



April 2004  
Newsletter

## *Sycophant/tax special. More doom and gloom?*

### Book of the month

“Karaoke Capitalism” by Jonas Ridderstrale & Kjell Nordstrom

Their previous book, *Funky Business*, is now a cult classic (sort of). Individual choice is endless. This costs and you can either pay in cash or competence. Benchmarking and best practice will merely get you to the middle. All good stuff and lots more in a similar vein.

[www.funkybusiness.com/funky/](http://www.funkybusiness.com/funky/)

### P35 meets P14 near P11D

Just in case you have forgotten that we are actually accountants, let me remind you that a plethora of PAYE returns are (is?) due at this time of the year. And they all attract fines if late. If in doubt, ask Sparkle. Please, not me.

### Does your phone come here often?

There was a plan in the office to send me on a course to make me more user friendly. It seems that “What do you want and when do you want it”, whilst being admirably concise, lacks something in the warm and fuzzy department. Naturally, somebody has sought to fill this gap in the market with “The magic of smalltalk - How to Confidently Build Rewarding Personal and Business Relationships”. You can even get a free copy of a sample chapter by e.mailing <mailto:samplechapter@magicofsmalltalk.co.uk>. I stand by for comment.

### No more conflict?

You may remember that we hosted an event in January on the subject of conflict resolution. Well, the presenters are running a series of 2 day courses in May and June (in Cheltenham) covering the following subjects:

1. The Manager as Mediator
2. Managing Performance
3. Dealing with difficult situations

For more information contact

[terry@successoutofconflict.co.uk](mailto:terry@successoutofconflict.co.uk)

## Irritable desk syndrome (IDS)

According to theory, IDS is the result of sending e-mails to colleagues rather than actually leaving your desk to go and speak to them. [You are not supposed to dash over and ask if they have responded to your e-mail yet.] Apparently, this generates a sense of low-key frustration and creeping annoyance. However, the alternative view is that IDS is really to do with the lack of privacy engendered by open plan offices. I always thought that the whole point of being at work was to actually get on and do some work. There is, of course, a section of the population that claims to be able to multitask and for whom simply working would represent underutilisation of resources. Hell is other people in an open plan office?

## Do women lack ambition?

Whilst I hesitate to air this question, the answer is allegedly "yes". Apparently, this is a lot to do with the tendency for women to receive less recognition for their accomplishments than men. Furthermore, when women compete with men for recognition in a work situation, it is assumed that something must be wrong with their sexuality. Amazingly, the Victorians had a specific term for this. Women who pursued higher education were labelled "agamic" and considered to be asexual. Whilst changing society is a pretty tall order, action points are as follows:

- don't expect things to fall into place
- provide structures of recognition
- blow your own trumpet - at risk of being labelled "pushy"
- realise that is never too late

There is a whole book on this subject: "Necessary dreams: ambition in women's changing lives" by Anna Fels.

## More blue phones?

Last month, we discovered phones that could make passes at one another. This month, it seems, they are working on well-behaved phones. That is, phones that know that you are in the pictures (cinema), for example, and therefore won't ring until you get outside. What will they think of next?

## Team building sucks

Many bosses believe that team building exercises motivate staff and increase efficiency. So, lots of money is spent making people go white-water rafting etc. However, a recent survey suggests that 68% of workers dread these sessions, whilst 52% regard them as "childish and embarrassing". I was hoping to send the Boyscout on something really obscure. I'm sure he'd love it. Any ideas?

## Secure yet?

Official advice on passwords has always been to treat them like socks: change them regularly. However, in my experience, changing passwords every week inevitably means that you will lock yourself out of your own system (sooner or later). Apparently, Microsoft is set to solve this particular problem with a SecurID token. This is a little gizmo that you carry around and which gives you a new password every time you logon. This is all very well, unless you lose the gizmo. Retinal scans next?

Whilst we are on the subject of security, new versions of Windows are likely to have the capacity to kill invading worms and viruses. Euphemistically known as "behaviour blocking"?

## Tax savings on vans

The rules on company vans have now become so complicated that they've actually managed to introduce a small saving by accident. Get it here before they notice.

## Rising tax bills

Whilst the last few budgets have been exercises in deferred tax increases, some of these rises are now coming through. We've processed a number of tax returns already and the increase in tax payable is quite noticeable. This is primarily due to the increase in National Insurance, but also due to the change in the Family Tax Credit deal. Watch out :-)

## No more employees

You may recently have received a letter from the Home Office (Motto: 'building a safe, just and tolerant society'). This missive contains guidance on taking on ANY employees from 1st May 04. Employers must see and keep copies of certain documents which must be indated and valid. Failure to keep this 'defence' may render employers liable to a fine of £5k per employee.

Any non UK workers who are from the new EU countries (Eastern block) have to be registered with the Home Office. If they are not registered, you could be fined £5k. All very tolerant.

## The Hardball Manifesto

Business has become such a bad tempered affair (in the States) that one of the gurus has created a "Hardball Manifesto". I searched this particular article long and hard for any sign of irony or sarcasm, but to no avail. So, this is it:

- focus relentlessly on competitive advantage
- strive for extreme competitive advantage
- avoid attacking directly
- exploit people's will to win
- know the caution zone

However, some of the stories where the manifesto has been used are really quite interesting. My favourite goes as follows:

Some years ago, automotive components maker Federal Mogul became aware of a decline in profit. The resulting analysis of the problem indicated that low volume sales of specialist engine bearings were making a loss, despite their high gross margin, because of the high associated activity costs. [Presumably, this would also be a case study for the advantages of activity based costing against standard costing.] The company was also selling bearings for ordinary car engines, at a much lower margin, but in much greater volumes, and indeed it was these products that were making the profit. Now, Federal Mogul's main competitor was a company called JP Industries. Presumably, if Federal Mogul had simply pulled out of the specialist bearings market, then the field would be open to JPI to crank up the price and create a profit sanctuary from which to attack Federal Mogul on its ordinary bearings business. So, Federal Mogul came up with the plan to slightly overprice its specialist bearings such that JPI won most of the bidding contests, thereby distracting it from the ordinary bearing business. Furthermore, the more low profit work that JPI won, the less likely it became that it had the financial ability to launch an attack. However, it was very important that Federal Mogul didn't drive JPI out of business, because if it had done, another player would have come into the market, possibly with more financial clout and a better costing system.

Good story? I wonder what has become of both companies now?

## Professionally gloomy?

There is an old business adage that says that every company needs a sales director who is an optimist, a finance director who is a pessimist, and a managing director who is a realist. In our world, more often than not, the same person has to do all three jobs. Simply being in charge tends to make people cautious. In other words, if it can go wrong, it bloody well will. The Sage of Bishopswood has a more sophisticated take on the issue: the traffic light effect. Whilst everybody else is working on green, the boss is always anticipating the change to red. Yesterday's successes are irrelevant (celebration of wins is therefore pointless); it's tomorrow's problems that count. No wonder the self-employed are such a miserable bunch.

## e.mail etiquette

Communications to underlings should be brief, improperly capitalised, and misspelled to indicate a supervisor's chronic lack of time and attention. Emails to higher-ups should be sycophantic in tone and grammatically immaculate; the occasional use of exclamation points is highly recommended! (The use of sideways smiley faces, however, is not.)

## No more lost files

I periodically get quite excited about the possibility of the paperless office. [Maybe I should get out more?]. Anyway, there's a breakfast seminar on the subject in mid June in Malvern  
[www.obsidianxdm.co.uk/obsidianxdm/html/events.html](http://www.obsidianxdm.co.uk/obsidianxdm/html/events.html)

## Sycophant survey

Allegedly, it is possible to enjoy your job too much. We've therefore stolen a survey to test for this particular problem. Sample questions:

*You harbour dreams of someday:*

- Fleeing your dank professional prison
- Owning a boat
- Running the company

*When your salary review comes round you:*

- Obsess about how underappreciated you are
- Hope for the best
- Ignore it: you'd work for free if you could

For more, contact

[cosmosurveys@chrisduckett.co.uk](mailto:cosmosurveys@chrisduckett.co.uk)

## Tax amnesty

Last year, Customs and Excise operated an amnesty scheme to allow people who had previously not joined the VAT Club to register without incurring the 15 percent penalty. I imagine that they still had to pay any undeclared VAT for the last three years. This amnesty closed at the end of September, generating £26 million in revenue along the way, and experts suggest that our government should do the same for income tax. This is a difficult idea from the moral standpoint, as diligent taxpayers are yet again seen to be subsidising the slapdash, but it could be a big moneyspinner. As an example, an amnesty in South Africa in May 2003 led to £233 million of back revenue in just 48 hours. The Italians managed to collect €8 billion from their amnesty (and still nobody actually paid any tax). I'm interested to see how this might fit in with the new money-laundering rules, aren't you?

## Disclaimer

Talented individuals are mobile monopolies with global passports. Can you have a life whilst making a living? Etc [As translated from Swedish]



## Chris Duckett Limited

Network House , Thorn  
Office Centre  
Rotherwas  
Hereford  
HR2 6JT



Telephone [01432 370 572](tel:01432370572)

Email: [clients@chrisduckett.co.uk](mailto:clients@chrisduckett.co.uk)

Website [www.chrisduckett.co.uk](http://www.chrisduckett.co.uk)