



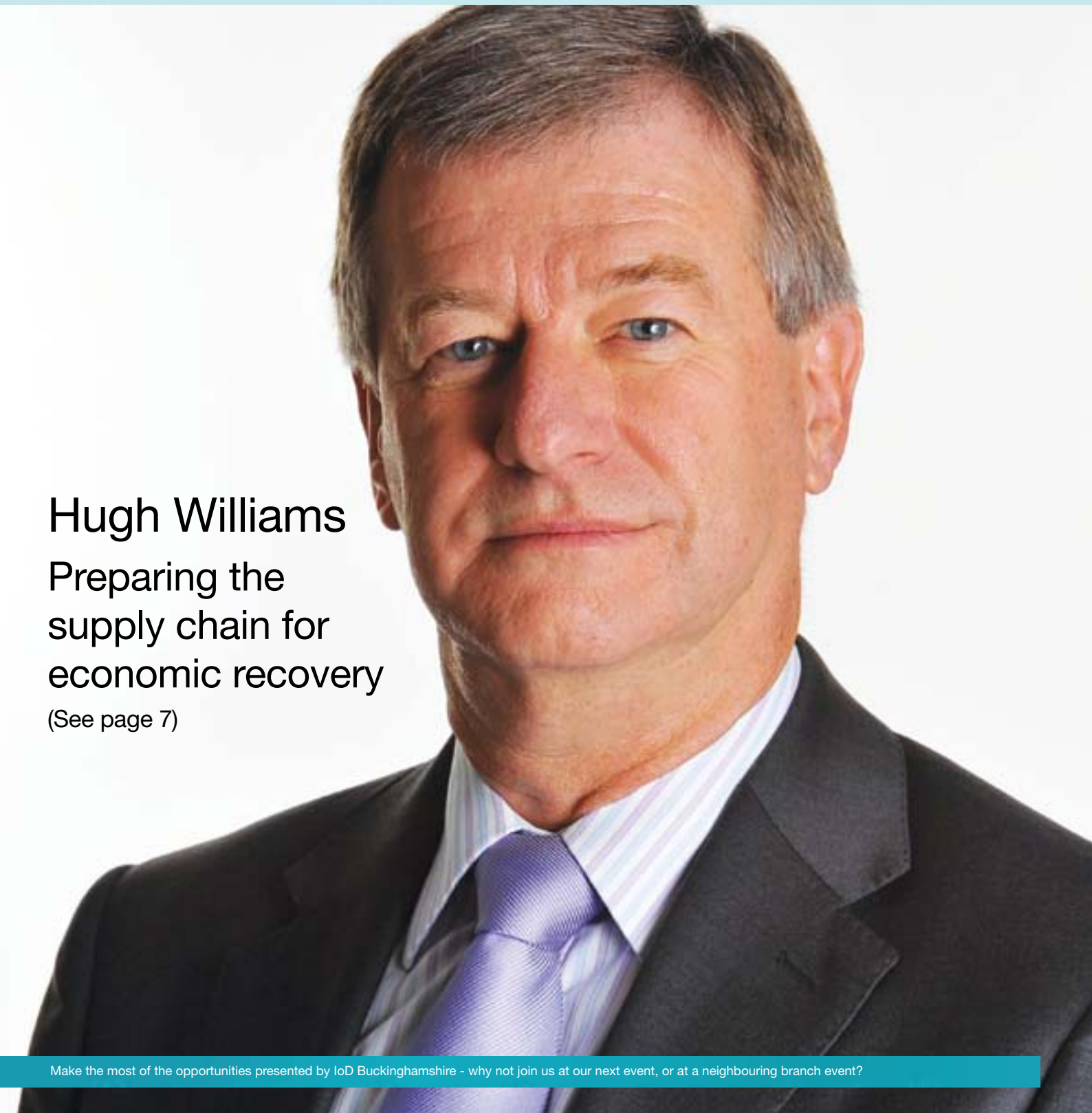
Legal Advice
Quality
Airport Lounges
Tax
Meeting Rooms
Research
INFORMATION
Conferences
COMPANIES

Business leaders do not support investment in HS2 **2**

IP protection - can your business survive **4**

Make the most of your IoD membership **8**

Hugh Williams
Preparing the supply chain for economic recovery
(See page 7)



A survey carried out by the Institute of Directors has revealed that members across the Country believe that HS2 is the lowest priority for infrastructure and that more investment into broadband, roads and existing rail infrastructure will be more worthwhile.

Business leaders do not support investment in HS2

The 2011 IoD Member Transport Survey presents the results of a comprehensive Policy Voice poll of 1,245 members of the Institute of Directors, carried out in August 2011. Directors were asked for their views on the existing state of the UK's transport infrastructure and their priorities for new investment.

Not surprisingly, IoD members overwhelmingly think that new investment in transport infrastructure is important for their business. Directors' priorities for that investment are also clear – improvements to existing road and rail networks are seen as far more important than either new roads or high speed rail. IoD members also think that increases in aviation capacity will give a bigger boost to their productivity than a new high speed rail line:

- 86% think that investment in congested urban roads is important to their business, while improvements to existing motorways are cited by 83% as important, and improvements to existing local roads by 82%. By comparison, 49% think that new motorways, and 37% new local roads, are important.

- The most important areas for new investment in the rail network are existing intercity services (79%) and commuter services (75%). By contrast, 54% think that high speed rail investment is important to their business.
- 48% think that increases in airport capacity outside London and the South East would have a positive impact on the productivity of their business; 40% think the same for increased airport capacity in London and the South East, and just 23% agree that a new high speed rail line between Birmingham and London would improve their productivity.
- 38% think that the public spending required to build HS2 would represent poor value for money, compared with 30% who think it would represent good value.

Don't agree with these findings?
Make your voice heard in future:
www.iod.com/voice



This cartoon was first featured in our Spring newsletter



Company cash deposit interest

By Chris Dodson OBE, Chairman, IoD South

I know from businesses that I deal with that many corporate balance sheets are healthy. This set me thinking about how a company can invest these funds and make any sensible return. Enquiries to our own bankers and others that we know produced some interesting responses, so much so that I thought I should share these findings with you.

For companies cash management typically involves placing cash on deposit with one or more banks and building societies. The rates of interest available to companies are generally lower than the rates of interest available to retail customers and account opening and closing can often be more onerous than it is for individuals.

Using something called an Offshore Insurance Bond ("OIB") companies can obtain access to higher retail deposit rates. Furthermore, once the OIB is established, the company will not need to go through account opening and closing with deposit-takers.

Via the OIB the company will have access to a range of deposit-takers, terms and interest rates. The company can select one or more deposit-takers and one or more terms, including instant access accounts, to suit its needs.

So, what is an OIB and why haven't you heard about it before? The OIB is a lump sum investment into a life assurance contract issued by an insurance company (usually based in the Isle of Man or Dublin) that forms a "wrapper" around the underlying cash deposits.

For example, if a company has £1m on deposit, it receives interest at 0.50% pa of £5,000 from a typical deposit account. If the company does not need access to all of this capital for at least 12 months, via an OIB the company makes the following deposits:



Amount	Rate	Interest
Bank 1 - Instant Access £250,000	1.80%	£4,500
Bank 2 - 3 Months Notice £375,000	2.30%	£8,625
Bank 3 - 12 Months Notice £375,000	3.00%	£11,250
		£24,375
Charges	0.60%	(£6,000)
Profit Before Tax		£18,375

Thus by managing its £1m in cash via an OIB delivers £18,375 after annual charges and before tax compared to just £5,000 currently.

This type of structure is available through 'Private Wealth' banking offered by HSBC, RBS and others and so if you are a director of an SME with a strong cash balance, it may well be of interest.

SME financing through the 'Valley of Death'

As companies grow past the 'start up' stage, probably funded by mortgage and family finance, they enter what is often termed 'the Valley of Death'. This is the moment when they need more investment and discover that venture capital is readily available from £2m and upwards, but not readily for sums between £250k and £2m. Business Angels have difficulty in providing this level of finance since the sums are larger than those they are used to providing.

So, the fast growing SME will face this difficult gap at what is a very critical phase in their growth. When approaching any funding source, the funding provider will of course be looking at the management team in order to make a judgement about their skills.

The concept is that a number of syndicate companies (for example 'Syndicate Number 1234' and so on) would be formed under a common template as syndicates of Directors who have proven larger SME experience. Each company would probably have 5 or so Directors and each of whom would have a different but relevant skill (sector specific marketing, finance, export, sales etc). Each Director would be expected to contribute a sum of investment capital

which their syndicate would place with a target SME that they wanted to invest in and mentor.

By making proven skills available to a young company, bank finance will also be more easily obtained because of the experience of the syndicate Directors behind the management team.

The concept of investing directors is not new. Historically, these are normally done on a 1:1 basis with a sole investing director. The unique feature of this concept is the pooling of resources by a group of investing directors and the creation of a "virtual" team of non executive mentors and coaches to support the business in either a functional capacity around sales, marketing or finance or to bring specific sector background, knowledge or contacts. Money, skills and contacts are a powerful combination and will enable a company to take full advantage of its competitive positioning and opportunities.

If you are interested in helping to get this concept off the ground, please get in contact with me at chairman.south@iod.net

Record nominations for 2011 Director of the Year Awards

The 2011 IoD London and the South East Director of the Year Awards were launched at the end of June and have been well received with a record number of nominations being made.

Entries closed at the end of October with 250 nominations and the prejudging process is now underway to bring that number down to the few who will go forward to the final stages and judging.

We would like to thank all those of you who have taken the time to put forward your nominations, the quality of which are as high as any we've received since the conception of the Awards.

To keep up to date with the progress of the awards visit:

www.iod.com/south/awards

Create, innovate, protect; Intellectual property explained

The survival of your business may depend on the protection of your Intellectual Property; knowing the importance of patents, design registrations, trade marks and copyright is essential.

Intellectual Property (IP) protection is more than just a security fence; it's a gateway to profits both at home and overseas. Yet amongst SME's only 2% hold patents whilst 14% find protecting their IP a major problem when entering overseas markets.

The real issue is that most small companies simply don't know what IP rights they have, let alone how best to exploit or enforce them. Yet the value can be substantial.

Join us, in partnership with the Intellectual Property Office (IPO), in an event that seeks to answer some of the pressing issues confronting directors on this challenging topic. Discover how you can manage your company IP, and most importantly, how to control things when your IP comes under attack.

This free seminar deals with a critical topic for any director or board members, and is a must attend for any established SME looking to develop and grow in 2012.



Date: Wed 29 February 2012 **Time:** 07:30-09:30.

Whilst the formal meeting close is 09:30, coffee and tea will be provided 09:30-11:00 to allow attendees to stay for informal networking and discussions should they choose to do so.

Venue: Desoutter Suite, Hotel Sofitel London Gatwick
North terminal, Gatwick Airport, West Sussex, RH6 0PH

(PLEASE NOTE: this is a revised venue due to the popularity of this event. The booking form within this newsletter shows the previous, now incorrect, venue detail)

Cost: FREE

To book your place go to: www.iod.com/south

email us: eventbookings.south@iod.net or call: 02380 266548

The National Challenge - SMEs Exporting for Growth

Trade and Investment Minister Lord Green launched a national campaign in November to highlight the valuable role business plays in achieving growth through exports.

The scheme is part of a concerted campaign led by Lord Green and UKTI Chief Executive Nick Baird to increase the number of British companies who export, from current levels of around 20% to 25% or more. By increasing the number of companies who export by roughly a quarter, about £36 billion could be added to the UK economy.

Lord Green, Minister for Trade and Investment stated, 'Against a difficult economic backdrop we know that growth in the UK economy is only going to come from improving our export story, especially to the emerging economies around the globe.'

Now it's our turn.

On 10th January 2012 the IoD is partnering with UKTI in London & the South East in a morning event to be held at Mercedes Benz World, in Surrey.

With Keynote address by Lord Green of Hurstpierpoint, Minister of State for Trade and Investment, this event will be an opportunity for SMEs and other public and private business support organisations to learn more about this challenge, and explore how you can play a part and realise the full potential for your business.

- Learn more about the Export Challenge initiative
- Hear valuable lessons from a company who has won new business in overseas markets
- Attend a choice of informative workshops delivered by specialist speakers



There will be an opportunity to take part in a Question and Answer panel, to network over a buffet lunch with partners who can help you, and to meet new contacts and like-minded businesses.

Date: 10 January 2012 **Time:** 08:45-13:30

Venue: Mercedes-Benz World, Weybridge, Surrey KT13 0SL

There is no charge for this event and numbers are restricted so we recommend that you book early to secure your place.

To do so, visit:

www.regionalexportforgrowth.com

or call the Events Support Team on:

+44 (0)115 947 5666



London and the South East Director of the Year Awards Gala Dinner & Awards Ceremony

We invite you to join us at one of the most important events in the UK's business Calendar

Held, once again, at the prestigious Landmark Hotel, Marylebone, London, whether you are a finalist or not this is the opportunity to mix with and hear from other business leaders from across London and the South East – together the 'powerhouse' of the UK's economy.

Hosted by Emma Crosby and with Gyles Brandreth as our keynote speaker, your evening will start with a drinks Reception in the hotel's fantastic upper atrium area, followed by a glorious meal in the Grand Ballroom.

The evening will conclude with introductions to the finalists and the announcement and presentation of awards to the top Directors, and 2011 winners, of the London and South East Director of the Year Awards.



Date: Thursday, March 29, 2012 **Time:** 18:45 - 22:30

Venue: The Landmark Hotel, Marylebone, London

Price: £95 (plus VAT) members and guests
£900 (plus VAT) for a table of 10

Sponsored by:



Gyles Brandreth announced as keynote speaker for Gala Awards Dinner

We are pleased to announce that well know TV Presenter, Journalist, Actor, Author, Former MP & After Dinner Speaker, Gyles Brandreth, will be joining us as keynote speaker at the 2012 London and the South East Director of the Year Gala Awards Dinner.

Currently a reporter on The One Show on BBC1 and a regular on Radio 4's Just a Minute, Gyles has won awards himself, and been nominated for awards, as a public speaker, novelist, children's writer, broadcaster (Sony), political diarist (Channel Four), journalist (British Press Awards), theatre producer (Olivier), and businessman

(British Tourist Authority Come to Britain Trophy).

A former Oxford scholar and President of the Oxford Union, his career has ranged from being a Tory Whip and Lord Commissioner of the Treasury in John Major's government, to starring in his own award-winning musical revue in London's West End. His recent TV appearances include Have I Got News for You, Breakfast with Frost & Celebrity Mastermind. Most recently he has completed two acclaimed royal biographies: 'Philip and Elizabeth: Portrait of a Marriage' and 'Charles and Camilla: Portrait of a Love Affair'.



What does The Big Society mean for the City?

The Big Society is the Government's vision of a society where individuals and communities have more power and responsibility, and use it to create better neighbourhoods and local services.

On 20 February The Rt Hon. Francis Maude MP will share with IoD members his vision, and answer our questions.

In addition, Linklaters will describe how this initiative is opening up new opportunities for their business and their employees; and the charity Crisis Skylight will outline the impact the initiative is having on their work and the opportunities and challenges it gives charities in sustaining and growing their services.

The Big Society can be interpreted in many different ways. What does it mean to you?

Join us at Portcullis House, Westminster on Monday 20 February,

6pm, and be challenged to influence what is happening both in the City and in your local neighbourhood.

If you are interested in finding out more please contact Sheila Needham: **020 7633 0917**, or via email: sheila@needhamgriffin.co.uk



Directing that Energy

Ken Sankey – ex. Lloyds Bank, and now running his own consultancy, talks about harnessing the power of employees

We all work hard nowadays – well we have to as it's a tough and fast changing market!! And our teams need to work hard as well – in fact it is good to see all of the team doing their best.

But is all that energy being used as effectively as it could be?

With all the changes taking place in the market (and hence our priorities) have roles changed? Are all their efforts supporting the vision of the company? Perhaps the acid test would be that if you had a free hand would you give some of them different briefs?

So what do you do?

Well, there are several issues. The first is to ensure there is a clear vision for the business that everyone understands – and that people are very clear on the top priorities and what that means for their individual roles.

So first let's make sure there is a clear vision for the business. Indeed, to avoid the jargon of 'vision', in practical terms what I mean is that when you ask any of the staff, be it the PA, storeroom or purchasing manager, they should all be clear on the top priorities for the business, be it protecting key clients,

improving efficiency or a specific sales focus.

The next step is to discuss with staff how THEY can help deliver this.

Get them involved and harness their ideas about how best to do the job and deliver what is required. This communication and involvement with the team is critical:

- they are the people talking with customers (and we are putting the customer first!)
- they have loads of untapped ideas
- how do you engage people if you don't talk to them?

Moreover, the issue is not just the perhaps over-used management term of 'empowering people', but of genuinely encouraging and supporting them to take ownership and pull through. Talk with people, listen to them and get their ideas. And then agree actions and follow this through. Trust them, follow through and work with them. Of course this should be part of Performance Management, this being a two way discussion on what has been agreed and what help is required to delivering actions.



And if there was any debate about the importance of harnessing the efforts of the workforce, just think again about the rate of change. How can bring about change without involving people in making it work in practice. So involve your staff and listen to them. Encourage them to lead projects. Support and trust them, and give them some headroom... there is energy there to capture and use.

And this isn't abdication!

Strong clear leadership and direction is critical. And at times tough decisions and firm management are needed when actions are not being put into place or structural changes are necessary. But there is huge energy in our people's creativity and initiative – lets help direct that energy. And everybody wins.

Challenge Sailing Regatta – Fun competitive racing for individuals and teams

Join us for an exhilarating day of sailing on the Solent with Sunsail and their new matched fleet of Sunsail F40 yachts. Challenge your customers, colleagues or just yourselves! This is our 11th successive year.

The day starts with coffee and bacon rolls. You will then be briefed by the boat skipper prior to setting sail. We will spend the morning sailing and getting acquainted with the boat and then drop anchor for lunch on board. After a discussion of race rules and tactics, we have a challenging afternoon ahead with the return leg in the form of a race around the buoys. Boat against boat, just like the real thing! Finally back to the club house for prize giving and afternoon tea!

This is a great 'team building' exercise whether you are an experienced sailor or a complete novice. The day is also an opportunity for individuals to join us when we are more than happy to put you together as a team making it a networking opportunity as well as a great experience.

Price includes: Professional skipper & 1st mate (if required) wet weather gear including lifejackets, all briefings, lunch onboard the boats and prizes for 1st, 2nd and 3rd places. Tickets can be booked individually or get a special deal on booking a boat – pay for 8 people get the 9th place FOC. It's a great day out!

Date: Wednesday, June 20, 2012

Time: 08.45 – 18.00

Venue: Sunsail, The Port House, Port Solent, Portsmouth, Hants, PO6 4TH

**Price: £165 Members and Guests
£185 Non members**

**£1,320.00 for boat of 8 people
(plus 9th person FOC)**

Supporting role for Sophie



We are pleased to welcome Sophie Hill as our new Administrator for the IoD South Region.

Sophie will divide her time between the IoD South Regional offices at Reading and Pall Mall, providing liaison and support services between Branch and Regional officers, and direct with our membership.

We wish her every success in this busy and challenging position.

Sophie Hill t: **0207 7668805**

e: **iod.south@iod.com**

Preparing the supply chain for economic recovery

Hugh Williams, Managing Director, Hughenden Consulting



For companies in supply chain industries, returning to growth can prove harder than operating in a recession. In a buyer's market, manufacturers can order products on shorter lead times because suppliers are more willing to negotiate and on more favorable terms. Providing you can manage your cash effectively, you can offer high levels of customer service.

We're in uncertain times, but the economy will eventually bounce back and you don't want to get caught out when it does. Many businesses in the downturn reduce their capacity by cutting resources, so how does one prepare for recovery?

Here are some specific areas for companies to question and overhaul:

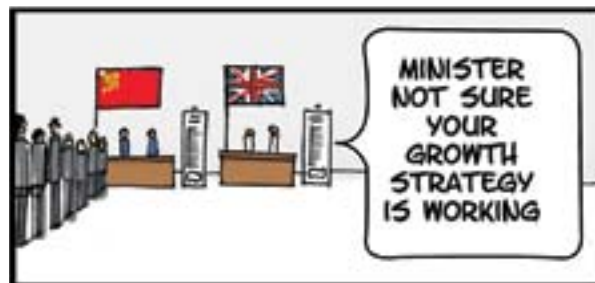
- **KPIs** - Most businesses today are overrun by KPIs (Key Performance Indicators), most of which are just 'PIs'. KPIs are measures that drive behaviours. PIs tell you what is going on. Both are necessary.
- **Silos** - Planning should be integrated, which means setting measures designed to optimise business as a whole. Measures that encourage local 'siloed' optimisation must be reviewed and, potentially, replaced.
- **Nice Round Numbers** - 'Nice Round Numbers' are there for someone's convenience and ease, not for business effectiveness (and everyone rounds up, not down). Challenge these and get

real numbers, whether they refer to batch sizes, set-ups, or anything else.

- **Agility** - Don't use the excuse that you don't know what the customer wants to avoid setting up your supply organisation to be as lean, agile and responsive as possible.
- **Inventory** - Inventory has one purpose - to protect the business against supply and demand variability. Excess inventory ties up cash, is expensive to keep and slows everything down. But make sure you know which inventory (and how much) you need to protect you. Don't allow financial pressure to remove your protection.
- **Capacity** - Learn what 'capacity' really means. Capacity must not be expressed just in terms of volume. Capacity refers to people and the amount of time a resource is available. What you choose to do with it is critical.
- **It is impossible** to base your forecast purely on a financial target. You need to look externally to the market and let real demand shape your forecast.

About the Author

Hugh has been consulting in the Supply Chain sector for more than 25 years and delivered millions of pounds of business improvement to multinational clients including Pernod Ricard, BP Castrol and BDR Thermea. His consultancy career began in 1983 at 'Creative Output' alongside Dr Eli Goldratt, manufacturing guru who wrote "The Goal," and conceived the "Theory of Constraints" (TOC), both of which the supply chain planning community have embraced as seminal bodies of work.



Inspiration, Perspiration and Resilience: The journey to 2012

Why do some people push themselves and challenge themselves to achieve what, at times, may seem like the impossible?

Why do some people push themselves and challenge themselves to achieve what, at times, may seem like the impossible? According to Frank Dick OBE you are a 'Mountain Person': someone who has the attitude to succeed. You recognise business is hard and difficult, but you do it anyway. This is something that former British Athletics Federation's Director of Coaching, Frank has experience of, and, having coached the likes of Daley Thompson and Boris Becker, he has first-hand experience of 'Mountain People'. Frank was guest speaker at the IoD's Going for Business Gold event at Dorney Lake on September 28th.

Business people from across Berkshire, Buckinghamshire and Oxfordshire gathered to discuss plans for London 2012. Adrian Moorhouse MBE, was one of the speakers and discussed his experiences of being coached for the Olympics.

One of Adrian's beliefs is the need for mental toughness: something he learnt in his sporting career, but which has been essential in

the tough times businesses are facing. Picking up on the theme of mental toughness, Ed McKeever, one of the 1200 athletes supported by Team 2012, outlined his rigorous training routine for his bid for Flatwater Kayaking K1 200m Gold.

Naomi Riches, a Paralympic hopeful in the rowing mixed coxed fours, has just returned from Munich, where her team took Gold in the World Cup Series. As a visually impaired athlete, Naomi has an even greater focus on resilience and she believes that setting small goals is imperative. Naomi echoed Adrian's theme of the importance of the correct support environment and reiterated how vital funding is. Funding was the focus from Andrew Owen from Team 2012 who outlined to the audience how small businesses can become engaged on the journey for London 2012 and in so doing not only support Team GB, but also provide inspiration for their own businesses to challenge themselves.

<http://www.team-2012.com>

Why did you join the IoD?

To be supported

The IoD is the longest standing organisation to serve and support business leaders, with over 100 years of service in raising professional standards worldwide.

To be connected

We hold the world's largest network of senior level professionals, from multinational blue-chips and public sector organisations to start-ups and small family firms.

To be a part of it

Whether it's for our research facilities, our regional events or our training programmes, join our knowledgeable and experienced membership to accelerate your professional development.



London Pall Mall facilities

Enjoy exclusive fine dining and drinking venues, as well as a range of function and meeting facilities.



Space to work, relax and entertain

You have access to IoD meeting areas across the UK, many with wine bars and dining areas, for you and up to three guests.



Meet people, do business

Choose from over 50 regional events held every month and network online with over 5,500 members in IoD Group, on LinkedIn.



Research carried out on your behalf

Our award-winning research team will investigate your business queries, providing answers within 24 hours.



One-to-one independent advice

Explore new business opportunities, cost effective solutions and timely strategies to support you in a changing environment.



Events to grow your business

IoD conferences and events are renowned for their high profile speakers, informative programmes and popular networking opportunities.



Tailored training solutions

Our expert Professional Development team create IoD courses according to your specification, delivering high quality, relevant training solutions.

What our members say:

Cost-effective business solutions

"Straight, common sense and expert advice; with good recommendation. Much more useful than the paid legal advice I have procured previously on a different subjects."

We work for you

"The speed and efficiency of the administration prior to the [personal IoD consultant] call was faultless. Just this one session has justified my investment in the IoD for the next year."

Support when and where you need it

"I am so impressed with the service that you have given me. You have found relevant articles and sent them to me within a matter of hours. This service continues to be invaluable in terms of time and knowledge."

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