

Our Masterclasses

Our Masterclasses during 2011 have gone down a storm. We have covered a wide range of issues: strategic planning, goal-setting, people performance, sales and marketing, networking, linked-in and communication.

Comments from attendees have included:

"it's been great to have some time away from the office to think about how to develop my business";

"what an exceptional and inspirational speaker";

"I have learnt a great deal which I am going to implement as soon as I get back in the office".

If you haven't yet been to one of our Masterclasses, you can still get involved in 2012. The first Masterclass of 2012 is Tuesday 21st February at Manchester Art Gallery. It will start at 9am, finishing with a buffet lunch at 12.30. Our speaker is David Smith who was the People Director of Asda. He was involved in transforming the retailer from a bankrupt broken business to the highly successful retailer it is today. David will speak about the 7 Principles of Building a High Performance Culture.

Put it in your diary now, and why don't you invite a business contact to come along with you?



David's Profile

David Smith has 34 years Corporate experience of change management, the last 15 years of which were spent in the turnaround of the Asda Retail Business. Asda has been transformed from a bankrupt broken business to the highly successful retailer it is today, and has also achieved the status of being the Best Place to work in the UK Sunday Times Survey. David and his Team led many of the changes which created a highly productive performance based culture,

and laid the foundations for commercial success.

David was People and IT Director at Asda, and was on the Executive Board for 10 years.

Today, David is a highly respected Author, Business Speaker and Consultant. He has also been requested to Mentor a limited number of CEOs and HRDs. He is also Chairman of the Board of Institute for Employment Studies.

David speaks to both UK and International Conferences about the 7 Principles of Building a High Performance Culture, utilising the Asda case study and other International examples. He runs Masterclasses on these Principles, including the very important topics of Performance Management; Style of Leadership for effective change and powerful business Communication. David also speaks on Leadership in Tough Times; effective Execution and other facets of People Management.

David's style is to engage with his audience and to tell stories to bring his points alive. He is impactful, taking a simple and practical approach to complex issues.

Here are a few testimonials about David:

"The Team were really impressed and inspired. We learned a lot. Your contribution exceeded my expectations, and to be honest, I had pretty high expectations already. Great stuff."

David Radford, Marketing Director, Liverpool Victoria.

"Thank you for a truly inspirational and very enjoyable Masterclass. I don't think I have ever been to such a practical and relevant session." **HRD Red Bull.**

"I heard Jim Collins opening Keynote, but you were better. You spoke from the heart." **Small Business CEO.**

Season's Greetings from Kay Johnson Gee

All the team at Kay Johnson Gee would like to wish you and your family "Seasons' Greetings"!

Our office will close at lunchtime on Friday 23rd December and will reopen at 9am on Tuesday 3rd January 2012.

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Annual Investment Allowance Reduction

From April 2012 the limit for Annual Investment Allowances will reduce from £100,000 to £25,000. If your accounting period does not start in April this allowance reduction will have a major impact on when you should make any capital spend.

A company with a year-end of 30th September has a total Annual Investment Allowance during 2011/12 of £62,500 – that's 6 months at £100,000pa (ie. £50,000) and 6 months at £25,000pa (ie. £12,500). However, capital purchases made in April 2012 or after will attract the lower rate only. So if the company buys a machine for £62,500 in March 2012 the Annual Investment Allowance will cover the entire cost. However, if the purchase is in April 2012 the Annual Investment Allowance will be £12,500 only.

If you are considering a capital spend, do so before April 2012.

For further information contact [Lesley Pangburn](mailto:Lesley.Pangburn@kayjohnsongee.com) – Lesley.pangburn@kayjohnsongee.com

For further information contact [Sally Bird](mailto:Sally.Bird@kuits.com), Head of Employment at [Kuits Solicitors](http://kuits.com) - sallybird@kuits.com or phone 0161 832 3434.



VAT Returns must be submitted online by 1 April 2012

HMRC has issued a reminder to VAT registered businesses that from 1 April 2012 they must send their VAT returns online and pay their VAT electronically.

From 1 April 2012, all VAT-registered businesses must send their VAT returns online and pay their VAT electronically. Currently, only newly-registered businesses, and those with turnovers of more than £100,000, have to file and pay their VAT online.

The new rules will cover VAT returns filed for accounting periods beginning on or after 1 April 2012.

There are a number of benefits to submitting your return online, including:

- an automatic acknowledgement that your return has been received;
- a handy arithmetic checker to help make sure you've done your sums correctly; and
- an email alert to remind you when your next online return is due (as, after April, HMRC will stop sending out paper returns to customers who are now required to file online).

To file your VAT return online, you'll need to register for HMRC's VAT Online Service - visit **www.online.hmrc.gov.uk** and click Register under the New user section. Then follow the instructions.

Affected businesses will also need to set up their preferred electronic payment method. Visit **www.hmrc.gov.uk/payinghmrc/vat.htm** for more information on the various options.

If you would like help with this, contact Roger Blaskey - roger.blaskey@kayjohnsongee.com



Client Focus:

Kay Johnson Gee client, Astra Signs, tells us a bit about their business. If you would like to be included in a future newsletter, please email catherine.mackenzie@kayjohnsongee.com

Astra Signs

Established in 1984, Astra Signs is one of the UK's largest and most experienced sign makers. Based in Manchester, we offer a national and international sign making service, manufacturing signs for clients across all sectors including retail, leisure, major events and exhibitions, property and architecture.

We have worked on some really interesting and exciting projects. When Manchester City won the FA Cup last year we prepared two buses for their Parade. Because we couldn't start the job until we knew that City had won, we were left with four days to produce and install the graphics to both buses. The vinyls were only required for 24 hours, which meant that we had to use a low tack vinyl that wouldn't damage the paintwork on the buses when removed. The client was delighted with the result and the parade was attended by nearly 250,000 people!

We can also provide neon signs, LED lighting, and window vinyls, exhibition stands, vehicle graphics and large format printing.



We use the very latest digital sign technology, some of the best hi-tech machinery in the world, and use traditional manufacturing techniques to produce high quality signs, sign systems and signage products.

What sets us apart is our ability to provide a complete sign making service. Our technical expertise in the survey, concept, design and installation of signs will ensure we meet your bespoke sign requirements. Our stringent quality control systems will ensure we make signs that last.

For further information contact *Chris Greaves* on **0161 832 2429 or email sales@astrasigns.com**



Protected conversations – a good idea?

In a major speech on 23 November 2011, Vince Cable announced a consultation on “protected conversations”. Whilst not quite breaking news given that the proposal had been trailed by various members of the Government since October, it has divided opinion between trade unions and business leaders. It also comes hot on the heels of Adrian Beecroft’s proposal for “compensated no fault dismissal”, which seems to have been quietly brushed under the carpet. So if protected conversations are the way forward, what are they and what difference would they make to our current employment law regime?

What is a protected conversation?

The simple answer is, we don’t know. The proposal is vague to say the least, but from the information available, the idea seems to be that, provided the content of such a conversation does not touch on an area of discrimination, an employer should be able to say anything they want to an employee, without fear that reference will be made to that conversation in an Employment Tribunal.

However, as the proposal does not remove the requirement for dismissals to be fair and non discriminatory, when would such a conversation be initiated and what is the benefit to an employer?

Practicalities

The major area in which the government foresees a use for protected conversations is in relation to an under-performing employee.

The government believes that employers should be able to have a ‘frank conversation’ with an under-performing employee, safe in the knowledge that the employee cannot refer to it in the Tribunal.

However, examining that situation in more detail, if an employer were to tell an employee that their performance is below par and they need to improve, a protected conversation would be a hindrance not a help. Frank conversations are, in fact, crucial to an employer’s defence as any Employment Tribunal will want to see evidence that the employee’s poor performance was addressed with them. Rather than helping an employer, making such conversations ‘protected’ would help the employee.

In contrast, if an employer wants to say, “You are not performing and I want you out. How much do I have to pay you?”, it is obviously detrimental to have such a conversation brought up in the Tribunal.

However, as protected conversations do not provide employers with an easy means of sacking an employee, if the employee refuses the pay off where does the employer go next? To simply proceed to dismiss without a performance management procedure still leaves the employer liable for unfair dismissal. Alternatively, to have to implement a performance management procedure, defeats the object of initiating the protected conversation. So unless an employee simply capitulates, a protected conversation seems to be of little use.

Summary

In short, there are a number of areas in which this proposal falls short and some serious work on the concept is required before it is introduced. The next step is for the Government to publish a consultation and, following review of the responses, to finalise its proposals. There is still, therefore, a very long way to go before protected conversations in any guise, become a part of British employment law and the government should take that time to really address the current flaws of the idea.



For further information contact
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kuits | solicitors
kult | steinart | levy LLP
The law firm of choice

Ready, Steady, Grow

First of all it is important to evaluate whether you want to consolidate the position of your business position or find ways to grow.

If you decide that your priority is growth, you need to plan carefully in order to succeed. Growth has its risks, but the right strategy can deliver stability, security and long-term profits. Once you have assessed your current position and how well equipped you are to handle growth, you can start building your strategy for growth.

Options for Growth: increasing market share

To increase market share a business has to take customers from its competitors or attract new customers. Achieving this requires a thorough understanding of both your own customer base and that of rival businesses.

Having the answers to the following questions will help you build a comprehensive picture of your market and your competitors and put you in a stronger position to win a bigger market share.

- Who are your existing customers? Are there any other groups that may require your product or service that you haven't targeted before? Can your product or service be used for purposes you had not previously considered that could make it appealing to a wider market?
- What are your competitors' strengths? Do you have these too? If not, why not - and should you have them?
- Why do customers buy from your competitors? What advantages do you have over your rivals that may attract their customers? How can you communicate with your competitors' customers to get them to switch and buy from you instead?
- What is your unique selling point?
- Apart from obvious rivals, are there any other businesses with customers your product or service may appeal to?
- Are there customers who have stopped buying from you? Do you know why? If not, you may want to ask them.
- Will you need to change pricing, marketing, distribution, service levels? Could those changes upset current customers? Will your employees remain motivated?

Options for Growth: Diversification

Many small businesses grow by taking opportunities to diversify, although there are risks because of limited resources on all fronts. Businesses should weigh up the risks and costs of opting for growth carefully against the benefits.

Diversification can take several forms, including:

- new, related products or services to existing customers
- new markets for existing products
- new products for new markets

Deciding how and when to diversify depends on you having:

- thorough market and customer research for the new product or service
- a clear development strategy - including trying a new line or service for a short test period with prototypes and test marketing before totally committing to the new project
- sales, marketing and supply chain operations that can cope with the added demands

You'll need to be clear about development costs and what your alternatives are if any delay occurs in development. Wherever possible, try to control risk by securing orders or commitments up front.

While diversification can pose some risks - such as costly delays and mistakes owing to a lack of knowledge or expertise in the new area - it can also limit the impact of changes in the market. In simple terms, if you supply one product or service and it falls out of favour, it leaves you very exposed. If you have two or more products or services and sales of one drops, at least there will be revenue coming into the business through the other. However, if you diversify too quickly, you could lose track or dilute your core products or services.

Generally speaking, diversifying with similar products or services and selling them to a familiar customer base is less risky than creating a product for a completely new market.

Options for Growth: Partnerships, Joint Ventures, Mergers & Acquisitions

You can also expand your business by joining forces with another business. While this can create more shared decision-making and possible management and staff issues to resolve, there can be clear advantages.

Successful co-operation can deliver:

- more resources
- sharing of the managerial load
- larger skills and talent base
- bigger pool of contacts
- increase in markets
- diversification and organic growth using increased resources
- reduced commercial risk

Partnerships and joint ventures

Partnerships and joint ventures can offer both partners significant benefits, including sharing experience, skills, people, equipment and customer bases. Through a partnership or joint venture arrangement with a complementary, non-competitive business, you may be able to open new markets or improve your offer to existing ones.

It's important to be very careful who you link up with. An agreement defining the terms of the partnership or joint venture is essential and further legal protection is advisable.

Teaming up must be a win-win situation for both parties. Businesses involved with complementary activities or skills are usually the most appropriate candidates.

For example, a group of sole traders - a carpenter, builder and gas installer/electrician - could form a company, which could increase their credibility in the construction trade and allow them to bid for larger contracts. A group like this also represents greater customer appeal, as it's a one-stop shop.

Mergers and acquisitions

This is when two companies formally merge or one takes over another. Mergers and acquisitions are more suited to established enterprises and transactions involve commercial lawyers and considerable legal work.



Kay Johnson Gee would like to thank Kuits Solicitors and Astra Signs for their contributions to this edition.

If you would like to place an article please contact Catherine Mackenzie - Catherine.mackenzie@kayjohnsongee.com

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