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DUCKETTS
 TRUSTED ADVISORS

June/July
 2004
 Newsletter

Business travel special.



Book of the month

"Poor Richard's e.mail publishing" by Chris Pirillo.

Strictly speaking, I should rename this newsletter an "e-zine", although that would really confuse everybody. Is sending out a monthly newsletter an act of gross arrogance? Discuss.

www.lockergnome.com

Letter from China

Rob Simpson, our special Chinese airline correspondent, reports that the odds of getting on a plane with a bomb on it are 10M:1. The odds of getting on a plane with 2 bombs on it 38.5B:1.

Therefore, always carry a bomb onto a plane (yourself)? I think Rob should stick to growing raspberries. Statistics is clearly not his forte.

Mini pro thumper

It seems to me that bad backs are now a fact of life for many people involved in essentially clerical occupations. Sitting hunched over either a keyboard or a steering wheel has to be bad for you. Stress just makes it all worse. The expensive solution to the problem seems to be a hot-tub of some sort. However, the Sage of Bishopswood has come up with a much cheaper idea – the mini-thumper. This is a hand held device that you can apply to your own back and which massages the afflicted area. I didn't realise my back was tense until the Sage hit the spot. I think I would have preferred a scantily clad Scandinavian armed with birch twigs, and anyway, I've always been hopeless at DIY.

www.sisseluk.com/specialist_frame.htm

Predator therapy for bustards

The Boyscout has been watching nature programmes of late to see if he can pick up any tips on training sales teams to "go for the jugular". Close that sale. His findings have been rather disappointing. For example, bustards raised in captivity take quite some time to realise that foxes are dangerous. Even when you squirt water in their ear. However, whilst this approach isn't working for sales teams, this may be a way of encouraging clients to run away when approached by solicitors. What do you think?

What makes an effective executive?

This question was posed by the consultants' consultant, Peter Drucker, in a recent Harvard Business Review article. As usual, the answer is a list of 8 actions and its not hard to mentally tick them off or discard them, depending on anxiety levels. However, I suggest that the most important single factor is the ability to concentrate on opportunities rather than problems. Dealing with problems is about damage limitation and never produces positive results. Change, for example, is always an opportunity masquerading as a problem. So, get your best people working on opportunities?

P11Ds by 6th July

I will say no more.

Book club

I recently purchased a collection of war books from the office book club. It occurred to me that some of the titles were particularly applicable to certain client behaviours. Any suggestions for client matches?:

- Military Errors of World War Two
- Against All Odds
- Full Circle
- Kamikaze

Ghengis Khan was an accountant

The above gentleman has long been a role model of mine. I'm particularly fond of his method of dealing with team members who couldn't quite get with the programme. Specifically, he wrapped them in carpets and had horses trample on them. Nobody ever complained that a spot of pillage wasn't in their job description.

In contrast to many of the businesses that we deal with, he had his succession planning totally systemised. This upshot of his approach is that 9% of the male population of the world carries the Ghengis Y chromosome. I'm sure that somebody could apply statistics to prove that 80% of partners in big accountancy firms are men, with a Ghengis Y, and therefore Ghengis was an accountant. QED. Simpsonian Logic?

Happiness is a merchant bank called DKW

The professional pessimists at Dresdner Kleinwort Wasserstein have now produced an item for their investment report on the subject of happiness. This is not as daft as it seems as happy investors don't sue their advisers. Anyway, the banking view is that 50% of happiness is due to genetics (no happy solicitors?), 10% to circumstances (such as wealth etc) and 40% to intentional activity. As you might guess, intentional activity includes:

- Getting enough sleep/exercise/sex
- Having a network of friends/close relationships
- Having a fulfilling occupation
- Making a series of concrete, but achievable objectives (complete with KPIs?)
- Not equating happiness with money
- Taking time to reflect (on how lucky you really are)

Beware hedonic adaption. It may be catching.

The Boyscout regularly formulates business plans to combine all of the above. Not sure how he fits the sex in, mind. Full article free to the first 5 requests on happy@chrisduckett.co.uk

Tax credits

Another stunning idea that just gives everybody a hard time. The big problem is that the original claim was based on income for 2001/02, but adjustments are being made using 2003/4 results. Anybody who has seen their profits rise during that time is facing the prospect of having to pay money back. And we have to deliver the bad news, usually combined with a hike in the tax bill into the bargain.

Chronic time abuse

People are forever being sent on time management courses - to learn how to prioritise, make lists etc. However some folk are seriously dysfunctional and courses will not help. Apparently such people fall into 4 distinct categories:

- Preemptives
Get their work done so early that it irritates everybody else. Very rare, particularly in accountancy.
- People pleasers
Unable to turn down more work, and therefore bound to miss deadlines.
- Perfectionists
Better dead right than finished. A certifiable condition.
- Procrastinators
Always somebody else's fault as to why something can't be finished on time. Apparently the result of being over-praised as a child.

Hansard or bust?

There was a long piece in the technical tax press about the Revenue's pattern of using different sets of rules (COP 8 rather than COP 9) to caution taxpayers at the start of serious tax investigations. I considered reproducing the article in full, but the take home message is that if you end up talking to Special Compliance (SCO) you're in deep trouble. But you knew that anyway.

US investors back quarterly audits

I'm sure many of you were worrying that, with the increase in the audit limit, UK auditors would soon be facing financial ruin. However, the solution must be to go west as US investors now want quarterly audits. Then we can have spurious results 4 times a year instead of just once.

Self ordering computers

Self service has been around for a long time. You have to be over 40 to remember petrol stations where you were served by a bloke with an oily rag. Self service fuel was actually cheaper to start with. So it should be no surprise that self service kiosks are taking over in the States for check-ins at airports and, more impressively, at MacDonalds outlets. You simply press the screen to make the order. The article example was a franchise of 6 outlets in Florida where self-service kiosks were installed 2 years ago. Over the period, use of kiosks has risen to the point where 45-50% of orders are placed by machine. People routinely stand in line to use the kiosks, even when the more traditional counter is clear. Furthermore, the average spend per customer has increased by \$1, which doesn't sound much, but actually represents a massive 30% increase. This is partly due to improved marketing, but also because people are more likely to be greedy if they think that another human being is not likely to be judging them. The kiosk never sniggers, even to itself. As with most technology changes, improved labour productivity is not likely to lead to less jobs. The MacDonalds franchise quoted above has actually had to increase the payroll by 2 people per outlet: one in the kitchen to deal with increased demand and one in "reception" to help people use the kiosks. It will be interesting to see where automation strikes next. How about Doctor's receptionists?

Pfizer on failure – the thrill of defeat

If you stay in business long enough, inevitably, something goes wrong. Setbacks are to be overcome, but they aren't the normal way of things. However, if you work in pharmaceuticals research, the chances of

success are remote. Pfizer is the biggest drug company of them all and spends \$7.9 billion a year on research, but even so, 96% of projects fail. What is the plan for leading a high-stakes, big-risk enterprise:

- Offer support
- Put people first
- Celebrate small victories
- Instil a sense of purpose

In fact, a remarkably similar set of principles to those required to run a no hope business in Herefordshire.

www.fastcompany.com/magazine/83/pfizer.html

Web sites using broadband

As broadband becomes more common, web sites are appearing that make full use of the faster data transmission speeds. The following are world leaders:

- www.eternaegypt.org
- www.pbs.org/odyssey/interactive
- www.ifilm.com

Our old friend John Shaw at Getme has also been busy putting together some high-spec websites. His latest creation is www.midlandpower.co.uk

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Maybe July will be more fun?



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