



DUCKETTS
 TRUSTED ADVISORS

June 2012 Newsletter

Jubilee special. Then cycling, football and finally the Olympics. Will anybody ever work again?



Book of the month

The Chimp Paradox by Dr Steve Peters. This is a model to explain how things work; a reframing of observations from the viewpoint of psychiatry (and therefore worthwhile reading in conjunction with Malcolm Gladwell's "Blink"). The gist of it is that, because of the way the brain has evolved, humans behave as though they have a super-emotional "Chimp" brain that vies for control with the far more logical "Human" brain. As the chimp is quicker and stronger, the human has to manage it to get sensible results. Having read the book, I proceeded to drive everybody spare by identifying Chimp in Charge situations as they unfolded. Great model, even if it just

reinforces the view that there are some people who you just can't work with

<http://www.chimpparadox.co.uk/>

Tax App

Having been reluctantly obliged to join the ranks of iphone users, I was quite excited when our technical support group, Mercia, launched a tax app. It's useful rather than interesting, particularly if you want to work out SDLT on a property purchase. Search for "Mercia".



Death and taxes

With plenty of the latter in this newsletter, let's think about the former.

Insurance salesmen used to have a great pitch with:

"On your death-bed, nobody ever wishes they'd spent more time at the office".

Whilst that may be so, there are things you can do other than buy insurance.

The Sage of Bishopswood has recently learned that he has a prostate issue. His response has been to launch a blog focussing on the positive

<http://thepositivelife.info/>

Having done his exercise on the "Perfect Day", I concluded that this wasn't one spent at the office, so maybe the insurance guys have a point.

And chose your surgeon carefully
<http://www.charlieroose.com/view/interview/9016>



Fit & healthy and working hard

Just in case anybody doesn't know, Ady Watts, our favourite health and fitness guru, has opened a training facility on the Rotherwas estate. Once upon a time, it would have been called a gym (but with knobs on). I can even walk there, so there really is no excuse. Given that anybody who works at a desk is likely to have some sort of posture problem, I can absolutely recommend his services. [Remember, (I can't help it) if your company pays, it's a benefit in kind.]

<http://www.adywatts.co.uk/>

Dick Turpin rides again

Whiplash and I have recently been to a tax investigations seminar run by the investigation insurance people (PFP). A number of interesting things came out:

- Investigation volumes are rising with the instruction to inspectors being to get in and out as quickly as possible (an efficient mugging?). The Revenue badge this as improving customer service. Resources are therefore being put into PAYE and VAT compliance visits with the option to call in the big guns if anything interesting pops out.
- If you get into a dispute with an inspector and you don't like their decision, then you can ask for an internal review. I've always deemed such reviews to be a whitewash. However, HMRC statistics on VAT reviews indicate that inspectors' decisions are overturned in 50% of cases. Put another way, frontline inspectors reach the wrong decision half of the time. HMRC

spin likes to see this as evidence that the review process works!

- The knock on effect of the above is that a huge backlog of cases is building at Tribunal and it costs HMRC a lot of time and effort to get cases through. So they've invented the Alternative Dispute Resolution (ADR) process. This uses a third party facilitator (a Revenue employee) to get the inspector and the taxpayer to reach agreement. The cynical might suggest that this represents a return to the horse-trading approach we had 10 years ago. Another win for (short) organisational memory?

Cobbler's children

Mick Merrick ran a very successful BD event for us earlier this year on the subject of selling and pricing. In fact, I was so impressed that I got him to deliver an internal seminar come discussion for us. What came out wasn't radical, but we haven't taken time out to consider how to do things for some time. Too busy, like everybody else. We all have the same objective (the 3 Rs):

- Right services, for the
- Right customers at the
- Right prices (value point)

Naturally, the trick is determining what "Right" looks like. I'm sure Mick would be delighted to discuss this with you. David has his contact details, or <http://www.precept.uk.com/>

Initiatives of the month

- HMRC have issued a notice to online auction sites (ebay) to provide detailed information on its customers. This is part of their crackdown on etraders and no doubt they will then cross reference this information to make sure that regular 'traders' are declaring the income.
- RTI and Child Benefit tax are also beginning to make waves.
- Subject to getting the appropriate

authorisations, HMRC's new dashboard does look quite useful. This allows you to consider all the tax you owe in one place. So, for a company, you can see VAT, CT and PAYE demands on the same screen. Useful: maybe. Dispiriting: certainly.

Ranulph Fiennes comes to Malvern

Nothing whatsoever to do with business, but stories of big mountains (Everest + the Eiger) always get my attention:

<http://rohantime.com/25780/sir-ranulph-fiennes-everest-the-eiger-more/>

Incidentally, Mrs Duckett has categorically forbidden me to attempt either mountain, particularly as my life assurance wouldn't work.

How much tax do I pay?

Tax ready reckoner*

<<http://mail.icaew.com/cgi-bin/DM/t/hCdnxoSymN3oYALoOLExoE3>>

Estimate how much tax a newly self-employed person should set aside.

The Apple cult

There's been a further rush of material to celebrate the phenomenon that was Steve Jobs and the resurgence of Apple. I'm not entirely sure what the average small business in Hereford can learn from the Apple story, but there are plenty of column inches devoted to trying to tell you. Research (Jim Stengel; "Grow: How Ideals Power Growth and Profit") indicates that those who focus on a culture of improving people's lives have a growth rate that is triple that of their competitors.

Apparently, there are 10 principles for getting this right. Let's do 5:

- Communicate your dream and build it into the way you do business. Mission statements tend to be narrow, business oriented statements (and they are all the

same). Your dream and your company culture needs to be outwardly focused with a higher good, extending beyond the company's financial interests.

- Be clear about what you stand for, inside and outside your company. Your personal priorities, values, and principles set the culture. The best way to be clear about them is to regularly engage team members, customers, and suppliers. People follow what you do, not what you say.
- Design your organization for what it needs to win. This includes the specific work you must do, the capabilities you need to build for a competitive advantage, and the career path for team members to bring this to life. Key success factors?
- Get your team right and do it quickly.* The "people on the bus" idea. Don't forget to get the wrong ones off and do it quickly.
- Champion innovation of all kinds. Doing things right v doing the right things

So, no new ideas here, but some reframing of the old ones

Whose shoes?

Accountants are universally deemed to be introverts. After all, they prefer numbers to people. However, we finally have a champion in the form of Sue Cain, the author of *Quiet*. She boldly goes (deliberate split infinitive) where no introvert has gone before and appears on TED. She says it's not a matter of shame. Introverts be proud (without making a fuss or using an exclamation mark) http://www.ted.com/talks/susan_cain_the_power_of_introverts.html

Abundance

In response to global doom & gloom, Peter Diamandis has come up with the novel idea of painting an optimistic picture of the future. Mind you, I was the joker who took on 2 new employees only 6 months into the recession on the grounds that it would all be over by Christmas (2008).

<http://www.abundancethebook.com/category/news/>

Or the TED version

http://www.ted.com/talks/peter_diamandis_abundance_is_our_future.html

McVirus?

I trained on a Mac, sometime in the late 80's, because the firm I was with at the time got a deal with Apple. Incidentally, the computers were only portable if you were young, keen and strong. Otherwise, you needed a taxi to move them around. Viruses hadn't been invented at that point, but once I moved into the world of the PC, they quickly became a big issue. I hadn't appreciated that until this year, Macs were virus free. Apparently, Apple users have long assumed that the Mac ecosystem is invulnerable to malware. Indeed, Apple has often mocked Microsoft as stupidly unsafe.

From this position of superiority, Apple has naturally responded by attempting to ignore the problem. As one review put it: "Welcome to our world Mac People. It's a cold, hard place, and you need a new way of thinking if you want to stay safe."

The flipping point

The Boy Scout was very impressed with the following rant from Seth Godin. I reproduce it in full. What's he on about? Advocating persistence, like Mick Merrick?

"When people say, "The tipping point," they often misunderstand the concept in Malcolm's book. They're actually talking about the flipping point.

The tipping point is the sum total of many individuals buzzing about something. But for an individual to start buzzing, something has to change in that person's mind. Something flips from boredom or ignorance to excitement or anger.

It starts when the story of a brand or a person or a store or an experience flips in your head and it goes from good to bad, or from ignored to beloved. The flipping point doesn't represent the sum of public conversations, it's the outcome of an activated /internal/ conversation. It's easy to wish and hope for your project to tip, for it to magically become the hot thing.

But that won't happen if you can't seduce and enthrall an individual and then another. Before the tipping point, someone http://sethgodin.typepad.com/seths_blog/2009/04/first-ten-.html has to flip. And then someone else. And then a hundred more someones.

We resist incremental improvement in our offerings and our stories because it just doesn't seem likely that one good interaction or one tiny alteration can possibly lead to a significant amount of flipping. And we're right—it won't. The flipping point (for an individual) is almost always achieved after a consistent series of almost invisible actions that create a brand new whole.

And the reason it's so difficult? Because you're operating on faith. You need to invest and apparently overinvest (time and money and effort) until you see the results. And most of your competition (lucky for you) give up long before they reach the point where it pays off."

Strategy

If, like the Boy Scout, you are threatening to be on holiday (or watching sport) for the next couple of months, you might like to consider some homework. Traditionally, the world gets frantic in early September when the kids have gone back to school and everybody has to start focussing on the long, dark (and usually wet) drag up to Christmas. So, why not hit the ground running by spending the next few months devising a marketing strategy? Why not create your very own fan club (or "tribe")? Here's how:

<http://www.inspired-entrepreneur.com/>

Disclaimer

My father warned me:

Do not try to understand taxmen.

They are a breed apart and make no sense.

To paraphrase *The Last of the Mohic*



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