



Man Group

Man is a world-leading alternative investment management business. With a broad range of funds for institutional and private investors globally, it is known for its performance, innovative product design and investor service. Man manages over \$70 billion and employs 1,800 people in 13 countries worldwide.

It has a long history. The ED & F Man Group's origins go back to the 1700's, when it traded sugar from the Caribbean. The business extended over the years into other products, from trading to refining and sourcing, and into stock broking, investment management and insurance.

SAMI's role: questioning assumed wisdom

Gill Ringland of SAMI Consulting was asked to help the Group anticipate changes in markets through scenario planning - for instance, to reduce losses on trading in sugar derivatives. After discussions on the underlying causes, it was decided that the most effective approach was to engage the management team to think about the future and uncertainties, using scenarios.

The scenarios chosen were "London in 2020", on the future of financial services in the City of London. These four scenarios looked at how the City as a leading home of financial services companies might respond:

- If the world is "global" and Information technology (IT) becomes pervasive (***Globetech***)
- If Europe, Asia and North America divide into competing trade blocs all using IT successfully (***Fragtech***)
- If the world is global but there is very little use of IT (***Slowglobe***)
- If the world is a broken-down one is a broken-down world with fragmentation of trade and little dependence on IT (***Fourth World***)

A Workshop

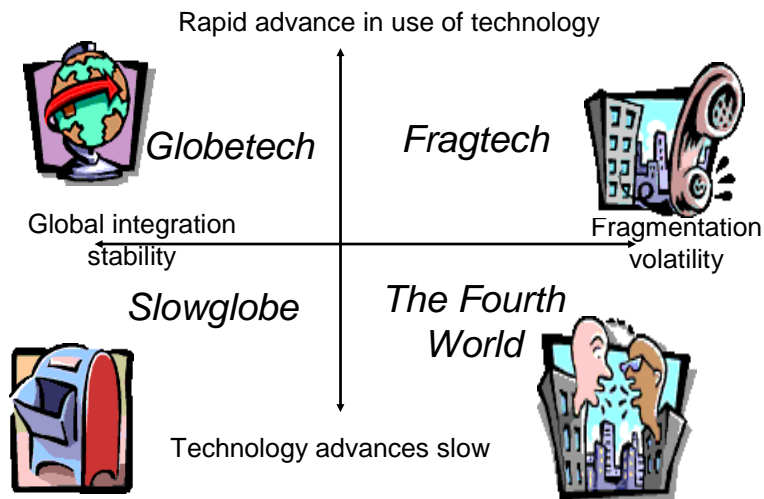
A workshop was organized to follow a board meeting, at which the divisional directors and their immediate teams were present. The workshop used role playing by the divisional directors and their teams based on "what are our strengths in each of four scenarios". The answers were very different for each business. The division trading primary and secondary sugar products felt comfortable with ***Slowglobe***. Other businesses had built their business plan on assumptions corresponding to ***Globetech***, ***Fragtech*** and ***Fourth World***.

The discussion after each unit had reported back was very revealing to the team. They had not realized the differences across the group, perhaps due to the underlying dynamics of the businesses, their history and tacit assumptions. In particular, the division concerned with ownership of land, refineries and the logistics needs of handling



the sugar products had a very different dynamic from the other businesses, which relied on trading using IT.

City of London in 2020



SAMI Consulting
St Andrews Management Institute

robust decisions in uncertain times

www.samiconsulting.co.uk

The result: reshaping the business

In 2000, the Group divested the sugar products division, followed later by aligning the insurance and stock broking arms, along the lines seen in the discussion of the scenarios.

According to Gill Ringland, "This shows the value of scenarios in bringing out implicit assumptions. Although the scenarios were presented as describing 2020, the discussion brought out that a different scenario was recognized by the four divisions, highlighting the source of their management tensions."