



August 2004 Newsletter

Slow special? But not especially Slow.

Book of the month

Last month's recommendation, *Willing Slaves*, which dealt with the idea that overwork is killing us, seems to be the idea of the moment (although I'm still struggling with the concept that hard work is somehow sinful). It fits in rather well with this month's recommendation "In praise of Slow" by Carl Honore. [As featured on Radio 4?] You won't be surprised to hear that Italy is the world leader in Slow Food, Slow Cities and Slow sex (although the Austrians are prominent too). How about?:

- www.slowsex.it the Italian view of the world v.
- www.diamondlighttantra.com the rather more serious UK version, or
- www.superslow.com a US slow site – typically commercial

For the full list of flaky websites contact me. Any bright ideas about what we could brag about doing slowly round here? Slow Accounts, maybe? Slowbutsure@chrisduckett.co.uk

Presumably, Slow Solicitors is an oxymoron?

Accountant arrested

It had to happen. The first accountant has now been arrested under the Money Laundering rules. It would appear that he has no idea what he is supposed to have done, but that's part of the fun. Advice is still to report at least one client a month just so they know you are playing the game. There are mutterings that sense will prevail and accountants will get professional privilege, like solicitors, but still no sign of a materiality limit.

Boyscout violated 118 times

In his absence, our computer guys checked over the Boyscout's PC. To my horror, we discovered that he has suffered 118 violations, mostly spyware. Until that precise point in time, I'd never heard of spyware. Apparently, it's usually fairly harmless stuff to help a website to identify who you are the next time you access the site. But it can be considerably more sinister. It is not picked up by anti-virus software cause it's not a virus. Protection(?) can be downloaded from www.lavasoft.de/. Our computer guys (Chris Aubury and team) have also put some information together on the subject chris@aubury.co.uk

Are you a winner?

Tim Kidson is running a sequence of seminars on 'how to be a winner in the global knowledge economy' entitled The Directors Learning Forum. It is for senior people who believe that it is not where we are today that counts, but where we want ourselves and our organisation to be in future that matters more. Tim says that the group already comprises 'winners', it is just that the thing they all have in common is that they wish to be even more successful. Tim says "The synergy and ideas that will be generated by these people together in one room will be amazing, great to work with". Contact Tim on 01432 354136 for more details.

New company car

You may have guessed that, whilst I actually drive a rather tired Saab (205bhp when it was new), I rather fancy myself in a Jaguar. I was therefore delighted to learn that Morse's red Mark II Jaguar has come into the possession of liquidators at BDO as part of the winding up of property group PPP. Unfortunately, the car won't be available to purchase until the end of next year. It's in pieces. I'd best start saving.

For sale

Further signs that websites have come of age. They are now being used to sell individual houses. Our marketing associate, Tim Jackson, has done one for his house. Have a look on www.brooksidecottage.com.

Nuffield scholarship

One of our clients, Will Edwards, has won a scholarship to the US to study organic farming and the distribution of meat. Hopefully, this will give Will the insight to make this type of thing work in Herefordshire. Slow Meat? WillEdwards10045@aol.com

Maize maze

Jon Egerton and George Snell have, for the last 5 years, cut a maze out of a forage maize crop at the Treberva Fruit Farm (on the Ross-Hereford road at Much Birch) for charitable purposes. This year the charity of choice is the Acorns Children's Hospice, which is currently building a hospice in Worcester to serve the locality. The Maze Party is happening at 6pm on Saturday 4th September. Tickets and info from Jon on protra1@farmersweekly.net

More of the same

We always do our best to follow our own advice and we therefore run a strategy review session every year. Sometimes twice if we're feeling really keen. Usual stuff about marketing strategies, obtaining more clients of the type you want and so forth. Then I had an epiphany: the answer is to work harder, earn more, spend less. Did I not reach the same conclusion last year?

RPI

I always thought this stood for Retail Price Index. Apparently, in consulting circles, it now refers to the "Relationship Protection Index". This is actually a concept relevant to all service industries. How closely and at what depth in the organisation are clients/customers tied into you? Small increases in customer retention rates drive large increases in profit over time. So, what can you do to retain customers and how do you measure it? How about sending them a newsletter and measuring the response rate? Rpi@chrisduckett.co.uk The Boyscout has some rather more sophisticated ideas.

Lend me the money

The Sunday Times has come up with an article suggesting that the best way to sell your business is to effectively lend part of the money to the purchaser. Then you get a higher price. This is certainly the usual way to do it if you know the purchaser (eg an ex-partner), but is also quite common, if probably riskier, when the purchaser is (more or less) unknown. As always, the deal must be realistic as you are likely to end up with a default if repayment is too fast. Remember, repayment of loans always comes out of taxed income, making the whole thing harder than it should be. The first tax bill may not arrive for nearly 2 years from the date of purchase and is always an unpleasant shock.

The other difficulty with a deferred purchase is the temptation for the seller to hang around to check that the purchaser is doing the job "right". This can lead to resentment on all fronts, particularly as the purchaser will want to do it his way. If you are selling the business because it doesn't do what you want it to do for you, then it probably won't do any more for the purchaser. So, get the business right before you sell it.

Show me the money

Disputes with under-performing employees are a constant source of friction for many of our clients. The simplistic advice from on high ("Get the right people on the bus and get the wrong ones off it") doesn't help with employment law. The days when you could have a quick chat and fire an employee are long gone. However, the temptation to try to resolve matters by way of a "without prejudice" conversation is often irresistible, if dangerous. Simply stating that a relationship is not working and explaining why could give ammunition to the employee in a constructive dismissal case. It would appear that you actually have to start disciplinary proceedings before having the without prejudice conversation, just to really annoy the employee before you start negotiating. Always ask Sophie first sophie.williams@gabb.co.uk

Dementors at large

You may have thought that Dementors are a work of fiction (Harry Potter), but they actually exist in real life. Somebody with sufficient negativity to make everything seem like hard work. Given that it's impossible to fire a Dementor employee, managing them back to positivity is an uphill (near impossible) task. Dementor clients should be exited, before they get (to) you.

The future is outsourced?

In the accountancy world, outsourcing is the thrill of the moment. Usually to India.

Apparently, it works well as Indian accounting principals are very similar to our own. They have more difficulty with the US. All client data is scanned and sent down the wire. No issue of losing client records in transit. Cost of production is about a third of the cost here. I can't help feeling that this misses the point somewhat and the whole approach will be overtaken by technology. Both Barclays and HSBC are pushing the Clearly Business software which combines an accounting package with a database. It only makes sense with a broadband connection, but BT reckon nearly everybody will get broadband within the next 12 months. Do you want your bank to do your accounts for you? I bet it would be cheap.

One problem we always have at this time of year (worse in January) is telling people how much tax to pay. We may have sent out letters and e-mails confirming the figure, but if a statement arrives from the Revenue with a different figure on it, something must be wrong. Technology allows us to bolt on a client secure section of the website and you could check your tax payable yourself by accessing your page on our website. Anybody like the idea? Or would you prefer to ring Miss Sparkle and actually ask her? The option to do that has a cost and it will increase. Incidentally, as from next year, our tax system will produce Tax Returns in Acrobat format. So everybody (who has e.mail) can have a copy. Isn't technology wonderful? Comments to sparkle@chrisduckett.co.uk

Practice Assurance

Having got all excited about the shift in the audit limits, the Institute has moved the goalposts and introduced the Practice Assurance concept. This means that all the work we do is to be regulated as though it were audit work. The Institute appears to think that this will restore the trust of clients in the integrity and competence of their Chartered Accountant. And, of course, the client will be expected to pay for this orgy of form filling. Why do they always miss the point? Perhaps the Money Laundering rules aren't that bad after all.

Big disks are beautiful

I know I'm always going on about computer security etc, but loss of "business critical" data can easily destroy a business. There was a recent example of industrial espionage in the Newent area, resulting in the physical loss of the whole computer system. At the same time, disc space has never been cheaper. I recently doubled our storage space (from 40Gb to 80Gb) for a very reasonable £300. [The computer equivalent of Sod's Law – you always run out of disk space when you are trying to leave the office to go on holiday.] I still have to remember to take the discs off site, but human error is always the real problem. www.zybert.co.uk

Disclaimer

There is more to life than increasing speed. But, instant gratification takes too long.



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