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The monthly newsletter for members, with news, views and updates on current topics

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND & WALES

Faculty of Finance and Management

Clarity is power! Why presentation really matters in business
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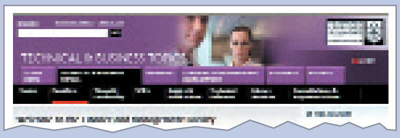

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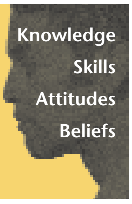
COMMUNICATION AND INFLUENCE IN THE WORKPLACE



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Teamwork – the heart of successful performance

What makes certain enterprises succeed, while similar ones fail? After eight years' research on Formula 1 motor racing, Cranfield School of Management's **Mark Jenkins** has concluded that teamwork is the key.

After eight years' research into why teams succeed or fail in Formula 1 motor racing, I believe the answer is teamwork. However, I'm not talking about teamwork merely as a term for small group dynamics, but rather as a quality that conveys the spirit of an organisation. When an organisation has a culture based on teamwork people within it want to make it work better and better, causing them to push themselves and support others to levels that were hitherto unimaginable.

Teamwork doesn't come from a book, it doesn't come from a job description and it doesn't even come from performance-related rewards. It comes because those involved want it to happen and because they are truly committed to the success of the team and put their own personal agendas as secondary to this aim.

Unrealistic? Well perhaps it is, but it is the one thing that explains exceptional performance in Formula 1.

The Formula 1 key to success
Teamwork is when everyone is looking out for everyone else, stepping into the breach to help when needed, but also recognising the strengths of their colleagues and giving them the space to do what they do best. Like all good things it's very hard to develop and very easy to destroy, so what are the foundations of teamwork that provide the breathtaking levels of performance that can be witnessed in Formula 1?

What can managers do to try and emulate these incredible feats in the most competitive of environments? This was the motivation for undertaking a research study to explore these factors and to consider how they were sustained or destroyed through the actions of organisations.

We conducted 24 in-depth interviews with some of the most influential people in modern-day Formula 1, visiting all the major teams and supporting this analysis by developing a detailed database of secondary material sourced from the motor racing press, biographies, other books and a raft of websites.

In the end we came up with 10 key factors that supported the teamworking culture underpinning exceptional performance. Two of these are discussed here in more detail.

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Tel: 020 7920 8486 Fax: 020 7920 8784

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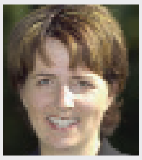
THE FACULTY OF FINANCE AND MANAGEMENT

Chartered Accountants' Hall,
PO Box 433, Moorgate Place,
London EC2P 2BJ

Main contact details
Tel: 020 7920 8486
Fax: 020 7920 8784
Website: www.icaew.co.uk/fmfac
E-mail: fmfac@icaew.co.uk

Comments and suggestions should be addressed to Judith Shackleton (see below).

Chris Jackson
Head of Faculty
Tel: 020 7920 8525
chris.jackson@icaew.co.uk



Judith Shackleton
Technical manager
Tel: 020 7920 8426
judith.shackleton@icaew.co.uk

Caroline Tan
Services executive
Tel: 020 7920 8508
caroline.tan@icaew.co.uk

Debbie Came
Services executive
Tel: 020 7920 8486
debbie.came@icaew.co.uk

Maria Carlstrom
Website
Tel: 020 7920 8486
maria.carlstrom@icaew.co.uk

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For membership information, please contact Caroline Tan on caroline.tan@icaew.co.uk

For any query on publications, please contact Judith Shackleton on judith.shackleton@icaew.co.uk

A no-blame culture

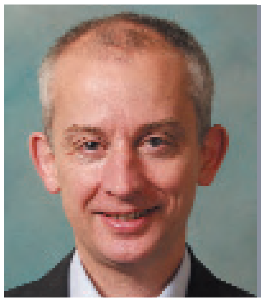
The first factor is a no-blame culture, which sounds simple but is far from easy to achieve. Take the example of the Formula 1 pit stop. Until 2005 a pit stop required the changing of all four wheels and tyres and refuelling the car with up to 90 litres of regular grade fuel. This involved at least 21 individuals all with a specific job to do to complete the entire operation in under eight seconds.

On September 22 1991 at the Portuguese Grand Prix at Estoril near Lisbon, driver Nigel Mansell was leading the race for the Williams team and was a strong contender for the 1991 world drivers' championship when he made a routine pit stop.

Everything appeared to go as normal and Mansell was released from the pit in order to resume his lead. As he accelerated into the pit lane his right rear wheel broke away from the car and went rolling down the track. Mansell was stranded in a car with three wheels; he could not go back as this would involve immediate disqualification. The mechanics were also forbidden from replacing the wheel and tyre while the car was in the pit lane so Mansell retired, not only losing the race, but also ultimately the 1991 world championship.

What had happened? Who had screwed up? Who should be fired? It is when things go wrong that you see the real evidence of a no-blame culture, and it is neatly summarised by Dickie Stanford, team manager at Williams: "We don't hang anyone out to dry. You don't just point a finger at someone and say they're to blame. That doesn't help, because all you do is create bad feeling. You try to isolate the problem, not the person."

A blame culture rewards individuals for covering up their mistakes and obscuring why things went wrong, which means that the reasons for the problem cannot be fully understood and therefore the organisation is unable to learn and move on. In this situation it was found that the reason for the problem was a split wheel nut on the right rear wheel. As the mechanic raised his arm to ask for a replacement nut the 'lollipop man' (the individual at the front who stops



Mark Jenkins is professor of business management, Cranfield School of Management.
mark.jenkins@cranfield.ac.uk

and releases the car by means of a circular board on a long pole) thought the raised arm was a signal that the car was ready to go and released Mansell.

In reviewing the problem Williams totally revised its entire pit stop procedure. Up to that point every individual would raise a hand to show that their task was complete. This meant that 23 hands would go up in a five foot-wide area and the lollipop man would make a split-second decision to release the car. After the review Williams revised the signalling to involve only the four individuals who did the last process to secure the wheel and gave them different-coloured gloves to ensure they could be quickly recognised by the lollipop man.

> A no-blame culture sounds simple but is hard to achieve

The following year Mansell did take the drivers' world championship and Williams went on to win five constructors' championships between 1992 and 1997.

Real gains come at the boundaries

The second factor is that real gains come at the boundaries. To get the biggest advantage over your competition you find ways of better integrating the many different teams that create the overall outcome. For example, it could be the way that your marketing team works with the sales team, or the way they both work with finance, that makes the difference.

It's not enough to have good sales, marketing and finance teams if they just don't talk to each other. This was a key ingredient in the success of Ferrari when it won the constructors' world championship for a record six consecutive years between 1999 and 2004. During the 1980s and early 1990s Ferrari endured one of the least successful periods since the first season of Formula 1 in 1950.

Indeed, before 2000, the last time a Ferrari driver had won a world championship was South African Jody Scheckter in 1979. This was a severe embarrassment to the oldest, best-resourced and proudest Formula 1 team of all. Like all historic Italian race car manufacturers Ferrari had placed the greatest emphasis on building high-performance engines and then designing the car around the engine.

This approach was entirely logical as its main rivals were British constructors such as Lotus, McLaren and Williams, all of whom focused on designing the chassis and buying in engines from specialist manufacturers such as Cosworth, Honda, Renault and Porsche.

If Ferrari was to have a competitive advantage it was natural to believe this to be its unique and distinctive engines. However within the team this led to a situation where the Ferrari engine was 'untouchable', there was little compromise between the design of the engine and other aspects of car performance and it also meant that there was no open discussion of problems across the teams responsible for different parts of the car.

In 1991 the appointment of Luca di Montezemolo as chairman, followed by Jean Todt as team manager in 1993, marked a turning point where a new organisation was built to restore Ferrari to its former glory.

In 1996 driver Michael Schumacher was recruited, quickly followed by key members from his previous team, Benetton – Ross Brawn (technical director) and Rory Byrne (chief designer).

Brawn saw the move to Ferrari as a big opportunity to create a design process that integrated the various parts of the car: "I really felt that if we could get into a situation where the engine was completely integrated into the car, then that must be the best situation. So one of the things that was important to Rory and me was to have someone who understood that and luckily Paolo (Martinelli, engine director) very quickly appreciated our ideas and was completely receptive to the idea of a fully-integrated engine as part of the car package."

Teamwork in action: it takes under eight seconds for 21 people to change all the wheels and tyres and to load fuel into a modern Formula 1 car

> The most important issue is to build mutual trust

Paolo Martinelli had worked on engines in Ferrari for many years, and was one in a long line of brilliant Italian engine designers, but he recognised that there was a need for change which was supported at the top of the organisation and that real progress could be made by working closely with the other areas of the car. As he puts it, "I think it was very important that there was trust and direction from the top management."

By emphasising activities that integrated across the different design areas such as electronics and computational fluid dynamics Ferrari was able to develop a constant open flow of information which enabled the overall design to be optimised.

This approach is even followed through at the post race debrief, as Brawn explains: "In the debrief Michael starts by discussing the engine and then he finishes by discussing the chassis. The same engineers are all together listening." Summarising, he observes: "Our efforts have always been to work together as a complete package."

Conclusion – success stems from mutual trust

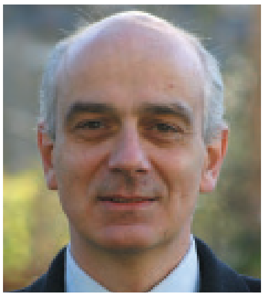
So how do these ideas work in practice and how can we instill them in other kinds of organisations that do not enjoy the same excitement and passion in their employees as is seen in Formula 1? Undoubtedly there are principles that have to be reflected in leadership behaviours such as open communication and effective delegation, in developing strategies and plans that are clear, simple and available to all, and in helping all organisational members understand the linkage between their actions and overall performance.

But perhaps the most important issue in all of this is building an environment of mutual trust. This is the common denominator between these factors. If there isn't trust and confidence in colleagues both within and across teams then these levels of enhancement cannot be achieved. It is only when individuals and groups within the organisation are able to be completely open about mistakes and areas for improvement that an organisation is able to make real progress towards the highest levels of performance. ■

This article, which first appeared in Management Focus, the journal of Cranfield School of Management, is based on research published in 'Performance at the limit: business lessons from Formula 1 motor racing', by Mark Jenkins, Ken Pasternak and Richard West, July 2005, Cambridge University Press, Cambridge UK.

MANAGEMENT

Why clarity is power when providing information



Jon Moon is a freelance trainer and consultant. www.jmoon.co.uk

When documents show information clearly they are more inviting for the reader, and actually get read. Consultant **Jon Moon** explains where you may be going wrong, and how to improve.

How much time do you waste staring at indecipherable information, struggling to work out what it is trying to tell to you? At impenetrable graphs or tables? At confusing organograms or flowcharts? At endless dull bullet points? Executives rely on information to make decisions, yet they are let down by the information they receive – it fails to inform them properly.

I've qualified as a chartered accountant and an MBA, but not once did anyone teach me how to show information. Then again, why should they? It is all just common sense, isn't it? And we were taught pie charts at primary school. So, 30 years later, when trying to show a complex issue or a large volume of data, we remember our primary school lesson and do some pretty, colourful pie charts, albeit with a computer, not crayons.

As for showing numbers in tables, accountants are bound to be good at this, aren't they? Certainly most of them believe they know and apply the principles for clear tables.

Yet I rarely meet an accountant that truly does know and apply them. If you need convincing of this, look at your company's management information pack – most of these being far more uninviting and impenetrable than needs be.

Showing information isn't common sense, it is good sense. There are principles to follow and none is complex or rocket science. These principles are based on how people first react to facts and numbers, then scan, understand and remember them. Showing information is about communicating, not computing. And it isn't just about providing better numerical information but better words too – there are clearer ways to show your information than as an interminable stream of bullet points.

Clear information isn't about remembering to state your sources or ensuring each axis has a label. While such functional disciplines show thoroughness and are important, they don't on their own achieve clarity. (For those interested, these disciplines are amply covered in a somewhat uninspiring British Standard on tables and graphs.) And showing information isn't about colours and design frippery, despite the approach taken by some books which seem to believe that 'pretty' and 'clear' are synonymous.

There are many benefits to showing information clearly. Your documents and analysis get read. They are more inviting for the reader. The audience understands and absorbs them faster. Time is saved. Better decisions are reached more quickly.

Many tips or changes to achieve clarity are individually quite small, yet collectively they can make a huge difference. One company made 22 changes to the format and structure of a single page of key performance indicators. The effect was dramatic. By removing pointless graphs and typographical clutter and restructuring the layout of what was left, the page was inviting on the eye and the information far easier to understand and absorb.

And clarity can produce strange results. After a company made its monthly information pack clearer, one profit-centre chief executive officer (CEO) said of his profit and loss account, "I have never understood what it says. Could you talk me through it please?"

How is your information? A clarity checklist

Is your information clear? Review your monthly accounts and key performance indicators, your restructuring and investment proposals. Also review your client pitches – often they create a good first impression but the rest is poor. Check it all against the notes below:

- *first impression* – is it inviting? Or intimidating, with numerous long numbers, endless bullet points and dense text?
- *understanding* – can you digest it quickly? Or do you struggle? Do the 'authors' have to talk you through it?
- *good detail* – do you know the point each graph makes? Or are they just there to break up 'dull' text? Have you been told the message behind each table? Or do you have to guess it? Do you value the bullet points? Or merely endure them? and
- *recalling* – can you easily summarise the report? If yes, without referring back to the report, great. If yes, but only if referring back, not bad. But if it is a struggle even when referring back, there's a problem.

If your documents score badly, the analysis is probably poor too – incomplete, illogical, flawed. Flabby information is often a sign of flabby thinking. Yet if you tighten one, you tighten the other. Clear information leads to clear thinking, and clear thinking leads to clear information.

Previously the page had been impenetrable and uninviting so he hadn't ever tried to penetrate it. Now the page was much more accessible, he had no excuse not to!

The costs

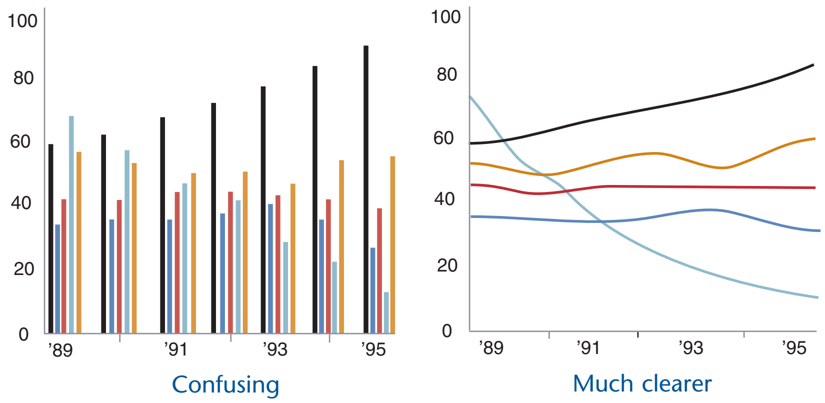
A document that shows information poorly can easily take twice as long to read and understand as a document that presents it clearly. If that document is for a 15-person board, the extra time taken to read and absorb the poor document comes at quite a cost.

However, showing information poorly not only costs money, it costs lives. The world expert on information design is Edward Tufte and he famously showed that unclear graphs by engineers failed to convince decision makers to abort the doomed 1986 space shuttle launch. The engineers had identified good reasons not to launch but the evidence and graphs they presented to the launch controllers were poorly constructed. The next day, the Shuttle exploded on take-off, killing seven people. Tufte also has a justifiable hatred of pie charts and says the only thing worse than a "dumb pie chart" is two of them.

Clear information demonstrates clear thinking, and clear thinking impresses. Almost every decision maker has a boss to answer to and needs to be able to explain to that boss why they made the choice they did. Clear simple information makes it easy for the decision maker to grasp your key points and explain them to his/her boss on your behalf and in your favour. Your proposals and client pitches are more likely to succeed.

Sadly for those CEOs thinking this could help their annual reports, the truth is that that is an unlikely outcome. Much of the annual report's layout is prescribed and structurally cannot be changed. As for format, investors expect a particular style too, regardless of its rights or wrongs. And so, despite Tufte's comments, multiple pie charts prevail – a quick review of eight annual reports in insurance showed 50% had multiple pies. Also, seven out of the eight used 'legends' – those boxes alongside charts, informing the reader as to what each slice or line represents – which are another barrier to clarity. A major exception to all this is Warren Buffett – whose reports not only avoid presentational gimmicks but are also brilliantly funny. Investors give slack to those as successful as Buffett.

Figure 1 Getting clarity into charts



Complex

Even when people are shown badly presented information, they rationalise away their confusion. They blame the topic: "it's a big complex subject, it takes time to understand." Or they even blame themselves: "I'm no good with numbers," or "I've a blind spot with this one."

Also, those conveying the information say they don't have time to make it clearer: "it's not a priority for us, it's an indulgence, we've other issues on our plate." And, you know – they're right. They don't have time. They've so little left after wasting hours deciphering their management reports. As for those 'other issues', they are busy spending huge amounts on a new system to produce numbers, while spending nothing learning how best to show them.

Then there is the Emperor's New Clothes syndrome – no-one wants to admit their confusion. The two charts above (Figure 1) are drawn from the same data. The right graph shows the patterns clearly, the multiple column chart is indecipherable. When I showed these charts on one of my courses, someone commented, "I have never understood those multiple column charts and always thought it was because I was stupid. It isn't though. It is because the graph is stupid."

When faced with something confusing or inaccessible, speak out and demand that those preparing reports and presentations stop wasting everyone's time. Even complex topics can be made clear – I've travelled four times round the world investigating frauds; they were complex, the reports weren't.

Those that prepare information have a responsibility too. Think twice before printing off that spreadsheet or doing those bullet points or crafting that pie chart. And be harsh on yourself. Whenever you say "What this graph is meant to show...", that means that your graph has not worked.

Do something different next time. Don't assume the Microsoft templates ('Wizards') will help – often, they hinder. A multidisciplinary team struggled to understand the relationships between the 260 units and sub-units in another group, spread over six reporting hierarchies. 'Conventional' organisation charts couldn't cope – they spread the group over eight separate pages, leaving readers struggling to get a sense of corporate perspective. By showing information differently – by ignoring the PowerPoint Wizard – all units and hierarchies could fit legibly on one A3 page and the team could see the wood for the trees.

The glib cliché is 'information is power'. Given how much information is poorly constructed and presented, I say that 'clarity is power'. Information without clarity is useless while information with clarity leads to power. In the meantime, send me any examples, both good and bad. And finally, if I start a campaign to ban multiple pie charts or column charts, do please sign the petition. ■

CORPORATE GOVERNANCE

Directors' responsibilities for financial statements

David Moody is senior case manager of the ICAEW's professional conduct directorate.
david.moody@icaew.co.uk

If you are a director – executive or non-executive – of a listed company, what are the disciplinary implications of your responsibility for its financial statements? The ICAEW's **David Moody** explains.

In the past, the Institute's Ethics Advisory Services have drawn the attention of members acting as directors of companies to potential pitfalls and the consequent disciplinary implications if they become the subject of disqualification proceedings.

But if you are a director of a listed or other public interest company, you should also be aware of the disciplinary implications arising from your responsibilities for company financial statements. This issue is relevant to both executive and non-executive directors. Anyone who uses the financial statements is entitled to take some assurance from the presence of a chartered accountant on the board of a company, whether as an executive or non-executive, that the financial statements have been properly prepared.

Responsibility

Under company law, responsibility for the preparation of financial statements rests with the directors. The purpose of this article is to highlight that, where you are party to a decision to approve financial statements which, subsequently, are found not to comply with accounting standards or the Companies Act, there may be a risk of liability to disciplinary action. Recent disciplinary investigations into financial statements which fail to comply with accounting standards or the Companies Act have not been restricted to auditors; the conduct of directors has also come under scrutiny.

The Institute obtains information from a variety of sources and this may result in an investigation concerning the financial statements of public companies. Most investigations originate from press notices issued by the Financial Reporting Review Panel (FRRP), following FRRP enquiries into the relevant financial statements. The FRRP has become proactive in its review of public interest company financial statements, and the conduct of directors and auditors is coming under increased scrutiny.

A registered auditor will be liable to disciplinary action in respect of financial statements which fail to comply with accounting standards or the Companies Act. If you act as a director, you may be liable to disciplinary action if it is deemed that the duties of your employment have been performed "inefficiently or incompetently to such an extent, or on such a number of occasions, as to bring discredit on [yourself], the Institute or the profession of accountancy", [disciplinary bye-law 4(1)(b)].

> Unquestioning acceptance of advice is not a defence

In these circumstances, you may have a defence if you can demonstrate that your duties were fulfiled diligently, for example through careful consideration of any subjective issues and by full consultation with the other directors and the audit committee as appropriate, and through the taking of advice.

Although it is important to take advice, it is generally presumed that if you hold a position of director, in particular in respect of a public interest company, you will have an adequate knowledge of the accounting standards and the Companies Act, and will refer to the relevant standards when considering material issues in relation to financial statements. This is of particular relevance if you act as a member of an audit committee. A relevant example in the context of directors' specific responsibilities in relation to financial statements might be financial reporting standard 18 (FRS 18), 'accounting policies', issued in December 2000. This standard contains specific guidance in respect of the adoption and implementation of accounting policies and estimation techniques, and covers going concern and the true and fair override.

Advice

You will not be absolved of responsibility simply by taking advice. However, if the matter is complex, it may be reasonable to rely on that advice. Nevertheless, bland or unquestioning acceptance of that advice will not be a defence. As a chartered accountant director, you are expected to bring specialist knowledge and expertise to bear in reviewing and approving financial statements, and you should be prepared both to challenge and to exercise professional scepticism in considering advice obtained.

This means that, where the underlying issues are more straightforward and where the effect is material to the financial statements, disciplinary action may result. Clearly, the decision of the investigation committee or disciplinary tribunal (as appropriate) will depend on the facts of each case.

If disclosure or other errors in public interest companies come to the attention of the Institute, the conduct of the auditors, and any members acting as directors, will normally be investigated by the Professional Conduct Directorate. If the matter raises important issues affecting the public interest, the matter may be investigated by the Accountancy Investigation and Discipline Board (AIDB).

So, what can you do to safeguard your position, or demonstrate that you have acted with the necessary degree of care and diligence? Any investigation into your conduct will consider:

- minutes of directors' meetings to discuss subjective/contentious issues;
- minutes of audit committee meetings;
- the extent of your consideration and research into the issue; and
- any expert advice obtained from other parties.

If in doubt, you should consider taking your own independent advice. Technical assistance is also available from the ICAEW's technical enquiries service on 01908 248025. ■

REMINDER ON DIRECTORS' REPORTS

Statement on information given to auditors

Directors should be aware that directors' reports for periods beginning on or after 1 April 2005 must include a statement that there is no relevant audit information that the auditors do not know about. Each director is responsible for taking steps to ensure the validity of the statement and any director who makes this statement falsely is committing an offence. Therefore, as early as possible, directors should consider what systems should be put in place to enable them to comply with this new requirement, and discuss this with their auditors.

Directors are expected to make enquiries of fellow directors and of the company's auditors, and take such other steps (if any), to demonstrate they have acted with due care, skill and diligence. The knowledge, skill and experience that each director has, or could reasonably be expected to have, to perform his/her particular duties, will be taken into account. This should be of comfort to non-executive directors, and directors not directly involved in the preparation of the accounts or the audit committee.

LIZ COLE
Manager, business law, ICAEW
liz.cole@icaew.co.uk

EUROPEAN UNION

How lobbying works in Brussels

Wielders of undue influence, or pursuers of the public good? The ICAEW's **Martin Manuzi** attempts to explain the role of lobbyists – including the Institute – in Brussels.

Martin Manuzi is the ICAEW's representative in Brussels. martin.manuzi@icaew.co.uk

Brussels is often referred to as the lobbying capital of Europe due specifically to the location of the European Union (EU) institutions and their role in shaping the bulk of legislation which impacts on the professional and personal lives of around 400 million citizens.

Hence the fact that a plethora of European federations and associations of industries and professions, representations of regions, corporate entities and of course, the Institute of Chartered Accountants in England and Wales, have a direct presence there. But describing, never mind defining, the lobbying of Brussels' EU affairs undertaken by these organisations is an arduous task, made even more difficult by the amount of 'baggage' associated with the 'L-word'. This short article aims simply to encourage a fresh look.

Since the dictionary definition of lobbying refers to an 'organised attempt by members of the public to influence legislators', that would seem to be a logical starting point in reviewing the practice. However, one is immediately confronted by myriad complications when using this in relation to Brussels, beginning with the need to challenge what has become the popular perception of how the dictionary definition generally translates into practice.

Observation

The comments made here, of course, are based on broad observation, not scientific analysis. Still, it seems fair to acknowledge upfront that, in the public's perception, 'lobbying' at best walks an ethical tightrope. And at worst, that public believes, lobbying strays way beyond the 'exertion of due influence' (again, taken from the dictionary definition) into the sphere of the undue kind.

Any such impression of potential 'undue influence' of course undoubtedly casts a reputational cloud wherever lobbyists operate. It can be a serious occupational hazard. Anyone first entering the Brussels circuit of policy meetings and seminars is likely to be asked into which category they fall: EU official, or lobbyist? If it is the latter, they could well hear comments to the effect that lobbyists outnumber EU officials by as much as five to one. Notably, the terminology employed conveys a disapproving tone, invoking an image of EU officials being hounded by a barrage of would-be exercisers of – presumably – 'undue influence'.

There can be no doubt that such negative overtones partly derive from glaring media headlines, such as those emanating from the US recently, which link considerable financial transactions with political decision making. But if such an approach is taken as the analytical

European flags: the unique nature of lobbying in Brussels derives from the fact that the EU is not a fixed or defined concept, never mind a fixed governmental structure

lens through which to interpret lobbying in Brussels, then the nature of 'political and policy-making representation' – the professional label preferred by many lobbyists working in the EU capital – would be severely misunderstood.

Headlines

EU lobbying is in a category of its own because the EU itself is in a category of its own. Just contrast the Brussels-based EU political and institutional structures with those of the US in relation to their decision making powers, especially on funding – and much of the difference in their lobbying cultures can immediately be appreciated. For the most part, the European Commission (EC) manages and oversees the allocation of funds, but does not decide in the first place on their destination. Put more simply, unlike the US, the EU is far from being a state and therefore does not have the capacity to generate the types of lobbying headlines which have characterised the press in recent weeks. Brussels is quite simply a different kind of political capital with a different kind of political power.

The unique nature of Brussels lobbying derives, therefore, from the fact that the EU is not even a fixed and defined concept, never mind a fixed governmental structure. In relation to the latter, it is worthwhile recalling that, since the European Parliament (EP) in particular was given powers to co-legislate alongside the Council of Ministers, the EU institutions are, in effect, vying with each other for legislative influence. Some might even say that the officials of the institutions themselves, as well as, of course, members of the EP, are in effect acting as lobbyists.

The UK Permanent Representation to the EU itself states on its website that its remit is to 'spend time negotiating and lobbying on behalf of the UK'.

> The debate over the public good can be contentious

All this creates interesting challenges in the way in which one interprets the interaction between political representatives, public officials and private sector interests in the lobbying chain.

To some extent, the distinction between EU officials and lobbyists is beginning to blur somewhat. Of course, this will never melt away entirely – and nor should it. However, the important point is that both sets of participants in the drama that is Project Europe – the private (lobbyist) and public (EU official or UK official in Brussels) – are engaged in seeking to influence the outcome of an unprecedented open-ended project of bringing together 25 different national jurisdictions.

Accommodated

For the ICAEW, the main focus is on how these 25 different jurisdictions can be accommodated to create a vibrant and ethical internal market. This requires constant interaction between private and public elements, however they are labelled, to ensure 'due influence' – or to use a better term, to ensure that policy promotes the public good.

Now, in some cases, as has been seen in relation to the EU's adoption of international financial reporting standards, the debate over the public good can be extremely contentious.

It can be difficult to discern whose arguments are valid and whose are self-interested and sectorially driven. In such scenarios, it can only be advantageous to have greater clarity over the term lobbying – to remove the generic reputational cloud and to identify where it is not contributing to the public good.

The EC is currently undertaking an exercise to help achieve this clarity, and it is an initiative to be applauded and one which must proceed in parallel with greater transparency within government, at all levels. ■

PERSONAL SKILLS

Communication and influence

Rick Payne is a chartered accountant, a qualified coach and a master practitioner of neuro linguistic programming.
the_coach@dsl.pipex.com

How do you get your point across in the best possible way? At a recent Faculty event **Rick Payne** provided both model and map for becoming a better communicator. Helen Fearnley reports.

As committee member Penny Bickerstaff observed, when introducing Rick Payne's talk, the outsourcing of many of finance's former quotidian duties means that now, more than ever, it needs excellent communication and influencing skills if it is to make the grade as a true partner in the business.

Reinforcing the point, Payne pointed out that in the *Financial Times*' 'Appointments' page recently all but one advert stipulated 'communications skills'. Further, the standard of such skills had to be 'first class', 'outstanding', 'exceptional'. So, it would seem, these abilities are de rigueur for anyone hoping to progress in finance.

The good news, for those doubtful of their abilities in this area, is that anyone can learn communication and influencing abilities according to Payne. However, he stressed that, as with most things in life, the learning process involves a degree of dedication. Hence to achieve real results requires:

- motivation;
- effort;
- practice;
- guidance; and
- feedback

The last two of these, he advised, can be provided by a colleague or a coach.

The model

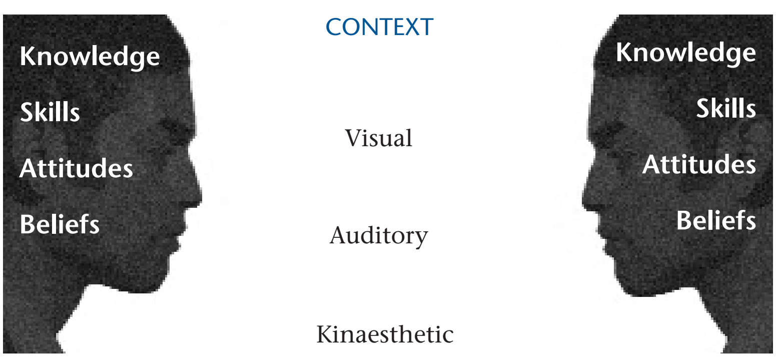
First, Payne introduced his audience to a model for communication (see Figure 1, below). As the diagram indicates, the knowledge, skills, attitudes and beliefs of each participant in a communication will act as unique filters on the visual, auditory and kinaesthetic cues received.

As he pointed out, this interpretation is a necessarily subjective activity. Not everyone will have the same abilities in interpreting these cues; a colour-blind person, for example, will have a lower ability to interpret colour-related signals, while a musician will have a greater appreciation of the nuances of sound. Even those with the same perceptual skills will be influenced by different personal histories, attitudes and cultural backgrounds into different conclusions.

So for each participant the sum of their own interpretations of these cues in a communication will provide a personal map, based on those interpretations. This map is not objectively 'right': it is simply that person's 'take' based on the feedback they observed, but coloured by their own attitudes and standards. As Payne put it "the map is not the territory."

Nevertheless, it is human nature to believe one's own interpretation is the 'right' one. One experiment demonstrating this tendency involved asking people in the street to wear a sandwich board in return for a payment. While the responses of those asked to wear the board were evenly split – 50% agreeing to wear it, 50% refusing – their personal estimation was that 90% of those asked would make the same decision as they had themselves! So in any communication, it is likely that other participants believe theirs is the accurate interpretation.

Figure 1 **A model for communication**



The foundations of influence

The key foundation stones for building influence, said Payne, are:

- rapport;
- listening; and
- trust.

Rapport

Rapport – genuine respect and the desire to build relationships – is the basis of all successful communication. To bring some practical understanding of this subject, Payne asked that the audience carry out a two-part exercise in pairs – each member of a pair electing to be either 'Person A' or 'Person B'.

In the first part of the exercise, A had to argue the case for an opinion (of their own choice) while B was required to agree with A verbally while mismatching A's body language. In part two, it was B's turn to argue the case for a viewpoint, while this time A disagreed verbally, while matching B's body language.

After this (surprisingly difficult) challenge, he revealed that the usual results of this experiment are that when B agrees but mismatches A's body language, A does not believe the verbal concurrence, does not trust B, does not feel listened to, and loses his/her train of thought. Added to which, B finds it very difficult to appear to agree, without the benefit of the appropriate body language.

On the other hand when A disagrees with B verbally, but matches B's body language, the result is altogether more acceptable for the speaker. B accepts that A does not agree, B trusts A, B feels listened to and respected, B is able to maintain focus. A, however, finds the exercise difficult to do – particularly if he/she does not, in reality, agree with B.

Hence, body language – in particular matching (or mirroring) the other person – is demonstrably very powerful. Indeed, it seems to provide more convincing feedback than language, although the provider of that feedback will always feel more comfortable if their vocal and physical behaviour are aligned.

The keys to matching involve copying the other's:

- body language;
- energy levels;
- pace (of speaking);
- breathing; and
- choice of words.

However, Payne stressed, while these actions can accelerate rapport, they cannot, alone, produce it. It is not possible to 'manufacture' a non-existent rapport.

Listening

While it is tempting to regard communication and influence as being purely about what you say, in fact listening effectively is probably an even more important skill. Listening builds trust. Some people just need to be heard and many will often develop their own solutions by articulating their issues to someone else. His top tips for doing this effectively were:

- even before the encounter, make it your intention to pay attention to the other(s);
- listen to what their body language says, as well as what they verbalise;
- use speed of processing – ie your ability to listen and comprehend faster than the other person can speak – to listen more deeply and consider what is being said;
- empty your mind of other competing preoccupations (by writing them down if necessary);
- minimise the chances of external noise and interruption;
- use minimal encouragers ("uh huh", "tell me more") to get the speaker to say more;
- ask additional questions;
- suspend judgement;
- be culturally aware – words, language and gestures are used differently in different cultures; and
- paraphrase the speaker's words.

> Through listening you develop credibility

Paraphrasing is particularly useful in establishing that the other's message has been fully understood. Additionally, substituting an apparent synonym in this paraphrasing of the speaker's words can throw up illuminating clues as to differences in each others' interpretation. The finance director whose proud description of his figures as 'quite creative' is paraphrased by the chief executive as 'misleading' will probably not feel well listened to at all!

Trust

Through listening, and the creation of rapport, you develop credibility and eventually establish trust. Trust is the one feature without which, Payne stressed, you are unlikely to have influence. One of the most interesting aspects of trust, he continued, is the difficulty of repairing it once broken.

On the subject of trust repair, he described an intriguing experiment in which a fictional accountant was featured as having transgressed the professional rules either through lack of competence (failing to look up the requisite guidelines, for example) or through intent. In the first case trust was more likely to be repaired – ie those questioned would find it easier to give the culprit a second chance – if he apologised, taking full responsibility for the incompetence. However, in the case of deliberate wrongdoing, trust was more readily re-established if he spread the blame (eg claiming his boss insisted on the behaviour). (See Kim et al 2006, When More Blame is Better then Less in Organisational Behaviour and Human Decision Processes.)

Influencing styles

Of course, the would-be wielder of influence needs to tailor his or her style to the objectives and the context of the discussion. One way of classifying their choices is as follows:

- persuading;
- consensus building;
- visioning;
- asserting; and
- moving to process/withdrawing.

Persuasion involves using evidence, figures, facts and logical argument. This is a very effective style and one at which finance professionals are skilled. Here a useful tip is to employ only your three strongest arguments. Use too many arguments, Payne explained and others will 'pick off' your weakest ones and undermine your case. Or, as he put it, "Make your case succinctly...and then shut up."

If persuasion does not – or does not seem likely to – win the day, consensus building may be the key to success. This involves using the listening skills described above, discussion with an open mind, and is most appropriate when some sort of commitment is required rather than just compliance.

Visioning, by contrast, is used when no specific action is required from the other parties. It is epitomised by the 'rah-rah', energy-raising speech for generating enthusiasm and establishing shared values and goals. An example of this style is Martin Luther King's "I have a dream" speech. To get a handle on this style of influencing, Payne recommended thinking of a speaker you admire, and copying their approach and linguistic style.

Communications map

What	Why	Who	When	Where	Jan	Feb
Newsletter	Key information Achievements Social	Communications department	Quarterly	Distributed	–	1
Team meetings	Localise key information Feedback Team objectives	Team manager	Weekly	As arranged	4	4
Intranet	Contacts Department information Policy reference	Department representatives	Ongoing	All PCs	–	–
One-to-ones	Performance Management Development	Manager	Monthly	As arranged	1	1

Asserting, in turn, is most appropriate when you do not require commitment, but you do need compliance to get the job done. As a style, it is about establishing rights, standards and expectations – and having sanctions to be applied for non-observance.

Finally, withdrawing or moving to process may be the way to go when no progress seems to be being made – if time is being wasted on fruitless discussion, tempers are fraying, emotions getting in the way. By pulling back, concentrating instead on what is the required outcome of the proposed course of action, more objectivity can be brought to the encounter and a better outcome reached.

Internal corporate communications

Payne considered the best way to go about internal corporate communications – by concentrating on matching your business objectives to your communication objectives, assessing how you will approach the exercise and what channels to use, and accepting the inevitable 'no-wins' which will accompany the exercise.

Determining your objectives

Determining your objectives involves deciding:

- how your communication programme will support the business objectives;
- the target audience (All staff? Only management?) and how to tailor the information to that audience's needs; and
- your expectations in terms of impact on knowledge, behaviours, attitudes and beliefs.

Making an assessment and deciding an approach

The assessment and decision phase involves determining:

- the impact of current communications, probably through the use of staff surveys, focus groups etc (with the accompanying raising of expectations);
- the appropriate use of 'push' (insistence) or 'pull' (encouragement) tactics;
- the channels to be used – ie face-to-face, team or one-to-one meetings, management presentations, lunches, newsletters, memos, email, internet, chat rooms; and
- the form of your 'communications map' – which will convey the what, why, who, when and where of your message (see box, above).

Implementation needs to follow good project disciplines and be subject to an ongoing process of assessment to ensure that objectives are being met.

The 'no-wins'

Despite your best efforts, you need to accept that there will inevitably be some 'no-win' outcomes. For instance, if you tell people the bare minimum some of them will complain about being kept in the dark; but give out a lot of information and others will feel they haven't the time to absorb it. And if you tell people relatively late there will be some complaints of it all being too sudden; but tell people early and some will consider the plans too uncertain and underdeveloped.

However, Payne stressed that good internal communication programmes do have business benefits and the majority of people will appreciate that you are trying to keep them informed. For more detail on achieving successful internal corporate communication, see the webcast of the event (below).

Conclusion

FDs and other finance professionals know that the acquisition of communication and influencing abilities – whether individual or corporate – is key. But where should it feature on their already cumbersome 'to do' lists?

As Payne observed, these skills have been taken seriously since Aristotle's work on 'Rhetoric' – built on the skills developed by the Greeks to retrieve lands lost in battle, through argument and persuasion. And rather more recently, Margaret Thatcher underwent extensive voice-coaching, before she emerged on the national and world stage as a convincing communicator.

More pertinent for those in finance, perhaps, is the corporate sector's obvious expectation that these skills should now be part and parcel of their professional expertise. For those expecting to succeed in the business partnering role in future, being an able communicator should come high in their list of priorities: it is not an optional extra. ■

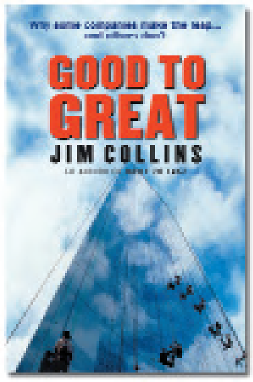
... and now view the webcast

To see a video recording of this event, go to www.icaew.co.uk/fmevents and click on 'View event webcasts'. You can choose this event from the many available on the website.

MY FAVOURITE BOOK… … BY ABEL VAN STAVEREN

Helping to take your organisation to a new level

Faculty committee member **Abel van Staveren**, financial controller of a $300 million annual turnover shipping company, reviews ‘Good to great’, one of the most influential business books of the past 20 years.



‘Good to great’, by Jim Collins.
Published by Random House
Business Books
ISBN 0712676090

Jim Collins’ book ‘Good to great’ was not amongst the winners in the latest *Financial Times*/Goldman Sachs annual business book prize competition since, having been first published in 2001, it is not a recent book. It has, though, been described as one of the most influential business books of the last 20 years. The book’s impact lies in its identification of those characteristics which distinguish companies as ‘great’, rather than just ‘good’, and in its explanation of how they make the transition from ‘good’ to ‘great’.

I first read ‘Good to great’ when my partner brought it home from the workplace, where her firm was using it as part of their partner development programme. More recently, as my company was undergoing change in pursuit of achieving its growth targets, I gave a copy to our group chief financial officer (CFO) who, within a week, had himself given copies to key shareholders and decision makers within the group. This enthusiasm seems to show what compulsory reading the book is for anyone participating in taking an organisation to the next level.

Compelling

Before diving into the detail, let me first explain why I believe the content is so compelling. Often, a new business book by the guru of the moment will revolve around a central idea or theory which is then supported with case studies and research aimed at backing-up the thesis. Sometimes the supporting evidence is less than convincing and can even sound contrived.

In ‘Good to great’, Collins worked the other way round. He had no preconceived ideas or objectives as to what the outcomes should be. He just asked the simple question: ‘Can a good company become a great company and, if so, how?’ He worked with 21 research associates over a five-year period to identify companies that made the leap from good to great and see what they did so differently from competitors with the same starting position.

How do you define greatness? The research team identified 11 companies – out of over 1,400 analysed – that had made the leap to above-average cumulative stock returns and then sustained those returns over at least a 15 year period. The average cumulative stock returns of these 11 companies were seven times those of the general stock market over that period.

> Some aspects go against generally accepted practices

The research team did extensive quantitative and qualitative research including hundreds of interviews and thousands of articles, analysts’ reports and strategy documents. They also compared management remuneration, mergers and acquisitions (M&A) activity and the financial effects of lay-offs and restructurings. In the end, this resulted in the identification of seven key aspects (see below) that differentiated companies that managed to make the leap to greatness. It is interesting to note that some of these aspects seem to go against current thinking on generally accepted management practices.

The seven key aspects of ‘greatness’

1. *‘Level five’ leadership*. Looking at leadership, the researchers established a five-level hierarchy of capability, ranging from that of the ‘highly capable individual’ (the humblest, ‘level one’) through to the ‘executive’ style (the most highly skilled type of leadership, ‘level five’). Level five leadership was the type demonstrated by leaders of ‘great’ companies.

In categorising leadership in this way, the researchers made the surprising discovery that those at the helm of great companies had seemingly little in common with the high-profile chief executive officers (CEOs) about which we so often read. Certainly I had not heard of any of these leaders of ‘great’ companies, perhaps because – as described by those close to them – they tend to be quiet, reserved and sometimes even shy. These leaders are a paradoxical blend of personal humility and professional will – more like Abraham Lincoln than Julius Caesar.

2. *First who… then what.* Normal operating procedure in many companies is to make a plan or set a strategy and then put the resources in place and get the people on board to make it happen. Great companies appear to do it exactly the other way round. They first attract the right people and put them in the right seats. Then they get rid of the wrong people, before finally figuring out where to take the business.

3. *Confront the brutal facts, yet never lose faith.* This is another paradox. Good to great teams maintained an unwavering faith that they would succeed regardless of how bleak the current situation was and at the same time had the discipline to confront the brutal facts of the current reality and deal with them.

4. *A simple concept.* The core business must be a simple concept that reflects a deep understanding of the intersecting area of three circles that represent: what you are deeply passionate about; what you can be best in the world at;

and what drives your economic engine. Jim Collins argues that if your current business model does not tick all three boxes, it is unlikely that sustained greatness will be achieved.

5. *A culture of discipline.* The research team also found that all great companies had a strong culture of discipline throughout the company. This is my favourite concept and one I have applied to the part of my company's business for which I am responsible. When you have disciplined people, you don't need hierarchy. When you have disciplined thought, you don't need bureaucracy. When you have disciplined action, you don't need excessive controls.

6. *Technology accelerators.* Another paradoxical finding is that good to great companies are pioneers in the application of carefully selected technologies, yet they never use technology as a primary driver of the transformation to greatness. Instead technology is used merely as an accelerator of transformations already started.

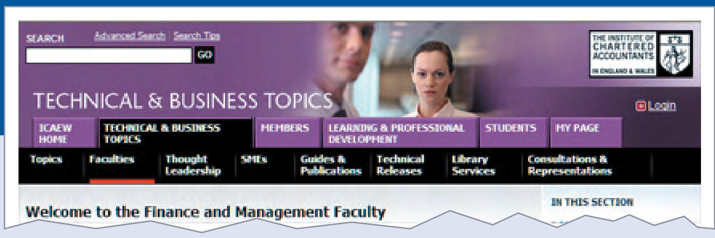
7. *The flywheel.* The process of transformation did not happen through a key event, a grand programme or restructuring or through a defining stroke of luck. Instead the process is likened to constantly pushing a giant, heavy flywheel in one direction, slowly building up momentum until it gains momentum of its own and keeps on going.

The book's concepts have helped us, as a business, to look at parts of our organisation in a fresh and insightful way. I believe they are equally applicable to public, private or not-for-profit organisations and therefore warmly recommend it to all our members. The Institute library has a couple of copies which it will happily lend via its postal lending service.

If you are only going to read one business book this year, it should definitely be this one. ■

* *Synopses of the winners in the recent Financial Times/Goldman Sachs annual business book prize event will be published shortly in F&M.*

A new **website** for the Faculty



icaew.co.uk is changing…

Over the last few years, an increasing number of members have been accessing information on the Faculty website.

Recently, the Institute has been working on a new site built around user needs. As part of this process we spoke to members about their likes and dislikes on the current site and what they would like to see on a new site.

The result is a new site with a more contemporary design, more consistent navigation and content organised into six sections. This was developed through user interviews and card-sorting exercises, and design concepts were tested amongst various member groups. You will still be able to access the Faculty pages at www.icaew.co.uk/fmfac and the site will continue to carry our publications, webcasts, events and the full range of Faculty information.

One of the biggest changes is the introduction of the Technical and Business topics area. Research showed that visitors often come looking for information on a specific issue – so this area brings together content from across the Institute and presents it to visitors by topic. You will find the Faculty pages within this section.

We also found that members liked the idea of personalisation. In response, the new site features a new 'my page' section dedicated to delivering tailored content (including Faculty news) and making it easier to amend personal details.

And we have made the login process easier by removing the need to enter your details every time you access Faculty content. Once you have logged in, the site will recognise you on your next visit – but you will need to log in entering your data at least once.

The new site will be available very soon. Let us know what you think. Email maria.carlstrom@icaew.co.uk

Accessing the website

On joining the Faculty, members are provided with a membership number and a password for accessing the website. Existing ICAEW members should use their ICAEW membership number and password. Go to www.icaew.co.uk/fmfac and log in using these details. If you have forgotten your password, click on the relevant link and this will be sent to you again. After logging in once, the site will recognise your next visit.

www.icaew.co.uk/fmfac

HUMAN FACTORS

The challenge of leadership

Patricia Scott is founder director of Leadership in Finance and works as a coach to finance directors and other finance professionals.
pat.scott@leadershipinfinance.co.uk

Do the qualities that make a good finance professional preclude leadership ability? **Patricia Scott** thinks not, and explains how finance can hone its leadership skills.

For any senior professional in finance, being good at what you do is no longer enough. No matter how technical your speciality, if you lead a function or are a manager then modern business demands that you be a leader as well as using your technical skills in ways relevant to the organisation.

According to one head-hunter,"The demand for good finance leaders is stronger than ever and they're being asked to transcend or widen their band width and their normal finance functions, become stronger and provide more counsel to the boards, rather than being the historical green eye-shade accumulators of data."

An ambiguous leadership

Admittedly, for leaders within rather than at the very top of an organisation, there are constraints. Any leadership provided must always be within the context of overall leadership from the chief executive officer (CEO) or collegiate board decision-making.

The finance leader also faces an eternal dilemma – to what extent should the drive for practical solutions be balanced against the need for technical and numerical accuracy? Knowing when accuracy is needed is critical, yet your contribution is at its most useful when supporting profitable business initiatives. Using analytical skills in such a way as to both enable and restrain can prove a considerable challenge.

Born or made?

Some people even question whether a financially trained individual can ever be a leader. They contend that financial analysis and understanding require a totally different mindset from that required by leadership (by implication an intuitive process).

It is true that the stereotypical view of a leader, 'born that way', driven by an urge to realise his vision and unable to work comfortably within externally imposed constraints, doesn't fit comfortably with the stereotype of a finance professional. But is this 'visionary' picture of a successful leader necessarily correct?

> An alternative leadership model is to be desired

A quick review of the past year's corporate failures and crises, usually fuelled by a leadership 'vision' rooted in little more than optimism and expensive advice, shows us that perhaps an alternative leadership model is something to be desired.

What is successful leadership?

Warren Bennis, an American academic, contends that leaders are made rather than born. He tells us that successful leaders are usually ordinary people, and that leadership is 'mastery over present confusion'. This is something with which most finance professionals are only too familiar.

Leadership is influence directed towards attaining goals. Leaders seek to accomplish change through inspiring people to accept the vision as something worth striving after. The leader therefore needs a number of things, including:

- a vision, firmly rooted in the needs of the organisation, aimed towards meeting those needs in the best possible way, and something that others can accept as their own;
- leadership qualities, in particular the ability to inspire, motivate, influence and persuade. These come more naturally to some than others, but everyone is able to acquire and improve skills in these areas;
- a hunger to continually improve themselves, the disciplines under their leadership and the people they lead and inspire; and
- managerial abilities, as visions are of no use to the organisation unless they can be brought into reality. Management involves planning, organising and controlling, and the leader needs at least to be able to manage others with the necessary management skills!

One of the big challenges is to decide how exactly leadership should best be exercised within the context of a particular organisation. No two organisations are the same, neither are two senior finance professionals. This means that, for each combination of organisation and finance professional, the answer will be somewhat different.

Well led, any finance function can sit at the heart of value creation, driving improvements in quality and standards. This is the finance professional's challenge! ■

Why not become a Faculty member?

If you enjoy this publication, and you are not already a Faculty member, join now! For further details about membership, contact Caroline Tan on 020 7920 8508 or email caroline.tan@icaew.co.uk.

MARKETING UPDATE

When choice can be too much of a good thing

Alan Mitchell writes extensively on marketing and finance, and is a former editor of Marketing magazine.

According to US psychologist Barry Schwartz, too much choice can create stress and disappointment. **Alan Mitchell** explains how, in Schwartz's view, an excess of choice can become a form of tyranny.

Choice is a wonderful thing, but when US psychologist Barry Schwartz went shopping for jeans he discovered it has a downside. Slim fit or easy fit? Relaxed fit, baggy or extra baggy? Button-fly or zipper-fly? Faded or regular? He was dumbstruck. And, he began to wonder, when it comes to choice do we now have too much of a good thing?

Schwartz's jean-buying experience prompted a study into the consumer costs of choice. The results pose some profound challenges for marketers.

In an age of information overload, Schwartz notes in his book 'The paradox of choice'*, that the costs of gathering, sifting and weighing the information we need in order to make good choices is rising exponentially (not least because we now also need to gather, sift and weigh information about the validity of the information we are assessing).

Emotional

Even more important are the hidden emotional costs of choice, including:

- decision regret – when we buy something only to realise with a sinking feeling that we have made an unwise purchase;
- anticipation regret – when we invest precious time and energy um-ing and ah-ing because we fear the regret we will feel if we make the wrong choice;
- opportunity regret – trade-offs lie at the heart of choice, but choosing between those trade-offs generates another form of regret: for the lost opportunity of the options not chosen;
- post-decision disappointment – when having made a choice, and feeling the need to justify it, we find that the more we inspect those past decisions, the less likely we are to be satisfied with the outcomes;
- dashed expectations regret – being presented with a range of different choices increases our expectations...and the higher our expectations the more likely we are to be disappointed; and
- the burden of responsibility – if we have made a free choice, there is no one to blame but ourselves. And if we feel bad about the outcome, we regret that we feel regretful!

Put these emotional costs together, across the increasing range of products and services consumers are expected to choose among, and we can see why consumers are so hard to satisfy nowadays. The products may be great. But the process is now a real drag.

> Many marketing obsessions may be misplaced

The costs of choice can be reduced, Schwartz argues, if we adopt 'satisficing' rather than 'maximising' strategies. But the ideology of the business world – and the very fact that we are now presented with so many choices – tends to make us feel that we should be maximising. This creates a vicious circle. We invest too much effort in choice-making, which creates both stress and disappointment, which leaves us vowing to try even harder next time. Life without choice is "almost unbearable", notes Schwartz. But too much choice is "a form of tyranny".

If Schwartz is right, the potential implications for marketing are far-reaching. As promises of superior quality, brands can short-circuit the informational and emotional costs of choice with a simple heuristic: 'buy the leading brand'. As the saying goes, nobody ever got fired for buying IBM. As public promises of quality, brands provide reassurance (thereby helping to avoid both anticipation regret and decision regret). Brand advertising also helps minimise post-decision disappointment by reassuring buyers that they made the right choice.

Benefits

In other words, regardless of a brand's specific product features, the mere fact of being a famous brand can provide consumers with important benefits: by reducing the informational and emotional costs of going to market. But this only works if the number of choices is kept small. In our over-branded, over-advertised, over-choiced world, brands are becoming part of the consumer's problem, not part of the solution, suggests Schwartz.

If he's right, many marketing obsessions such as 'differentiation' and 'cutting through the clutter' – even return on investment (ROI) – may be misplaced. Marketers may have researched how to influence consumers' choices to the nth degree. But they have paid scant attention to helping consumers make easier, better choices, and doing this may be where the real value opportunities now lie. Brand portfolios, communication strategies, value propositions – all of them may need rethinking. Schwartz is the first to stress the need for more research. But as ever in this field, the secrets of success may be more subtle than we once thought. ■

* *'The paradox of choice: why more is less', by Barry Schwartz, Harper Collins, 2004*

For more on the problems of too much choice, see the next issue of F&M.

FORTHCOMING FACULTY EVENTS

To attend any Faculty event, please fill out the form in the Events flyer which is part of this month's mailing. Telephone payments by credit/debit card can be made to 01908 248159 (all major cards accepted). Faculty members only may book by email at fmfac@icaew.co.uk. For all queries, call the Faculty team on ***020 7920 8508****.*

10 April
MORNING SEMINAR (Chartered Accountants' Hall, London)

PROCUREMENT FRAUD SEMINAR

This seminar, run by the Fraud Advisory Panel (FAP), will explain to members about basic anti-procurement fraud strategies. Registration 9.00am, seminar 9.30am, lunch 1.00pm.
For details or to book, contact Mia Campbell on 020 7920 8721 or email mia.campbell@icaew.co.uk.

- Faculty members/FAP members: £50.00 (plus VAT)
- Non-Faculty/non-FAP members: £70.00 (plus VAT)
- Final date for receipt of booking details: 3 April 2006

19 April
EVENING SEMINAR (Chartered Accountants' Hall, London)

IMPLEMENTING CORPORATE CODES OF CONDUCT

Two Institute experts on ethical issues and two businessmen will discuss the problems and the conflicts of interest that accountants in business can face when a corporate code of conduct is introduced and applied. Registration 5.30pm, lecture 6.00pm, buffet and networking 7.30pm.

- Faculty members: FREE
- Non-Faculty members: £20.00 (plus VAT)
- Event code: TFFMLEC060419
- Final date for receipt of booking details: 12 April 2006

11 May
MORNING SEMINAR (Lancashire County Cricket Club)

MANCHESTER CHARTERED ACCOUNTANTS BUSINESS MEMBERS' UPDATE

This joint event with Manchester Chartered Accountants will update members on recent developments in employment law, corporate governance, financial reporting and tax. Registration 8.30am, seminar 9.00am, including coffee, and followed by a buffet lunch.
For details or to book, contact Helen Payen on 01925 661858 or email helen.payen@icaew.co.uk.

- Faculty members: £50.00 (plus VAT)
- Non-Faculty members: £50.00 (plus VAT)
- Final date for receipt of booking details: 4 May 2006

24 May
LUNCHTIME AGM & LECTURE (Chartered Accountants' Hall, London)

FACULTY AGM *plus* LECTURE – THE SEVEN FAILINGS OF REALLY USELESS LEADERS

Before the Faculty's annual general meeting, Steven Sonsino from London Business School's Centre for Management Development will give a lecture about the failings of 'useless' leaders, and how the mistakes of business leaders can destroy profitability. He aims to teach the audience how *not* to lead. Registration 12.00pm, lecture 12.30pm followed by AGM and buffet.

- Faculty members: FREE
- Non-Faculty members: £20.00 (plus VAT)
- Event code: TFFMLEC060524
- Final date for receipt of booking details: 17 May 2006

19 June
MORNING LECTURE (Chartered Accountants' Hall, London)

BUSINESS ETHICS – A PRACTICAL APPROACH

Caron Bradshaw, a barrister and former head of the ICAEW ethics advisory service, will lead an interactive session which aims to explore the issues surrounding ethical dilemmas, otherwise known as 'business decisions'. This lecture will help members realise that the decisions they make can have far-reaching effects and will advise on identifying the trigger-points that enable them to see the ethical angle before a problem arises, as well as explaining who they can turn to for help and support. Registration 8.30am, lecture 9.00am to 12.00pm.

- Faculty members: FREE
- Non-Faculty members: £50.00 (plus VAT)
- Event code: TFFMLEC060619
- Final date for receipt of booking details: 12 June 2006

IN FUTURE ISSUES...

Finance & Management

- Synopses of leading business books
- Delivering value from IT
- How UK companies rate on dispute resolution
- Are you using the right KPIs?

IN MAY'S MAILING...

Manager Update

- Strategy and organisation
- Human resources
- Finance and accounting
- Marketing

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The Faculty of Finance and Management,
The Institute of Chartered Accountants
in England and Wales,
Chartered Accountants' Hall,
PO Box 433, Moorgate Place,
London EC2P 2BJ

Telephone: 020 7920 8486
Fax: 020 7920 8784
E-mail: fmfac@icaew.co.uk

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND & WALES

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