

THE EXECUTIVE`S TALE

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Commerce is the economic lifeblood of the city. During the seventies a number of large companies moved to Milton Keynes, providing employment. Today we take their existence for granted. However, the task of moving a major national company to a new city is fraught with all kinds of hazards, social as well as economic. It involves risks which must be faced with confidence and commitment.

When VAG UK Ltd, the British-owned distributor of Audi and Volkswagen cars and parts, decided to centralise it`s operation Jerry Latham was the Project Manager in charge of the Company`s relocation and development in Milton Keynes. Unlike many senior executives he made a personal commitment as well as a professional one: he chose to live within the city boundary

In the early seventies we became increasingly aware of the need to centralise and operate the company from a single location. The first consideration, obviously, was to decide where to go. As one of the principal benefits was going to be cost saving in the distribution of parts our choice was reasonably limited: we couldn`t go to the north of Scotland, however low the development costs of a warehouse might be there, or to the southwest tip of England or to one of the east coast ports. By examining our dealer network and our distribution pattern we arrived at a map of the country indicating the most logical triangle in which we should be based to get the maximum benefits out of centralised distribution. We defined the triangle as an area bounded by Swindon in the west, Northampton to the north and Watford to the south. Research indicated conclusively that we should base our main operation somewhere within that triangle. We needed good road distribution throughout the country, we needed an airport not very far away and we needed access to rail transport. We also needed to be sure that there would be an adequate supply of labour with manual, clerical, secretarial and specialist skills, to cover the varying needs of our different operations. These included warehousing, data processing, accounting, and administration functions as well as the many specialist and technical activities of our industry. We also believed there had to be an attractive living environment because we were aware that we had a large number of `key personnel` who we wanted to bring with us.

Between late 1975 and the end of 1976 we looked at probably in excess of eighty sites within our triangle. We looked at `spec` built warehouses and offices but in the end we decided we wanted to build our own. Milton Keynes Development Corporation responded very positively. They showed us sites, they showed us what they were doing, they talked about their plans, they showed us schools and housing. It was apparent to us that they had as much concern as we did for the environment that would be provided or people who came to live and work in Milton Keynes.

An Attractive Proposition

To us, Milton Keynes was ideally located. We found a site of the right size with enough room for expansion. The ideal was realistic. They didn't give us the land or do us any particular favours in the commercial sense. But where they really impressed us was the back-up service they provided in terms of visiting our existing locations and talking with our staff about housing and schools, and indeed any other specific or personal subjects that concerned individuals. They were very much on the same wavelength as us. We didn't find that attitude anywhere else within our triangle.

We, on the other hand, were an attractive proposition to the Development Corporation because we were one of the first major employers to move here. We were going to provide over six hundred jobs in the city. I think that we were the style of employer that they wanted, a company that would want to get involved in the area. Also, we were bringing our head office here, not just our warehouse. All new cities run the risk of becoming warehouse cities because companies put up large distribution and storage centres where relatively low numbers of people are employed. We were bringing not only a quantity of jobs but a variety – management, secretarial, technical, catering staff. a complete spectrum. At that stage in its development there was no doubt that it was important for the city to attract big names in companies.

I've been involved in the original discussions, but was due to go to work abroad in another division of our parent company. I was about to leave when it was decided to commit the necessary capital to moving to Milton Keynes. It was a project which particularly interested me and I decided to stay on that basis that I would be involved in the project. I ran it from its conception to completion and for a year afterwards because there was still a lot to be sorted out after the move. It was a tremendously interesting job. Now, I look after our dealer network development.

I spent a lot of time looking at Milton Keynes as it was then. I had to come to conclusions about whether I believed what were very ambitious plans. At the time, a lot of people viewed some of the things the Development Corporation were saying with a degree of cynicism. There weren't many companies here. It was one big building site, a lot of mud on the roads, the trees were little in those days. To a certain extent I shared the cynicism, which I thought was healthy. I went into it in a lot of detail and from the views I gathered at that stage I came to the conclusion that if I was going to be in the persuasion business – persuading the company that they'd made the right decision, persuading the employees that it was a good place to come to – it would look a bit funny if I was living twenty miles outside the city. So from one point of view I felt I ought to live in Milton Keynes. Having said that, I don't think I would have come if I hadn't wanted to. From what I found out I wanted to be part of it. I found Milton Keynes an exciting concept and I saw the opportunities for getting involved in its development. The city was at the beginning of its life and I loved everything I saw.

It pains me immensely to hear the joking references to Milton Keynes made by people who've never been here and don't know anything about the place. Of course mistakes have been made. It wouldn't be what it is if somebody hadn't had the guts to let people do different things, and in the end you say: "Okay, that was a mistake." But I think many of the mistakes are now being put right, some of the early housing estates, for example. I think it would be unreasonable to expect that people who live here won't find anything wrong with it. But there's much more that's right, and good, and worth being proud of.

We Were Overwhelmed

As the first step towards moving the company we took a temporary office – The Mount in Simpson – for a year. We had our project office there and moved a personnel team in. Towards the end of 1977 we put a single advert in the Gazette saying we were moving to Milton Keynes the next year; we would be looking for staff and we'd like anyone interested in working for us to contact us. We invited them to come to an open evening. By six o'clock there was a queue half a mile long. Over six hundred people came to see us that evening and in the end we couldn't physically see them all. We had to print forms on the spot and ask them to fill them in. We were overwhelmed but enormously encouraged, too. The quality of people applying was far higher than we could have anticipated. You used the phrase 'pioneering people' earlier and I think that the very fact that they'd moved to Milton Keynes said something about them. They were people who wanted to get involved, wanted to get stuck in. They weren't just looking for a nine to five job, they wanted to be part of something. So, as we became clearer about specific jobs needed filling we called on that initial pool of people. Today several years on, we remain well satisfied with the aspect of moving here.

We started construction on the site in the spring of 1977 and opened our warehouse in May 1978. The logistics of transferring from six locations around the country, moving people, stock and equipment here was a period of maximum risk for us. Our whole parts of distribution system would have broken down if we'd got it wrong. In August 1978, over a single Bank Holiday weekend, we moved the whole company here. In retrospect it was a dream project. It was enormous fun as well. We've been here for just over six years. There's no question that we were a better company, a happier company. There is more of a family and team spirit now we're all on one site. No regrets, no looking back; we're all part of Milton Keynes today.