

Lessons on leadership

Auckland IT services company Lexel Systems is a family firm that provides valuable lessons in succession, reinvention, customer service and above all, business leadership. Glenn Baker has the story.

You can tell there is a special bond between Chris Simpson, founder of Lexel Systems, and his son Noel, the general manager.

It is a very special father-son relationship forged not just outside the business, but also within the firm's four walls over a number of years.

The catalyst for Lexel's special senior management team came with Chris's sudden diagnosis of cancer ten years ago, which meant that overnight his son would have to take on the day to day running of the business – then known as Computer Brokers. With his Dad given just six months to live, this was time for Noel to step up to the mark.

At just 27 years of age, and with a staff of 20 and a multi-million dollar turnover to oversee, Noel knew it was sink or swim time. But Chris had no reservations and is proud of how his son performed at that stressful time.

"Noel had already proven himself to me and family, as well as to our customers and suppliers."

It was always Chris's intention for Noel to eventually take over the business, right from the early days. "Of course the cancer forced the issue – it completely changed the equation for me."

For Noel, taking on the management role was indeed a little scary to begin with.

"I had always been strong in terms of operational matters, but I'll admit that I struggled with the whole leadership issue." But he agrees with Chris that leadership can be learnt.

"There are rules, and if you follow them you will become a leader."

Noel has also learnt that growing the business is about developing a key group of people around you. "You need several personality types to create a great team – if you surround yourself with a whole bunch of 'mini-me's' then you're doomed to failure," he says. "If I tried to control all areas of the business myself I'd only be frustrated and extended beyond my core capabilities. Better to step back and let your people grow, which in turn lifts the business."

Leadership is also about the fine art of delegation, adds Chris. "And that ability to sit back while things go wrong, long enough so people learn their lessons. Also, realise that you'll make decisions and sometimes they may be wrong."

Chris's illness (from which he has fully recovered) and Noel's subsequent 'baptism by fire' proved to be just one of many challenges the company has had to overcome in its 22 years.

The IT market has development enormously since Chris first got started writing spreadsheet software for the Lotus platform in pre-Windows days. While Noel was still at school and happily playing on his Commodore 64 PC, Chris was heavily into the "science of spreadsheets" – writing programmes that shaved hours off reporting times.

With the '87 stockmarket crash came redundancy and Chris was forced to go into business for himself.

"I left my job Friday and opened for business the following Monday. I opened

up the Yellow Pages, and got my first job. Then one day someone rang me, and I've never used the Yellow Pages again," he recalls. "Not long after, a client said to me 'how about sourcing the PC and printer for me too', and before you know it we were responsible for the whole IT spend of clients."

The business grew to 12 staff and an eight million dollar turnover, while still based in Chris's basement/garage ("the neighbours were very understanding") and he was also running one of two authorised Lotus tutoring centres in Auckland.

Steady growth of the business eventually necessitated the purchase of some land in Albany in 2000 and the construction of a building, which has since been tripled in size.

For its first six years Computer Brokers was mostly services and training based, until procurement eventually took over.

More recently, as the IT industry has become more commoditised and consolidated, clients have looked for a more 'total solution' approach to their IT infrastructure.



Noel Simpson:
"Trust is what got us to where we are today..."

Chris Simpson, competing at the recent Targa rally.



“The IT industry has traditionally been one that over-promises and under-delivers, and today Lexel is very much outcome based,” says Noel. “In the past three to four years there have been major technology improvements in bandwidth and management software. This means some 90 percent of traditional outages are now avoidable. Our monitoring system will ‘touch base’ with a client’s server every 15 seconds, basically checking to see that everything’s OK.”

This centralised, remote monitoring means an 80 percent reduction in on-site work, says Noel, and monthly reports keep clients informed on any action taken and the current state of their system’s health. It’s all about being proactive to pre-empt any potential IT disasters.

A new identity

September 2008 was the company’s most recent major milestone as it went through a rebranding exercise from Computer Brokers to Lexel Systems (Lexel is a play on the words excel and excellence). The move has been a long time coming, with Chris admitting that the original name was really only a short-term solution which happened to stick for the next 22 years.

Chris and Noel engaged outside help to mastermind the project, and they agree that the whole relaunching exercise has been hugely beneficial.

“It forced us to justify who we are and what we’re trying to be,” says Noel. “It also helped us to identify which part of the market we wanted to own and send out the message about our new services capability.

“A lesson for all bosses is to realise that your way may not be the only way. I’ve learnt to bite my tongue.”

We are now selling solutions for business continuity.”

Noel has hung signs throughout the building reminding staff of the new “external brand essence”: delivering exceptional IT experiences.

Today the company has 80 staff delivering solutions around New Zealand and the Pacific, a flexible business plan (which Chris calls “a living document”) and remains true to its original creed of ‘the customer is always right’.

Father and son have learnt some valuable lessons while moving the business forward – such as the importance of protecting your reputation, being aware of the company’s financial position, and taking a conservative approach on cash. Resist the temptation to spend before the profits are there, they say.

Chris and Noel have also learnt how to work in tandem, with Chris now able to step back and enjoy international travel on a fairly regular basis.

“If things get a bit heated between us, I just encourage Chris to take another holiday,” quips Noel.

A lesson for all bosses, says Chris, “is to realise that your way may not be the only

way. I’ve learnt to bite my tongue.”

His other tips on succession include the need to step back from the business and let go; the need to define each other’s roles and responsibilities within the company; and the need to progressively delegate more responsibility to your successor.

Four years after handing over the reins to Noel, Chris says he woke up one morning, realised he’d beaten the cancer, and was tempted to get back into it.

“But then I realised there was no reason to go back. It was time to put my feelings in my back pocket and get on with other things. Besides, I’d paid my dues – it was time to reward myself.”

Part of that reward is hosting Lexel’s regular reward trips for clients.

Meanwhile the way forward for Lexel Systems has been set out in clear goals.

“It’s a highly competitive market, there is still consolidation going on, so acquisitions are always a possibility,” says Noel.

A \$50 million turnover is in their sights – and they intend to do this with a client base of all size companies, and a backbone of trust.

“Trust is what got us to where we are today, and we’ll never forget it,” says Noel.

“It’s even possible to gain the trust of your competitors,” adds Chris. He regularly lunches with an industry peer group and shares solutions to common problems.

“A problem shared is a problem halved,” he says.

It’s just the kind of attitude that has got this family business to where it is today.

Glenn Baker is editor of NZBusiness.