

# Memorandum

**From:**  
David A Gammon, Sixth Sense  
**Date:**  
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**To:**  
Directors and Managers  
**CC:**  
Managing Directors  
CEO's

**Subject: The War between control and pragmatism rages in your business and your head....**

*In my mid-20s, I worked in the Head Office at Tesco. I was part of a secret, informal, powerful network, the smoking-room users. The health risks were enormous, but I learned much through those conversations.*

*One of the Main Board Directors also frequented the smoking room in New Tesco house. He had a fierce reputation, and working for him was not high on my list of priorities. He was, however, an interesting and amusing fellow smoker.*

*One day while he sat there blowing out enough cigar smoke to render him partially invisible, he turned to me and asked me a question. What is it you said you did again, Dave? I told him, mainly because it was true, that I worked in the Corporate Audit function.*

*"Ah, an auditor. The problem with Auditors, Accountants and Lawyers is that they are the condoms of industry. We know we need you, but you take all the fun out of it."*

I've had reason to recall this story several times this month as I work with people in this conflict's direct line of fire. They are trying to balance the need for controls, compliance, checks and balances with flexibility and commercial pragmatism.

The commonest battlegrounds are in the domains of Quality Management, Health and Safety, Purchasing and expenditure control. Skirmishes break out when different perspectives, priorities and functional biases of departments, individuals (and even thoughts in the same person's head) clash.

With my twenty years of Auditing and job titles like Head of Internal Audit, Head of Corporate Risk and Director of Audit and Risk Management, you would think my flag would be planted in the control camp.

But even early in my career, I could see that there was always a grey area between taking and managing risk or compliance and pragmatism. I always erred towards ensuring rigorous debate and that accountability for the decisions was understood and traceable.

These are thorny debates. Both sides of the imaginary fence appear to have solid and valid cases for where they draw their red lines. But the discussion must be had and the decision made.

In fact, difficult decisions like these are where Directors earn their salaries and bonuses. If two directors can't agree, it has to keep going up the tree until someone can sit like a balanced judge and make a decision.

These balancing decisions should be made at the lowest level possible in the organisation, BUT NO LOWER.

The members of my management team at Orange knew damn well that I saw an unnecessary escalation of disagreement for me to resolve as a poor reflection on them.

So my dear commercial warriors, here are my three and a half<sup>i</sup> (the half issue comes from one of my client's own ideas, which I nicked) things to think about in these situations

1 Have we got all the right people in the debate, and are they thinking and discussion thorough and balanced.

2 Have we properly checked what is and isn't said in any regulation/standard or policy we refer to? Have we scrutinised every bloody word and both its meaning and its spirit?

3 Can we reach a decision that is our most informed trade-off balance, and is it clear who ultimately takes responsibility for the decision?

3.5 Are we having the discussion in the right place? This is not a debate for a sanitised meeting room. It needs to take place where the activity under discussion happens. Discuss it on the factory floor if it's a factory floor issue.

Having a jester<sup>ii</sup> with no functional bias or axe to grind in these conversations may be the difference between a well-formed decision, sabotage or all-out internal warfare.



David A  
Gammon  
LEADERSHIP COACH

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<sup>i</sup> The half issue comes compliments of a great idea one of my clients came up with

<sup>ii</sup> I am increasingly seeing myself as the court jester in these situations