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INTERVIEW:

Sir Roger Carr: The grandee with a seat at business's top tables

By Dina Medland

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Sir Roger Carr has earned himself “grandee” status among the UK’s business elite, a feat made all the more impressive by the fact that his start – and his career path into the top boardrooms – were not conventionally “grand”.

The former president of the Confederation of British Industry and soon-to-be chairman of BAE Systems, the FTSE 100 defence company, is passionate on many subjects, including the importance of timing, and seizing an opportunity when it offers itself.

“My father was a dealer principal for a Ford dealership, and I always had a fundamental interest in business,” he says. “In the 1960s I happened to take an aptitude test to determine whether I would be suited to the computer industry – and I found myself heading for a sector with huge growth and earning potential.”

After Nottingham High School he stayed close to home and completed a BA in business studies at Nottingham polytechnic before becoming a computer programmer. His career began at Honeywell Computers, and included a number of general management roles as the company expanded in the UK during the late 1970s. “It was a youthful industry, and I was given a lot of responsibility in my early 20s – it was engaging, and rewarding, and I rapidly met people who wanted more from computers – like engineers,” he says.

In 1982 he joined Williams Holdings, a small engineering company – the start of a relationship that was to last for two decades. “It was the beginning of a completely new chapter. It is hard to convey how exciting it can be as an engineer – it can be seen as physical engagement,” Sir Roger says.

He helped build Williams into a FTSE 100 industrial conglomerate, first as operations

director, then managing director, and finally as chief executive from 1994 to 2000. During this period he also became a non-executive director and subsequently chairman of Thames Water, his first such role at a large company.

“When you move from being a chief executive to a chairman you have to be comfortable in trading power for influence. It is partly about accepting that you can leverage your experiences to those who are now in executive authority, but do it with the experience of someone having been in the line of fire,” he says.

“You also have to work hard to influence governance and practice and the development of people.

“To become a chairman, you have to develop the correct mindset. It starts with a personal choice. Having made it, like anything else, it requires time and effort to do it well,” he adds.

Sir Roger’s extensive experience of the boardroom includes the hospitality sector, where he was a non-executive director for Bass, the brewer and hotel business, from 1996. During this time, he saw the company’s brewing interests sold and the remaining hotels group rebranded as Six Continents – which itself then split, with Sir Roger becoming chairman of the resulting Mitchells & Butlers restaurants and pubs business in 2003.

Following another demerger – this time of Dr Pepper Snapple from Cadbury Schweppes, where he had been a non-executive since 2000 and deputy chairman since 2003 – he became chairman of Cadbury in 2008 until it was acquired by Kraft in 2010.

He says of his time at Cadbury: “The challenge was a product much loved by the consumer but a company not loved at all by the investment community – and targeted by activist investors. That was my inheritance.”

The first job, he says, was to secure the support of shareholders and put together an independent management team to deliver clarity on the company’s prospects. But he adds: “There was a lot going on at the time, and people had an Enid Blyton view of what was, in reality, an international company.

“As chairman, I defended the company for many months [in the face of the Kraft bid] and the bid was raised. At that stage, as a board, we discharged our obligation and did what we were paid to do – not necessarily what was in our hearts. That’s governance,” he says. In addition to these roles, he has also found time to be a senior adviser to Kohlberg Kravis Roberts, the private equity firm, and a deputy chairman and the senior independent director on the court of the Bank of England.

The job for which he is best known today is being chairman of Centrica, the energy company, which he joined as a non-executive in 2001, before taking the chair in 2004. He will be leaving Centrica before taking on the chairmanship of BAE Systems early next year.

His current role at Centrica is “very different” from chairing Cadbury, he says. “It was

clear that as the world changed we needed to be a focused energy business again, and my first priority was restructuring to bring out its core model, with the right management in place.”

Creating a strong executive team and making changes in company structure, pay, performance and culture were all part of the task, he adds.

While at Centrica, he also took on the presidency of the CBI in 2010. “I felt I had seen all shapes and sizes of businesses and that I might be able to add value at a time when circumstances were challenging and the government would seek engagement to find a growth solution,” says Sir Roger.

He has also given a lot of time and energy to the growing concerns in the UK around the under-representation of women in business. “I have long believed that a mixed gender board produces a better dynamic, a better atmosphere and better decisions,” he says. When Helena Morrissey, founder of the 30% Club campaigning group, approached him – along with experienced chairman Sir Win Bischoff – to join, he felt he could help: “If you have had a career where you know people, then by offering support, you can help. The positioning of the report by Lord Davies has helped lift the issue as well – but it is one on which we cannot relent,” he says.

Sir Roger is also a member of the UK prime minister’s business advisory group. Looking ahead, he says: “I remain positive that the UK has undergone enormous transformation which has been hard but significant.

“There has been a renaissance in the automotive industry with innovation, and the UK is a net exporter which no one would have believed possible years ago. And manufacturing has reinvented itself to be cutting-edge – BAE Systems is at the forefront of that business.”

As career moves go, he sees moving to Britain’s biggest defence company as, in many ways, an obvious one – a neat fit with his passion for technology and engineering, as well as the relationships nurtured in his roles at the top of industry and in working with government. For a man of 66, it could also be said be a grand one.

Secret CV

Your thoughts on mentoring?

Be open-minded enough to absorb non-stop learning from others.

Your first big break?

Entering the computer industry when it was about to accelerate – followed by excellent timing and opportunity at Williams in the early 1980s. It was the time of Mrs Thatcher, when management took back the right to manage and there was momentum.

Your best career advice to others?

Do enthusiastically and with commitment today, in order to create opportunity for tomorrow.