

***Our monthly e - newsletter containing topical articles and advice.***

Welcome to the November 2011 edition of Catalyst. Catalyst is our way of sharing articles or ideas that we read/see/hear during the month that we think will be of interest to business owner-managers looking to hone their own personal skills and develop their businesses.

If you read an article you think would be relevant to other readers, let us know about it.

Catalyst Team

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**Wright Vigar Event**

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**Construction Act Seminar**

**A joint presentation with Adie O'Reilly**

**Tuesday 6 December 2011, 3:45pm to 6:00pm at Wright Vigar, Lincoln, LN1 1XG**

**Piet van Gelder** from Adie O'Reilly will present:

- The New Construction Act - Protect your cash flow and get paid
- The Changes
- What you need to do

**Pete Harrison**, Director and **Colm McCoy**, Director of Taxation from Wright Vigar will present:

- Commercial premises – purchase by (a) company using the building, (b) owner of business or (c) by pension scheme
- Capital allowances on integral plant, 100% energy saving allowances
- Stamp duty

There is no charge for the seminar, however, places will be on a first come first served basis so please reserve your place by Monday 28 November 2011 by email to [action@wrightvigar.co.uk](mailto:action@wrightvigar.co.uk).

**Tim Smit's Monkey Business**

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Through Wright Vigar's involvement with Lincolnshire Business Convention, we got Tim Smit (Eden Project) up to speak in Lincoln. Here is an extract from a Peter Day/ BBC article about his rules of management that Tim spoke about at LBC11

**Tim Smit's Monkey Business**

Tim Smit's ideas about management are idiosyncratic, and jolly interesting.

But - just as I'm not sure that I would ever want to work for a company run by identical twins - so I don't know that working for Mr Smit would be a good idea.

Tim Smit is best known as the former record producer who moved to Cornwall, unearthed the mysterious lost gardens of Heligan, and then started the Eden Project, the wonderful translucent domes now filled with plants from all over the world in a disused China clay pit near St Austell.

In the seven years since it opened, this wonderful ecological treasure-house has become a beacon and a symbol of revival in a part of the country long depressed by the uncertainties of the tourist season and the decline of mining for lead, tin and china clay.

### **Back of an envelope**

An Anglo-Dutchman educated at an English boarding school, Tim Smit remains a bit of an outsider, and he uses that position shamelessly as a member of that already awkward squad, the social entrepreneurs.

It shows up in Tim Smit's rules of management, which he had to come up with in a hurry. He was in the middle of setting up the Eden Project, when the project's chairman asked about his management plans.

In fact he said he wanted them written down, or one of them would have to go.

It was a tall order for Tim Smit, who had to spend a weekend sitting down and putting his management rules on paper. Rules is a bit strong, perhaps, but beware! Or perhaps rejoice! If you join a Tim Smit project, these are some of the things you will have to do.

### **Get up and dance**

He told me about them the other day.

Tim Smit wants to like the people he works with. So applicants for most jobs are asked to perform in front of him and the team interviewing them : 10 minutes of music, dance, juggling, storytelling when you come to be interviewed for a job.

He wants to work with extroverts not afraid of injecting their own ideas into their work.

(Something similar used to be required at South West Airlines in the USA, the pioneer of low-cost flying. It is of course the airline where energised air hostesses used to hide in the overhead bins and pop out to surprise boarding customers. Not sure if this still happens in these days of heightened security.)

Tim Smit says his interviews take two days, and most job applicants are interviewed by the people who will work under them, as well as alongside them.

He says he is amazed how acute the panel's judgment is - the second day's judgement, that is, after the interviewers have had a chance to sleep on their initial recommendation.

### **Staying fresh**

And if you make the grade, then you'll be subject to more monkey business rules - so-called because Tim Smit thinks that most management ideas are about shifting the monkey off your back onto someone else's.

Exactly the spirit he is trying to avoid.

Eden Project people are told they have to prepare a meal for 20 of their co-workers once a year, for the joy of joining in and widening the work experience.

They have to read a book they wouldn't have otherwise thought of reading and tell people about it. They have to see a foreign film in the same spirit.

But it's when it comes to decision-taking that Tim Smit says things that other managers are really likely to bridle at.

Try not to take important decisions in the daytime, he says. Outside our nine-to-five existence, we change personality a little bit. In the dark, over a meal, blessed by wine, that's when the best instinctive decisions are made. That's when an organisation makes the best ones, too.

Management guru Tom Peters - impressive in his time - used to hint at this when he pointed out that individuals come into work with vast social experience, running voluntary organisations and football teams.

They then hang their human experience on a coat peg, and get on with doing what their manager tells them to do, and only that. No wonder workers feel frustrated with their work.

### Big ideas?

Tim Smit's Monkey Business is trying to capture some of that extra individual creativity and pour it into his projects, so that Eden can think up and deliver special events in the time that many organisations would take to decide to do them. Yes, this is all happening in a so-called social enterprise, one not driven by the profit motive.

But Tim Smit doesn't see why social entrepreneurship should be limited to small scale things. He's anxious to extend it to regional activities such as - eco-friendly - power generation and revitalisation projects. Big ones.

Whether you can run big enterprises with these monkey business management rules, I don't know. But someone ought to try.

Source [bbc.co.uk](http://bbc.co.uk)

## 5 Things You Should Never Say While Negotiating

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If you're new to negotiating or find it difficult, here are some steps to avoid

**Every entrepreneur spends** some time haggling, whether it is with customers, suppliers, investors, or would-be employees. Most business owners are street smart, and seem to naturally perform well in negotiations. You probably have a trick or two—some magic phrases to say, perhaps—that can help you gain the upper hand. But, often, the moment you get into trouble in a negotiation is when something careless just slips out. If you are new to negotiation, or feel it is an area where you can improve, check out these tips on precisely what *not* to say.

**1. The word "between".** It often feels reasonable—and therefore like progress—to throw out a range. With a customer, that may mean saying "I can do this for between \$10,000 and \$15,000". With a potential hire, you could be tempted to say, "You can start between April 1 and April 15". But that word *between* tends to be tantamount to a concession, and any shrewd negotiator with whom you deal will swiftly zero-in on the cheaper price or the later deadline. In other words, you will find that by saying the word *between* you will automatically have conceded ground without extracting anything in return.

**2. "I think we're close".** We've all experienced deal fatigue: The moment when you want so badly to complete a deal that you signal to the other side that you are ready to settle on the details and move forward. The problem with arriving at this crossroads, and announcing you're there, is that you have just indicated that you value simply reaching an agreement over getting what you actually want. And a skilled negotiator on the other side may well use this moment as an opportunity to stall, and thus to negotiate further concessions. Unless you actually face extreme time pressure, you shouldn't be the party to point out that the clock is loudly ticking in the background. Create a situation in which your counterpart is as eager to finalize the negotiation (or, better yet: more eager!) than you are.

**3. "Why don't you throw out a number?"** There are differing schools of thought on this, and many people believe you should never be the first person in a negotiation to quote a price. Let the other side start the bidding, the thinking

goes, and they will be forced to show their hands, which will provide you with an advantage. But some research has indicated that the result of a negotiation is often closer to what the first mover proposed than to the number the other party had in mind; the first number uttered in a negotiation (so long as it is not ridiculous) has the effect of "anchoring the conversation". And one's role in the negotiation can matter, too. In the book *Negotiation*, Adam D. Galinsky of Northwestern's Kellogg School of Management and Roderick I. Swaab of INSEAD in France write: "In our studies, we found that the final outcome of a negotiation is affected by whether the buyer or the seller makes the first offer. Specifically, when a seller makes the first offer, the final settlement price tends to be higher than when the buyer makes the first offer".

**4. "I'm the final decision maker"**. At the beginning of many negotiations, someone will typically ask, "Who are the key stakeholders on your side, and is everyone needed to make the decision in the room?" For most entrepreneurs, the answer, of course, is yes. Who besides you is *ever* needed to make a decision? Isn't one of the joys of being an entrepreneur that you get to call the shots? Yet in negotiations, particularly with larger organizations, this can be a trap. You almost always want to establish at the beginning of a negotiation that there is some higher authority with whom you must speak prior to saying yes. In a business owner's case, that mysterious overlord could be a key investor, a partner, or the members of your advisory board. The point is, while you will almost certainly be making the decision yourself, you do not want the opposing negotiators to know that you are the final decision maker, just in case you get cornered as the conversation develops. Particularly in a high-stakes deal, you will almost certainly benefit from taking an extra 24 hours to think through the terms. For once, be (falsely) humble: pretend like you aren't the person who makes all of the decisions.

**5. "I'm the final decision maker"** The savviest negotiators take nothing personally; they are impervious to criticism and impossible to fluster. And because they seem unmoved by the whole situation and unimpressed with the stakes involved, they have a way of unnerving less-experienced counterparts. This can be an effective weapon when used against entrepreneurs, because entrepreneurs tend to take every aspect of their businesses very personally. Entrepreneurs often style themselves as frank, no-nonsense individuals, and they can at times have thin skin. But whenever you negotiate, remember that it pays to stay calm, to never show that an absurdly low counter-offer or an annoying stalling tactic has upset you. Use your equanimity to unnerve the person who is negotiating with you. And if he or she becomes angry or peeved, don't take the bait to strike back. Just take heart: You've grabbed the emotional advantage in the situation. Now go close that deal.

## Viewpoint on Innovation

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***According to expert on creativity and leading business speaker, Steve McDermott, there is a process that everyone, from Leonardo da Vinci to Bill Gates, follows in order to be more innovative. He says if you want to come up with more ideas just follow the five "i's"...***

### Information

Don't jump to the "Let's come up with some ideas" bit too soon. For example, before brainstorming sessions ensure everyone attending has had the chance to digest the relevant facts and background, about the problem or opportunity, you wish to work on. Otherwise you will miss out the critical Stage Two of the innovation process.

Once you got hold of all the information, the challenge then is to boil it down to a single minded, specific area you wish to apply innovation to. It's no good saying "Let's come up with some innovative ideas". Even something more specific like "How we can make better use of I.T.?" can be improved with a more focused question like "In what ways can we save or make £5000 with better use of computers?"

The main reason you want to get hold of all the information in advance is so that you can stuff it into your unconscious mind. Then you can move onto Stage Two...

### Incubation

This is the sleep on it stage. In fact, if you want to get more work done I suggest you plan this stage into most of your activities. For example, most of us have a "To do" list. Things that we want to consciously work on. Well why not have a "Not to do" list. This is for things we want to unconsciously work on. Before I take a two week holiday I ask my

unconscious mind to think about some problems and to tell me the answers on my return. Whilst on holiday I deliberately don't give those problems any conscious thought. On my return I say "So unconscious mind what have you come up with?" This was how I came up with the title for my last book. This is when we enter Stage Three...

### **Illumination**

Known as that moment when we shout "Eureka". People have eureka moments in all sorts of places and times, like in the shower, on the train, in the middle of the night. Which means the biggest challenge with this stage is capturing your illuminations. You see thoughts are fleeting and if you don't record them in some way they will vanish for ever. So invest in a waterproof memo board for the shower, a pen that lights up in the dark for the bedroom and a Dictaphone for the car or when you are out walking the dog. Having the idea isn't enough though, we then need to move on to Stage Four...

### **Integration**

Imagine if I said to you "I've come up with this idea of doing a painting of a women smiling". You'd probably think "So what". But what if I had the skill to turn that idea into the finished thing -The Mona Lisa. Integration is all about taking what we've come up with and executing it in a way that will work. You might need to adapt, scale down or even scale up the idea in order to implement it. The most important thing is to test everything in a small way first and then if it works roll it out - large. Even that's not enough, you finally need...

### **Illustration**

There are two types of people, those that can sell their ideas and those that can't. Can you illustrate why others should buy into your innovations or will your ideas end up in the bin?

*Source: Steve McDermott*

#### **Need Help?**

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Please contact us if we can help you with these or any other tax, accounts or business matters.



In addition, if there's anyone else who you think would benefit from the newsletter, please forward the email to them or ask them to contact us to be added to the newsletter list.

#### **New Clients Welcome**

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If you are not already a client and are interested in becoming one, we would love to come to meet with you to discuss how we can help and provide you with a competitive quote for our services.



All new client consultations are provided free of charge and without obligation.

#### **About Us**

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