

Your Weekly Business Bulletin from Thanet & East Kent Chamber

Thanet & East Kent Insider

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1. Windfarm Opening

Thanet Offshore Windfarm has confirmed that its official opening ceremony will be on 23rd September 2010. The Chamber is hoping for some fine weather on the day, calm seas but enough wind to keep the turbines turning and the visiting VIPs interested in promoting a centre of excellence in Marine Energy in East Kent. The construction has offered a master class in project management. Vattenfall bought TOW in November 2008. On 28th June 2010, David Hodgkinson, UK Director and Head of Development, announced the successful installation of the 100th turbine and paid particular tribute to: "all the people in the Isle of Thanet, for their support in building the world's largest offshore wind farm". In an email to the Thanet & East Kent Chamber last week, Vattenfall noted that the construction of the windfarm has been achieved: "In what we think might be a world record rate of offshore wind farm deployment".

Maintenance for the next 20 or more years will rely on the services and skills of 20 technicians, all recruited locally from Kent, who will be looking forward to playing a full part in the marine energy sector. The Thanet & East Kent Chamber will be supporting proposals to create a Marine Energy Park in East Kent to act as a world-class centre of research and development in this sunrise industry which promises so much to those prepared to take the risk and accept the reward.

2. Making Money

Last Thursday, Vattenfall presented its interim report for the first half of 2010. It showed a net rise on sales for the first half of the year of 27.2%. For a company that bills itself as: "Europe's fifth largest generator of electricity and the largest generator of heat", the increase in its sales probably reflects the severe cold weather in Northern Europe and the consequent greater volumes of electricity generation demanded by consumers. Vattenfall claims a return on equity over the year of 8.7% and on assets 8.6%. Most East Kent companies would give themselves a warm slap on the back at producing such a result in the depressed trading conditions of the last few years. This Swedish giant has unashamedly higher ambitions. Last week's report states categorically: "Vattenfall's long-term required rate of return on equity is 15%". The company's Chief Executive Officer, Øystein Løseth, maintains that: "Despite improved quarterly earnings, profitability is insufficient". He has instituted a review of the organisation looking closely at cost structure and performance. He notes: "This may lead to restructuring costs and impairment charges"; the latter being an accountant's term for a reduction in the book value of goodwill. As Japanese companies have long advocated with the doctrine of Kaizen, successful companies are constantly trying to improve. Instead of saying to their staff: "We are wonderful", they prefer to say: "We can get better". The lesson for East Kent companies is to do the same. Dave Brailsford is the Director of British Cycling who presided over a team which won 8 gold medals at the 2008 Olympic Games. He claims that this phenomenal success was achieved not through revolution but through "aggregating incremental improvements". Those 1% improvements every quarter in every aspect of your business are critical in establishing clear advantages over your competitors. The Chamber has a range of approved local consultants available. Without any obligation or cost, the most appropriate consultant will visit your organisation for an initial business health check and will advise you on how to boost your income and reduce your costs. For details, email admin@tekc.co.uk.

3. Half Hourly Meter Users

The CRC Energy Efficiency Scheme registration process closes on 30 September 2010. Martin Young of Atlantic Business Resources informs the Chamber that: "Last year the Environment Agency which supervises the scheme sent out letters informing all users of Half Hourly meters that they needed to register, irrespective of the usage. To date there are many companies who have not yet registered. What has not been so well publicised are the fines that can be charged for failing to register. Registration is

mandatory for almost all organisations that had Half Hourly meters in 2008. They will have to provide how much half hourly metered electricity they consumed in the calendar year 2008. The few exceptions are on climate agreement schemes.” Martin tells us that fines for non-compliance are severe. If your usage is below 6,000MWh, there is a fine of £1,000 for missing the deadline. For companies using over 6,000MWh, the fine is £5,000 plus £500 for every day late. For more details, give Martin a call, tel: 0781 353 7456, or email myoung@atlanticbr.co.uk.

4. Free Website

The Chamber has received some more information on the Getting British Business Online (GBBO) campaign, a joint initiative by Google, Enterprise UK, BT, e-skills UK and other partners which is designed to help small businesses create their first website and to understand the opportunities offered by the Internet. There is a target of helping 100,000 UK organisations get their first website by the end of 2010. The service is provided free of charge. Chamber member Profile Development and Training is running an event at the Holiday Inn Express at Manston from 1000 to 1200 hrs on Friday 20th August 2010 to promote the campaign. Entry to the event is free to Chamber members and readers of the Thanet & East Kent Insider, but it is essential to register to secure your place. For details, contact Andy Gibbons by email to andy.gibbons@profiledt.co.uk or by telephone to 0771 253 2240.

5. Skills & Schools

The Thanet & East Kent Chamber has received a letter from John Hayes MP, Minister of State for Further Education, Skills and Lifelong Learning, who sets out his strategy for ensuring the skills of school leavers “respond to the needs of a dynamic economy”. He advocates greater freedom for providers but acknowledges that there will be some “difficult choices about the use of public funds”. Having ended the Train To Gain funding stream due to alleged “unsustainable deadweight costs”, the minister is looking to put greater emphasis on lifelong learning and a clearer progression route from the most basic skills to the most erudite. Thanet suffers from a net outflow of skills. Despite some excellent employment agencies, the expansion plans of local companies are hampered by difficulties in recruiting staff with the necessary qualities. The latest figures from the Office for National Statistic, NOMIS, show that residents of Thanet at NVQ Level 3, which equates to 2 or more A levels or their equivalent, represent 34.8% of the resident working age population. The average for the South East is 50.8%. In simple terms, this suggests that the average company in the South East outside Thanet has nearly a fifty per cent better chance of finding a skilled worker locally than a firm inside the district’s boundaries. Of course, anyone familiar with the large inward investment in the district from windfarms, Manston Airport, the Turner Gallery, the new Dreamland and the many other initiatives attracting inflows of capital will be aware that the opportunities in this part of East Kent have seldom been better and this should be reflected in data yet to be published. But, to attract and maintain the attention of inward investors, we must ensure that sufficient public funds are made available to upgrade our schools. The Thanet & East Kent Chamber is writing to the Secretary of State for Education, the Rt Hon Michael Gove, in support of a campaign to replace the ageing and inadequate buildings at the Hartsdown and Foreland schools. We intend to take him up on his offer to consider capital building projects that merit special attention. Thanet is special and the largest business support agency in Thanet thinks our children and our companies deserve better.

6. Teaching Grandmother To Suck Eggs

Anyone travelling along the M2 or M20 in East Kent during the weekend may have questioned the reason for spending so much money on large portable electronic signs on the roadside which display the words: “TAKE EXTRA CARE WHILE TOWING”. Allegedly these are targeted at drivers pulling caravans; an initiative sponsored by the Highways Agency in a bid to reduce towing related incidents on our motorways and the associated costs. Some readers might consider that a driver with a caravan might already be aware that there is something following closely behind which requires especial vigilance. The Thanet & East Kent Insider wonders if any Chamber members or readers have a suggestion for another banal message that could distract drivers from their attention at the wheel; such as: “USE YOUR MIRROR TO LOOK BEHIND YOU”. The cost of free NHS dentistry is a huge item in our national budget. Perhaps the signs could state simply: “BRUSH YOUR TEETH AT NIGHT”. That would save a few bob. All suggestions welcome.

7. The British Way

The Thanet & East Kent Chamber enjoys a warm relationship with the vast majority of members who are keen to relate their ideas and pass on examples of best practice. The Fire Strategy Company, tel: 01843 826282, and Safety & Management Solutions, tel: 01843 821406, offer professional solutions to disaster prevention, but most people in business will be aware that things do not always go as planned. The ability to react quickly to a non-standard threat to your company is one of the keys to success. Many readers will remember the days when car fan belts would fail, inevitably leading to overheating or a flat battery. The immediate response was often to replace the fan belt with a pair of tights donated by your latest girlfriend sitting in the passenger seat. This sort of pragmatic reaction is an especially British talent based on 'if it works, do it' not on 'let's see how it works and analyse it'. A story has reached the Chamber of a meeting in Brussels between a French politician and one from Westminster. When asked: "How does a bicycle work?" the Frenchman answered that the continuous shifting of the centre of gravity is used to balance the variable centrifugal force in harmony with the coriolis effect to produce a kinetic impetus in relation to the forces applied. The Englishman said simply: "Oh you just get on it and push one pedal down then the other." The successful business finds pragmatic quick fixes all the time, just like using tights to replace the fan belt. It is not always easy. By the way, it used to take a lot of effort to weaken the fan belt just sufficiently so that it would fail at the appropriate time.

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