



September 2016 Newsletter

As always in September, Back to School Special.

It may not have escaped your notice, but there have been no newsletters since we stopped buying them in at the end of last year. In our absence, we've had Brexit (and now Phoney Brexit) and there's been no comment. [I did rather like Jesse Norman's approach of saying that this was a daft subject for a referendum, so he wasn't going to play.] As I understand it, uncertainty creates opportunity and opportunity (ie risk) is the source of profit. So, let's make the most of the opportunity. Certainly no point waiting for the Govt to fix everything.

Forthcoming events

We're looking for a new venue for the Posh Dinners. The Verzons and Aylestone Court are under review. Anybody got any other ideas?

- 12th October at the Verzon House Hotel – A talk from Chris Hutchinson - What makes your business different and does anyone care?
- 9th November – Posh Dinner at Aylestone Court
- 25th January 2017- Venue to be confirmed – Let's not talk about Tax?

- 23rd March – Richard Whitby talking about crises and how to handle them
- 25th May – celebration of Beltane – Dave to bring Druids

Making Tax Digital: or maybe Stand & Deliver

It's actually this subject that has driven me (with nagging from Maria) to write a newsletter. The Govt is bringing in quarterly tax returns for the self-employed with effect from April 18 **and nobody has really noticed**. The concept is inspired: using the new Cloud accounting software, you will be able to download your bank statements and

send everything direct to HMRC, from your phone. They will calculate the tax and suck it straight out of your bank account. Simple and seamless. No involvement from those naughty accountants who worry about claiming allowances and paying the right amount of tax. And it starts in 18 months time

There's a rather more measured explanation on our website

<http://bit.ly/2dNvREb>

Big Brother (or maybe Big Data?) is here to stay.



Cloud accounting

Exactly 12 months ago, I wrote a piece lamenting the approaching demise of TAS, our favoured accounting software. TAS has indeed struggled to cope with Windows 10, but it's still running. The IT industry is pushing Cloud accounting, where your data is held on a server somewhere else in the world (China?) and you log onto the internet to use it. The obvious issues make this unattractive to the over 40s, but the younger element see no problems. Particularly as the system is available anywhere you can get a connection: even on your phone. The market leaders are:

- Xero
- Quick Books Online
- Sage One

You may well have seen the TV advertising.

I asked Richard Zybert why he thought the industry was so keen to make the move to the Cloud. His view is that the big boys could then mine the data and feed their big data algorithms, effectively selling it. Remember, paranoid is good.

It's all gone wrong

The K2 view when it happens:

<http://bit.ly/2dtJngw>

Book of the month

"Legacy: 15 lessons in leadership" by James Kerr.

The book caused something of a stir in big company circles.

On the face of it, this is about the All Blacks and the first couple of chapters are indeed rugby focussed (and quite tedious unless you're a fan). Then it gets into its stride to explore why they've been so dominant for so long.

One well documented skill is the ability to stay calm under pressure: the Blue Head v Red Head concept as explained by the Sage of Bishopswood at

<http://bit.ly/2dNvZDV>

To my mind, the simplest idea is the most significant. Instead of talking about getting people on and off of buses, the Kiwis get to the core of recruitment/retention with one brutally clear phrase: "No dickheads". Anybody who has ever had to manage anybody else gets the point instantly.

The concept may well cause most HR departments to wobble, although our HR Director ("Never knowingly under-insulting") is usually too busy attacking miscreants with a fork (particularly if they are late with their expenses) to worry about such niceties.

The new Brexit mantra?

As an aside, you might be interested to learn that, as part of a Duckett Old Man teambuilding exercise, having walked a stage of Offa's Dyke, we sat down in the evening to watch the 1973 game between the All Blacks and the Barbarians. That's the game in which the BaBas scored a try in the opening minutes having passed the ball umpteen times in the process. Everybody managed to see that try, but the Boyscout was head-back-snoring-loudly within 5 minutes and the rest of the team faded rapidly. Only the Ref was awake by half time. He had to wake everybody up to red card them to bed. A performance team indeed.

Film of the month

The Big Short

This is the story of the guys who figured out that the US housing market had to collapse, invented the appropriate financial instruments to deal with it and put some very, very large bets on the fact that they had to be right. The 2007/8 crash duly happened and they made their fortunes.

Explaining how a short works is not easy (I still don't quite understand), but sticking Margot Robbie in a foam bath, drinking champagne and explaining one concept certainly held my attention.

Put simply, the world assumed that the housing market couldn't fall (a "bubble" by definition), despite the fact that the banks knew that if default rates reached just 8%, it would all disintegrate. But the US Govt would bail them out. Alarming, by 2015, the big banks had started to sell mortgage bonds again (under a new name), rather proving the point that organisational memory struggles to reach 10 years.

Best (sanitised) quote from the film:

"Truth is like poetry. And nobody likes poetry."



Random article

This is as good as any:

<http://bit.ly/2cDSkxE>

Lucey demise

I've been systematically beating people into using our Lucey portal system for the last 5 years on the basis that e.mail is fundamentally unsafe. Imagine my unhappiness when I was advised that Lucey is no longer being supported as its developers don't want to play any more. Apparently, we were early adopters of the technology and it has been picked up by lots of later entrants into the market. Sure enough, we can buy exactly the same thing from Iris (so we have). The real pain is in transferring stuff from one system to the other. Could cloud accounting have the same issues?

Team changes

This has been a big deal for us.

As many of you will know, Kate Bayliss left us in January after 10 years and we were very sorry to see her go. I attempted to replace her, but that ended in tears (artistic differences), but Rachael stepped into the breach and is doing a great job.

I've spent the last few years trying to persuade David Lloyd not to retire (despite too much traffic and elderly relatives), but I'm losing the argument and Dave will be scaling right back in 2017. Then Andrew Bailey decided that he was going to follow his own advice and create a new business in Ross and he goes this month. Martyn Wright is stepping into the breach with Mark Vickress transferring across from his management accounting role, so we've got some really exciting new ideas and approaches. As the All Blacks have identified, change happens; get used to it. But, most importantly, no dickheads.



New website

I didn't think there was much wrong with the old one (alright, maybe it was a bit cluttered), but I have to concede that mobile was a weakness. So, we've got a new one and you can indeed use it on your phone. The big change is the use of videos, although that's something of a work in progress. Anybody wanting to be a video star should talk to the Boyscout. You may or may not be allowed to keep your clothes on.

Maria will be the webmaster and will make full use of Hungarian commas. Technical (grammatical?) support is from a guy called Munkey, so stand by for the predictive text effect. At least they know what they mean.

<http://chrisduckett.co.uk/>

Disclaimer

Mitch says:

Capitalism without bankruptcy is like Catholicism without Hell.

[An explanation of the Film of the Month, for those not paying attention.]



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