



DUCKETTS

 TRUSTED ADVISORS

November
 2003
 Newsletter

Heart of darkness special.

Book of the month

"Straw Dogs" by John Grey. As reviewed by Miss Sparkle on a bad hair day: "It's about the inevitability of the decline/destruction of the human race - there being no hope of salvation through technology or a higher power. We are parasites and will kill our host or it will 'cull' us."
 She should get out more.

Flu jabs

Accountancy practices are now so nervous about sickness during the January tax return rush that they are insisting on vaccinating staff against flu. What else do you think we could/should vaccinate against?

e.books

Whilst there is something peculiarly satisfying about owning a traditional book, recent years have seen some growth in the e.book phenomenon. As ever, the market place has been thrown into confusion by competing technologies (Microsoft v everybody else) and the fear (of the publishers) that e.books will be passed around (in spite of the copyright rules). You might like to consider sourcing an e.book from the free to download (out of copyright) materials at project Gutenberg on <http://promo.net/pg/>. At least you can try out the idea.

Feeling secure?

Sue and I went to a seminar on computer security. To cut a long story short, nothing on a computer is really secure. Wireless networks seem to be worst. You can sit in a car outside the office and breach the system using an antenna made out of a Pringles tube and software freely downloaded from the web. Hackers will even place a chalk mark outside a particular juicy spot ("war chalking"). Naturally, a whole industry has grown up to test the security of systems by attempting to legitimately hack into them. Just to prove that IT isn't totally free of humour, this is known as "penetration testing". Certainly sounds more fun than auditing? Maybe only the paranoid are secure, but is it worth the effort?

Robots take over

In a sudden burst of enthusiasm, I've started reading the ultra-serious Harvard Business Review. [Nothing better to do?] The article that held my attention was about the interaction between robots and people ("vulnerable humans"). Apparently at a nursing home, in the States, the staff bought 5 robot baby dolls and handed them out to the residents. The effect was to create a community around the dolls, giving everybody something to talk about and share. A similar effect seems to occur with robot pets. So, does authenticity really matter? "Simulated thinking can be thinking, but simulated feeling can never be feeling". Discuss.

Awkward squad

Team working maybe the holy grail of current management thinking, but what happens if you have somebody on the team who wants to make things miserable for everybody else?

Apparently, there are 6 types:

- The cynic – an individual who can demoralise the team with a constant negative outlook
- The fence sitter – somebody who can never take action
- The rhino – lets charge in and ignore everybody else
- The headless chicken – lack of self control and a tendency to panic under pressure
- The space alien – in an attempt to impress, this person will talk rubbish endlessly
- The dumped upon – the word "no" doesn't appear in their vocabulary

Allegedly, the right leader can get all these people on side, but don't ask me how.

Nigerian sting, stung.

The First Approach

Somebody purporting to be a Nigerian banker (or various other stories) contacts you, offers you a chance to earn millions. This is called a "419" Scam - named after the relevant section of the criminal code of Nigeria.

Of course you never see these promised millions. Many people have believed the story and lost loads of their own money. Some have even lost their lives trying to recover their money.

Where is the sting?

The amusing part of this site is the escalating correspondence as the fraudsters are strung along by their intended victim, occasionally sending money to the 'victim'. Quite an achievement, if you call yourself Ethel Wormvarnish or Norman Gorman Smith-Bidet.

www.whatsthebloodypoint.com

Business for anoraks

There are some really serious management/business sites about. If you absolutely, positively have to bore everybody in the room to death, this is the site for you:

www.bettermanagement.com

Sweets on the net

Electronic commerce has gradually been recovering from the Dotcom backlash and reports of very successful small businesses are beginning to emerge.

One such case is www.aquarterof.co.uk which retails traditional sweets. The site went live in July 2002, on the back of investment capital of £2,500, breaking into profit within 2 months. The site is not aimed at the luxury chocolates market, but at the nostalgia/childish fun end. Apparently, sherbert fountains disappeared from shops donkeys years ago (probably the last time I went in a shop), but people still crave them. The site is big on interaction and customer demand has led to the product range growing from 80 to 420 lines. A brilliant niche business indeed. Can anybody confess their own sweetie preference?

The age of disruption

I've harped on at great length about the "Built to Last" principals proposed by Jim Collins, but there is an alternative school of thought which says that the very characteristics that allow managers to grow a business ensure that the same business must eventually implode. The classic text on the subject is the snappily titled: "The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail". Ideas about disruption went out of fashion during the Dotcom collapse to be replaced by the really boring stuff about systems and controls. Thankfully, with the US economy looking up again, daft ideas are back. Hence, "The Innovator's Solution: Creating and Sustaining Successful Growth". Written by a genuine Boy Scout.

There is an example of what this means. In the US, steel mini mills, starting with a toehold in the cheap and nasty reinforcing bar (rebar) market, rapidly stole 40% of the total business from the industry leaders. Intel used this example as the inspiration to attack the low cost home PC market. Hence the continued presence of Celeron chips when everybody should buy Pentium 4s?

7 laws of money

The first one looks the most interesting. Basically, concentrate on doing the right thing and the money will follow. This, of course, is fine if you know what the "right thing" is.

<http://www.rightlivelihood.se/>

Child trust funds

For children born after 1 September 2002, a voucher will be issued in 2005 for £250 (£500 if parents' income is below £13k). More cash will be given out when the child is 7. Others can contribute up to £1,200 pa and the funds can be invested in cash deposits, investments products and life policies. Income and gains are tax free, but the cash cannot be drawn until the child is 18. No comment.

Money laundering and divorce

Traditionally, divorce is a good opportunity to report your spouse to the Revenue, whether or not there is anything that the Revenue might consider to be a problem. Potentially, the new money laundering rules simply exacerbate the situation. Essentially, if any professional advisors get the faintest whiff of tax evasion (even minute amounts) they must report it or face imprisonment. Combining this with divorce muddies the waters as all sorts of dirty secrets tend to surface. Your accountant may have been oblivious to the off shore accounts, but the disgruntled spouse will expect it to be included in the settlement. So it surfaces then, leading to a flurry of activity among the lawyers and accountants - who have to protect their own liberty?

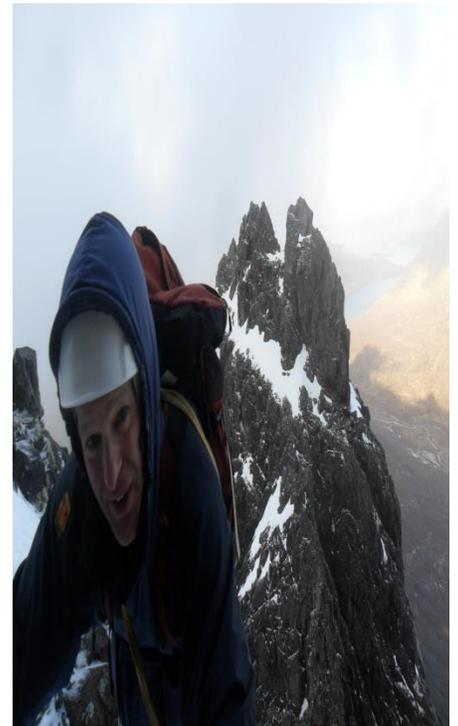
Italian teamwork

I take no responsibility whatsoever for this article:

The Ferrari F1 team fired their entire pit-crew yesterday. The announcement followed Ferrari's decision to take advantage of the British Government's "Work For the Dole Scheme" and hire unemployed youths from Glasgow. This decision was brought on by a recent documentary on how youths in Easter House were able to remove a set of car wheels in less than 6 seconds (without proper equipment), whereas Ferrari's existing crew can only do it in 8 seconds and with the benefit of millions of pounds worth of high-tech gear. This was thought to be an excellent, yet bold, move by Ferrari Management: as most races are won and lost in the pits, Ferrari would have an advantage over every team. However, Ferrari expectations were easily exceeded as, during the Crew's first practice session, not only were the weegie pit crew able to change the tyres in under 6 seconds, but within 12 seconds they had resprayed, rebadged, and sold the vehicle to the McLaren Team for four dozen cans of Special Brew and a gram of coke.

Disclaimer

Christmas is cancelled. changes.





Chris Duckett Limited

Network House , Thorn
Office Centre
Rotherwas
Hereford
HR2 6JT



Telephone 01432 370 572

Email: clients@chrisduckett.co.uk

Website www.chrisduckett.co.uk