



DUCKETTS

 TRUSTED ADVISORS

October 2006 Newsletter

Health and wellbeing special.



Book of the month

The subject of mid-life crises/mortality is never far away and these 2 books hit the appropriate hot buttons:

- Andrew Greig – Preferred Lies; a journey to the heart of Scottish golf (not really about golf at all)
- Eugene O'Kelly – Chasing daylight (a driven bloke, if ever there was one)

Both authors suffer from brain tumours. One survives; one doesn't. Culturally, miles apart, so a good chance for compare and contrast. Counselling available – see below.

Will this marriage last?

You may remember that I featured a book by Po Bronson some while ago which explored changes in relationships in the new economy (in the States). He's gone on to build a reputation for social commentary and regularly produces some interesting stuff. His exploration of factors affecting divorce is an informed summary of what the experts think they know

<http://r.vresp.com/?PoBronson/ob654e07db/709655/f725168063/fa29012>

The likelihood of divorce ranges from 20% to 70%, but the most important single factor is whether the wife got on well with her father. Beware: this is based on statistics.

Measuring misery

Arthur Okum was a prominent US economist who came up with the "Misery Index". This is calculated by adding together the inflation and unemployment rates. He used this ratio to show how badly things were going wrong in the 1970s. The current position in the UK is that inflation (using the old RPI) is 3.6% and unemployment is 5.5%, giving the highest Misery Index for 8 years. Stand by for the rate rise in November and a glum Christmas in the shops?



Breakfast of champions

Those of you who make use of feedback forms may be interested in this story. One of our consulting clients was dealing with a large business and had to engage in the usual shuffling to get the work in the right budget for the right year. The net result was that a course was invoiced in one month and delivered a couple of months later. Checking on his overall rating before the course was given, he was pleased to discover that he had been given straight As for the course, without actually delivering it. He must be really good?

No more EPAs

I've laboured manfully for the last few years to get everybody I can to sign an Enduring Power of Attorney (EPA) (and update their will). Well, the EPA is to be replaced by the Lasting Power of Attorney (LPA?) when the Mental Capacity Act 2005 comes into force (expected Spring 2007). No new EPAs will be allowed after that date although existing ones will be valid. LPAs will cover not only property and finance, but also personal welfare, including health care and consent to medical treatment. One to watch.

Tales from our VAT expert:

HMRC decided to drop into a restaurant unannounced and at lunchtime (would you believe!) demanding that the owner should cash up and give details etc. One of the officers got really stroppy when the request was refused, claiming he was, by law, entitled to do so. He got nothing and went away with a flea in his ear.

In fact (ie law), unless they come armed with a search warrant, HMRC can be turned away if it is inconvenient at the time.

What you should say in such circumstances and as a matter of principal, is:

"It is not convenient to see you now, but if you would care to make an appointment suitable to both of us I will be pleased to meet with you. It would also be helpful if you were to let me know exactly what you wished to see. This will enable me to make sure everything is available".

If the officer prevaricates, you should stand your ground and insist an appointment is made for a future date. There is nothing they can do about it. Of course if they have a warrant you should contact your professional adviser immediately.

On the macro level, the City has recently met with Gordon to consider the state of the nation. The City made the following observation:

"The Inland Revenue's relationship based approach has been replaced by a Customs & Excise culture in which the instinct is to kick down the door in a dawn raid."

I can't argue with that.

Suits you sir

I thought I should try out the Global Economy for myself. Having seen articles in the press about Raja Fashions, I persuaded my Dad to come with me to Birmingham to sample the experience. According to the publicity, you could be measured for a suit in the UK which would be made in Hong Kong (at a very reasonable price) and then shipped to you in no time at all.

I started to get cramp in my credit card when we were sent up to the penthouse suite at the Hyatt in Birmingham. The first task was to pick your suit fabric/colour and it transpired that this is how the price of the suit is determined. Picking a colour wasn't easy as very heavy cloud and rain meant that there was very little natural light. The measuring process was detailed, but pretty much as you would expect. I was wearing my favourite suit to cut down on the style choices. The shock came when the price hit my already nervous credit card in Honk Kong dollars. Still, we were in and out in half an hour. As the Mrs Ducketts were in attendance, a trip to M&S was sanctioned and my Dad discovered that his credit card was already locked. Reassuring, but not very helpful. My credit card company didn't query the transaction for a couple of days. It was a bit of an anticlimax when my well-creased suit arrived through the post in a box a couple of weeks later. Ironing it was just too fraught, but the creases dropped out on their own and I've now worn it in anger. Was it really worth it?

<http://www.raja-fashions.com/>

Existential angst

Whilst it's hard to get too excited about the contribution that accountancy makes to the progress of humanity, I still wouldn't want to acknowledge that my chosen profession was entirely pointless. [At least it allows me to write newsletters?] However, people who suffer life-changing events do have trouble getting back in the rut. Bring on the existential psychotherapists on www.theworkconsultancypartnership.com

"For well-being we must engage realistically with the freedom we do have and strive to reach our potential in the face of anxiety, uncertainty and ultimate extinction. This requires courage, a leap of faith and a letting go of old habits."

Or maybe a longer way of saying: "Just get on with it"?

Telling stories

I've always thought that the idea of leading by telling stories sounded very dubious, but I found the article by Stephen Denning and it does make sense. Denning was a hot shot at the World Bank in the 1990s and he came across the tale of a health worker in Zambia who used the website of a competitor to answer a question about malaria. Denning's question to his colleagues at the World Bank was basically "why can't we do the same". He used the question to drive the whole organisation towards knowledge-sharing; people could see the point. Denning's "story" wasn't a proper story at all; no beginning, middle and end. No reversal of fortunes and lesson learned. He then discovered that there are different types of business story and they work in different ways: The Zambian story is actually a call to action. No detail is required (although a credible happy ending is essential) as you are asking people to change the way they do things.

Parables must have an unhappy ending. People who work against the organisation's values (usually in the recent past) come to a sticky end. Think Enron. A happy ending for such a story would ensure that nobody believed it. Positive outcomes are essential when painting a picture of the future. Otherwise everybody will get off the bus. Exactly how positive a story can be depends on the personalities involved. Jam tomorrow?

If you think I've over-simplified the idea (Denning identifies 7 categories), try www.stevedenning.com [The HBR article is from May 2004.]

Performance angst

There is an increasing amount of crossover from sport into business, but I'm not sure how good the analogies really are. The whole team recently had a very interesting day with Matt and Chris from K2C Consulting. They ran us through the issues that athletes focus on in improving performance. But what is performance in business terms? I suggest it's the ability to: make sensible decisions deal with a variety of people make progress towards specific goals day in and day out without losing the plot. This requires you to look after yourself both physically and mentally, but I have my doubts about whether you can do much in the way of "training". Time spent thinking about the issues is well spent <http://www.planetk2.com/>

The long tail

This is the concept that the internet makes it possible to access things that will never sell in enough volume to make them commercially significant: the very opposite of the celebrity focussed blockbuster mentality that appears to drive things.

This is the blog of the guy who popularised the idea <http://www.thelongtail.com/> I rather like this concept as it feeds into other areas. For instance, current generation pub juke boxes use MP3 style technology to provide an enormous range of "songs". Apparently, aficionados of such things compete with one another to pick the most obtuse/unmusical items. A new variant of keeping up with the Jones'? The "economics of abundance" is also one to watch.

Transparent & certain?

Now that furore over the Trust changes has calmed down, various other nasties are creeping out of the last budget. Planning Gains Supplement being a case in point. This is a new tax that comes in from March 2008, although we don't know much about it as they haven't written the rules yet. In principal, the tax will be applied (at what rate?) when a property/piece of land gets planning permission. The tax will be payable on the increase in value (as a result of getting planning permission) and will be triggered by work actually starting. In effect, Advance Capital Gains Tax. This is intended to accelerate revenue for the Government where land is sold for housing, but by the Law of Unintended Consequences, it will also catch people developing barns for use as holiday lets where there are no sale proceeds. It may or may not be applied to the lifting of agricultural ties on farmhouses. Stand by for a flood of planning/building late in 2007?

Disclaimer

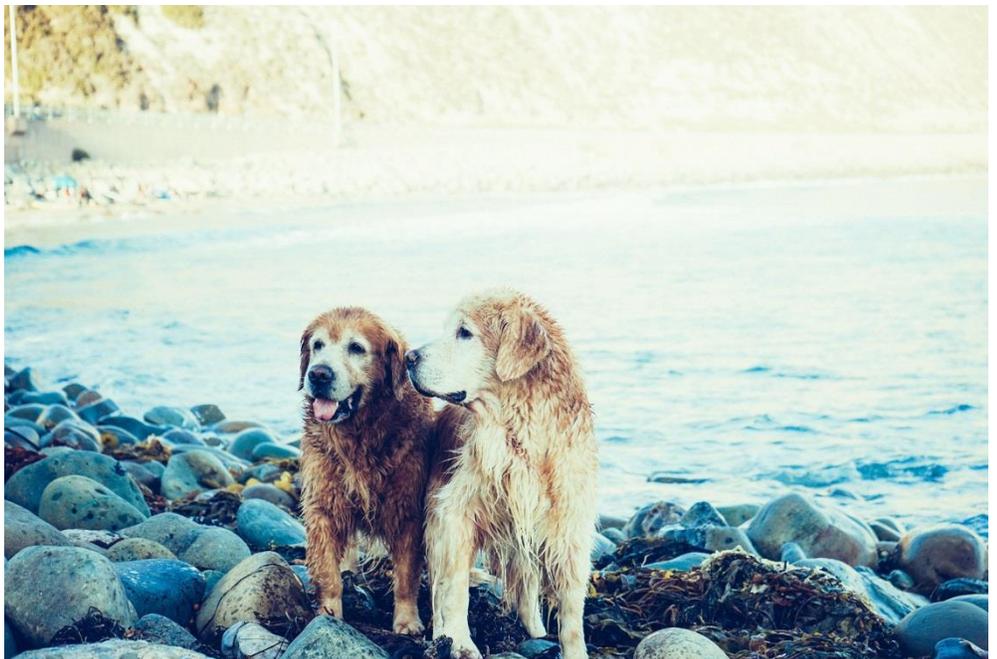
I'm a lover, not a DIYer?
That feels better.





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