



November 2010 Newsletter

“What’s happening in the wider world” Special.

Yes, the Boyscout and I have been to an accountancy conference and come back with lots of ideas. Some of them might even be useful.



China and India

I’ve stopped thinking about world economic issues on the grounds that I can’t do much about them anyway and the China story is all very impressive, but so what? The point that I have failed to grasp is that China is only just getting going. Of the 1 billion people that live there, only the 100m (ie 10%) that live on the eastern seaboard have joined in so far. The rest are surviving on \$2 a day. And there are another 1bn people in India. But most importantly, when will Digby Jones get his hair cut?

<http://www.youtube.com/watch?v=YtezLizMSw>

Technology

Accounting software

The next big thing in the accounting world is “Cloud computing”. [The most urgent thing is iXBRL – but that’s another story.] Cloud computing is simply running your accounts software on the web rather than your own server. Same story as web-based e.mail. Given the amount of trouble I’ve had getting everybody to use Lucey (a web portal), I feel this may be an idea ahead of its time in Herefordshire. Lack of fast broadband doesn’t help. The real advantage of the technology is that there is just one data set, so we all know that what we are looking at is the only answer (even if its the wrong answer).

www.libertyaccounts.com

www.liquidaccounts.net

www.xero.com



Data security

If the cloud is a step too far for the time being, then we still need to be happy that what data we do hold is secure, both physically and from unauthorised access. Passwords do matter and leaving your laptop on the train should be a sack-able offence (unless I do it). Business continuity plans are tedious, but still a good idea, particularly if they work. As I’ve said before, you can never have too many servers, especially if some of them are at other locations.

Toys

- Videoconferencing through Skype now works, particularly if you use the camera that does much of the processing itself
- MiFi – a gadget that converts a phone signal into a WiFi signal for up to 5 users
- Portable scanners – just the job for going out on audit?
- Fireprint.com – sophisticated printer utility
- Zamzar.com – for converting documents between word and pdf
- Foxitsoftware.com – replaces Adobe reader
- Dragon Naturally Speaking – I bought version 6 and raved about it. Version 11 is now astonishing, but you do need plenty of RAM in your PC. Amusingly, it thinks English and American are the same language, but it has to be warned if you speak Australian (Strine).



The changing face of client care (customer service?)

Whilst the economists have decided that the recession is over, most folk I talk to are still pretty nervous about the next 12 months. It seems likely that hanging on to existing customers will remain a priority and customer service is as important as it always has been. However, as things improve, we still need to be careful to take on the right sort of customer (rather than any old customer that walks through the door). So, what does the perfect customer look like?

- Action – they do things (rather than procrastinating endlessly)
- Attitude – they are reasonable to deal with
- Advocacy – they recommend you (the Boyscout has some great ideas to encourage this)

And don't forget your Hedgehog concept.

http://www.jimcollins.com/media_topics/hedgehog-concept.html

One way of identifying your perfect customer is to publish (website?) a customer Bill of Rights. Not only does this spell out what, when and how you are going to service customers, it also defines what they must do for you. Pay on time is the top of my list.

Having found your perfect customer, you need to be clear as to how you are going to decide how much to charge him. The debate between cost plus pricing and value based pricing rages on. My contribution is on <http://www.chrisduckett.co.uk/valuepricing.html>

Finally, you might like to consider a customer experience audit. This used to be called "secret shopping", which sounds a lot more straightforward. The Boyscout famously did this for solicitors in Hereford (he pretended he wanted a Will) and the standard of the response was so poor that we resolved never to work with solicitors again. Make sure your first point of contact really is as good as you think it is (from the perspective of the customer, not your internal systems).

Communication

If people do business with people they like, can (your) people be trained to be likeable? The accountancy profession thinks so as some bright spark has developed a mnemonic to allow introverted technicians to interact with normal people on the phone. Ask questions in the following order:

F – family. Is it OK?

R – recreation. Where was your last holiday?

O – occupation. Is the business still there?

M – message. Can you still remember why you phoned?

How very worrying.

Of course, instead of actually speaking to people, all interaction could be handled by some combination of e.mail/Facebook/Linkedin/Twitter. Electronic media marketing courses are starting to take off as everybody jumps on the bandwagon. Done well, this could be very effective. Or it could be a bloody nuisance. We'll see.

Don't forget that the banks went down the route of knowing lots of things about you (data mining/CRM), but were completely unable to convert this into anything resembling a relationship. Much easier to invent complex derivatives and lend money to Ireland.



Christmas reading list

In the event that we're all snowed in this Christmas, this is my suggested reading list:

- "Good to Great" by Jim Collins. The management book of the last 10 years.
- "Pricing on purpose" by Ron Baker. Hard work: good stories.
- "Flight of the Buffalo" by James A. Belasco and Ralph C. Stayer. I've set the Boyscout the task of reading this for me.
- "Proper coffee and other ways to grow your business" by Hugh Williams. It sounds good to me, but I haven't actually read it yet.

Tax investigations

Nothing new to report. As profits have fallen, the emphasis has moved to penalties (rather than tax). The latest initiative from HMRC has been to issue "toolkits" to clarify their thinking on common areas of uncertainty. If you don't use the appropriate toolkit to arrive at the tax treatment that suits them, then you must have been negligent and a bigger penalty applies. Stand by for a series of toolkit critiques from Naomi.

I rather like the contrasting metaphors/role models for HMRC inspectors:

- Wyatt Earp – cleaning up the town, or
- Dick Turpin – stand and deliver/extortion with menaces

I know which version I see.

New office

It's hard to believe, but we've been in our offices (Network House) for 10 years and we have the option of moving. I couldn't face the upheaval, so we're staying where we are, but expanding into the office next door (which used to be the ironing place). This gives us more meeting rooms and the possibility of running small seminars. We should be in by Christmas, so by all means drop in for a nose around. Neither the Boyscout nor I have been allowed any say in the colour schemes, so it had better be good.

Disclaimer

Computer programming is like sex: one mistake and you have to support it for 20 years.



Chris Duckett Limited

Network House , Thorn
Office Centre
Rotherwas
Hereford
HR2 6JT



Telephone [01432 370 572](tel:01432370572)

Email: clients@chrisduckett.co.uk

Website www.chrisduckett.co.uk