



February 2004 Newsletter

Retirement special.



Book of the month

"Re-imagine!: Business excellence in a disruptive age" by Tom Peters. I've never seen a book with so much text in red and/or capital letters. Exclamation marks abound. The central point is that big businesses are essentially stuck and cannot change to cope with the shift in networked communication that the Dotcom Bubble started. The only solution is to destroy the old order and start again. Wasn't that the basis of the Russian Revolution? Really good for quotes, though. How about a "Chief Destruction Officer" (CDO)? www.tompeters.com/reimagine



Blowin' in the wind

The Boyscout recently turned up an article on the evolutionary psychosexual sociobiology (EPSSB) of farting. Naturally, he found this article in the Thunderer. To sidestep the jargon, we all know that men fart more than women. It would appear that this is because male farting makes women laugh (why?) and this in turn makes men more sexually attractive. Furthermore (and equally unlikely) the pheromonal effect (smell?) is important in family bonding. Adds a whole new dimension to the phrase "Was that good for you, dear".

I've been trying to work out where competitive business advantage might accrue from this knowledge. Farting competitions to attract new customers? Farting at board meetings to establish rank? Any ideas to

farting@chrisduckett.co.uk

Tax planning

As the 31st January deadline is now out of the way for another year, we can't be far away from the next 5th April. Tax planning hasn't got any more exciting in the last 12 months: we're still talking (deeply uninspiring) pension contributions or buying kit (that you were going to buy anyway, later in the year). It remains to be seen whether the 100% first year allowances on computers will indeed be withdrawn and what exactly the Chancellor is going to do regarding NI on dividends. As ever, you might want to consider taking capital losses on shares and the Inheritance Tax position continues to worsen with the rise in house prices. So, nothing new.

Boob job

In a pathetic attempt to make Accountancy magazine remotely interesting, they ran a piece on plastic surgery, thereby including a picture of Pamela Anderson in an enlarged state. Well, it makes a change from short, fat, bald middle aged blokes in suits. The key point is whether such enhancements could be paid for by the employer and where the benefit in kind would fall. I'm all of a quiver. Sod the tax. Comments to the Professional Standards Officer on bigboobs@chrisduckett.co.uk



Understanding job satisfaction

The government would have us believe that getting the "work/life balance" right is all about spending less time at work. Working smarter not harder. However, a lot of research has been done in this area and the results are as amusing as you would expect. Most significantly, 30% of the tendency to work long hours is genetic. The other 70% seems to be something to do with self-esteem and culture. In other words, people work long hours cause they want to, not cause they have to. Unless they work for me, that is.

Spot of bluejacking?

Bluetooth is the technology that connects various bits of mobile kit together over short distance. For instance, a mobile phone to a wireless headset. So, if the bluetooth system is enabled on your phone, you can be sent unsolicited messages. The obvious example would be walking past a shop and getting details of special offers appear on your phone. Doesn't seem that sinister to me.

Profiting from customer fun

We all live in fear of being bad-mouthed by customers when something goes wrong, but we really ought to be concentrating on making the customer experience more memorable ("fun" even?). Clearly, not all experiences have to be fun (e.g. buying petrol), so it's important to distinguish between types of shoppers/customers:

- Habitual shoppers – rely on long standing preferences, are loyal to key brands and use the same outlets on a regular basis
- High-value deal seekers – rely on friends and sales assistants to look for the best possible price
- Variety-loving shoppers – are shopping for fun, checking out different shops and also make impulse purchases
- High-involvement shoppers – plan their purchases based on clear needs and require lots of information

Never get between your customers and the way they want to shop?

Bullying at work

Bullying at school gets plenty of press, but the issue of bullying at work is now getting more attention. Of course, bullying can only occur between 2 people of the same sex. If the sexes are different, it's sexual harassment. [My Dad was always the Sexual Harassment Officer at his place: you had to sit on his knee to tell him about it.] Anyway, I'm not sure I really understand the difference between the usual manipulative maneuvering that counts as management and bullying. Surely, punishment and fear are normal tactics to keep everybody on their toes? It would appear not. The National Workplace Bullying Advice Line indicates that female bullies are reported in over half of all cases with government and voluntary sectors accounting for twice as many cases as the private sector. Women bullies are usually described as "devious, deceptive, manipulative and charming(?)" whereas male bullies are "aggressive and harassing". No surprises there, then. Incidentally (alarmingly?), I found this piece in The Dentist magazine. Could we report the Inland Revenue and Custom & Excise to the helpline? Perhaps extortion doesn't count www.bullyonline.org.uk

Managing your boss

One of the key management skills is to be able to manage upstream as well (if not better) than downstream. This is frequently termed "communicating with your sponsors" or "brown-nosing" to the less refined. The seminal article on the subject appeared in the Harvard Business Review in 1990 (Gabarro & Kotter) and included the classic line "After all, bosses are only human". But, with the benefit of 14 years' hindsight, we now know that some are more human than others. The article includes a good story from the 1970s: Frank Gibbons was a genius in his industry and by 1973 he had become Director of Manufacturing in the second largest player in that industry. However, Gibbons was not good with people and his MD knew this and made sure that the people reporting to Gibbons could compensate for him. In 1975, Philip Bonnevie was promoted into one of the roles reporting to Gibbons. He had an excellent track record and a reputation for being good with people. Unfortunately, the MD hadn't noticed that Bonnevie had always had good bosses. Fourteen months later, Bonnevie was fired and the company reported its first net loss for 7 years. During this period, the company was bringing out a major new product (requiring careful coordination of the various different departments) and the process was hampered by a series of misunderstandings between Gibbons and Bonnevie. Planning went awry. A new plant was built that could not produce the new product at the right specification in the right volumes at the right price. Gibbons didn't have any problems with his other subordinates. So, it was Bonnevie's failure to manage his boss that caused the problem. The answer, put simply, is to appreciate your boss's work style and make sure

you understand what he means by what he says. Simple, but not always easy. The full article is reprint 93306 from www.hbr.org

Age, please

We've been getting used to the idea that the population is getting older for quite some time. The focus has been on pensions: not enough young people paying their stamp to fund state pension to the retired. The government even responded by introducing stakeholder pensions (and the national lottery) to make everybody join in. What applies in the public sector must also be relevant to the private sector. Older people require more health care and, for example, the makers of artificial knees are getting really excited about the potential for increased demand. However, the downside is that there is going to be a real shortage of young people in all industries. The "war for talent" must intensify. The obvious solution is to keep everybody at work longer. [Experience is a much underrated virtue?] Indeed, the majority of those who retire at 50 (mostly bank managers?) carry on working anyway. The post-war baby boom is (variably) defined as including those born between 1945 and 1964. The leading edge therefore hits 60 next year. Most training and recruitment is aimed at the young. Something's got to give. Employee a granny today? Do you have a strategy for dealing with older customers? Let the Boyscout help you across the road? Etc

Audit limit

They keep moving the goalposts. The £5.6m threshold now applies for accounting periods ending after 31st March 2004.

Proper, serious business

If anybody thinks the tone of this newsletter is not serious enough, would they please read "The future of competition: co-creating unique value with customers" (by CK Prahalad & Venkat Ramaswamy) and tell me what it says.

Disclaimer

Uncertainty is the only thing to be sure of. If you don't like change, you're going to like irrelevance even less.



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