

h CORRESPONDENT

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THE CLIENT UPDATE FROM HARBINSON MULHOLLAND

"What Can You Do Today to Increase Your Focus on Adding Value?"

Many businesses claim they offer value added services, but are they actually offering what they say? In what ways are your services adding value to your clients' experience with you?

Adding extra value is one great way of offering something extra to the standard service your competitors in the same industry offer and this is one way in which you will stand out from the crowd.

The following are ways in which your business can start focusing on adding value and examples of businesses who do it well.

1. 'Put yourself in your customer's shoes'

Only by taking a walk in someone else's shoes can you realise what it is they are looking for when it comes to your business. A good example of a company who focused on what they could bring to the client and potential client was Dulux. It was the first brand within the decorative paint market to introduce and promote sample pots on a national basis allowing consumers to trial paint colours on their walls to help visualise the end effect. This 'extra' focused on the customer and what they were looking for.

2. Use influencing language

The language you use when conversing with a client or potential client can be very influential. Straplines such as those which Tesco use: 'Every little helps' or L'Oreal's 'Because you're worth it!' are very influential. They are simple words but have great meaning for the client. Use words such as 'investing your time' rather than 'spending your time' to show that your time is being used to its fullest potential.

3. Listen to your client

Remember, you have 2 ears and 1 mouth; use them in that proportion! Only by actively listening to your client, will you find out how you can help them further. One company who is very good at this is Dell. The company is based on a simple concept: by selling computer systems directly to customers, Dell can best understand their needs and efficiently provide the most effective computing solutions to meet those needs. This direct business model eliminates retailers that add unnecessary time and cost, or can diminish Dell's understanding of customer expectations.

4. Ensure you thank clients for referrals

If someone has taken the time to talk about you or recommend you to a friend or colleague, the least you can do is thank them. Whether it is a phone call, a card or a meal voucher, ensure it is appropriately rewarded and it is very likely they will actively and willingly recommend you again.

5. Regular contact – be proactive rather than reactive

Ensure you keep in regular contact with your clients – whether it is by newsletter, email or telephone. It will increase your clients feeling of being valued.

6. Invite clients to events at a special 'client only' rate

Invite clients free of charge or at a 'client only' discount to any seminar or workshop you are offering. Alternatively, invite only clients to special previews of new products to store. A good example of this is: Debenhams or Oasis who have member only nights where members have first chance to see the new stock for the season.

7. Highlight the value offered to the client

In every piece of work you do, ensure you highlight where exactly you have added value. Put this value in monetary terms to physically show your client how much money you have saved or gained for them.

8. Be personable!

People buy people. Take note of details of your clients' personal lives i.e. children's names, what they are doing, birthdays etc. and this will assist in cultivating a close relationship between you and your client. Making your client feel 'special' will help maintain loyalty. A good example of this personal touch is Halifax who use real employees in their advertising and marketing. This familiarity of seeing these people in the Halifax offices makes customers feel more comfortable with who they are dealing with on a day to day basis.

The above are just a number of possible ways in which you can add extra value to the service you offer each and every client. It is these 'extras' that make the difference when a customer is making a decision on where to buy from. If they feel valued and special when they are dealing with you, they are much more likely to keep coming back!

So, start putting these simple tips into practice and focusing on what you can do to add value today and you could really make a difference to your service and overall business.

You will both feel better when you create extra value for your clients on a regular basis, and it will build your business quickly.

FRAUD – ARE YOU SLEEPING WITH ONE EYE OPEN?



Brendan Dwyer, Director of Forensic Services

Over 60% of businesses in the UK are losing as much as 5% of their turnover a year to fraud in the workplace.

Trust someone blindly and it may end up costing you a fortune! No truer a statement can be made when it comes to managing affairs in the commercial world. Fraud is one of the major risks facing businesses today. With fraudsters developing more sophisticated ways of defrauding businesses, owners are finding it increasingly difficult to detect.

UK businesses lost at least £5bn to fraud last year.

Fraud is a problem that can affect any of us, whether you are an individual or a large company.

The most common frauds the commercial investigation team in Harbinson Mulholland encounter are perpetrated from within the organisation. Generally, staff members in a position of trust identify weaknesses in the systems enabling them to extract assets (usually cash) for their own benefit. If such a dilemma arises, you might benefit from speaking in the strictest of confidence with one of our forensic accounting team who will advise you on action you can take to:

- Identify the fraud
- Prevent the situation developing
- Gather evidence
- Avoid adverse publicity

Only 15% of firms report fraud to the police.

Statistics show that although reported business fraud in the UK has increased 40% over the last couple of years, the reality is that most business victims do not see the prosecution of fraudsters as a priority. In fact, only 15% of firms who discover frauds against them report the matter to the police.

Many businesses do not want it publicly known that they have been the victims of fraud. Talking to Harbinson Mulholland can help you deal with the problems.

Specialist expertise with industry specific experience, HM's forensic accounting team has investigated fraud

cases over a number of years across a wide spectrum of industries in both the United Kingdom and overseas.

For more information on how Harbinson Mulholland can help you deal with fraud in your organisation, contact one of the forensic team on 028 9044 5100 or alternatively, email forensicteam@harbinson-mulholland.com

IMPORTANT: Electronic Commerce (EC Directive) Regulations

If you are a company, it is now a requirement for your website to contain certain information about your organisation. This information needs to be on your website and also in all of your email communications.

Ensure you have the following information on your website and email templates:

- Registered Office Address
- Company registration number and the region it covers
- Your VAT number if registered



ARE YOU USING ILLEGAL SOFTWARE?

Chances are that if you use computers within your business, you use Microsoft software. However, there is a high chance that the very same software you are using is being used illegally without you even knowing it.

When you buy a PC from a supplier and you purchase software such as Microsoft Office with the computer, you are probably buying what the industry calls an OEM licensed product. This effectively gives you the software at a discounted price when purchasing a computer. However, this software is only valid for the lifetime of the purchased computer. Once the computer is no longer being used, the rights you have to use that software are also lost. It is a common misconception to assume it can be re-used on a new PC.

Another impact from purchasing OEM software is that you also end up with your business running different versions of the Microsoft Office product. This leads to compatibility problems and increased time and costs being wasted on a recurring basis. Not to mention how it looks to your customer when sending or receiving information only to find out they can't work on documents with the rest of your staff because they have different versions of Microsoft Office to you.

Research commissioned by Microsoft estimates that nearly 40% of Irish businesses run some form of illegal software due to either not understanding the license conditions or through neglect of keeping the business compliant.

Rather than taking the traditional recourse to address this issue, Microsoft has attempted to address the complexity of software licensing for businesses. They have introduced a method of licensing that

ensures businesses have a comprehensive and flexible method of controlling licensing costs while also introducing considerable benefits to the business at the same time.

Microsoft's Open Value Subscription (OVS) has been designed for small to medium sized businesses that have over 5 PCs within their organisation. It comprises of a three year rental agreement that offers a number of advantages:

- ensures your PCs and servers are entitled to use the most up to date Microsoft software (Microsoft Office, Windows Vista and Windows Server System) as it is released into the marketplace during the period of the agreement;
- gives your staff the ability to use Microsoft Office on their home computers;
- reduces the risk of your business becoming non compliant;
- allows you to avail of free classroom based training vouchers;
- allows you to pay according to use, by only paying for the number of installations used on an annual basis;
- provides you with a simplified and cost effective licensing scheme offering discounts, price protection and easier budgeting;
- allows you to treat the cost of the yearly rental agreement as an expense rather than a capital expenditure. (NOTE: Obviously Ethos are not tax experts but we do know a very good tax team who can provide advice on this area!)



Based on the experiences of our customers who have already undertaken the agreement, we are confident in saying that it takes the confusion and worry out of software licensing. We would also remind you that although one of the major advantages is the ability to automatically get the latest versions of software, it should not be the deciding factor. The aim of OVS is to ensure that what you currently have in place is compliant, simple and flexible.

Ethos is a Microsoft Gold Certified Partner delivering solutions to customers to help make sure their investment in technology is maximised without confusing jargon. For a free and confidential review of your current licensing needs or for more information on the benefits of Microsoft's OVS licensing, contact Lee Surgeoner or Mary-Ellen Gribben at Ethos on 028 9044 5110 or email solutions@ethos-is.com to set up a free site review.



The Ethos Management Team
Mary-Ellen Gribben, Michael O'Neill
and Lee Surgeoner

TAX TIPS

Maximise pension relief

You can no longer carry pension contributions back to the previous tax year. Consequently, if you would like to claim tax relief on a pension contribution in the tax year 2006/07, you must pay the contribution on or before 5 April 2007. The maximum contribution payable in any tax year is the higher of £3,600 (Gross) and your relevant earnings for the tax year. Total contributions, including employer contributions, should not exceed £215,000 in any tax year. A tax charge will be imposed if the contributions are made in excess of the permitted maximum.

You should also ensure, if possible, your capital gains annual exemption of £8,800 and the inheritance tax annual gifts exemption of £3,000 have been utilised on or before 5 April 2007.

New CIS scheme

The new construction industry scheme commences on 6 April 2007. From this date, the rate of deduction increases from 18% to 20%. The rate of deduction is 30% for sub-contractors not registered with HM Revenue & Customs.

In addition, contractors will be required to confirm on their monthly returns that the self employment status of each sub-contractor has been considered. Significant tax costs can arise if workers are incorrectly treated as self employed.

Contractors who have concerns whether a particular worker is employed or self employed may use the Employment Status Indicator on the Revenue's website (www.hmrc.gov.uk) for guidance. This programme will give an indication whether a worker is employed or self-employed but its decision is not definitive or binding. If you have concerns over the status of your workers, we would be happy to assist you.

Tax relief on contract hire cars

As a business owner, if you are providing company cars to your staff which are provided on contract hire, you should remember that tax relief is not available on the full cost of rentals if the list price of the vehicle exceeds £12,000. The amount of rental disallowed varies depending on the list price of the vehicle. For example, only 80% of the rentals would be allowable for tax for a car costing £20,000.

In addition, only half of the VAT charged on the rentals may be reclaimed. If you are self employed and using a contract hire car for business purposes, you will suffer the same restriction but you will also have the allowable rentals reduced further by the proportion of private use the car is used for.

'PEOPLE IN FOCUS'

Name:

Barry O'Donnell

Role:

Assistant Manager

Qualifications and Experience:

Barry joined Harbinson Mulholland in December 2003 after qualifying as a Chartered Accountant in Dublin. He is an assistant manager in the Corporate Recovery Department with responsibility for a wide variety of cases including: personal and corporate insolvencies, corporate rescues and solvent restructurings. He has experience in a wide range of industries including the manufacturing, construction, telecommunications and transport sectors.



Barry O'Donnell

Outside Work

Married with one child, Barry loves to travel and is a huge football fan.

Contact Details:

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"Quote of the Quarter"

"Management means helping people to get the best out of themselves, not organising things."

Lauren Appley

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