

MiP News

October 2008

Inside

1. Editor's note
New services for members

2. Interview: consulting management accountant

3. Make use of your local network: it's out there for you too.

4. Hard skills versus soft skills

5. Sustainable marketing: uncovering opportunity
Money laundering workshops

6. A date with the SOCA Manchester airport:
3 November 2008
Tip of the quarter
And finally...

Editor's note

I am delighted to bring you this quarter's newsletter. I am really encouraged by the feedback received from Members in Practice at the annual conference in June. There is very strong evidence now emerging that members' consultancy businesses are extremely successful and the general trend is that CIMA based practices are improving year on year.

We are seeing more multi-partner practices with an increasing amount of work being undertaken using our core CIMA skills, primarily strategy based work, and in turn this is leading to an increase in the level of fees being attained.

There seems to be an increasing level of confidence displayed by our Members in Practice,

as they realise that the market demand for their skills is growing at an almost exponential rate.

Many thanks to my MIPMG fellow member for his work undertaken on surveys and feedback.



Mark Allen
Chairman Members in Practice Management Group

New services for members

In case you missed these services in the last newsletter, here they are again. Rest assured, CIMA staff are really working hard to deliver value.

New: free legal advice

Members can now access free business and personal legal information, all online.

Guidance, including family, consumer, motoring, property, employment, tax and company law, is available. Low cost telephone advice is also available to you on 0800 092 1980. You will need your Contact ID.

Whistleblowing advice line

Members and students can access a free confidential service offering advice on making a public interest disclosure. Please phone 0800 358 7665.

Ethics helpline

This free and confidential helpline offers guidance to all members and students who are facing an ethical conflict. If you need to contact the helpline, call 0800 358 7663 or email ethics@cimaglobal.com

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Consulting management accountant: interview

Mark Allen interviews Simon Woolcott FCMA, founder of Marchwood Associates

MA: *Simon, thank you for taking the time to talk to me about Marchwood Associates, your CIMA based practice. Can you briefly explain what Marchwood specialises in?*

SW: Marchwood Associates is a consulting business which specialises in the retail financial services sector. It offers business and financial advice to a wide range of clients based on the combined qualifications and experience of the two current directors, one a CIMA member and the other a non-accountant.

MA: *When did you establish the business and what made you decide to run your own business?*

SW: Just over five years ago I was looking for a new challenge. I had worked in a range of senior roles in a UK bank and helped integrate it into its new owner. I was then approached about a finance director role at a medium-sized and entrepreneurial subprime lending business. This was something I wouldn't normally have thought about but it looked interesting and anyway the business didn't really need a conventional FD for the next stage of its development, as the entrepreneur who had built it thought it was a good time to sell. As a result, I launched Marchwood Associates to serve what appeared to be a gap in the market where SMEs often don't have the time or experience to handle major events (such as buying or selling businesses) from their own internal resources. I also found how important the skills, developed as part of earning a CIMA qualification, are to small and medium-sized businesses, which often lack the interpretative and communication competencies to bring understanding from the accounts and financial records.

MA: *Was it difficult to launch the business?*

SW: It was good to get the business up and running with a meaty assignment and the SME environment offered the chance to use a wide range of financial and non-financial skills. Project management and financial skills, combined with prior experience, enabled the successful completion of the sale of the business. But the project was long and demanding. During this initial assignment I learned a lot about the reality of SMEs (even though I had been responsible for smaller subsidiaries in former jobs) and also the practical realities of running my own business. My view is that being a member in practice is as much about doing a good job of running your own business as it is about guiding and advising clients. I suppose it was challenging but not difficult.

MA: *What was the next phase of your business development?*

SW: Since the early development of Marchwood, the business has been fortunate to be offered many interesting and rewarding assignments with some fascinating clients and sometimes stretching challenges. Another non-accountant director has joined the business with complementary skills, enabling it to offer a wider range of business advice, experience and services. This arrangement has also allow Marchwood to challenge its own work from alternative perspectives before being put in front of clients.

Marchwood has developed a very small and select network of trusted associate businesses where it is confident that it can offer a wider range of services to clients. This covers areas such as corporate finance (which is regulated by the Financial Services Authority), IT and business processes. Having this network of 'friends' also gives Marchwood the opportunity to extend the range of assignments, refer potential clients to one another, ask for advice, and offer advice in other specialist areas if asked.

Today, the business has developed into three main areas of work, all within the retail financial services sector and mainly in the UK.

- Strategy work. Helping clients to develop real and practical plans to launch a new product or move into a new territory. Examples of this have been advising clients on entering the commercial mortgage market and on extending their existing mortgage operations into a new country. Marchwood works on delivering a short overall plan (which may be used to gain parent company approval or for supporting bank funding) with a number of supporting documents.
- Purchaser due diligence. This is generally helping private equity buyers on the commercial and regulatory aspects of their purchases including the risks and challenges from current and likely future regulation. The company has looked at a number of businesses here such as retail finance and payment protection insurance. Often it is asked to review management's financial and broader plans for reasonableness and to see where the risks are and whether there are any other risks which have not been included or evaluated.
- Start ups. Working either on their own account or with others on attempting to get good ideas to market. Experience shows that this is very high risk with a low likelihood of success, particularly because of the changed attitude to risks within the banks as a result of the credit crunch.

MA: So why has Marchwood Associates flourished when there are so many consultants and advisers out there, some with very deep pockets?

SW: Marchwood has always been a referral business relying on introductions from its network of contacts. We have learned over the years that a network of good quality personal contacts is the most valuable asset a small advisory business can have. Sounds simple but it needs a lot of work to establish exactly who you know and to find good reasons to remind them regularly that you are around. Interestingly, Marchwood has found that a number of introductions have come from sources that it least expected them to come from.

Secondly the business has always been run on the basis of maintaining professional reputation and the fact that the

directors understand the challenges that the people sitting opposite them as clients are facing. The directors know that people running businesses are short of time and have a long list of challenges. They also know that businesses rarely have the people and/or skills to be able to progress all of the business ideas that deserve attention within reasonable timescales.

MA: How do you perceive risk as a self-employed consultant?

SW: The work can be 'lumpy' and therefore it is important to build up some financial reserves. There are times when Marchwood is inundated with work and others when there is an opportunity to concentrate on keeping up to date or on business development.

Finally, being a referral business means that directors have not ignored marketing. They have invested significant amounts in Marchwood Associates' corporate image/brand, its website and in thinking about how to communicate effectively with its very valuable and prized 'network' of contacts. Under investment in your business could, and almost certainly would, be fatal at some point.

MA: Simon, thank you for that fascinating insight. Can you tell me briefly, what would your advice be to any CIMA member considering starting up in practice?

SW: I guess the best advice I could give is to clearly know what the service you are offering is and hence your target market. In addition, you should know how you are going to get your product to market. After devising your plan, get on with it. I know I would have regretted it had I never taken the plunge.

MA: Simon, once again many thanks for your time. I am sure it will inspire many members.

You can find out more about Marchwood Associates from their website (www.marchwoodassociates.com) including more details on clients and assignments. Simon Woolcott can be contacted at: simon@marchwoodassociates.com.

Make use of your local network: it's there for you too

Paul Koumi, Immediate Past Chairman of MIPMG, encourages members to be more involved in local events

As MiPs we are fortunate to be well represented at CIMA council. Indeed the roll call of Presidents has included a few Members in Practice including our Immediate Past President, Gordon Grant, although it was in a previous life. There are a few theories advanced on the reasons for this such as our general ability to dictate our working (and therefore non-working) hours in which we can devote time to our chosen interests like charitable work, golf or the governance of CIMA.

We are lucky enough to have two members of MIPMG on council at present, Robin Tidd (Electoral Constituency (EC) 3) and Colin Longhorn (EC 7). They will readily assert that like many of the other MiP Members of Council, they are there to represent the interests of all CIMA members in their constituencies, not just the MiPs, though they obviously have great insight into understanding the special requirements that we have.

Thanks to an initiative rolled out some time ago, there is now a MiP presence in most Area or Regional boards which has ensured that MiP-related activities are on the agenda and, most importantly, that the general membership can see that practice is an option within CIMA.

This engagement with the wider membership can only be possible by recognising that the thriving Area/Regional network that we all belong to has a place for all of us and would be of even greater benefit with our participation.

The MIPMG has been active in co-ordinating valuable CPD events with a wide geographical spread and an offering of highly-relevant subjects. This includes another record breaking annual conference. The CPD events have been well attended, more often than not overbooked, and receive excellent feedback. It would be wrong to suggest that in being a 'rounded' CIMA Member in Practice all you need to do is look out for our CPD programme. Your local network can provide the broad range of subjects that can give a professional edge and the importance of networking with students, academics, public finance professionals and all the other walks of the CIMA life cannot be understated.

If you have never attended a general members' event I strongly urge you to give it a try. Okay if you are preparing to sell up and finally take that three month Caribbean cruise then it may not be the time to attend the exam techniques session but you will surely find something to interest you. If you look at the programme in your local newsletter, Financial Management or on the web at www.cimaglobal.com, you can book for events in any Area/Region if there is something that appeals. A large proportion of attendees at events are there for the first time and there is always a mixture of ages. Sometimes a buffet is on offer with some chat time and all this is included in the price of your membership.

I'm happy to be actively involved in my local branch and I go to nearly all the events, even those about exams. The committee consists of dedicated and knowledgeable people with whom it is a pleasure to work. They are firmly committed to strengthening CIMA's presence locally and to helping and encouraging all with their career development and providing support if required. I know that they, like many of their peers, would love to see greater participation from MiPs whether as part of the team or just as part of the audience.

So please keep coming along to MiP activities. We all know how important that is. But don't neglect your own local network. It's there for you too.

Paul Koumi

EC 4 (West Midlands)

Hard skills versus soft skills

Hard skills

In your world of work, 'hard skills' are technical procedures related to your core business. Examples include the latest law, rules and regulations in your area of expertise, or industry. Ironically enough, these 'hard' skills are typically easy to observe, quantify and measure. They're also generally easy to train because most of the time it is actually just knowledge being taught. The facts one learns are generally right or wrong so there can be little scope for misunderstanding.

Soft skills

By contrast, soft skills (also called people skills) are typically hard to observe, quantify and measure. You can teach knowledge as we mentioned above but you can't teach attitudes or mind-sets. As the last phrase suggests, when one has a set idea it is very difficult to change peoples' minds.

So what is more important?

People skills are needed for everyday life as much as they're needed for work. They have to do with how people relate to each other: communicating, listening, engaging in dialogue, giving feedback, cooperating as a team member, solving problems, contributing in meetings, and resolving conflict. Leaders at all levels rely heavily on people skills too: setting an example, teambuilding, facilitating meetings, encouraging innovation, solving problems, making decisions, planning, delegating, observing, instructing, coaching, encouraging, and motivating.

Reflections

When you look for new people to join your company, what are you focusing on? I think it's only when you've been at work a few years that you realise the hard skills are easy to learn, and it takes many a fall to learn the soft skills.

Will Kintish

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Sustainable marketing: Uncovering opportunity

'Uncovering opportunity is probably the number one skill in the current economic climate.'

There are many professionals who disagree. Some would stress the primary importance of the service delivered and the reputation that results. Others talk about leadership as the pinnacle of all talent. And still others would point to the long-term importance of client-relationships and advocacy.

The quotation above comes from the managing partner of a consultancy firm, and his response to those who disagree is that 'opportunity provides the vital context in which all the above talent is relevant ... or not.' If that opportunity is invisible, then there is no sale, and hence no service to be delivered.

How do you know if you excel at uncovering opportunity?

Here is a sample of some of the behaviours that go with excellence in this area. Try awarding yourself points out of ten (and then score your team).

- Asking exploratory questions of clients, every single working day.
- Constantly exploring the context in which delivery (or proposed delivery) is taking place.
- At the end of every meeting or presentation, asking 'what about this was most useful? Why? Where else?'
- Reading the specialist press of your target market (or presentations, web portals, journals etc.).
- Setting some development time aside every week to invent, create or adapt your offer for their current economic environment (in which the post-credit crunch world may, or may not, be relevant).
- Setting some time aside for your own development, to stay ahead. Investing in client acquisition and management, as much as in delivery skill.
- Thinking beyond the current task list, towards what will be important next year. (Leading others to do the same; an example of 'lateral leadership').
- Getting into the shoes of others several times each day, and asking 'What would I do in their position?'
- Brainstorming with colleagues, internally and externally.
- Actively coaching and mentoring others as a means of learning oneself, as well as fostering a culture where value is constantly being uncovered.

Why bother with all this?

Because it's not the brilliant minds who succeed, it's those who spot the need and act on it.

Because businesses don't first run out of cash, they first run out of opportunity.

Because the conversations that result cement deeper relationships in the client-world, prompting us to be genuinely client-centric in our own thinking.

To learn more about the forthcoming workshops on sustainable marketing, (in London and Brussels), see below, or visit www.success121.com, or email pam@success121.com

Money laundering workshops

Well, not exactly 'How to do it', but rather 'How to prevent it', or 'What to do if you encounter it', but that's rather a long title.

The first three CIMA money laundering workshops will take place in October and November in various parts of the UK as follows. On 22 October, there will be an evening workshop at CIMA head office, 26 Chapter Street, London, on 30 October there is scheduled to be a similar event near Edinburgh Airport, and on 5 November there will be another event in York.

Martin Nimmo will make a presentation and answer frequently asked questions (and try to answer any others you may fire at him) in London. In Edinburgh, Helene Doody of CIMA's Innovation and Development Department will give a short update on fraud and risk management, and there will be an opportunity to try your hand at making suspicious activity reports. In Edinburgh and London we will also have participation from Serious Organised Crime Agency staff and there will be a panel session. There will also be an opportunity for networking at the end of the formal meeting.

Members in Practice in the areas concerned will be emailed with more details and the charge to cover costs, early in October.

A DATE WITH SOCA AT MANCHESTER AIRPORT: 3 NOVEMBER 2008

Members in the Manchester Branch will by now have received an invitation from the Serious Organised Crime Agency (SOCA) to a special (free) conference on its work, at the Radisson SAS Hotel at Manchester Airport on 4 November. CIMA works closely with SOCA to ensure that members, especially MiPs, are kept 'in the frame'. The purpose of the event is to raise awareness of the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002, and the suspicious activity regime, with a particular emphasis on practical guidance and support from the UK Financial Intelligence Unit and key partners.

This conference is aimed at small and medium-sized practices and SMEs and follows a similar, very successful one at Bradford earlier this year. CIMA will have a stand and Martin Nimmo will be in attendance to answer questions. He will be pleased to meet any MiPs and discuss what else CIMA could do for them in the fight against money laundering. Martin is CIMA's representative on the SOCA Regulators' Forum.

Useful links

ACMAs earn more than ACCAs: survey

CIMA members are being paid up to 20% more. So it's not just the MIPMG surveys that are highlighting how much our members are in demand.

[Click here for more information](#)

From CIMA Insight June 2008

Surviving the liquidity crisis

[Click here for more information](#)

From CIMA Insight August 2008

News and views

Tip of the quarter

Be clear with your client on what you can do for them. Avoid woolly language. The way to do this is to prepare a list of all the services and products that you market. In a second column, list a short description of the service. In a third column, list all the potential benefits to the client or prospect. What the client wants to know is 'WIIFT'; What's in it for them. If the outcome is clear, the sales will be near.

And finally...

Didn't Team Great Britain do well at the Olympics? Often sporting performance is used for a metaphor in relation to business. What could we advise when consulting with clients? Perhaps we should coach them for a marathon not a sprint. We need, as business people, to be working on continual improvement rather than training towards a specific high performance at one event.