

Photographic Division

3M

newsletter

March 1985

New Team Heads Gratispool



Mike Atkins. Chairman and Managing Director. Gratispool International Holdings Ltd.

"By the time many of you read this interim newsletter, you will already have heard the news that we have implemented a number of organisational changes at Gratispool International Holdings including the complete restructuring of the Executive Board. The departure of two Board Directors-Ted Kerr, Managing Director, SupaSnapS and John Daly, Production Director-created the opportunity to bring about these changes to both

consolidate and develop our current position of strength in the marketplace. With our new Board, which comprises a team of six top executives with considerable experience in the photoprocessing industry, I am confident we have a strong force of individuals that will take us forward into a highly successful future with significant further growth and expansion for Gratispool."

New Gratispool Executive Board



Left to right John Harley, Mark Smith, Tony Griffiths, Mike Atkins, Mike Smith, Mike Hill and Rob Eaton.

"This new structure not only reflects the size and complexity of our business but a number of internal management promotions and appointments. I am personally delighted that we have been able to reward executives that have contributed so much to the past growth and success of our company. The new Board of Directors will play an active and integral part in the day to day function of Gratispool and I am certain they will provide considerable strength of leadership for the departments they individually head as well as make a significant contribution to our continued expansion.

But they can't do this without *your* help. People are the single most important asset to any company and it is people that have built Oratispool into the major force it is today. I know I can count on you to support your new Directors and help take us forward into a highly successful and exciting future."

Mike Atkins
Chairman and Managing Director

Rob Eaton
Tony Griffiths

Production Manager
Director,
Marketing Services

John Harley

Director,
Group Services

Mike Hill

Director, Retail Sales
and Marketing

Mark Smith

Director, Personnel

Mike Smith

Director. Finance

Key Areas Of Responsibility

"On the following two pages my fellow Directors will cover the main areas of responsibility in their new assignments, outline their objectives and explain how they will affect you.

As you will read from their individual biographical notes, each has exactly the right experience within the photoprocessing industry to make a significant impact in their respective areas while offering you the level of support you need to perform your own job responsibilities.

The separation of the Group Services role from the Group Sales and Marketing role is, as far as I am concerned, a clear indicator of the major importance of each function to our future development.

By reorganising in this way, we now have what I believe to be a 'tight ship'. In other words, we have evenly distributed our weight of leadership and expertise to all sectors of Gratispool. This has, of course, the dual effect of improving our own internal efficiency and

projecting a powerful, quality image to our competitors and public.

With this united force, we can confidently expect to increase our market position and guarantee our future success."

Meeting New Market Challenges



"However, in today's highly competitive environment we cannot afford to stand still or become complacent. We must be constantly innovative, appraise our methods and adapt to meet the changing needs of the marketplace.

Apart from streamlining our management team, we shall be placing greater emphasis on our key operations and adopting aggressive marketing policies to further boost our presence in areas of the market where we already have considerable strengths, particularly retail sales. More specifically, our highly successful chain of SupaSnapS shops. As you

are probably aware, there has been a major switch from mail order services to retail over the last few years and SupaSnapS has now become a nationally recognised brand.

Of course, we shall not be neglecting sectors of the business, such as Mail Order, which have suffered a radical decline. On the contrary, we shall be making a conscious effort to inject new life, build on our market share and get it back onto a profitable basis."

Heavy Investment And Promotional Programme



"Our commitment to both the continuing expansion of the photographic business and providing quality services for our millions of customers is evident in our intention to invest over £2 million this year in the latest high technology production equipment for our laboratories.

We shall also be adopting an aggressive policy of SupaSnapS shop openings. To maintain our competitive edge and market leadership, we intend expanding the present 350-strong network by more than 100 shops over the next three years.

And all of this will be backed up during 1985 by a heavyweight promotional programme which includes an exciting new national TV

and press advertising campaign.

Our success at Gratispool has always been the ability to recognise our strengths, interpret market needs and strategize correctly. I think you will agree from what you have read so far that our reorganisational and expansion plans have laid the foundations for a tremendous future for Gratispool. With *your* continued commitment we can build on these qualities to secure an even greater proportion of the market."

Mike Atkins



Robert Eaton
Production Manager

"My key responsibilities are to provide a quality photoprocessing service, while at the same time achieving targets on unit costs and operating profit through control of

materials, labour and overheads; to maintain a close relationship with market trends in product development; and ensure we keep abreast of new technology and processing innovations. With this in mind we are in the process of purchasing and installing £2 ¼ million of new 'state-of-the-art' equipment in our laboratories.

The purpose of this is two-fold:

1. To update our laboratories with equipment that ensures we can achieve best possible quality and improved productivity.
2. To provide the necessary equipment to produce 4¹ • prints for the new product launch by SupaSnapS at the end of May.

This introduction of new equipment requires careful planning to ensure appropriate capacities are available through the year and that guaranteed service times will be met. Additionally, considerable training of production personnel, engineers and technical people is planned to enable a smooth introduction of both the new equipment and the new product.

This adds up to being a challenging and exciting year, and one which I am personally looking forward to very much indeed."

Rob has always worked with 3M - thirteen years in total. He began his career as a Process Engineer in Magnetic Tape at Gorseinon in 1972 and then held

a number of positions within magnetic tape production and product development during an eight year period.

He then spent three and a half years at the Aycliffe plant as a Q.A. Manager, setting up and running a new Q.A. function to support production of disposable face masks. Rob joined Cratisspool in January 1984 and has, for the past twelve months, worked in the Production Group setting up a Q.A. function within our laboratories.

Since October 1984, he has assumed the position of Production Services Manager with responsibilities for technical and engineering aspects of production.

"I see Marketing Services in the Group having four key responsibilities in ensuring a healthy business for us.

Firstly, to develop information systems and planning recommendations for management through the Market and Operations Analysis group, utilising both internal group statistics and outside market research, and interfacing closely with the operating marketing groups.

Secondly, to assess, review and develop the services provided for us by outside PR. and Advertising agencies.

Thirdly, to lead and co-ordinate the development of major new services that satisfy the changing

needs of the picture-taking public, and that keep us ahead of our competitors.

Fourthly, to develop the long-term strategic plans of the group in order that our business grows in an organised and purposeful way for a profitable future."

Tony Griffiths began his career with Ilford Limited as Commercial Trainee for two years, then moved to the Marketing Department of Word's Professional and Industrial Division.

In 1970, he joined the Photographic Division of 3M, and during the '70s was involved in marketing all of 3M's photographic products - amateur,

motion picture. X-ray, graphic arts, professional - and was responsible for the development of the marketing function in the Division

As Group Marketing Manager, he developed the strategic plans which foresaw the importance of retail photoprocessing to 3M's future in the amateur photographic market and led to the acquisition of Gratispool. Subsequently, he developed the Group's retail, mail order and dealer marketing organisations, plans and functions.



Tony Griffiths
Director,
Marketing Services



John Harley
Director,
Group Services

"Those of us involved in finance and accounting can recall the different policies, procedures, systems and reporting techniques which we adopted in 1981 when we were acquired by 3M. At the same time, the nature of Gratispool's business was undergoing a change. From being involved only in the mail order sector, we have now progressed to today's mix with the major portion of our film processing coming from the SupaSnapS shops.

These changes have enabled Gratispool to position itself in line with the general market decline of the mail order sector and have the necessary financial backing for the large investment required in creating the nationwide coverage of SupaSnapS.

In spite of the high content of our volumes coming from the retail sector, our other mail order and Telecolor programmes are important for balancing our processing facilities and distributing film.

The new staff structure reflects the critical needs of maintaining this balanced business backed by specialist staffs. I see Group Services, which consists of: Transportation; Print Purchasing; Merchandising and Distribution; Customer Service and Property, as playing a vital role in growing Gratispool's presence in the photographic business.

This role is not merely one of supporting the sales and marketing functions but of being commercially concerned about the business.

We should always be aware that no business can prosper, or indeed survive, without adequate generation of return on its investment. Whilst we in Group Services are not at the 'sharp end', we intend to have the *commitment* and *commercial involvement* which everyone must have to ensure the success of our company."

After qualifying and spending three years in professional accountancy. John moved to Ford Motor Company where he spent thirteen years in Business Management and Marketing. In 1977, he joined Gratispool as Group Financial Controller and has, therefore, been involved in the significant changes that have occurred during the past eight years.



Mike Hill
Director, Retail Sales and Marketing

"My philosophy is to create a business environment in which people can develop their skills in a way which benefits both the business unit and the individual. People are the single most important resource in determining our success in the marketplace. Each individual within an organisation has a positive contribution to make towards the progress of the overall business objectives. The environment must exist whereby any suggestion, aimed at improving our overall plans, is heard, analysed and implemented where practical and viable.

The main factors which ultimately determine personal development within an organisation are:

- CLEARLY DEFINED, REALISTIC OBJECTIVES
- A POSITIVE ATTITUDE
- THE ABILITY TO TURN CHALLENGE INTO OPPORTUNITY

It is general management's role to ensure that the climate exists whereby the whole organisation is aware of the goals and is given all possible support to achieve them.

I am looking forward to working with the SupaSnapS team whose results to date reflect the outstanding professionalism which exists within the organisation."

Mike joined 3M in 1967 and since that time has held various job responsibilities, including:

National Sales Manager - Copying Products; National Sales Manager-Microfilm; General Sales Manager- Facsimile Group and General Marketing Manager - Office Products.

He has been the General Marketing Manager for the Photographic Group since 1983 and, in this role, has been actively involved in the private label film market, where we have the largest market share in the U. K.

His early career involved the retail/supermarket area, as a Sales Training Manager for J. Lyons. This function involved developing plans and training people for selling into all areas of the retail market.

"My maior 1985 objectives cover three key areas of responsibility

Firstly, to extend training programmes to all levels throughout Gratispool, I.P.F. and SupaSnapS.

Secondly, to put in motion development of a Career Development framework, focussing initially on career paths within the Group, and then widening to integrate the 3M U.K. Group career planning structure.

Thirdly, to provide maximum support to all field and production

management in meeting their business objectives through a team of Personnel and Training Managers operating in Supa-SnapS, I.P.F. laboratories and Group Head Office"

Mark has spent most of his working life with 3M U.K.. having joined the company straight from University in 1967. Since that time he has held various job responsibilities including Customer Services Co-Ordinator (Birmingham), Supervisor- Dublin and Belfast

Sales Offices. Training and Development Manager - Financial Administration Group and Personnel Manager - Administration and Distribution.

Mark spent five years based in Brussels as first. Manager Development and Administration - Europe, then Regional Personnel Relations Manager - Europe. He returned to the U.K. in 1984 as Group Personnel Manager - Photographic.



Mark Smith
Director, Personnel



Mike Smith
Director, Finance

"Photoprocessing, like many other business activities, has seen significant changes in the marketplace. The decline of mail order, the growth of retail and the emergence of mini labs have and will continue to create problems and opportunities which demand constant attention.

For Gratispool 1983 and 1984 was very much a period of getting our house in order. Areas which had seen decline or where our marketing programmes had become less viable were subjected to critical appraisal. As a result, we closed our Dublin laboratory and ceased operations in Holland and Belgium. In their latter stages these businesses had become a significant drain on our resources both in management effort and cash funding.

Relieved of the pressures which these situations brought, our objective in 1985 is to concentrate on our U.K. production and marketing operations. Gratispool U.K. sales grew by 8.5% in 1984 to £43 million and we are forecasting further growth of 8% in the current year. To maintain competitiveness, less than 2% of growth in this period has come from price increases.

Securing the levels of profit necessary for continued invest-

ment will require optimum utilisation of our laboratory capacities, successful returns from our marketing and promotional plans and productivity gains from all employees.

Our capital investment programme for 1985 is aggressive, with over £3 million currently allocated to upgrade our laboratory equipment and the shop expansion programme. It is our objective to fund this expenditure from ongoing profits. As I'm sure you are all aware, the costs of borrowing at the present time are extremely high.

I am convinced that along with my fellow Directors and the support of all our people, we can achieve the goals we have set for profit growth, controlled investment and maintenance of good levels of employment and reward."

Mike Smith was born near Aberdeen, educated in Dumfries and through professional qualification, is a member of the Scottish Institute of Chartered Accountants.

After qualifying he started his career in taxation with our current auditors. Coopers and Lybrand. and then entered industry. After gaining invaluable experience in both the ITT and Hawker Siddeley Groups, he joined 3M in 1973 and during the following ten years held various positions in the Financial Controllers Department.

Mike joined Gratispool in December 1983. Since then he has been concerned with the profitability of our varied operations and the viability of our investment programmes - past and future.

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