



Forth Ports	02
Leadership in action	08
FWB Consulting's active approach to developing senior leaders	
The Atlantic challenge	11
Making grown men weep!	
MBA project	14
Does Scotland have a knowledge economy?	

FWB
The Mag 2
www.fwbltd.com

Welcome

Welcome to the second edition of our magazine. I'm sure you'll find it as varied and as interesting as the first. This edition features a wide range of the activities undertaken by FWB beyond our core services of senior recruitment and development.

FWB organises and hosts a variety of lunches, dinners and events throughout the year and is also an enthusiastic supporter of a range of charities. Scott and Luke are pictured on the front cover mid way through The Artemis Great Kindrochit Quadrathlon. This event aimed to raise £150k for Mercy Corps and I know that both Scott and Luke were very grateful for every bit of sponsorship and encouragement that was offered to them. Supporting charities and good causes is not only a rewarding and worthwhile experience, but also helps to stimulate the working environment – so in every sense it's win, win.

In the past year FWB has grown significantly with key people joining the business and a new office being established in London. FWB Consulting has really taken off in the last 12 months and is undertaking development programmes with major multinationals throughout the UK as well as continuing to work closely with a range of SMEs and professional services firms.

I hope that you enjoy the magazine. If you would like further information on any of the articles and events featured, please don't hesitate to get in touch.

Judy Wagner – judy@fwbltd.com



“ Scott and Luke are pictured on the front cover mid way through The Artemis Great Kindrochit Quadrathlon.

What's inside

Forth Ports	02	Events	13
Dinner with Philip Yea Securities Trust of Scotland	04	MBA project Does Scotland have a knowledge economy?	14
Going Global from Scotland The FWB Non-Exec dinner	05	Scottish global entrepreneurs? Just say the word	16
Appointing Non-Executive directors	06	Manufacturing in Scotland	17
Improving director effectiveness	07	Your wake up call	
Leadership in action FWB Consulting's active approach to developing Senior Leaders	08	Remuneration Pay and bonus movements in companies with T/O under £60m	18
Sponsorship and Events	10	Slouch potatoes!	19
The Atlantic challenge Making grown men weep!	11	Recruitment Some recent placements	20
Clinton support for Grant's trees plan	12	That's a wrap	21

Forth Ports –

The team regenerating Edinburgh's Waterfront



Leadership in action –

BAE Systems Surface Fleet Solutions



Clinton support for Grant's trees plan



Forth Ports PLC

When Forth Ports made a strategic decision to regenerate Edinburgh's waterfront, it needed key executives with the necessary skills. FWB helped the company find the right people, reports Kenny Kemp.

“ The delivery of this development is important to Forth Ports and to Edinburgh.

As an island race, our harbours and ports have long been the economic umbilical cord to the outside world. Life down at the docks conjured up images of the rough, often derelict, landscape of the stevedore, spindly cranes and the outmoded National Dock Labour Scheme.

But the epoch of sacks, crates and barrels was swept away by the ubiquitous container ship and the mechanisation of mass commercial transportation.

Britain's ports and their extensive hinterland of wharfs, sheds, railway sidings, workshops and stores have all but vanished. Now we have mass container depots and empty dockside expanses close to the sea are being reclaimed with new found vigour. This has moved one of the UK's leading transportation businesses – Edinburgh based Forth Ports PLC – from being a shipping facilities and cargo storage group to something much more dynamic.

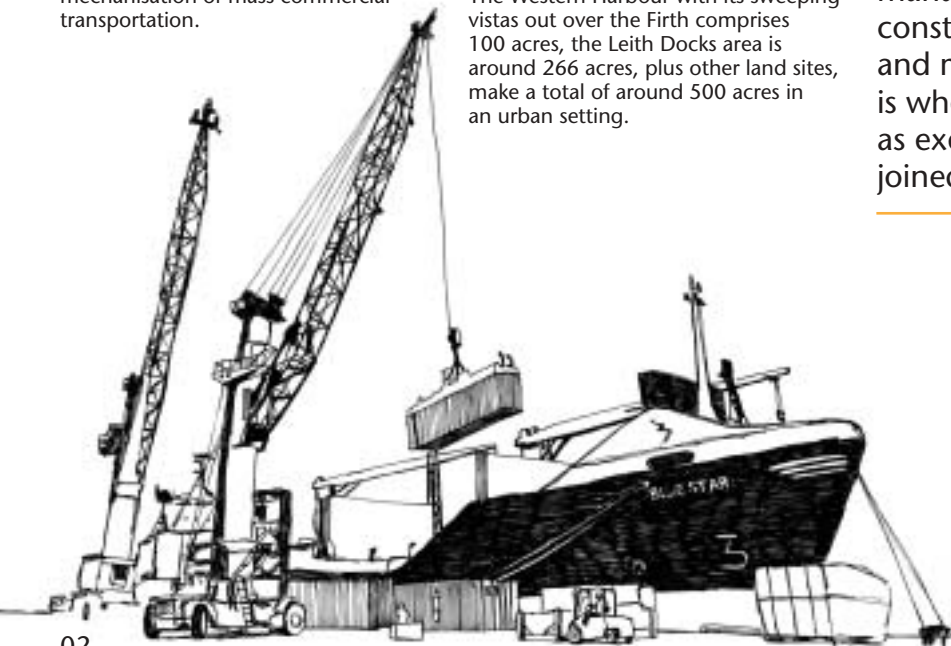
Indeed, Forth Ports is only a nominal description of the business. Yes, it operates in the Firth of Forth. Yes, it owns a number of ports. But the business that emerged from the privatisation of the UK's ports in 1986 has undergone a radical transformation. While Forth Ports, a company listed on the stock market, owns and manages the docks at Leith, Grangemouth, Rosyth, Dundee and Tilbury, the wider business has changed tack. Forth Ports is a major land owner, overseeing waterside regeneration projects in the United Kingdom. One of the biggest is the stretch of land along the Forth from Leith to Granton harbour in Edinburgh.

The size and scale is huge: think Edinburgh New Town and the potential to create a 21st Century cityscape which leaves a significant legacy. The Western Harbour with its sweeping vistas out over the Firth comprises 100 acres, the Leith Docks area is around 266 acres, plus other land sites, make a total of around 500 acres in an urban setting.

The multi-billion pound project requires a world class masterplan. Leith Docks has a new development framework, masterplanned by leading Scottish architectural practice RMJM architects. Another leading firm, RTKL is on board looking at the creation of Britannia Quay and Waterfront Plaza, the first two of nine village communities within Leith Docks.

For many years, Forth Ports' shareholders and investors were kept happy as parcels of land were tidied up and sold off for development. It was a satisfactory formula, but in 2005 Charles Hammond, the Group Chief Executive and his team made a strategic shift. Instead of using the salami knife to slice off bite size chunks of real estate, Forth Ports would start to look at the largest picture and become the strategic developer of the old dockland areas.

“ But the strategy required new skills and forward thinking executives. Forth Ports needed senior people in development project management, finance, construction, planning and marketing and this is where FWB, operating as executive headhunters, joined the party.



Nathan Thompson had already been drafted in as Managing Director of the new property group. His remit was to build a team inside Forth Ports that could develop the masterplan built around a new 'hub' of life and activity and then ensure its delivery. This was a long-term project requiring some vision.

"This is a massive project which will be a statement for Edinburgh and Scotland. Something that in 100 years' time, people can look back on and say it was as significant as the creation of the New Town in the 18th Century. We needed people who shared this vision but were practical, business-minded and capable of doing the job of delivering a complex long-term project," said Nathan.

"We tried to recruit people ourselves but we didn't make a very good job of it," he admits. It was time-consuming and there were some false starts. Nathan found that it was best left to a professional search and selection organisation that could work quietly behind the scenes to put together some shortlists of interested parties. Part of FWB's task was to weed out the time wasters and those simply trawling for a new job.

"The people from FWB understood what we were trying to do. They helped us shape the role and define the kind of people we needed. This was extremely helpful. Scott Black was our contact and he scoured the UK market to put forward credible candidates.

"FWB are first class consultants and we really couldn't have found such a brilliant team without them."

Nathan's team now includes, Property Director, Doug Coleman, Head of Development, Stewart McIntyre, Head of Finance, Derrick Turner, Corporate Development Manager, Michaela Sullivan, Director of Marketing & Business Development, Doug McKenzie and Head of Development, Western Harbour, Malcolm Butcher. Each has brought a balance of high-level knowledge and expertise. For example, Sullivan was brought in from a senior position at the Scottish Executive where she was involved in planning policy, while McKenzie worked as Marketing Director with Kwik-Fit.



Nathan Thompson (centre) pictured with members of the Forth Ports Property team.

“ The people from FWB understood what we were trying to do. They helped us shape the role and define the kind of people we needed.

The team are now working on early stage planning. A planning application will seek approval for the development framework for the whole of Leith Docks. The hub masterplan is being prepared by RTKL, one of the world's leading international architecture firms, led by John Gosling, its illustrious head of urban design. Gosling has been responsible for directing many of RTKL's award-winning projects including its revitalisation of Baltimore's inner harbour, transforming the dilapidated waterfront and downtown areas of the city. Baltimore is now one of the top 10 summer destinations in the world with over 11 million business and leisure visitors annually.

Informed by a brand mastervision, RTKL's masterplan for Britannia Quay and Waterfront Plaza will include a proposed extension to Ocean Terminal Shopping Centre.

The capital expenditure is likely to be around £700m and will form part of the wider waterfront development which includes Granton and Western harbours.

Nathan now believes he has one of the strongest teams in Scotland, with the ability to deliver either directly or through joint ventures where appropriate, working with the public sector, regional authorities and with the local communities throughout the process. Consultation at every level is a regular and on-going part of creating a worthwhile legacy.

"The delivery of this development is important to Forth Ports and to Edinburgh. Our task is to transform Leith Docks into a modern and vibrant place, sitting comfortably beside its neighbours. We will need to bring in more people who share this outlook – and if we need to bolster our executive team we will, no doubt, be beating a path to FWB," said Nathan.

Dinner with Philip Yea



“ There is a huge amount of excess liquidity in the world at present, meaning money is a commodity which then has an impact on prices which are subsequently creeping upwards.

In November FWB hosted a dinner for 60 Chairman and Non-Executive Directors to meet Philip Yea, Group Chief Executive of 3i Group plc, and to discuss recent experiences at 3i together with future trends in private equity.

Philip delivered a challenging introduction, setting the scene for a lively discussion after dinner. He began by observing that 3i's expertise, if it has one, was that it is excellent at change management and thereby able to adapt quickly to changing trends. He also confirmed the group is committed to remaining in private equity and commented that venture capitalists' reputation for being ruthless, secretive and greedy is one which needs to be dispelled.

Venture capitalists, he mused, have transcended the traditional UK listed market split of Large Cap, Mid Cap and Small Cap, and now look at all the segments of the listed market. "The Public Company model is very nearly broken," said Philip. He went on to highlight a number of restrictions that the private equity model does not have, such as:

- a high level of public scrutiny
- Boards which are governed by rules and press headlines
- a share price governed by speculators, benchmark fund investment and hedge funds – with Mom & Pop investors having no say
- Boards must have a majority of 'independent' Directors – whose interests may not be wholly aligned with the Executive Directors
- Boards sometimes have an agenda based around personalities, and Philip believes that this sub-optimises the effectiveness of them
- companies have to show both a relative return and a steady return to maintain share price stability – absolute returns are not the drivers
- conservative gearing

However, he did concur that the Private Equity model is not immune and also flawed for the following reasons:

- heavy reliance on Limited Liability Partnership funds (fixed for 10 years with 3-7 year investment cycle and 3-7 year realisation cycle)
- companies bought and sold every 3-5 years
- 5-6% of the funds disbursed to lawyers and accountants

In view of this, 3i is now looking to try to evolve the situation so that it effectively creates a liquid market in Private Equity Funds.

There is a huge amount of excess liquidity in the world at present, meaning money is a commodity which then has an impact on prices which are subsequently creeping upwards. 3i would rather spend a lot of time looking carefully at how it as an organisation can really add value to the money it invests in the mid-market rather than chasing deals for the sake of volume. As a result, it is looking only to undertake around 15 large buy-outs a year with the objectives of over 20% return on net asset value and 17-18% return on equity.



Bill McCall, Judy Wagner, Philip Yea and Ian Percy.

“ Life is no longer a marathon – it is now a series of sprints.

The evening concluded with a lively question and answer session chaired by Professor Ian Percy. However, as Chatham House Rules were adhered to, the at times controversial subject matter will have to remain confidential.

Going global from Scotland, the FWB Non-Exec dinner

“ Following FWB Non-Executive’s successful dinner with guest speaker Philip Yea from 3i Group plc, our next event will focus on growing global businesses from Scotland.

Following FWB Non-Executive’s successful dinner with guest speaker Philip Yea from 3i Group plc, our next event will focus on growing global businesses from Scotland. We are delighted that Mark Selway, Chief Executive of The Weir Group plc and Dave Shrigley, CEO Wolfson Microelectronics plc have agreed to join us to discuss their own experiences in doing just that. Mark is a well known figure in Scotland’s business scene – a dynamic Australian, he has shaped and

grown The Weir Group very successfully since taking on the role of Chief Executive six years ago. Dave, an American from California, earned a formidable reputation establishing and leading Intel’s business in the Far East. He joined Wolfson at the beginning of 2007 and his early impressions of our business scene will be of great interest.

It is to Scotland’s credit that it has managed to attract such business heavyweights from far flung continents.

Their experiences of our business scene and the challenges of scaling Scottish businesses globally will set the scene for an enlightening discussion over dinner.

Invitations will be sent out soon.

If you are interested in attending, please contact
Judy Wagner – judy@fwbltd.com



Securities Trust of Scotland: Appointing Non-Executive directors

by Neil Donaldson

When the Directors of Securities Trust of Scotland (STS) Ltd decided that two changes needed to be made to the Board a decision was taken to employ FWB Non-Executive to assist in the process.

STS Ltd is an investment trust and all investment trusts are Public Limited Companies. At that time the total assets under management for STS was £350m or so and the fund manager was Martin Currie Ltd.

STS were members of the Association of Investment Trust Companies (AITC), now known more simply as the Association of Investment Companies. The AITC had very strict rules on governance within their member companies. We needed to make two changes because:

- Our then Chairman was approaching 70 years of age and by definition was “too old”.
- Two of our Directors’ firms had slight dealings with Martin Currie Ltd and were, therefore, considered non-independent – one of them had to go. The world of PLCs when it comes to governance is extremely complicated!

We had to make the changes and a small working party was assembled to work with FWB with a view to appointing two new Non-Executive Directors.

The brief was identified and FWB had assembled a highly impressive shortlist of candidates. Interviews were conducted and finally our two preferred Directors were identified and shortly thereafter they joined the Board.

There were a number of lessons learnt in the whole recruitment process which other companies might find useful:

- The days of tapping a friend on the shoulder and asking them if they would like to join your Board are over. Potentially there is too much at stake and any appointment must be the best person for the job.
- We would not have found the highly talented individuals we did find if we hadn’t used FWB. Their database of candidates was first class and every potential candidate had more plus points than negative ones.
- If you are considering appointing a Non-Executive Director then do it. ‘Considering’ is the first step, arguably the most difficult one, but thereafter be decisive, don’t procrastinate but get on with it.

The Board of STS is now a strong, cohesive unit. The experiences of last year have helped to shape us into a formidable team and our ‘new’ Non-Executive Directors are very much part of the future of the company, and thankfully now that future is bright.

Neil Donaldson is a Non-Executive Director of The Securities Trust Scotland.

“ We had to make the changes and a small working party was assembled to work with FWB.”



Improving director effectiveness

by Garry Frier

Some time has passed since the introduction of the Combined Code on corporate governance – a requirement that listed companies “should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors”.

So how are companies dealing with the annual evaluation exercise and what are they getting out of it?

There are broadly two approaches to this and other corporate governance compliance requirements. The first is to do as little as possible in order to report compliance and usually involves the circulation to the Board of a short questionnaire modelled on some suggestions set out at the back of the Code. Experience suggests that this is neither formal nor rigorous and fails to assess individually or collectively the Board’s effectiveness in providing leadership of the company. Subsequent accounts disclosures are normally bland and of little value to the reader.

On the other hand, what one might refer to as ‘enlightened Boards’, do take the annual evaluation exercise seriously and expect the process to identify any issues or concerns that individual Directors may have as well as any professional development needs. These companies view performance appraisal as an integral part of developing and improving Director effectiveness which at the end of the day is in the best interests of all stakeholders.

Putting to one side the debate about whether Board evaluation should involve a third party facilitator, there is, however, a best practice framework emerging. Most Boards feel comfortable using self-assessment appraisals followed by one to one interviews between the Chairman and individual Directors. The Chairman and company secretary then prepare a report which is presented to and debated by the Board. Any action points are then agreed and formalised as is a timetable for implementation.

The content of appraisals/questionnaires needs to be carefully selected. Many of my clients have come to the view that short appraisals which are designed to encourage supporting comment are preferable to completing long questionnaires with only a scoring mechanism.

“ Putting to one side the debate about whether Board evaluation should involve a third party facilitator, there is, however, a best practice framework emerging.

The latter is merely box ticking, whilst the former encourages a considered response and often leads to healthy debate.

Another trend which is developing is that evaluation processes are being phased in over the financial year. Committee evaluation need not take place alongside Board or Director evaluation and by spreading the exercise over the year many companies are enjoying a more considered debate.

Performance evaluation for listed company Boards is here to stay. As stakeholders demand more transparency and accountability, greater scrutiny of the approach adopted is already developing as some institutional investors are privately seeking reassurance that a formal and rigorous process has been adopted. It is also interesting to note that other organisations such as charities, pension funds and public sector funded bodies are increasingly finding performance evaluation to be a worthwhile exercise as they seek to adopt best practice governance procedures.

Garry Frier is a Director and founder of Evalu8 Software which allows organisations to customise, implement and manage internally all the evaluation processes required to comply with the Combined Code and best practice corporate governance standards. Evalu8 is being used by over 30 companies, many of whom are in the FTSE 350.

“ Another trend which is developing is that evaluation processes are being phased in over the financial year.



Leadership in Action: FWB Consulting's active approach to developing Senior Leaders

Glasgow's Govan and Scotstoun shipyards – run by BAE Systems Surface Fleet Solutions – face many challenges as they experience one of their busiest times for decades. Recent operations include the construction of six Type 45 Destroyers for the Royal Navy, and the finishing work on Lyme Bay the final bay class vessel. This was coupled with major change initiatives brought about by the consolidation of Britain's naval shipbuilding capability, and meant tough demands were placed on the leaders in the business to focus on delivery to cost and schedule while also delivering organisational change

At FWB Consulting we have been working with BAE Systems Surface Fleet Solutions for a number of projects over the last two years. Early last year we were asked to design and provide a leadership development programme for about 120 of the senior leaders from the shipyards – and from the programme offices in Bristol – that would equip these key people for those challenges whilst not detracting them from the job in hand. To do this we have developed a unique and advanced approach.

Based on our research, we know that effective scenario leadership development programmes need:

- A personalised approach set within a group learning focus.
- An emphasis on 'action learning' – using real organisational situations tackled in real time.
- A clear articulation of what thinking and behaviour are required of people in their new situation.
- Active involvement of the participants in shaping the format and content of their learning.

- The use of a formal feedback mechanism on individual skills and progress – often using psychometric evaluations.
- Spaced, short sessions of learning with interim actions within the organisation.

We then put these ideas into practice in the Senior Leadership Development Programme in which a team of six of our staff delivered a six-month programme to around 45 of the 120 senior leaders.

“ Key to our approach was 'action learning'. Action learning is a simply structured way of working in small groups on complex and difficult issues of practice, whilst also working on individual development needs.

Key to our approach was ‘action learning’. Action learning is a simply structured way of working in small groups on complex and difficult issues of practice, whilst also working on individual development needs. It is a powerful method for deepening understanding of complex problems of practice and working on ways forward. Action learning is based on an experiential approach to learning – that is it works with real problems and activities as raw material for analysis and reflection.

How did this work in practice?

The participants were formed into six action learning sets based on having a cross-section of people from functions, sites and programmes, with each set being facilitated by an FWB Consulting consultant. Each set was given a task to undertake by the Board of Surface Fleet Solutions – representing a key cross-functional challenge in the future of the reorganisation:

- Driving a high performance culture.
- Partnering with the customer.
- Developing strength in leadership.
- Organising ourselves to deliver high value.
- Driving value throughout the supply chain.
- Innovating for the future.

During the six months each set met a number of times and used working together on the challenge as a major vehicle for driving their own development. In addition FWB Consulting provided two two-day teaching modules – the first establishing the sets and developing their skills; the second comprised of a number of masterclasses on key leadership issues such as managing change, handling pressure and stress and influencing.

The final presentation of completed work took place in late November when each set presented to their

colleagues in the leadership population, and to the Board.

“ Provided a focus on business issues and developed the management population.”

What did it deliver? Here are some quotes from participants:

“it has energised the leadership group”
 “provided a focus on business issues and developed the management population”
 “very worthwhile programme”
 “I’d do it all again!”

For further information, contact **Paul Dickens – paul@fwbltd.com**



Award nomination

Forty-five senior executive grade people from across the business participated last year.

FWB Consulting’s innovative action learning leadership development programme for BAE Systems Surface Fleet Solutions has been nominated for a BAE Systems Chairman’s Award. These awards are given annually to innovative developments within the company and there are three categories – bronze, silver and gold. Our approach to self-directed leadership development delivered not only individual

development but also business benefit as participants worked in six ‘action learning sets’ on key business-wide projects. FWB Consulting supported the participants with masterclasses, facilitation, individual development work and resource materials. Forty-five senior executive grade people from across the business participated last year. The programme will run again later this year.

Event

Globalscot conference worth up to £8M

FWB was pleased to be one of the key sponsors of the first globalscot conference and dinner that attracted 170 expatriate Scots business leaders and was estimated to have injected up to £8m into the economy.

Scottish Enterprise said that the two-day conference at Edinburgh International Conference Centre secured more than 800 links between Scottish companies and globalscot.

“ Estimates of the amount of potential new business the conference is likely to generate from the survey conducted in November varied from £2.7m reported by Scottish companies to £7.9m stated by globalscot.

Mark Hallan, Head of globalscot, said the formula had been proven to work. “As well as building greater capacity in the network so that it continues to expand and be of increasing benefit to Scottish companies, the ideas which were generated at the conference also inspired us as coordinators of the network,” he said.

“The suggestions, such as a new venture fund and ways of tackling the sales and marketing issue in Scotland, took us in directions that will open up new ways of tapping into the power of the network for the advantage of the whole country.”

The conference was the first to bring globalscot, a network of more than 900, back to Scotland. It was attended by the then First Minister Jack McConnell and the then Deputy First Minister Nicol Stephen.

globalscot was set up five years ago by the then Enterprise Minister, Wendy Alexander, with help from the former Scottish Enterprise Chief Executive Robert Crawford.

Sponsorship and Events

Leading and Managing Partnerships – discussion dinner.

Channings Hotel, Edinburgh
25th October 2007

The discussion will be led by Professor Ian Percy who was UK Managing Partner of Grant Thornton for a number of years before retiring and developing a portfolio of Non-Executive appointments which include The Weir Group plc and CALA Group Ltd.

Further information can be obtained from:
Rhona Armstrong – rhona@fwbltd.com



Sponsorship and Events

Institute of Internal Auditors UK & Ireland

(Scottish district)

On Thursday 17 May 2007, FWB sponsored the Institute of Internal Auditors UK & Ireland (Scottish District) Annual Dinner which was held at the Carlton Hotel, Edinburgh. Brian Taylor, the BBC Scotland Political Editor provided the after dinner entertainment.

FWB has worked on a number of high profile Internal Audit assignments in recent years and we are, therefore, delighted to be able to sponsor this event.

For further information, please contact
Luke Rodwell – luke@fwbltd.com

Sponsorship

Ernst & Young Entrepreneur of the Year awards

For the third year running FWB is very pleased to be associated with Ernst & Young's Entrepreneur of the Year awards. The event attracts an extremely high quality of entries in a variety of categories and the national winner will go forward to participate in the UK EoY award competition – a truly stimulating and exciting programme culminating with an awards night in London in July.

Event

The Atlantic Challenge

Operation Kleenex – Making grown men weep!

Later this year four Scots are hoping to take part in one of the toughest endurance challenges in the world. They are in a group of 20 who have been chosen from an initial field of 200 applicants with the aim of selecting a team of 12 capable of beating the Atlantic rowing record.

This attempt is being led by Levin Brown who returned earlier this year from a successful solo row across ‘the pond’ – 2,952 miles from Cadiz to Trinidad – a remarkable feat of individual endurance.

To add some spice to the challenge a team from the USA will be racing Levin’s boat and competing for not only the record but also a prize fund of \$2m. Remarkably Levin’s team will be taking on the USA and their ultra light high tech boat in La Mondiale the very craft which holds the current record set over 15 years ago. Levin bought the boat and had it painstakingly restored to its former glory. The current record was set by a team of French Legionnaires and stands at 35 days.

In preparation for the record attempt the 20 hopeful rowers were put through a gruelling four-day selection regime in, on and around Loch Tay called Operation Kleenex (making grown men weep!).

Operation Kleenex consisted of hours of fitness and psychological tests to see if they have what it takes to complete the 3,000 mile challenge. Working closely with Levin Brown, Dr Simon Petrie of FWB Consulting devised a series of psychometric and supporting tests with the objective of identifying the preferred personal characteristics and traits, such as “quiet confidence – not arrogance; the courage to follow dreams with the humility to follow orders; steely determination; and the ability to form part of a close knit team”.

Scott Black and Luke Rodwell were invited to participate in the fitness tests as part of their training for The Great Kindrochit Quadrathlon. These tests started with a gruelling 7am swim across Loch Tay in a force 5 going on 6 gale. This was followed by a walk, run, and hike across seven Munros including Ben Lawers. At this stage Scott and Luke left the team to it as they began the second day of tests rowing up and down Loch Tay.

As we go to print the outcome of the four days of tests are being considered – so there is still the threat, at least, that Scott and Luke might find themselves selected to row the Atlantic. Simon Petrie’s psychological assessment of his two colleagues unfortunately isn’t printable.

“ Operation Kleenex consisted of hours of fitness and psychological tests to see if they have what it takes to complete the 3,000 mile challenge.



La Mondiale – pictured setting the Atlantic Rowing Record in 1992.

Clinton support for Grant's trees plan

Property entrepreneur Peter Grant has enlisted the help of FWB to persuade Scottish businesses that saving the environment is vital.

Peter Grant is hoping to tap into FWB's executive contacts base to persuade business leaders that donating a few pounds a month to plant trees will help prevent global warming.

Talks are also ongoing with a recycling firm which has 140,000 customers, and an airline company to allow them to offset their carbon emissions by planting trees.

Grant, whose property firm, Grant Management, has a £12m annual turnover and manages more than 1,300 properties, set up his Global Trees not-for-profit organisation after hearing "inspirational" former US President Bill Clinton saying global warming was the real issue facing the planet.

"I was amazed when Bill Clinton sent me a handwritten letter after we set up Global Trees, and invited me over for dinner where I met Hillary and Chelsea. I explained to him the company offers a web service with details about climate change and shows how to donate money to fund the planting of trees.

Just two weeks ago he sent me a book about trees. He is inspirational," said Peter.

Global Trees has no paid staff and every pound donated will go towards the planting and maintenance of trees, as well as a verification programme to ensure they are not quickly cut down. If the company does grow, Grant says 95 per cent will always go back to the bottom line.

Discussions are already in place with private landowners, including the Duke of Buccleuch Estates and the Earl of Dalkeith, about their willingness to have trees planted on their property and for their help elsewhere.

"To date, we have planted the first 25,000 mangrove trees in Cambodia, which help the fishermen in the swamps by improving the storm barriers. In India we are linking into a Himalayan Institute project that produces seeds which can be used for biodiesel and, in Scotland, we have joined forces with the Central Scotland Forest Trust, which aims to plant up to 900 hectares of trees a year across central Scotland by 2015."

Grant accepts that there will be those who knock his efforts and decry carbon offsetting as no more than a sticking plaster, but he argues it has an "important role to play if the planet is to be salvaged".

The initial challenge he is setting people and companies is to reduce emissions by 20 per cent.

He added: "It's not that difficult. There are advantages to be gained for companies. It hits the right buttons for customers and need not be expensive.

"However, Britain is planting just a quarter of the trees it did 30 years ago. There is a greater awareness and if we can educate or help, then it's worth it. As Clinton said to me 'It doesn't matter how many trees you plant, it's more about the inspiration you give to others'. Hopefully, there will be a pinball effect and lots of companies will get involved."

For further information, please contact **Judy Wagner** – judy@fwbltd.com



“ I was amazed when Bill Clinton sent me a handwritten letter after we set up Global Trees, and invited me over for dinner where I met Hillary and Chelsea. I explained to him the company offers a web service with details about climate change and shows how to donate money to fund the planting of trees. Just two weeks ago he sent me a book about trees. He is inspirational,” said Peter.

Event

Executive stretch 2007

Two of FWB's most adventurous consultants, Katie Bell and Ewan Hunter, were put through their paces at the SaBRE organised Executive Stretch weekend held at Barry Budden Training camp in Dundee in June.

Taking part in the leadership training weekend, Katie and Ewan were placed into competing teams along with 150 other executives from around Scotland.

“ They completed a wide range of exercises ranging from minefield negotiation, to tank based observation, live ammo shooting and even a dramatic gas attack rescue.

The weekend culminated with a night on an army bivvy (or bevvie?) site and an all out dash to the finish the following morning. Ewan has since been awarded an outstanding achievement commendation by the organisers, but Katie has retired from military service with suspected post traumatic stress disorder.

Executive Stretch is organised by SaBRE, an MOD marketing and communications campaign set up with the goal of supporting Britain's Reservists and Employers.



Event

The Queensferry cup

Now in its third year, The Queensferry Cup was once again up for grabs at Muirfield in May. Teams representing Adam & Company and FWB tested their golfing ability over the famous links and also their appetites with the renowned Muirfield lunch. For the third year running Adam & Company lifted the magnificent crystal 'claret' jug. Congratulations to David Cathie of Adam & Company and his team of Nathan Thompson, Crawford Currie and Gerry Docherty.

Event

Martin Currie Rob Roy challenge

Scott Black and Luke Rodwell were joined by Bill Fowler (Semple Fraser LLP) and Jon Yates (Reuters) for the inaugural Martin Currie Rob Roy Challenge. This event involved running for 16 miles from Drymen, through the Trossachs, to Callander followed by a 39 mile cycle to Kenmore. The event saw over 570 individuals complete the route with our team finishing in the top 30 places with a time of six hours and 57 minutes. Congratulations must go to Cameron Stewart of Field & Lawn (Marquees) Ltd – featured in the last edition of the magazine – who won the event in a very impressive time of four hours and 52 minutes. The challenge was extremely well organised and is highly recommended, whatever your level of fitness.



Event

Artemis Great Kindrochit Quadrathlon

Scott and Luke took part in The Artemis Great Kindrochit Quadrathlon in July this year. This is a truly gruelling test of endurance consisting of a 1 mile swim across Loch Tay, a 16 mile run across 7 Munro's, a 7 mile Kayak up Loch Tay and finally a 36 mile cycle around the Loch.

They completed the event in just over 13 hours putting them in the top half of the finishers. Luke said afterwards "I've been all over the world with the Army and done a lot of challenging and amazing things ... without doubt this event is right up there with the best of them!"

Further details on the Quadrathlon, The Rob Roy Challenge and other similar events can be obtained from David Fox-Pitt at Events & Activities Ltd; david@eventsandactivities.co.uk.



Event

Boardroom lunches

FWB regularly hosts Boardroom Lunches in both Edinburgh and Glasgow. These lunches are very informal and are designed to enable guests to meet in convivial surroundings.

Feedback on the Boardroom Lunches has been very encouraging. If you would like to attend a lunch, please contact Margaret Davidson (margaret@fwbltd.com) who will be able to confirm dates and locations.

Event

MBA Project

Does Scotland have a knowledge economy?

Last year FWB sponsored an MBA project at Strathclyde Business School. The project assessed to what extent Scotland has a knowledge economy and tried to identify how it could further develop in this regard.

The project was carried out by Jayan Kattakayam who has since graduated with an MBA.

“Scotland was the first-ever knowledge economy. That was in the Enlightenment. I want Scotland to retake its place as the knowledge economy.” (Shonaig MacPherson, Chair ITI Scotland, Scotland on Sunday – June 07)

Knowledge has become a key ingredient in determining competitiveness of an economy. Jayan’s project sought to understand the characteristics of a knowledge economy, and how it can be developed. The project examined the extent to which Scotland has a knowledge economy and what Scotland could do to further develop it.

In his conclusions Jayan noted that Scotland has low rates of R&D expenditure and also low rates of new company formation.

The knowledge economy doesn’t happen by itself and Jayan’s study made a number of policy recommendations to help create advantageous conditions for the private sector to prosper and seize the opportunities.

Jayan’s policy recommendations were as follows:

1 Strengthen the Scottish Innovation System:

- a) Remove bottlenecks in the national innovation system. Recognise and regard universities for commercialisation of research, as they are regarded for teaching and research. More effort should be put in to projects like ‘Dialogues’ to link local businesses with the universities to encourage/enable knowledge spillover.
- b) Effective utilisation of the skills and contact of international students through SNI can open up new opportunities for Scottish firms.

2 Promote Better International Collaboration:

The innovation system should go beyond national networks. Develop collaboration with emerging markets like China and India and leading innovative nations like USA and Japan. SDI should facilitate development of international partnerships for Scottish companies.

3 Human Resources:

- a) Focus on retention of home talent. This is related to building critical mass. Retention of talent would also help in developing new enterprises.
- b) For in-migrants through the Fresh Talent Initiative, ensure skill utilisation for value creation (jobs that use their relevant skills) and develop long-term plans.
- c) Continue the good work by education institutions to cultivate an entrepreneurial culture. Develop role models and introduce them to the next generation of potential business leaders.

4 Enterprise Dynamics:

- a) Assistance should be given to grow SMEs. Scottish Enterprise’s pilot programme, ‘Companies of Scale’ is a much needed step in the right direction.
- b) Take steps to increase home demand through public procurement programmes like SBIR in the USA, developing collaboration with countries that have huge demand and by enabling SMEs to use ICT effectively.
- c) Provide incentives for existing businesses to grow related businesses.
- d) Scottish Enterprise’s ongoing work through Co-Investment Fund and ITIs should continue to increase in scale in order to reach a critical mass. This is crucial to attract creative talent and experienced managers.

5 Media:

Use media as an effective tool to build awareness, exchange knowledge and drive the changes. The transition to knowledge economy in Korea is an excellent example of media’s influence.

6 Branding:

Reposition the ‘Scotland brand’ to convey images of a scientifically advanced modern nation with a rich heritage.

7 External Assistance:

Involve external agencies which are experts in helping the countries to make the transition towards the knowledge economy.

Copies of Jayan’s MBA project are available from FWB.

Event
FWB Burns Supper

Thanks are due to all those who helped Jayan with his project notably:

Charlie Woods

Senior Director Strategy and Chief Economist, Scottish Enterprise

John Waddell

Managing Director, Archangel Informal Investment Ltd

Janet Brown

Managing Director Industries, Scottish Enterprise (now CEO, Scottish Qualifications Authority)

Dr Kevin Cullen

Director, Research and Enterprise, University of Glasgow

Tom Tumilty

Head, Innovation Policy Unit, Scottish Executive

Anthony Moulds

Economic Advisor, Enterprise, Transport and Lifelong Learning, Scottish Executive

Dr Eleanor Mitchell

CEO & R&D Programme Director, ITI Life Sciences, ITI Scotland

Calum Paterson

Managing Director, Scottish Equity Partners

Ashley Evans

Chief Executive, Electronics Scotland

Martin Togneri

Chief Executive, Scottish Development International

John Anderson

CEO, Entrepreneurial Exchange

Ian Ritchie

Chief Executive, Coppertop

The FWB Burns Supper celebrated its 13th year in the now familiar setting of The Royal Burgess Golfing Society in Edinburgh. Peter Hughes of Scottish Engineering provided a stirring Immortal Memory while Billy Kay and Jock Tamson's Bairns vividly portrayed in music and song the influence of Scots the world over. Pipe Major Iain Grant was on hand once again to ensure that the haggis was appropriately addressed.

Here is a selection of comments from the guests:

"Just a brief note to thank you and your colleagues for a fantastic evening – as a first timer I was most impressed with the effort to which everyone had gone to produce some fine entertainment and at long last a Burns Supper that actually allows you to eat a decent plate of haggis, neeps and tatties."

David Peck
Managing Director
Buccleuch Property

"The entertainment was excellent and the company extremely convivial."

Atholl Duncan
Head of News and Current Affairs
BBC Scotland

"It is clear that you put a huge amount of effort into the evening and as ever, I was impressed by the exceptionally high calibre of people you had as guests."

Mark Harvey
Partner
Ernst & Young

Quite a number of people to whom I spoke believe, rightly, that your Burns evening is the best show in town and it reflects highly on your reputation.

Peter Shakeshaft
Chairman, Edinburgh IFS Centre
Clydesdale Bank



Scottish global entrepreneurs? Just say the word

What's the first word that comes into your mind when you hear the name Lipton? Is it tea by any chance? If it is then you are in line with most of those asked the same question in Scotland. However, I wonder how many are aware that Lipton was actually a Scot and born in the Gorbals of Glasgow.

He is, in fact, one of the most colourful, successful and globally-minded entrepreneurs that Scotland has ever produced. It is ironic that today, whilst the Lipton brand – now owned by Unilever – is arguably the most dominant brand of tea globally, it does not occupy a dominant position in the Scottish market.

Lipton did not, however, build his reputation and fortune on tea. He was a grocer who started with one shop in Glasgow in the early 1870s. From the outset, he combined personal charm with innovations in presentation, price and product, together with customer-driven focus and the most outrageous advertising tactics. From the employment of cartoons, to giant cheeses, to live pigs he would stop at nothing to get people talking about his stores. Within 20 years Lipton's Markets were in high streets all over Britain.

At the heart of his approach to business there was also a deep sense of responsibility to everyone on whom it made an impact, but especially customers and employees. His personal conduct and generosity set an example that promoted pride in the company

and inspired both trust and confidence. But what makes the Lipton story truly remarkable are his innovations in the second half of his life.

In 1890 he was selling six million pounds (in weight) of tea through his shops, significantly undercutting the prices of other retailers. Not content with this, he looked beyond Britain and had a vision of his own tea, controlling the whole process from plantations to shop counter. By cutting out the middlemen he could pass on more savings to his customers and, at the same time, supply the developing tea market in America. He used images of his newly acquired plantations in Ceylon (now Sri Lanka) as a marketing tool. In effect, he repackaged, rebranded and reinvented tea for a global market.

And finally, he converted his passion for sailing and the sea into a quest to winning yachting's premier trophy and one of the most talked about sporting events of the day, the America's Cup. In doing so, he acquired international celebrity status. He mixed with ease among the great and good, including most of the royalty of Europe, American

presidents and the likes of Thomas Edison, Henry Ford and J P Morgan. Sir Thomas well understood, too, the implications for his global business by making himself the central figure in this international sporting challenge with the United States. He was a highly principled and innovative entrepreneur whose astute association with sport was ahead of its time.

The America's Cup is now a truly global event with competitors from America, China, Europe, South Africa and New Zealand. The 32nd America's Cup reached its climax in Valencia this summer. And if you say the word Lipton there to experienced America's Cup watchers you might get a different response: Sportsmanship, perseverance, integrity, competitiveness ... Such responses might even be prefaced with the word Scottish.

Laurence Brady

Laurence Brady's biography of Sir Thomas Lipton, *The Man Who Challenged America*, is published by Birlinn in 2007



Lipton



'Manufacturing in Scotland: your wake up call'.

Thursday 6th September, Dakota, Eurocentral

45 senior executives with interests in the well being of Scottish Manufacturing attended a seminar in the Dakota Hotel to listen to speakers who offered a keen insight into the current condition of the manufacturing sector in Scotland and the challenges it's facing. The seminar was chaired by Julia Davidson of FWB.

Peter Hughes of Scottish Engineering presented an 'upbeat' picture of the sector which he said was doing well in the face of the significant cost and indeed legislative pressures. Steve Graham who joined the Scottish Manufacturing Advisory Service [SMAS] at its inception two years ago contrasted the growth of manufacturing in the UK with growth in emerging economies. He went on to highlight the increasing influence of China both as a manufacturing competitor and consumer. Steve was followed by Jim Ferguson of Sanmina. Jim has spent the last 7 years leading the restructuring and relocation of Sanminas business in Europe which has sadly seen the closure of plants in Scotland. Jim explained the inevitability of this in the face of the tough

economic arguments. He also pointed out it is wrong to argue any longer that 'Made in China' might be synonymous with poor quality. He suggested that there was however scope for an industry in Scotland that used its expertise and innovation and focused on premium products. He also highlighted that in some industries it just wasn't viable to make products in low cost destinations which in turn creates opportunities in economies like Scotland, particularly in defence and security related markets and also in service, spares and maintenance.

Hugh Hayes has led the turnaround of one of Scotlands best known manufacturing businesses and spoke about the challenges the senior team faced. He led us through the turnaround strategy including the refocusing of the Aerospace business which led to an MBO earlier this year.

The inevitable conclusion is that manufacturing businesses won't survive if the strategy is just about competing on cost. The approach has to be more radical, more innovative and for many more international.

John Swinney MSP spoke for 15 minutes and responded to each of the speaker's key points. He congratulated Hugh and his senior team on the turnaround of Motherwell Bridge Group whilst also recognizing the economic realities being faced by international businesses like Sanmina. He promised that the administration was listening and would take on board the concerns raised by the speakers.

This led on to a busy Q & A session which covered a wide range of topics including skills development, the impact of legislation, Business Rates and Corporation Tax, and finally Energy Policy.



Speakers: (clockwise from left)

John Swinney
MSP, Cabinet Secretary for Finance and Sustainable Growth

Hugh Hayes
Chairman,
Motherwell Bridge Group Ltd

Jim Ferguson
Senior VP European Operations,
Sanmina – SCl

Peter Hughes
CEO, Scottish Engineering

Steve Graham
CEO, Scottish Manufacturing
Advisory Service

Pay & bonus movements in companies with T/O under £60m

Pay movements for Directors of smaller firms were more robust last year than for their counterparts employed by bigger companies, finds Remuneration Economics (RE) in its latest survey of businesses with turnovers under £60m.

In smaller companies, the salary plus bonus earnings of a matched group of Directors went up by an average 8.6 per cent which, in conjunction with the wider national findings, was some 2.9 percentage points higher.

On the other hand, a different picture was evident at non-board management level where the matched average earnings increase was 5.1 per cent –

a figure marginally lower than found across all-sized companies.

The main driver of Directors' earnings growth was an upturn in both the spread and value of bonus payments.

In contrast, the proportion of non-board managers awarded a bonus went down slightly.



8.6%

In smaller companies, the salary plus bonus earnings of a matched group of Directors went up by an average 8.6 per cent ...

Average salary and bonus levels for Directors and Senior Managers in companies with turnovers up to £60m at January 2007 (Source: RE/CMI)

Responsibility level salary	Whole sample Average salary £pa	Those receiving a bonus Average salary £pa	Average bonus £pa	Bonus as % of salary	% receiving bonus
Chief Executive	201,900	235,298	143,791	61.1	70.0
Other Director	104,753	114,188	58,446	51.2	55.0
Senior Function Head	89,274	89,662	25,677	28.6	41.9
Function Head	65,825	69,988	15,267	21.8	30.6
Department Manager	55,704	53,438	9,643	18.0	38.0

Average private sector pay awards

Average private sector management pay awards (Source: IDS Executive Compensation Review)

Three months to:	Board %	Senior Managers %	Middle/Junior Managers %	All reviews %
January 2006	5.7	3.7	3.4	3.8
April 2006	3.6	3.4	3.4	3.5
July 2006	4.0	3.6	3.5	3.6
October 2006	4.5	4.3	3.8	3.9
January 2007	3.8	4.0	4.1	4.0
April 2007	3.6	3.7	3.7	3.7

Further information can be obtained from Ewan Hunter – ewan@fwbltd.com

Slouch potatoes!

Julie Kealy of Taylor Physiotherapy and Sports Injury Clinic provides some common sense guidelines on how to get fitter – carefully.

The body isn't designed to be sedentary, yet more and more of us spend large amounts of our time sitting at a desk, behind a PC, in meetings, or travelling in a car, train or plane. Leisure time is often not any better involving a diet of TV, the movies, the pub or a restaurant ...

Yet work and play doesn't have to be so inactive.

First, let's look at what can be done to make work more active. Much can be achieved by simply sorting out some basics:

- Invest in a decent chair and adjust it to suit you.
- Make sure your desk set up is optimum, for example that your PC is at the right height and the keyboard is easy to use with relaxed arms.
- Don't be desk bound. Get up periodically and walk around – it might even be possible to find a quiet corner to do some stretching (a physiotherapist can give advice on what to do and how).

Outside the workplace regular exercise is very important. However it's easy to get carried away by a sudden urge to get fit or to lose weight.

If you haven't exercised for a while then remember that your body is likely to be less flexible, less strong, and less cardiovascularly fit than it used to be. Unfortunately these effects will make you more susceptible to injury. So try to resist the temptation to throw yourself into a new running or gym regime and don't get talked into playing 'fives' with colleagues at the local Astro Turf! Your body isn't ready for that level of activity and simply won't be able to handle it!

Instead, start gently, build up slowly, and allow your body to become accustomed to what you are asking it to do. If you feel the start of an injury,

don't just ignore it and hope that it will go away. If in doubt speak to a physiotherapist or at the very least try a short period of rest and then a gentle return to exercise.

Most good advice is usually plain common sense. Many of the injuries and strains we see are caused by bursts of activity after periods of not exercising or simply through trying a different pursuit. We will assess and treat an injury and also provide advice about self management which, if followed, will help prevent injury recurrence.

Julie Kealy of Taylor Physiotherapy and Sports Injury Clinic can be contacted on: 0131 332 8698



“ The body isn't designed to be sedentary, yet more and more of us spend large amounts of our time sitting at a desk, behind a PC, in meetings, or travelling in a car, train or plane.

Recruitment

These appointments are only provided for illustrative purposes and are not necessarily current.

Finance Director

Glasgow Culture & Sport Ltd, Glasgow

Executive Director

Rosslyn Chapel Trust, Glasgow

Chairman and Chief Executive

Scotland Food & Drink Ltd, Edinburgh

Finance Director

First Glasgow Ltd, Glasgow

Non-Executive Director

Major UK Financial Services Company, Edinburgh

Chief Operating Officer

Edinburgh International Science Festival Ltd, Edinburgh

Finance Director

Blues Clothing Ltd, London

HR Director

Asquith Nurseries Ltd, nr Oxford

Managing Director

Robertson Timberkit Ltd, Stirling

Legal Director

Miller Homes Ltd, Edinburgh

That's a wrap



“ Many of the organisations we regularly work with feature prominently in the round of business awards.

That's the second edition of our magazine wrapped up. I'm sure that you have found something of interest in it. FWB is active in many aspects of corporate life and accordingly is in the very fortunate position to be able to assess the relative wellbeing of a wide cross section of companies and organisations – and our impression is of a vibrant and healthy economy.

Many of the organisations we regularly work with feature prominently in the round of business awards and indeed many of the business leaders that we have relationships with are recognised as being at the forefront of their chosen fields. All of which helps to create a stimulating environment for everyone at FWB. Hopefully the articles in this edition highlight that we are not only up for the challenges of meeting the expectations of these diligent and successful people, but that we also enjoy doing so.

If you would like to follow up any of the articles in the magazine, please feel free to contact me or any of my colleagues.

Regards.

Willie
willie@fwbltd.com



FWB Group

Head office – Edinburgh

19 Alva Street, Edinburgh EH2 4PH

T: 0131 539 7087 W: www.fwbltd.com

FWB Group

London

2nd Floor, Berkeley Square House,
Berkeley Square, London W1J 6BD

FWB

Judy Wagner, Scott Black,
Willie Finlayson, Luke Rodwell,
Ewan Hunter, Julia Davidson, Katie Bell

FWB Non-Executive

Judy Wagner, Scott Black, Willie Finlayson

FWB Consulting

Paul Dickens, Guy Hughes,
Elizabeth Anne Mulholland, Dr Simon Petrie

