

VISIT TO I.T.L., MONTREAL & B. & W., LOUISVILLE

3rd-12th July, 1979

I was very well received and given a broad coverage of the two operations. A summary of the main general discussions and observations is given below. Technical points are reported separately.

1. Both B. & W. and I.T.L. made it clear that GR&DC will be supported positively in the future provided attention is given to a number of points:

- a) The Main Associates should have the opportunity of influencing the work programme - while leaving R. & D. to retain sovereignty. (There was a certain suspicion, that I refuted, that Millbank/MPDC/BAT (UK&E) have undue influence on the programme.)
- b) The work programme is clearly exposed and is seen to be a good balance between the current technical priorities of key parts of the Group and innovative research for the longer term.
- c) Associate's own "research" is effectively co-ordinated by BAT - but without damaging the Associate's own commercially oriented developments.
- d) A more overtly commercial approach is adopted. Sometimes our proposals for work appear academic: it is up to GR&DC staff to explain and sell their ideas, not the 'customers' to try to interpret them.
- e) We become more 'politically sensitive" in the areas of smoking and health, e.g., reporting of 'nasties' and biological studies generally. ("Remember what pays all our salaries".)

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- f) Communications are improved. In particular, too many of our reports give information without a clear lead to management as to the importance of the findings. The concept of 'scientist reporting to scientist' is not wholly effective.
- g) We recognise that Associates have their own special circumstances and problems - which may not always permit ready response to our ideas, e.g., for plant trials.
- h) We anticipate better the actions of our competitors, and strive to lead in key areas. (Our poor performance on ventilation and expanded tobacco has clearly raised doubts: our slow response to primary processing and process control was also noted.)
- j) We should look at the return on investment (or, alternatively, the consequences of success) for the main programme areas - for either the Group as a whole, or for specific territories. As an example, if we succeed to a significant degree in the automation of the secondary process (STRATEGY I) which Companies will be able to benefit, by how much and when?

2. I found no area of duplication worthy of action. Where duplication may appear to be evident (e.g., CO reduction, selective filtration, assessment of expanded tobacco, automation of analysis and data computation), it is well justified in my view.

3. The close working of R. & D. with Marketing, Production and Leaf at both B. & W. and I.T.L. was apparent from my discussions. It is, of course, relatively easy to achieve close working in an operating company, compared with the very different situation of GR&DC and the Millbank departments. The recent R. & D/Marketing meeting was recognised as an attempt to have a direct marketing input to the R. & D. thinking in market-related work - but it was felt that some international input would also be desirable.

4. The need for a complete re-think on communications, and on control/co-ordination between GR&DC and the main Associates, was clearly recognised. The Research Conference, as organised this year, was not regarded as the answer.

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It was agreed, however, the main Research Heads should meet at least annually to consider progress and agree the future R. & D. strategy. In particular, there should be a meeting in, say, November to agree the 1980 programme in the light of the comments and progress on the 'new' 1979 programme.

No firm conclusion was reached on how best to achieve an input from Marketing, Production and Leaf. The principle of the Working Party/Steering Committee concept was accepted, but Dr. Hughes and Dr. Sanford are to consider the implications for B. & W. and put forward some firm ideas for discussion. Mr. Gibb will likewise make suggestions in due course.

Underlying all these discussions about communications and co-ordination was the feeling that in playing their part for the good of the BAT Group, B. & W. and I.T.L. would have to see a direct gain for themselves.



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