, Martin Marietta?*

Yeah.

*So effectively the Hoskyns family sold out?*

Yeah, well, and the executives. And we all had some options and things like that, yeah. I mean we went over there and it was quite interesting negotiations. It was one of those ones where the guy comes in and thinks, I can do this deal and much cheaper than it's being bandied around. And he came in, his name was Charles Leithauser, I remember, and said how much he was prepared to pay and no more, and I always remember, you know, we're sitting round a table like this and John, 'Charles' said John, standing up. 'Okay, fine. Gentlemen, could you arrange the flights back this evening.'

*You asked?*

He was saying, could you arrange the flights back now, you know. And was packing up, walking out. And...

*Sorry, I want to get this right. They were about to walk out or you were...*

No, we were about to walk out. He'd made the offer and having established that was all they were going to do, right, well, that's that then.

*We're about to, yes.*

And, you know...

*I should say for our listeners, Ray is demonstrating how he'd walk out of the interview. So, thanks for that. So, and who said that? Was it yourself who said that?*

No, it was John Hoskyns. Because obviously it was his business, he was the one to make the decision. And immediately they said, 'Erm, well, would you go and sit outside for a while, whilst we have just a discussion'. So they then called us back in and said, 'Okay, we'll pay you what you want, what you're asking'.

*Right, okay, good.*

I mean they really went down from there, in the space of, you know, half an hour or an hour, you know, it was incredible.

*So they were buying a hundred per cent of the company at that stage?*

Yes, yes.

*And so, not wishing to put words in your mouth, but you're saying John Hoskyns knew how to negotiate.*

Oh, he was brilliant.

*Right, okay.*

But I mean, he had great personality. I mean, and perhaps I've – and you've probably got the idea that I think quite highly of him – he was my university education, because I worked directly for him for six years and he was the one who taught me how to really think things through. You know, not just a simple solution, but hang on, what happens if you take that decision and go further down the line. You know, he really made me think very well and he was a wonderful guy.

[0:40:04]

*And how would you describe his management style?*

Fantastic. I mean he came from, he was a very much an upper class chap. John Austin Hungerford Leigh Hoskyns, was his full name. But we were all Christian names from top to bottom. And I remember a wonderful example when roundabout 19... I don't know, 1970, I mean the photocopying room was the lowest guy in the company, a chap called Les, and Les was doing the photocopying, he was chunking at the Xerox machine and John comes in and says, 'Les, Les, could you do this for me this evening?' Les says, 'Oh, sorry John, I'm just too busy, I can't do it for you. No, I'm sorry'. Then says, 'Well, okay, if you could fit it in, I'd much appreciate it, but I do understand'. I mean, you know, this is the top guy talking to the, you know. And that was the way, you know, he dealt with, he just got the best out of people. If he

didn't get on with them, then he fired them. But, you know, he was great at just getting the best out of people and treating them in a very human way.

*So not an autocrat...*

Certainly not.

*...more of a team player, yeah.*

Certainly not.

*And we hope Les's career blossomed after that.*

Well, Les stayed on and...

*Yeah, he stayed on? [laughs] He's now a multimillionaire.*

Well, he isn't... But he did have a successful career as a photocopier. We called it general duties, yes.

[0:41:38]

*Right, okay. So now you had new owners.*

Yeah, yeah.

*So this is the first parent, your first parent you, you'd lost the first parent, as it were, as in John Hoskyns, and now Martin Marietta. So, as an organisation, so what were they like?*

Well, can I just say first of all, that nearly all the top people left.

*Right.*

Or they decided they didn't want to carry on with their jobs. A number of them wanted to go and work in the States. I mean, as I say, mid-seventies, very tough time over here. And really we had to sort of start again at the top management. I was the one person left. But the great thing was that John Pearce chose a 29 year old to take over, a chap called Jim Feeney.

*Right.*

And I think this is 1976, I think, it took seven or eight, nine months to sort it out. And Jim was a most extraordinary bright guy. And the great thing that he did was to look down the organisation and pick out the talent of people to come up and be in the next generation of managers. And we did obviously have some senior people there, but they weren't of the quality, you know, if you like, the energy, the drive, the clarity of thinking. So those people were gradually pushed aside and then they'd get fed up, so they leave. So that worked out very well. You had to be cold sometimes, I'm afraid. So, Jim did that marvellously well. So this is where, you know, Unwin got picked up, a chap called Tony Robinson, Tony Fisher, who's on the list to come here, I think, at some stage. And various other people. Barry Hodson up in the north, John Hartley up in the north. There were a whole number of people just encouraged and brought on.

*So you'd say the characteristics of Jim Feeney was the, well, as a talent scout, basically, would you say, both within the existing organisation and...*

Yeah.

*...he was responsible for bringing the individuals in that were able to push the organisation forward.*

Encourage them up the organisation, yeah. Getting them promoted and so forth. Because he'd been with the company for four or five years, so he knew the people, he'd looked around and met them, you know, at functions or for maybe, you know, doing similar assignments with people.



*Because we know that a staggering number of takeovers fail.*

Absolutely.

*You know, it's probably 80% plus, if not more. And you'd think if you'd just learnt most of the staff departed or the senior staff departed on acquisition, that's normally curtains.*

Yes. And you're just losing the top people, aren't you? But, the great thing is, all these people had been recruited in by, you know, John Hoskyns and John Pearce and they all had a sort of similar ethos and, you know, were ambitious and wanted the company to grow. We were all very young. I mean, I became suddenly the oldest one. I was, you know, by far the youngest at this stage, so if you like, I joined the company '68, I'm 31, so by 1975 I am 38 aren't I? Yes. And, but now, I am by far the oldest, because they're all about 30 or 31, 32. It was amazing change that happened.

[0:46:01]

*So was John Pearce involved with the organisation after the takeover?*

He stayed for a year.

*Stayed for a bit.*

And then left.

*He'd recruited Jim Feeney.*

Well, Jim, he'd recruited Jim, you know, a few years earlier, yeah.

*But Jim Feeney rose in the company at that time.*

Yeah.

*And then you mentioned a number of individuals who came forward and one was Geoff Unwin as well, yes?*

Yeah, he was one of them.

*Right, okay.*

He'd been working in the consultancy but Geoff had got it – er, sorry – Jim got him to become a salesman in facilities management.

*Right, okay. And facilities management was a big part of Hoskyns as well...?*

It really was, absolutely, yeah. And it really, Jim got to encourage it and grow it, yeah.

[0:46:57]

*So, were Martin Marietta happy with their acquisition?*

Yeah. We were a very small part of their total and they set up their own data centre, sorry, data services company, called Martin Marietta Data Systems. So we reported into that. And this chap, Barry Rowe, ran that. The chap who wanted to buy us. The good thing from my point of view was that there was a financial guy over there called Bill Snowden, and he and I just got on perfectly. He was a one generation American, very American, but only one generation. Father came from Halifax. But we just hit it off straightaway and therefore we never, we never had – well, not never – but for many years we didn't have an onerous company, you know, bearing on us. They were interested to see what we were doing, we were more ahead of them in the industry than they were, so they were very interested in what was going on.

[0:48:05]

*And if we push into the eighties, I mean from what I've read it was a successful time in terms of your annual growth.*

Yeah. We'd grown 30% per annum, and stuff like that. And, not needing any cash, you know, we were financing our growth.

*And we talked about what happened after the float, but what about retention of staff at that juncture in time?*

Yeah. We were fine. Well, you know, we lost some people Jim, you know, froze out, but they would go off and find another job more interesting for them.

*What, there was a float in '86, wasn't there? What...*

Yeah. Perhaps I should go back a couple more years to say in '82 Barry Rowe dies.

*Right, okay.*

Very sad, you know, cancer. And the chap who takes over from him, fellow called Rick Walters. So he fell out with Jim and fired Jim in 1983.

*Right.*

Which was very sad. And he appointed one of the other guys, young guys I've mentioned, called Tony Robinson, so Tony Robinson came. And Tony Robinson did the job for two years. Then... so Geoff Unwin takes – no, sorry – then Rick Walters in the end after a couple of years gets fired by Martin Marietta.

*Right, okay.*

But by this time Tony Robinson has left and Geoff Unwin takes over. This is in 1985.

*Right, okay.*

But actually, that turned out to be the right thing. Geoff, compared with all the other senior guys that we had, including Tony Robinson, Geoff was much, much better as

number one. So, you know, Rick Waters [sp?] putting Tony Robinson off was not a good thing, but in the long term it was right, you know. It gave us the right solution.

*So when you say about Geoff, what was his qualities that you say that he was right for the role at that juncture in time? What did you see in him that...*

Well, he was a very clear thinker. And he and I have always got on very well, so we communicate very well. I communicated very well with Jim Feeney by the way, as well, extremely well. But with Geoff also, he's a terrific presenter, really marvellous with words in the way that John Hoskyns could be.

*Right, so a good communicator.*

Absolutely. But also he's, of all the MDs I've ever come across, he's the one who does detail more, so much. He's never unaware of what's going on in detail. You know, you don't have to tell him too much. The things you have to tell him about is what's happening to individuals, you know, which he wouldn't know about. And I'd say, well that's happening, that's happening, they've fallen out there. Okay, well, you know. And he would interfere – not interfere – you know, help out and make things smooth and manage it, yeah. He's a very, very good presenter.

[0:52:00]

*There was a decision to, what, float 25% of the company?*

Yeah.

*And I'm curious as to the rationale on that. Were you...*

Well, Geoff and I would, we would talk a lot from the time he took over. And we decided that, you know, if we were ever going to make any serious money, it had to be on equity, it wouldn't be earnings. You know, we paid well, but we didn't pay top salaries, I mean, at all. So we both agreed that, gosh, if only we could, you know, get the company back. And we, I happened to be saying this to, it was Bill Snowden in the States, and so forth. I said well, you know, and we said, you know, it would help

stimulate the company in the UK, we'd become more well, whereas you feel the subsidiary Americans, people are not that interested. Anyhow, the story fed back and in 1986 Martin Marietta had some, you know, hiccups. And they needed, if you like, some nice gains to cover them up.

Yes.

So it just happened at the right time and they picked up on this and then they came over and Geoff and I spent two days with two of the top guys of the whole corporation. And, you know, this is my one whoopee minute, moment, was when they got in the taxi and said okay, we're going for it. And the taxi went off and Geoff and I just shook hands, yes!

*So, what they were going to do was to float 25% of the company?*

Yes. So make a, you know, a certain amount of equity there, they'd make a very nice profit, but also being able to revalue the other 75%.

*Mm hm. And the rationale there, you talked about increased visibility.*

Yeah.

*And did that give, well employees particularly, I suppose, employees were managing the company.*

Yeah. We'd got the share options.

*You'd got share options, which presumably had with retention and...*

Yes.

*That juncture in time, the company valued around 46 million, I think.*

Something like that. Something like that. And...

*So a significant sum.*

And we did take the options down at quite a long level. You know, I'm just trying to think, certainly something like well over a hundred people anyhow, were getting options.

*As long as Les operating the photocopying machine got them too. [laughs] That's good. So you encourage in...*

Yeah, we weren't paid like that, we were very much paid like that. Okay.

*Okay, yeah. So, oh that's interesting, because I mean as you know, the debate today about the difference between CEO salary and some of the staff who work, you're saying it was far flatter at that juncture in time at Hoskyns.*

It very much was. I mean one of the guys I remember working for me, I think, I remember in the last year, I can remember my salary, well I think it was a 100 in '93, one of the guys, I was working for him, got 60. And I thought well, he didn't send his kids to private school and I did send my kids to private school. I thought actually, I'm earning no more than him in the sense of money to spend. You know, we were quite flat.

*Yeah, okay. And as you say, you encourage, the float enabled you to encourage employee ownership of the... which was...*

Yeah, it's a good thing.

[0:55:58]

*But, so you'd floated this 25% and then, then what happened there with that?*

Well, that was good. We grew very nicely in those few years and then along comes Plessey, and says to Martin Marietta, we'd like to buy your 75%. And obviously the

Martin people say, well, you've got to speak to the people at Hoskyns first. So, you can just check with Steven Wall – I think you...

Yes.

And well, we thought okay, fine. We were then able to exercise some options at the same time, but we wanted to be re-floated. So that's what did happen. It went through. We had some Plessey employees join us. Not many, a few, you know, top IT people, that was good. And we had some additional work coming from Plessey as well, which helped. So that all went through smoothly. And then, of course, about two years later, GEC come along and buy Plessey.

[0:57:09]

*But if we go back to Plessey, I mean they bought out the 75% in 1988 and the capitalisation figure at that time was considerably more than when the 25% float, so a couple of years, you know, about 160, 170 million the company was worth. A staggering increase in value...*

Absolutely.

*...that Plessey...*

Yeah. So you can imagine Martin Marietta were very pleased with their investment, the way it had increased.

*Yes. We're putting Oscar Wilde's comments- who wasn't unfortunate, it was fortunate, it was fortunate to all the owners thus far.*

Indeed.

*So Plessey who got this, would you say that was a good fit?*

Definitely okay. Again, they didn't try and over-manage us, not at all. I mean Steven would, you know, we'd have meetings with Steven quite often, but he didn't come in and overrule us at all.

*So this is Steven Wallis we're talking about?*

Steven Wall.

*Just so, I beg your pardon. Steven Wall beg your pardon, yes. And yes, so that was going along and then...*

[0:58:45]

Yeah. And then along comes GEC and makes this bid for Plessey.

*Yes. They'd been after Plessey for some time.*

They had, that's right.

*So that was in '89, wasn't it, that they took over Plessey.*

Yeah.

*So what happened to your shares at that stage?*

Well, what happened – let me think. Well, I think, I'm not sure what happened to the share price, but basically, I mean you own, GEC owns Plessey, Plessey continued to hold the 75%. So basically GEC have got to decide what they want to do with the 75%. And they said to us, well, you've got to find yourself a new owner.

*So GEC Siemens were interested in...*

One of the interesting afternoons that we had was with Arnold Weinstock, we went to see him at the GEC place. And I must say, I've met some sort of big cheeses in my time, but he was the most disappointing one I've ever come across.



*Oh dear.*

When we tried to explain to him what our business was about, he just wasn't interested and wouldn't listen. And he kept on saying, well why don't you do more work, do work with chemists. We said, well, we don't do retail because, you know, it's too small, too bitty, we only want sizeable companies where we can give more sensible large solutions, that's what we're into more. But he just wouldn't listen at all, so we knew that he wasn't interested in us. So, as you say, he asked us to, well we were told to go and find somebody else.

*So, and Arnold Weinstein, he was the, GEC's managing director at the time of this?*

Yeah.

*Yeah. So, well, in short, they've taken over Plessey but weren't interested in one of their subsidiaries.*

Yeah.

*So who went about looking for...*

Well, the four of us. You know, basically the four of us running the company was Geoff Unwin, myself, Tony Robinson had come back for, at the time of the flotation we got him back because we needed another heavyweight around, and he is a heavyweight, or was a heavyweight. And then Tony Fisher. So the four of us were very good to him. And so we looked around and, you know, we even went to Japan to meet a particular guy. We spoke to one of the big American companies. None of it seemed to be working and suddenly Tony Robinson came up with the idea, what about Capgemini. They've always wanted to come to the UK and they'd started up a couple of times and failed, and we could approach them. And Tony did know one of the senior guys there, had come across and met him. So he got in touch and immediately they said yeah, we're very interested. So then we started negotiations.

*So now have French owners.*

[1:02:21]

Well, in due time, because it obviously took some negotiating and so forth and paperwork. But then, yeah, suddenly we got... And then, I think as I've said earlier on, we didn't want to be taken 100% straightaway, so they only bought the 75% and left us still as a public company for three years so we had time to get used to working with each other.

*In a couple of years, so from late eighties to 1990, I mean the company's valuation had again increased, hadn't it?*

Yes, it does, doesn't it?

*Over 100 million now. I think at the time Capgemini took their initial interest, company valued around 264 million, so...*

I think it was 380 million in the end.

*In the end, yeah.*

Yeah.

[1:03:17]

*So what was contributing to this value? And I'm sure you're going to say the executives. [laughs]*

Well, basically, basically it was profit increase and most importantly, PE had increased, you know.

*Right, profits and earnings.*

You know, people start realising you're a growth company and they don't mind paying twenty times PE. Whereas previously I think we would be floated at a very low number.

*Right. And what segments of the business were making the money at that juncture in time?*

I think they all were, basically. I think it was all growing very, very well. Certainly facilities management was growing very well. We were very diverse, actually. Lots of small businesses that used to produce a 100 or so profit and loss accounts each month of, you know, each bit. And I thought that was a really good way to manage, you know, people really felt responsible for their bit and they generally did it well and got the best out of them.

*So you had lots of different cost centres, effectively.*

Yeah, absolutely.

*So presumably you had individuals in charge of those areas who could take responsibility for the success or otherwise.*

Indeed, exactly. Exactly.

[1:04:42]

*Capgemini had an option, what, to buy 100% of the shares?*

Basically, yeah. I think the agreement was we'll buy 75% and the other 25% we will buy in three years' time, so it was a commitment. And the price went up 15% a year, which wasn't bad, was it? Fifteen per cent a year guaranteed.

*In difficult times as well, wasn't it?*

As it turned out, the early nineties were tough.

*But the price paid was fixed in.*

Absolutely fixed, yeah. I mean we had a decline in profits in '91, '92.

*Whoever negotiated this perhaps would get another job negotiating today in a more political... in the world we find ourselves in. [laughs] Yes. Right, so they did take over?*

Yeah.

*So we're in '93.*

'93. Full 100% in '93.

*A hundred per cent. And is that the stage you decide...*

Yeah. I think basically in '92 I thought to myself, I'll be 56 next year. My father died at 56, I'll have worked for 40 years and, you know, it was a very demanding job. I always felt I was responsible for everything. Because I wasn't just financial, I was admin and personnel administration, salaries, company cars, which were very prevalent in those days. Pension funds, the whole thing was all my area and I just felt well, I have enough money in the bank, you know, not huge, but enough to enjoy and relax more and... And the nice thing was, I was able to help for the next three or four, five years on various things like pension schemes and there was a building we were developing in Surrey for new offices and things like that, and I handled all that sort of stuff.

[1:06:56]

*How did you develop the staff that reported to you in your area, would you say?  
What style would you use?*

Well, I think very open-minded, is my view of putting it. I didn't ever worry about people's experience, what really caught me was the quality of the person. Certainly want somebody very open, you want people who will get on well with other people,

you know, certainly don't fabricate, and also be a hard worker and achieve objectives. And it worked. There was only one guy I completely misread, and he was brilliant at the interview, and he was an absolute whatsit when he came, when he settled in, and he went after two months. I just... gave him his three months' pay, I said goodbye.

[1:08:02]

*That's it, yeah. With, if we think about your 25 years at Hoskyns, but let's pick on one obstacle that you faced during that time and how you managed to get over that challenge that perhaps our listeners might learn from?*

D'you know, it's hard to think of any particular challenge. No, I... I'll have to think about that.

*You'll have to think. Well, I'll ask you another one about... what's the, your proudest success at Hoskyns?*

I think being part of a team, from 1968 onwards, that grew and grew and grew. And, you know, and we had a very good culture as well, I was very pleased with that, that people enjoyed working at the company.

*Can you think of, say, one – obviously you're making decisions all the time – but can you think of one particular, say, the decisions that you made that made what for you saw was a huge difference, whether it be to individuals or the bottom line.*

I don't know. I think one thing that I inherited when I joined was the fact they would have annual reviews, and I think this was an IBM thing that Pearce and Hoskyns brought. And I thought that was really very good. You know, have a complete open chat with people at least once a year and, you know, find out if there was something bothering them and, why did you do that, by the way, you know, a couple of months ago. I thought that was very, very good. I didn't bring it up, but I do believe in it. Actually, I think the only letter I've ever had printed in *The Times* was because there was a criticism of John Hoskyns by some union bloke, saying, you know, because I think John was saying people need to be treated individually and he would come back and say, you know, he obviously doesn't know what he's talking about, you know,

people have to be all on the same pay levels, and so forth. And my letter was, John Hoskyns knows what he's talking about, because at Hoskyns we had 1200 people at the time, and we were giving them all annual reviews and paying them accordingly. And that got printed. [laughs]

[1:10:58]

*Oh right. But you can tell me something that didn't go right during the Hoskyns time, as far as you're concerned, didn't go the way you would have hoped.*

It's hard because, you know, you always get little hiccups, don't you? But there was nothing really bad. One thing I did do was have the odd interview outside. I always felt that I gave, you know, when pressure was on, go for another interview to see how lucky you are where you are.

*Oh right.*

Yeah, I would do that occasionally.

*You saw the grass wasn't always greener on the...*

Yeah. I mean it probably only happened every three or four years, but I would do that. Because, you know, I mean there is pressure, you know, in business at times and you really think, how do you deal with it and it's getting the mental attitude right, isn't it?

*I mean, if you had your time again, as it were, at Hoskyns is there anything that you would do differently?*

No, not at all. I mean I would like John to have stayed on longer, John Hoskyns, but I totally understood... I mean when you think, he leaves a small company, a smallish company in 1975 and is in Number 10 Downing Street in '79 and nobody has even heard of him at all, but in four years. I mean he really did have a presence and ability to communicate.

*He was in the Cabinet Office, wasn't he?*

Yeah. Well, he was the, what do you call it? The... I can't think of the right word.

*Right, okay. But he was very senior and...*

Very senior guy, yeah.

*...a senior adviser to Margaret Thatcher, yeah.*

Very much to her, yeah. And his book, his book is worth reading, I must say. And he fell out with her because of her bad management style.

[1:12:54]

*Right, okay. So, and because we talked about management and we talked about managing the staff, am I reading in that you're saying that I think a view will probably be that she's autocratic. Is that what you were saying?*

I think she was not only autocratic, but I think she ridiculed some of the people that were working for her.

*Oh right, okay.*

Yeah, and publicly. It's one thing to say something, you know, direct to you and you can respond, but when you do it in front of other people, that's very unfair.

*Right, okay. And that's something that John wouldn't do.*

He would never do that. No, absolutely.

*Right, thank you. Ray, I'm conscious that, I mean Hoskyns had many blue chip clients and what's it, and you know, including Heinz and Bank of England, Citibank, Bristol Water, etc. Did you have any involvement with, on the client side, or did you get involved with clients?*

No, I didn't. No.

*No. But did you have any influence or pick up what was going on with individual clients?*

No, I would say not.

[1:14:16]

*I'm... thinking of clients, Ray, and the, you know, we talked about several recessions during the 25 years, but say in the nineties, presumably that potentially affected their ability to pay, and were you involved in chasing that, ensuring that monies were paid, etc?*

Yes, I always thought actually, looking at debtors was a very key part of my job. It might be seen to be routine, but it's much more than that because if somebody's not paying you, quite often it's not just the fact that they're short of cash, the fact is that there could be a problem. And so many of our products and services are not precise and sometimes a customer, client could be unhappy and one's not aware of it. And what happens is that they don't pay. So I always used to look at debtors and detail and follow up where there were slow payers. Not necessarily expecting it was going to be lack of funds, but generally looking for problems and for them to be sorted out rather than festering and then sometimes becoming impossible and then the company having to write off, you know, significant sums. So it's a very important area.

*Yes, so you were able to, as you say, the debts of the company are an asset of the company, but hopefully as a result of that intervention put the relationship with the client on track if it was...*

Yeah. And the thing is, it becomes very, hits your profits hard if you find there is a major problem on a system that you've installed, because the longer it goes on, the more difficult it is to solve. So it's much better to solve the problem early on. So, generally, I mean the managers who were looking after these customers were good at



it. All I'm saying is, you had to be aware that that was a potential problem and to watch out for it.

[1:16:44]

*And I mean you were in charge of finance, you're in charge of administration.*

And also personnel administration, you know, which was pay, pensions, company cars, which were very prevalent in those days.

*Facilities, presumably, as well?*

Yeah.

*And was that a major percentage of the, cost percentage of the organisation spend?*

Well, my running costs for running those departments was never more than one and a half per cent of turnover. And that was a key number. So when we were doing budgets, we would always know that, I mean one and a half per cent would need to be allowed for for the finance administration, etc.

*That sounds a small percentage.*

I think it was quite an effective percentage. Yes, I think so, without patting myself too much on the back, yeah.

[1:17:41]

*Right, yeah. No doubt you benchmarked it at the time. Well, thank you very much, Ray. Let's end the interview, if I may, with a couple more general questions. The challenges and opportunities for perhaps someone trying to follow your career path today. I know you've moved from finance into really, well, to an IT organisation, but what do you see as the challenges and opportunities for individuals today, perhaps who would like to join a company like Hoskyns?*

Yeah, it's difficult, you know, because I am [laughs] some years away from when I started, so it is hard to imagine what it's like today. Yes, I've got children and grandchildren, so I see a little bit of what goes on there, but I haven't got the comparable positions that I can deal with. I think, well, looking at professions, that's not a bad way to go. I also think, you know, show determination when you get a job and really get on with it, don't indulge too much, you know. Generally you win your manager's approval with determination and clarity, you know, clarity of thought is a big factor.

*Well, thank you Ray. Well, it's been a fascinating hour or so speaking to you today and learning all about Hoskyns and thank you for your openness in telling us, and I'm sure it'll be of great interest to a fair number of our listeners. So Ray, on behalf of Archives of IT, thank you very much.*

Well, thank you very much for your very, very civilised and well educated questions. Thank you very much indeed.

*Thank you.*

[recording ends at 1:20:01]