Looking to the Future

An interview with Michael Earl, Dean and Fellow in Information Management and Business Strategy

Michael Earl became Dean of Templeton on 1 April this year, 11 years after leaving the College to become Professor of Information Management at London Business School. During this time, he remained an Associate Fellow.

His return to Templeton coincides with the establishment of Oxford Management Development Ltd, an exciting new initiative which provides a common platform – Oxford Executive Education (OEE) – for executive programmes benefiting from the strengths of both Templeton and the Saïd Business School.

What does the future hold for Templeton?

‘The new agreement finally resolves any ambiguity around the relationship between Templeton, Saïd and the University. It secures the College’s role as the University’s principal centre for executive education. Executive programmes run under the OEE banner will be clearly branded as University of Oxford programmes; most will be held at Templeton. Just as College faculty may play a part in Saïd’s activities – undergraduate and postgraduate teaching or collaborative research – so Saïd faculty can become involved with executive education programmes. This initiative firmly positions both College and School as partners within the University of Oxford.

This is a great opportunity for Templeton to develop a clear, confident strategy – a strategy that will take us through the next ten years. And we must not miss this opportunity.

The College currently has two functions. One, of course, is as a centre for executive education. Here we will build on Templeton’s heritage in several areas; areas in which we have capability and reputation. These include our programmes for top management, such as the Oxford Strategic Leadership Programme, which is innovative and well-known in the marketplace. Our modular courses for fast-track young managers – the Kingfisher Management Development Scheme and now the Templeton Graduate Management Programme – are an attractive alternative to the conventional MBA, providing the opportunity to gain a similar level of education without the need to spend a long time away from the workplace. Our research centres have connections with top functional executives, in areas such as retail and human resources. Put all these together and Templeton’s credo can be summarised as “working creatively with the leaders of today and tomorrow”.

The College’s other equally important function is as a graduate college: a home for students reading for postgraduate degrees in Management Studies. We are working on enlarging this role. We have an unparalleled opportunity to create “a specialist graduate college of choice” – a college where students have the chance

Two themes emerge: ‘working with the leaders of today and tomorrow’ and ‘a graduate college of choice’.
to play an active part in a community built of faculty, senior executives, business researchers, associates and alumni. Indeed, it will be a personal delight to renew friendship with Templeton and OCMS students of the past.

So two themes emerge: “working with the leaders of today and tomorrow” and “a graduate college of choice”. As these themes converge, one possible destination over the next few years is to become a specialist executive and graduate college – a community of business and management thinkers, students and practitioners.

Has Templeton changed over the last 11 years?
‘Yes and no. Of course, some of my former colleagues have left and I am looking forward to getting to know and working with many new people. And as the College has evolved alongside the School, the graduate classes and undergraduate tutorials which used to be held here have gone.

What hasn’t changed is the culture – a mixture of caring, service and hospitality, pride in being part of Oxford and a desire to be an active component of a modern University of Oxford – which evades description and yet characterises the College. This indefinable culture is the reason that so many people – participants, students, staff and fellows – find it difficult to leave and keep returning.’

What do you remember most about your early years at Templeton?
‘I was here as a Fellow for 15 years; during that time I proposed the formation of research institutes and, facilitated by Sir John Templeton’s benefaction, set up the first, the Oxford Institute of Information Management. With Sir David Rowland, I was one of only two Templeton members of the Moser Committee which in 1987 produced a report – “The Future of Management Studies at Oxford” – recommending the creation of a full service business school and the introduction of an MBA programme. This has not been implemented entirely as we prescribed, but the vision is now reality – Said and Templeton working together, putting Oxford firmly on the management education map.’

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Templeton Announces Plans to Double in Size

Templeton College, Oxford University’s graduate college dedicated to management studies, has announced ambitious expansion plans which could see it almost doubling in size over the next five years and leading a revolution in the provision of executive education.

The new Dean of the College, Michael Earl, who has returned to Oxford after 11 years at the London Business School, proposes to increase the faculty by 50 per cent and capacity at the college by 100 per cent.

Key to this expansion will be the further development of Templeton’s executive programmes, which, according to Earl, differ from other management development programmes in that they do not simply impart the latest business tools and models but, instead, explore new ways of thinking.

‘So many executive education programmes, even from the top schools, have a mass-market feel to them,’ he said. ‘You turn up, make a few notes, and go away again, several thousands of pounds the poorer. Templeton College, however, takes the Oxford philosophy of learning, which is all about independent thought and academic rigour, and applies it to management. Our delegates finish our programmes armed not with a new jargon, but with a completely new outlook. Given the pace of change in business today, the Templeton approach is the future of executive education and fully justifies our expansion plans. We combine relevance with rigour through building deep relationships with both individuals and organisations.’

Templeton’s announcement follows the ratification of a new agreement with the Saïd Business School, in which School and College work in partnership to provide the full range of business and management research and studies at the University of Oxford.
What prompted you to leave?

‘I was made an offer I couldn’t refuse. Professor of Information Management at London Business School was, at the time, perceived as the top European job in my subject. While I was there, I was able to get Information Management included in the syllabus of all the important degree and non-degree programmes. I started the Centre for Research into Information Management, now the Centre for the Network Economy, carrying out research into e-business and beyond. I also spent three years as Deputy Dean and latterly as Acting Dean. Eleven years at LBS was a blur, but both fun and fulfilling. The UK should be proud of LBS, one of the world’s top ten schools. Now we must work on Oxford entering the premier league.’

So how do you feel about returning to Oxford?

‘When I left for London, to use a cliché, my heart remained at Templeton and in Oxford: as an Associate Fellow I never lost that connection. So I am really looking forward to returning and helping to fulfil Moser’s vision of 15 years ago. And, of course, I am coming home residentially-speaking as well. I no longer live just up the road in Boars Hill, having moved recently to the Cotswolds on the Oxfordshire-Gloucestershire border, but in this sense it’s good to be back too.’

Building on the Past

by Marshall Young

Vice President and Fellow in Strategic Management

Stepping down as Dean of Templeton, my main feeling is satisfaction that we have been able to bring the first phase of the College’s development, which has proved lengthy and frustrating, to a satisfactory conclusion. We now have a good platform for exploiting the exciting new opportunities ahead of us.

When I became Dean nearly two years ago, I began by looking at where we were making money and where we were spending it. The executive programmes portfolio was capable of producing a profit of around $1m; it was clear that the prospective financial ratios on this side of the business were pretty healthy, and from the client feedback we were getting it was obvious that the programme quality was very good. At the same time, we were investing around $1m in research. Our output included leading international textbooks, various prize-winning articles in journals and our own Templeton Briefings. All this meant Templeton faculty were able to make a significant contribution to the recent Research Assessment Exercise (RAE) in which the University was involved. This certainly looked like a reasonable starting point. The question was how best to consolidate the College’s diverse activities and build a firm platform for the future.

First, we put ourselves under the microscope. We needed to ensure that all our existing resources were being used effectively, and so we analysed how we worked and introduced a range of processes – including a new performance management system and salary structure for fellows and staff – to ensure that staff and fellows alike were empowered and motivated to make the best use of their particular skills.
The next task was to establish a clear vision of where Templeton should be positioning itself in the burgeoning market for executive education – a market which is attracting lots of new suppliers, many of them offering programmes delivered via new technology. We looked very closely at corporate universities, at private internet-based universities and at spinouts from the major consultancies to see how all these new entrants to the market would affect traditional suppliers like ourselves. Michael Earl is now taking this work forward, and further developing the College’s strategy for the next phase of its development. But it is clear that a position which combines the rigour of our University affiliation with the relevance of our close links to practitioners, together with the close interaction between faculty and participants that we can support in our unique facilities, makes a focus on the leaders of today and tomorrow an attractive proposition.

Finally, it was essential that we agreed our role in relation to the Saïd Business School and the rest of the University. The agreement between the College and the University signed in December 2001 provides a new institutional platform for executive education at Oxford – I consider that this is the real milestone that marks the end of the first phase of the development of management education at the University.

So, we know who we are, where we are and what we are: we can go forward. And to make the most of this opportunity we needed someone whose experience covered the full range of academic and executive activity. So I am delighted that we managed to persuade Michael to return to Oxford from the bright lights of London Business School.

Meanwhile, I am more than happy to go back to developing the portfolio of research and executive education that I was working on before stepping in as Dean.

This really falls into two main areas. The first is leadership programmes for senior executives – ensuring that the Oxford Strategic Leadership Programme remains the programme of choice for business leaders. I want to explore some new designs: there are already more options than time in terms of the amount of content that can be fitted into a one-week programme. Specifically, I am looking at the role of negotiation in strategic leadership and the role of coaching in developing senior leaders.

The other area builds on my interest in strategy and, in particular, the significance of knowledge management in strategy development. I am picking up my earlier work on knowledge media management and the attention economy, together with my interest in using some of the new technology to harness the expertise of the extended network of senior practitioners that we have in our alumni.

As I step down as Dean, and revert to my earlier role as Vice President, I am looking forward to continuing to work with the team of colleagues who have been so enjoyable to work with over the last few years – and, of course, with Michael.

This is an incredibly exciting opportunity for the College to establish something really different in the field of management development. But the window of opportunity is limited. As Michael says, we must not miss it.
In mid-March the University held its biennial North American Alumni Reunion at the Waldorf-Astoria Hotel in New York – a splendid location for a marvellous event. Essentially organised for and by colleges, Templeton was represented by the President, Dean and Dean-Elect. We were made most welcome by the University, the Alumni Association and North American alumni and we trust we welcomed them equally well in return.

On the Friday night, the opening reception was graced by two entertaining speeches by the Chancellor of the University Lord Jenkins and former President Bill Clinton. Both were in sparkling form and Bill Clinton’s impact was immediate and truly memorable. At the Templeton ‘stand’ we were delighted to meet several alumni of the College and OCMS, including some I had taught back in the 1970s and ’80s.

On Saturday the Vice-Chancellor, Colin Lucas, gave an optimistic account of the developments at Oxford during the last year. He spoke warmly about the opening of the Saïd Business School and the clear and sensible basis of operation now agreed between Saïd and Templeton College.

On Saturday evening, the College held a cocktail party for Templeton and Oxford Business Alumni. About 50 attended and it was good to meet several business executives from other colleges who were interested to learn about Templeton’s activities and plans.

Finally, the College team took the opportunity to meet Sir John Templeton and Dr Jack Templeton while they were visiting Princeton University. Sir John was most interested to learn about the new agreement with the University and we had a delightful discussion about the past, present and future of Templeton College.

Diary Dates

Trinity 2002

The Oxford Strategic Leadership Programme
19 – 24 May

The Oxford Senior Executive Finance Programme
26 – 31 May

The Oxford Advanced Management Programme
16 June – 13 July

Clifford Barclay Memorial Lecture
23 May

Personnel Directors’ Forum
10 June

Dining Nights
9 May
13 June

For further information, email enquiries@templeton.ox.ac.uk or contact Dorothy Cooke tel +44 (0)1865 422734 or visit our website www.templeton.ox.ac.uk
A Learning Partnership: P&O and Templeton

Like a good marriage, Templeton’s most longstanding customer relationship has become richer over time. The partnership between the P&O Group and Templeton began in 1987, when Bob Vause, then Fellow in Accounting, directed its first commissioned programme. By 1993, a suite of programmes to complement the Group’s internal management development and training had been created, enabling executives at different stages of their careers to receive appropriate high-level education in contemporary management techniques. Some of these programmes were for middle managers, some for directors; some were general and some functional. All were attended by at least one member of P&O’s main board of directors, and the executive chairman and managing director were regular contributors. But although the agenda now is different, the dialogue and partnership between the two organisations have grown stronger over the years.

‘The first programmes Templeton ran for P&O were for senior management,’ says Tony Rands, the Programme Director. ‘Over time, the programmes have evolved in their own right; issues in management have changed, methods have changed, and, of course, P&O itself has changed. For example, there were no computers in the syndicate rooms three years ago. Now, there is a real emphasis on using the latest technology. P&O is Templeton’s first commissioned client to use an IT support system. All information related to the programmes – from presentation abstracts to what’s for dinner – is published on Blackboard, an internet-based system which can be seen from anywhere.

The programmes now supply a context for practical experience. We run a Foundation Programme, for younger managers with around three or four years experience, and a Group Management programme, for managers who have been with P&O for around eight to ten years and have a lot of hands-on experience, but in many cases are not graduates. Quite often, this programme is their first exposure to serious management thinking.’

Over the years, the emphasis has moved from sharing principles to sharing techniques; the current suite of programmes has evolved from the programmes run in the ‘90s. ‘In a long-term relationship personal contacts develop at every level,’ Rands continues. ‘Such a close partnership allows programme development to match changing business needs almost on a day-to-day basis. For example, the programmes were changed to reflect the demerger before it happened.’

What does the future hold? All participants in the P&O Programmes are profiled using the capabilities framework developed by the late Keith Lathrope. He helped P&O to look at the match between the demands of the job (capabilities) and people’s skills. Tony Rands is developing a distance learning component to the programmes, which can be completed between modules based on this capabilities framework. All P&O programmes are aiming for academic accreditation during 2002.
HMV Group Announces Flotation Plans

HMV Group, which owns the retailing chain of the same name and the booksellers Waterstone’s, has announced plans to float on the UK stock exchange. The announcement follows a 19.2 per cent increase in profits for the three months to the end of January 2002. Templeton has developed two series of management programmes – for the Group’s senior executives and regional managers – which have been running since 2000.

Doctoral Workshop on Transaction Cost Economics

Students from the doctoral programme and MSc in Management Research organised an experimental half-day workshop at Templeton last December, with the objective of developing a critical understanding of the interest and limitations of transaction cost economics. The workshop, which was intended for non-specialists, had four themes.

- The controversy around the Fisher-Body case was examined by two MSc students and discussed with the audience.
- The connections between transaction cost economics and multinational enterprise literature were reviewed.
- A presentation on buyer-supplier relationships provided an opportunity to discuss the issue of hybrid forms of governance.
- Based on Williamson’s reflexive critical analysis, some of the general limitations of the framework were debated.

The workshop proved to be a profitable exercise for all participants. The organisers would like to thank the College for its support.
Focus on Retail

The Oxford Institute of Retail Management (OXIRM) is one of Templeton’s most active research groups. Developments such as globalisation, e-business, customer retention and the associated threat of new competition are demanding far reaching changes from retailers. Directed by Templeton Fellow Jonathan Reynolds, OXIRM undertakes management development activity, research with direct relevance to retail practitioners, education and networking activity, including its Oxford Retail Futures Group. The Institute’s teaching and research are undertaken at national, European and global levels.

Chairman of Consignia addresses Oxford Retail Futures Group

As Chairman of Consignia (formerly the Post Office) and non-executive director of nine other companies including lastminute.com, BHS and Sky, Allan Leighton is one of the UK’s busiest executives. Nevertheless, he somehow found time to address the recent meeting of the Oxford Retail Futures Group. After a welcome from Michael Earl as incoming Dean, Keith Grint, Fellow in Organisational Behaviour, gave the first presentation. In a wide-ranging discussion, which moved from the Falklands to Everest, among other places, he argued that leadership is a team, rather than an individual, characteristic and stressed the importance of dissenters.

In a spirited presentation and subsequent discussion, Allan agreed with 80 per cent of Keith’s argument, but claimed ‘the UK has developed some of the best managers in the world but few leaders’. There were precious few leaders in UK retailing: they either did not have the track record or were entrepreneurs rather than leaders. A more general illustration of this, he suggested, was that at any one time, ten per cent of FTSE 100 businesses are looking for a CEO. Many of the characteristics that we associate with leaders, such as decisiveness and initiative, he believed, are really characteristics of managers. In practice, the five most important characteristics of a leader were focus, energy, charisma, drive and impatience.

But leaders need to keep in touch with their roots to achieve success. With very few exceptions, businesses need both strategy and execution if only because the reasons for success are ‘20 per cent strategy and 80 per cent execution’. For a retailer, this means
that success largely rests with those on the shopfloor and the store managers. Clearly, the major effort in any organisation should be put into communication between the top layer and the executors – leaving layers of middle managers ‘with little to do but learn’.

‘The measure of effective communication between the leadership and frontline management is action. In other words, no one should communicate with anyone else unless they want something to happen.’ Senders of informative emails might reflect upon this observation. Allan gave an example from his time at Wal-Mart. To demonstrate effective communication, a senior executive sent an email to all US stores, asking them to place a small star on the Wal-Mart sign in the entrance to the store, and send an email to confirm that the task has been completed. Within four hours, 97 per cent of the 1,300 stores had replied. This, he suggested, illustrates the directness of the communication and the speed that is a reflection of leadership that never communicates unless action is required.

Finally, Allan Leighton shared with the group his checklist of ‘Seven Cs’ to measure organisational fitness. Communication is clearly the most important, and Allan pointed out that although most people agree with this, few companies can or do measure the effectiveness of their communication. The remaining measures are co-ordination, commitment, competence, conflict management, creativity and capacity management. He believes that most organisations could claim to have three or four of the ‘Seven Cs’, that good businesses have five or six and that a business with all seven is unbeatable.

So, back to the shop floor. Allan Leighton claimed that looking after those involved in execution is difficult and not many businesses do it well, but the message is to look after the people on the shopfloor – because they are the business.
Focus on Retail continued

New Research on International Retailing to be Sponsored by KPMG’s Global Consumer Markets Practice

Elizabeth Howard, Fellow in Retailing, is to lead a new research programme which will focus on international performance in retailing. Dmitry Dragun will be the principal researcher, and KPMG’s Global Consumer Markets Practice has agreed to sponsor the work, initially until September 2003.

International retailing is growing rapidly and retailers are investing heavily in their foreign operations. However, few retailers have yet produced sustainable international performance to match domestic performance. No recent significant analytical research has been carried out into the performance of these international retail operations and this programme is intended to fill the gap. It will explore differences in the performance of international retailers and the underlying reasons for these differences.

Templeton’s Oxford Institute of Retail Management has carried out a number of research projects sponsored by KPMG over the last five years, covering areas of e-commerce and home shopping and, more recently, aspects of retail loyalty.

The Global Retail 500: Smaller Retailers Top International Rankings

The first Global Retail 500 ranking assessed the world’s most successful retailers, on the basis of 2000 financials, in terms of shareholder value creation and realised economic value. Future reports will extend the analysis of these 500 firms and provide insights into the major value shifts occurring in retailing.

Companies were ranked according to their value creation quotient (VCQ). This represents the amount of stockmarket value delivered per unit of capital employed. Matalan of the UK was the winner by far, with $38.7 of value added for every $1 employed in the business. Among the bigger companies, H&M transformed $13.1bn of the capital employed into $13.1bn of market value (leading to a capital efficiency ratio of 9.7). The world’s largest retailer Wal-Mart managed to convert a massive $49.1bn of capital employed into $276bn of value, which resulted in a VCQ of 5.6 and 25th highest value rank. These are both large returns, but do illustrate the differences between the VCQ rankings achieved by successful mid-size retailers and the giants on the world scene.

The report, by Rory Knight and Dmitry Dragun, is surprising. Some companies are not valued as highly as their profiles might suggest. In terms of VCQ, a large proportion of relatively small companies feature in the top 20, as shown in Table 1 opposite. The big challenge for them, of course, is to sustain that performance as they grow, especially as they grow internationally.
Table 1. The World’s Top 20 Retail Companies, by VCQ

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Country</th>
<th>Sector</th>
<th>VCQ MVA 31/12/00</th>
<th>VCQ $USm</th>
<th>MCap $USm</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Matalan</td>
<td>UK</td>
<td>Soft goods</td>
<td>38.7</td>
<td>3,306</td>
<td>4,392</td>
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<td>2</td>
<td>Misumi</td>
<td>Japan</td>
<td>Hardlines</td>
<td>13.4</td>
<td>2,245</td>
<td>1,389</td>
</tr>
<tr>
<td>3</td>
<td>Fast Retailing</td>
<td>Japan</td>
<td>Soft goods</td>
<td>11.9</td>
<td>7,353</td>
<td>10,394</td>
</tr>
<tr>
<td>4</td>
<td>DFS Furniture</td>
<td>UK</td>
<td>Hardlines</td>
<td>11.7</td>
<td>458</td>
<td>548</td>
</tr>
<tr>
<td>5</td>
<td>Hennes &amp; Mauritz</td>
<td>Sweden</td>
<td>Soft goods</td>
<td>9.7</td>
<td>11,764</td>
<td>11,301</td>
</tr>
<tr>
<td>6</td>
<td>HK Pharmaceutical</td>
<td>H-Kong</td>
<td>Food &amp; drug</td>
<td>9.3</td>
<td>189</td>
<td>137</td>
</tr>
<tr>
<td>7</td>
<td>Don Quijote</td>
<td>Japan</td>
<td>Hardlines</td>
<td>9.3</td>
<td>1,490</td>
<td>852</td>
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<tr>
<td>8</td>
<td>Carpetright</td>
<td>UK</td>
<td>Soft goods</td>
<td>8.8</td>
<td>612</td>
<td>584</td>
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<tr>
<td>9</td>
<td>Ebay</td>
<td>US</td>
<td>E-commerce</td>
<td>8.6</td>
<td>7,836</td>
<td>8,841</td>
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<td>10</td>
<td>Bed Bath &amp; Beyond</td>
<td>US</td>
<td>Hardlines</td>
<td>8.3</td>
<td>6,134</td>
<td>6,323</td>
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<td>11</td>
<td>Kohls</td>
<td>US</td>
<td>Multi dept</td>
<td>7.5</td>
<td>20,411</td>
<td>20,234</td>
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<td>12</td>
<td>Ted Baker</td>
<td>UK</td>
<td>Soft goods</td>
<td>7.3</td>
<td>122</td>
<td>218</td>
</tr>
<tr>
<td>13</td>
<td>Gap</td>
<td>US</td>
<td>Soft goods</td>
<td>7.1</td>
<td>25,002</td>
<td>21,667</td>
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<tr>
<td>14</td>
<td>Harvey Norman Hldgs.</td>
<td>Australia</td>
<td>Discount stores</td>
<td>7.0</td>
<td>1,852</td>
<td>2,223</td>
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<tr>
<td>15</td>
<td>Walgreen</td>
<td>US</td>
<td>Food &amp; drug</td>
<td>6.9</td>
<td>28,403</td>
<td>42,230</td>
</tr>
<tr>
<td>16</td>
<td>Abercrombie &amp; Fitch</td>
<td>US</td>
<td>Soft goods</td>
<td>6.9</td>
<td>2,521</td>
<td>1,976</td>
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<td>17</td>
<td>Radioshack</td>
<td>US</td>
<td>Hardlines</td>
<td>6.8</td>
<td>7,457</td>
<td>7,958</td>
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<td>Amer. Eagle Outfitters</td>
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<td>6.8</td>
<td>2,208</td>
<td>1,951</td>
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<td>19</td>
<td>Topps Tiles</td>
<td>UK</td>
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<td>6.5</td>
<td>181</td>
<td>189</td>
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<tr>
<td>20</td>
<td>Sunkus &amp; Associates</td>
<td>Japan</td>
<td>Hardlines</td>
<td>6.5</td>
<td>1,544</td>
<td>1,055</td>
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</table>

The rankings of the largest companies also make interesting reading, as can be seen in Table 2 below, which shows the 20 biggest companies, with VCQ rankings, by market capitalisation.

Table 2. The World’s 20 Largest Retail Companies

<table>
<thead>
<tr>
<th>Rank by MCap</th>
<th>Company</th>
<th>Country</th>
<th>MCap 31/12/00 $USm</th>
<th>VCQ</th>
<th>VCQ Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wal-Mart Stores</td>
<td>US</td>
<td>237,274</td>
<td>5.6</td>
<td>25</td>
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<td>2</td>
<td>Home Depot</td>
<td>US</td>
<td>106,053</td>
<td>6.2</td>
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<td>Carrefour</td>
<td>France</td>
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<td>Walgreen</td>
<td>US</td>
<td>42,230</td>
<td>6.9</td>
<td>15</td>
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<td>5</td>
<td>Safeway</td>
<td>US</td>
<td>31,319</td>
<td>3.1</td>
<td>73</td>
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<td>6</td>
<td>Target</td>
<td>US</td>
<td>28,887</td>
<td>3.0</td>
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<td>Tesco</td>
<td>UK</td>
<td>28,173</td>
<td>2.9</td>
<td>85</td>
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<td>Pinault Printemps</td>
<td>France</td>
<td>25,570</td>
<td>2.8</td>
<td>93</td>
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<td>9</td>
<td>Ahold</td>
<td>Neth.</td>
<td>25,095</td>
<td>1.8</td>
<td>164</td>
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<td>CVS</td>
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<td>4.9</td>
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<td>Kroger</td>
<td>US</td>
<td>22,151</td>
<td>2.3</td>
<td>121</td>
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<tr>
<td>12</td>
<td>Gap</td>
<td>US</td>
<td>21,667</td>
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<tr>
<td>14</td>
<td>Kohls</td>
<td>US</td>
<td>20,234</td>
<td>7.5</td>
<td>11</td>
</tr>
<tr>
<td>15</td>
<td>Costco</td>
<td>US</td>
<td>17,896</td>
<td>3.2</td>
<td>70</td>
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<tr>
<td>16</td>
<td>Lowe’s Companies</td>
<td>US</td>
<td>17,035</td>
<td>2.8</td>
<td>91</td>
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<tr>
<td>17</td>
<td>Metro</td>
<td>Germany</td>
<td>14,537</td>
<td>1.5</td>
<td>224</td>
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<tr>
<td>18</td>
<td>Sears Roebuck</td>
<td>US</td>
<td>11,613</td>
<td>1.3</td>
<td>256</td>
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<tr>
<td>19</td>
<td>J Sainsbury</td>
<td>UK</td>
<td>11,419</td>
<td>1.5</td>
<td>233</td>
</tr>
<tr>
<td>20</td>
<td>Hennes &amp; Mauritz</td>
<td>Sweden</td>
<td>11,301</td>
<td>9.7</td>
<td>5</td>
</tr>
</tbody>
</table>
Focus on Retail continued

Taking the Temperature of UK Retailing

The Oxford Institute of Retail Management and the British Retail Consortium have announced the UK Retail Confidence Index (RCI). Developed by Jonathan Reynolds and Dmitry Dragun, the RCI delivers an effective ‘one-stop’ insight into the state and direction of the UK retailing sector. It achieves this by putting together various critical factors which affect retail performance, such as sales data and levels of consumer confidence.

“The retail industry has a longstanding need to access essential information in one place in a user-friendly format. The RCI has been created to answer this need,” says Jonathan Reynolds, director of the project.

While the Templeton-BRC Retail Confidence Index has been designed as a simple indicator of UK retail health, it will in future also be used to investigate the behaviour of the sector in greater depth.

As at April 26, 2002

<table>
<thead>
<tr>
<th></th>
<th>Change from March:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail Sales</strong></td>
<td>-6.5 (negative)</td>
</tr>
<tr>
<td><strong>Retail Profits</strong></td>
<td>+1.7 (positive)</td>
</tr>
<tr>
<td><strong>Consumer Confidence</strong></td>
<td>-5.2 (negative)</td>
</tr>
<tr>
<td><strong>Investor Confidence</strong></td>
<td>-1.2 (negative)</td>
</tr>
</tbody>
</table>

Source: Templeton research, Datastream, BRC, ONS (©Crown Copyright)

I’m Dreaming of an E-Christmas ...

Following the successful completion in October last year of a collaborative research project on ‘e-loyalty’, OXIRM Director Jonathan Reynolds successfully agreed a continuation of the project to encompass the Christmas 2001 period online. The research, funded by KPMG and involving teams at the Australian Center for Retail Studies (Monash University) and the Retail Management Institute in Santa Clara University, has been co-ordinated by the OXIRM team led by Richard Cuthbertson. A summary of the findings will appear in the next issue of Templeton Views.
PWC Consulting to Sponsor Supply Chain Research

The pressure to find more cost-effective and consumer-responsive solutions to supply-chain issues in a global market has encouraged close co-operation between retailers and manufacturers in recent years. Some striking improvements in performance have been achieved. But the challenge of effectively integrating a complex chain has led to mixed results in supply-chain initiatives. The Glosup project has been designed to facilitate this process by offering a benchmarking service based on recognised industry measures. The project aims to establish:

- reference models for the supply chain process
- a coherent set of indicators to measure operational efficiency and effectiveness
- comparative performance data across the industry for both retailers and manufacturers
- a website for disseminating key findings, discussing trends and highlighting best practice.

Glosup was developed by Templeton College for CIES – The Food Business Forum, an international food business network consisting of major food retailing companies from some 50 countries and their suppliers. Originally sponsored by the Boston Consulting Group, PWC Consulting has agreed to support the project for two years from 1 April 2002.

The collaboration with PWC Consulting will deliver an integrated toolkit for supply chain development in the fast moving consumer goods (FMCG) industry, consolidating the CIES performance measurements with the momentum for efficient consumer response (ECR).

The contract provides funding of $150,000 over two years. The project is being led by Richard Cuthbertson, Senior Research Associate, under the overall direction of Gerd Islei, Fellow in Information Management. Two additional researchers, DPhil students Johannes Becker and François Collet, are supporting the study.

‘This new research partnership will develop our understanding of both relevant broad performance indicators and detailed process analysis. The Glosup project (www.glosup.com) provides an exciting opportunity to establish industry standards in supply chain management as well as helping companies to gauge their performance,’ says Gerd Islei. ‘I am delighted that PWC Consulting is sponsoring this important initiative. We are looking forward to collaborating with them.’

Participating companies include:

Retailers:
- Ahold
- Auchan
- Carrefour
- Casino
- Metro
- Rewe
- Tengelmann
- Migros
- Marks & Spencer
- Safeway
- Tesco
- Waitrose

Food manufacturers:
- Procter & Gamble
- Nestlé
- Unilever
- Mars
- Geest

Richard Cuthbertson
Alumni News

Foad Katirai, former Templeton DPhil student, has published a book examining the need for a system of international organisation and administration that is fair to all the world’s people. *Global Governance and the Lesser Peace* (George Ronald Publisher Ltd 2002, ISBN 0-85398-453-0) explores the issues involved and sets out an agenda for the summit of world leaders, as called for in the Baha’i writings, to found a new and just system of international governance.

Oxford Business Alumni Seminar

Oxford Business Alumni held a panel discussion entitled *Knowledge Management: the New Source of Sustainable Competitive Advantage for Your Firm* in London in March. Marshall Young chaired the panel and opened the discussion, which took place before an audience of about 50 invited guests. Panellists included Tim Morris, currently Professor of Organisational Behaviour at Imperial College London (see *New Fellow for Templeton*, p18), Andre Finn, Head of Knowledge Management at Amaze.com and Simon Mills, Head of Knowledge, BT Major Business.

Reunion

Friday 18 October 2002

The annual Alumni Association Reunion will be held at the College on Friday 18 October. Please put the date in your diary now – full details will be published in July.
Voice and Value Seminar at the LSE

Templeton DPhil student, Stephen Perkins, was joint organiser of an employment relations seminar held at the London School of Economics in March. Templeton Fellows Ian Kessler and Marc Thompson – both of whom reported on their research – were among nearly 50 leading figures from academia, business, state agencies and the trade unions who took part. The seminar concluded with a ‘great debate’ which explored themes emerging from European Community initiatives to increase the levels of employee involvement in organisations, and the implications for performance and reward.

The seminar, sponsored by the Chartered Institute of Personnel and Development, the LSE Department of Industrial Relations, and the Strategic Remuneration Research Centre, succeeded in raising awareness and facilitated the exchange of knowledge and experience among the diverse parties involved. A feature article in People Management by Paul Gollan and Stephen Perkins, published on the day of the seminar, introduced some of the background to the topic. A refereed journal article and an edited book will follow.
New Fellow for Templeton

Timothy Morris has been appointed Professor of Management at the Saïd Business School and a Fellow of Templeton. Currently Professor of Organisational Behaviour at Imperial College, London University, he will become Director of the School’s newly created Centre for the Management of Professional Service Firms with effect from 1 September.

‘I’m looking forward to playing an active role at Templeton, splitting my time between the College and the School. My research and teaching interests, in knowledge and strategic management in professional firms, are shared with Janine Nahapiet and Marc Thompson – both of whom I have known for several years – and I’m looking forward to working with them on some interesting projects. I have known Roger Undy, Ian Kessler and Mari Sako, and admired their work in the field of employment relations, for many years. It’s also great to rejoin a couple of friends and colleagues from my London Business School days, Terry Hill with whom I worked on a number of executive programmes and, of course, Michael Earl. I’m sure he’ll make an excellent dean for Templeton.’

A profile of Tim Morris will appear in the Michaelmas issue of Templeton Views.

The World Trade Organization in the New Global Economy

Edited by Alan Rugman and Gavin Boyd (Edward Elgar, 2002)

An exploration of the trade and investment issues outstanding since the Seattle riots of 1999 edited by Alan Rugman, Thames Water Senior Research Fellow in Strategic Management and L Leslie Waters Chair in International Business at Indiana University. The authors – who include Templeton Associate Fellow Robin Pedler – discuss the principle items on the agenda for a renewed round of World Trade Organisation talks and examine the treatment of foreign direct investment, urging policymakers to adopt measures to enhance the flow of such investment. The role of NGOs and responsibilities of governments are examined. The book is intended for trade policymakers, policy research institutes, consulting firms and academic communities.

Alan Rugman, with Associate Fellow Alain Verbeke, has also recently published a research paper entitled ‘The World Trade Organisation, Multinational Enterprises and the Civil Society’. The paper is available on the College website.
Faculty News

Kunal Basu, Fellow in Strategic Marketing, has published a ‘memo’ to CEOs ‘Five Half-truths of Business,’ co-authored with Robert Simons (Harvard Business School) and Henry Mintzberg (McGill University) (Fast Company, June 2002). His first novel, The Opium Clerk, is now available in the UK in paperback (Phoenix, 2002).

Sue Dopson, Fellow in Organisational Behaviour, ran the Third Annual Conference on Organisational Behaviour in Healthcare at the Saïd Business School in March. The two-day conference took as its theme ‘Leading Health Care Organisations’ – taking health care into the 21st century, the nature of leadership in health care and health care organisations which are leading the field.

Ian Kessler, Fellow in Human Resource Management, gave papers in April 2002 on ‘Learning Partnerships in Local Government’ at the HRM in a Changing World Conference, Oxford Brookes University, and, with Paul Heron, ‘Pay Determination in the Civil Service’ at the Performance and Reward Conference, Manchester Metropolitan University. He published ‘Contingent and Non-contingent Working in Local Government’, co-authored with Jackie Coyle Shapiro, in Public Administration 80:1, 2002. He has just been commissioned by the Society of Chief Executives in Local Authorities to carry out research into recruitment and retention among senior managers in local government.

Rory Knight has resigned as Fellow in Finance, with effect from July, to become Chairman of the Deans’ Advisory Council at Theseus International Management Institute in France, where he has also taken a chair in Finance and Strategy. He retains his connection with Templeton as an Associate Fellow, and continues as director of the Oxford Senior Executive Finance Programme.

Janine Nahapiet, Fellow in Strategic Management, has been appointed a member of the Regulatory Decisions Committee of the UK Financial Services Authority.


Chris Sauer, Fellow in Information Management, and Leslie Willcocks, Associate Fellow, have published an article ‘The Evolution of the Organisational Architect’ in the Spring issue of Sloan Management Review.

Marc Thompson, Research Fellow in Employee Relations, gave a paper to staff and students on ‘Innovation and the Employment Relationship’ at the Science Policy Research Unit and an invited paper at an international conference on HRM and Performance at the University of Bath, in March. He will be speaking at this year’s European Academy of Management conference in Stockholm, and on his research in the aerospace sector at the Farnborough International Airshow in July.
Springtime at Templeton 2002