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DUCKETTS
 TRUSTED ADVISORS

December 2006 Newsletter

Obsession special. I'm smiling at you.



Book of the month

"Emotional intelligence" by Daniel Goleman.

Having loosely referred to this book previously, I've now got round to actually reading it myself. It's been apparent from the day I started work that formal qualifications bear no relationship to a person's ability to do the job. This book expands on the concept and attempts to explain what's going on at the level of brain organisation and neurotransmitters. However you look at it, "getting the

right people on the bus (and the wrong ones off)" is still the answer. I am considering using the "Marshmallow Test" to decide whether or not to take on new clients. If you ask a four year old if they would like one marshmallow now, or two after you've run an errand, the answer they give accurately predicts their success in later life. Those who cannot delay gratification at age four never acquire the skill and go on to lead impulsive, disorganised lives (and make nightmare clients).

www.danielgoleman.info/blog/

Management: the ability to get angry with the right person, to the right degree, at the right time, for the right purpose. To paraphrase Aristotle.

Accountants want to protect name

Yes, it's official; accountants want to reinstate the closed shop and have asked the DTI to make it happen. At present, anybody can call themselves an accountant. Naturally, the DTI doesn't want to know and the profession is indignant.

Joke

Q: What would it be if 50 solicitors went over a cliff in a bus?

A: Well, it would be a start.

"There is almost no point now in the existence of US audit firms. They have nothing to do. If the lawyers disagree with anything an auditor says, they simply suggest that the auditors might like to pick up the legal bill that will result when they are sued for taking whatever line of action the lawyers disagree with."

Robert Bruce. December Accountancy magazine.

Random link

This is interesting, if nothing to do with business

<http://www.heretical.com/miscellx/wankword.html>

Brad Washburn: obsessive role model

"In 1980, when Brad was a hearty seventy, he motioned me over to his table in a restaurant at an annual AAC meeting. When I mentioned that I was about to embark on a National Geographic assignment that had to do with climbing and trekking around Anye Machin, once thought to be higher than Everest, Brad's eye's lit up like the lasers he later used to measure the true height of Everest. He grabbed a napkin and casually sketched the area around the peaks, with each summit's height in meters. He had been there in 1948. When I got home, Brad's sketch did not conform well with the features on the classified Army map that I had gotten to view by special permission of Cap Weinberger, who served on an environmental board with me. He made it clear that no copies of that map were to go to Tibet with me, because the Chinese might discover how much ground information we really had. Months later, after I returned home, I again had another chance to view the Army map, and my conclusion was that Brad's napkin was the more accurate rendition!"

www.mountainlight.com/articles.html

Slow companies

The world of (US) management speak has given us "slow food" and "fast companies", and has now got round to mix and match. Ergo, slow companies. (Fast food was already taken). The concept is pretty straightforward => slow companies grow at a rate that allows their systems and processes to keep pace and they don't run out of working capital ("over-trade" in old speak).

www.slowcompany.com/

One of the apparent exponents of this type of growth is Patagonia, the outdoor clothing manufacturer. This company was formed by climbing legend Yvon Chouinard in the early 60s. He started off by making hard steel pitons for use in the granite cracks of Yosemite and selling them from the back of his car. The business grew rapidly, through a number of incarnations, and Patagonia is now a 240 million dollar private business, but with Chouinard still in charge.

<http://outside.away.com/outside/features/200510/yvon-chouinard-1.html>

Whilst he's got all sorts of green/environmental credentials, Chouinard's real claim to fame is his mantra "Let my people go surfing". I wonder what the Hereford equivalent would be?



Antrobus 2

This is deadly dull, but potentially extremely important for the farming world. Farmhouses have always been exempt from Inheritance Tax (IHT) under the Agricultural Property Relief (APR) rules. Over the last 10 years, the Revenue has gradually chipped away at the relief, particularly by restricting the relief to genuine farming businesses. The concept of a City trader ploughing his £2m bonus into a big farmhouse and simultaneously saving 40% IHT was too much for the Revenue to bear. Anyway, we've now had Antrobus 1, Antrobus 2 and a follow up case. The result is that APR applies to the agricultural value of a farmhouse, not its full market value. In practice, this means that 30-40% of the value is now subject to IHT. How else can we hit the £10b a year target for IHT? Happy New Year?

New Companies Act

Official view is as follows:

The new Companies Act was finally published on 7 December - all 760 pages of it, including 59 contents pages! The new Act consolidates company law legislation from the 1985 and 1989 Acts, as well as the Companies (Audit, Investigations and Community Enterprise) Act 2004, although there are some clauses that will remain in force. I'm bored already.

Zybert goes green:

"We decided that if we go anorak we should do it properly - hug a tree or something.

Have a look at

http://www.zybert.co.uk/green_gem.html

From January we will make CO₂ offset donation covering one year of Z1 GEM use (24/7/365, full power) for every annual support contract paid. This way we guarantee carbon-neutral use for the customers who have a support contract with us."

Find me a tall dark handsome stranger in 2007

Whilst we've got 2 Business Development Club events lined up for the New Year, new ideas/speakers remain hard to find. A surge of creativity from the Boyscout threw out the possibility of a "Business Speed Dating" session. Maybe a networking event on hormones (or should it be speed)? Does anybody else like this idea? Would you come?

Mind Set

The book by John Naisbitt. Whilst Futurism is one of my favourite pastimes, it's generally considered to be for the lunatic fringe. This guy made his reputation by analysing local newspapers in the States and using the data to predict national trends. He's come up with 11 rules that need to be satisfied if a vague trend is to develop into a full blown change. The most important rules are:

- Understand how powerful it is not to have to be right (big problem for politicians)
- Don't get so far ahead of the parade that people don't know you're in it

On the basis of his own rules, Naisbitt argues that:

- Europe is going to become a care home for the old
- China will take a long time to catch up with the US, even though the regions operate independently of central government. The US has a huge head start.
- Biotechnology and nanotechnology will not make any difference until the second half of the 21st Century

Fascinating stuff, although the website is weak www.naisbitt.com

Website ideas

The Boyscout and I have decided that we need to put some more articles on the website. Is there anything anybody would like to see covered?

www.chrisduckett.co.uk

Where's my prize?

Accountancy Age magazine has awards every year. The link below is the winner of the best use of the internet by an accountancy firm.

www.goodmanjones.co.uk/?id=home

Can anybody tell me why?

Courage as a skill

There's not much free on the Harvard Business Review website. This makes a good start for 2007:

<http://harvardbusinessonline.hbsp.harvard.edu/hbrsa/en/issue/0701/article/R0701E.jhtml;jsessionid=IMVOHCSSEDMACA KRGWCB5VOBKEoYOISW?type=F>

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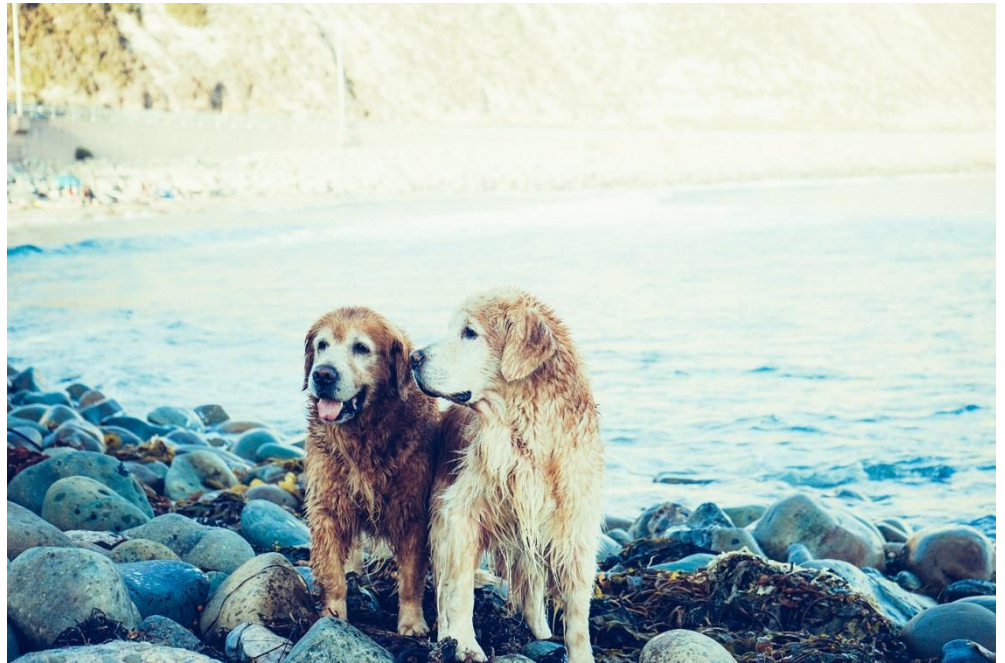
Live dangerously: follow the links.





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