



We are ranked in the top eight for strategic marketing companies in the UK.

Management
Consultancy

Annual consultancy league tables
July/August 2001

SCOTLAND *on* SUNDAY

11 November 2001

A Man on a Marketing Mission

By Sharon Ward

Gerald Michaluk is a man on a mission. His task is to do for Scottish companies the marketing magic he does for global giants.

In an office in Glasgow's Wellington Street, the quietly spoken maestro lays out his stall. When he speaks, people listen. More importantly, they pay to hear how to save their companies from the "current economic instability and market dynamics that are creating a graveyard for businesses that can't adapt and plan strategically within this environment".

At the helm of Glasgow-based strategic firm Marketing Management Services International (MMSI), with satellite offices in Houston and Silicon Valley, the former Strathclyde University lecturer counts Compaq Computers, Lucent Technologies, IBM and Hewlett Packard among his faithful clients.

His company, ranked as the eighth largest strategic marketing consultancy in the UK was valued at £309,000 in 1996 and 2001 is worth £2.5million.

Expanding his consultancy from its eighth-placed position moved a step further with new premises in

Aberdeen's Market Street. The energy consultancy operations alone could create up to 150 jobs. The current economic downturn will not stop his plans for MMSI, although his planned flotation from last year is still on hold.

He said: "We do not expect to see growth in 2002 and we want to position ourselves for when it comes."

The successful launch of the firm's strategic marketing model, the Global Marketing Advantage System (GMAS), means the money is not required.

"We are now at the stage where we can do things on our own, we know our product works and offers new life blood for companies," said Gerald.

GMAS has been well received by the critics and Michaluk's book detailing his strategy, *Riding the Storm: strategic planning in turbulent markets*, is due to be published in December this year by McGraw Hill.

The GMAS system, he says, works. He added: "We've undertaken significant original research into over 100 companies over a ten year period.

"It enables companies to manage real time information flows in dynamic markets;

ensures strategic planning keeps pace with operational plans in turbulent environments; and exploit and/or defend themselves from paradigm shifts in the market."

Michaluk has agreed to do a master class on the new methodology at a one-off event in Edinburgh on November 21 in association with the Chartered Institute of Marketing in Scotland.

He developed the GMAS concept in the late 1980s, but with no Internet or technology to support it, it could not be implemented.

Fate intervened as he was appointed as an assessor of consultants on behalf of the DTI.

"I quickly realised how much money consultants made and know how poorly paid lecturers were, so I left the University to form Marketing Management Services Ltd in 1989. I haven't looked back and the technology made it all possible," he said.

"We've now grown into Marketing Management Services International plc which in 2001 was listed by Consultancy Magazine as the UK's 8th largest strategic marketing consultancy."



Attacks force MMSI to drop acquisition 17th October 2001

By Paul Rogerson

Marketing Management Services International (MMSI), the strategic marketing consultant, has aborted a plan to acquire a London consultancy following last month's attacks on the USA.

The deal, which would have been financed by Bank of Scotland, broke down because the unnamed target

company is heavily reliant on the embattled airline industry. MMSI's managing director, Gerald Michaluk, said the deal would have doubled his company's turnover.

But he added: "The company relied on airlines for 41% of its business. Since 11 September it's suffered a catastrophic downturn. We had to pull the plug. MMSI,

which employs about 20 full-time and 150 part-time staff at its Glasgow base, also revealed plans to expand in the north-east. It is close to securing 12,500sq ft of office space in Aberdeen to house a specialist energy consultancy.

Its clients include some of the world's top 500 companies.

The Press and Journal

Marketing firm seeks Aberdeen expansion 17th October 2001

By Michael Simlett

The UK's eighth-largest marketing firm yesterday said it was looking for offices in Aberdeen as part of plans to expand its energy-consultancy operations, possibly creating up to 150 jobs.

Glasgow-based Marketing Management Services International (MMSI), which employs about 170, is in talks with Aberdeen's council to find a city centre location and hopes to move into a site next year.

Managing director Gerald Michaluk said MMSI, which advises companies on business strategy, wanted to

recruit former oil executives to become consultants as well as recent graduates for junior posts and students for part-time work.

Capacity

He said MMSI needed offices with the capacity to house up to 150, although he added the exact number of staff was dependent on contracts won by MMSI. The offices would be staffed 24-hours a day as it would be a base for monitoring businesses world-wide.

Mr Michaluk said Aberdeen was the obvious choice for its energy team because of the

need to recruit experts from the oil and gas sector.

The company currently occupies 12,500sq ft of offices in Glasgow and is looking for similar facilities in the North-east.

Mr Michaluk said the current economic downturn would not deter MMSI from its plans, adding: "We expect to see growth in 2002 and want to position ourselves for it when it comes."

Back from the Dead

Nuclear power is back!

Nuclear power is making a comeback thanks to the California energy crisis. After President Carter outlawed nuclear waste material recycling in 1977 and the Three Mile Island power plant partial meltdown the writing was on the wall for the nuclear power industry, the final nail in its coffin came with the Chernobyl accident in 1986. No American government would thereafter even think of mentioning the prospect of building a new nuclear plant despite over 103 existing plants and 20% of power being generated from nuclear sources.

However, when push come to shove and America looks like it can't supply sufficient power for its economic engine, environment takes a back seat. Recent articles in the American press and public statements by the Vice

President Dick Cheney have put nuclear power back on the US power agenda.

There is now open talk of the prospects of America building up to 50 new nuclear plants within the next twenty years, although who's back yard they will be in has not been mentioned. What has been recommended for the dumping of nuclear waste is Nevada's Yucca Mountain, which has been given the unenviable position as America's nuclear waste dump.

The electricity crisis in California and the resultant increase in fuel prices had bolstered the pro-nuclear lobby and it's spreading across the Atlantic. The UK's British Energy, currently generating 20% of the UK's Energy wants to build 7 new nuclear power plants. With new technologies emerging,

such as South Africa's experimental pebble bed modular reactors, will the new generation of reactor be the green answer to energy provision?

As the older UK nuclear stations close down there will be a growing demand for energy, which while have to be met from somewhere. E.g. It is predicted that within five years we may become a net importer of oil while gas imports will rise from today's 2% to perhaps as much as 15% with the knock on price and political risk.

So what are the pros and cons of our energy options?

The argument for nuclear generation is it produces no greenhouse gases; it is efficient and offers high capacity while against are the waste, decommissioning, and public opinion. While wind farms, hydroelectric schemes

Back from the Dead

Nuclear power is back!

and solar power have their own advantages and disadvantages- they are renewable and non-polluting- but they offer little capacity and long time scales for return on investment. While renewable sources also have opponents, after all who

wants to look out onto a sea of windmills, and to generate the nuclear equivalent there would have to be seas upon seas of windmills. All that said the alternatives of oil, gas and coal all generate unwanted greenhouse gases. The answer for a government is not easy whichever way

they turn. However, all the energy experts agree that a diverse source of generation is most desirable and the door has been opened in the US and UK for Nuclear to once again be considered as one of the diverse sources of generation.

Friday 19th January 2001

Black day for Silicon Valley as thousands are left powerless

California is in the grip of blackouts amid turmoil in its electricity industry. Gerald Michaluk and Faisal Choudry explain the background to the crisis

The lights are going out in Silicon Valley, the powerhouse of the US economic miracle. A state of emergency has been declared and the public are facing rolling blackouts and big price increases.

As a result of having to buy power at a higher cost than they can charge consumers, the top two utilities, Pacific Gas & Electric and Southern California Edison, are all but bankrupt with debts of \$11bn.

Gray Davis, the governor of California, has had to commit public funds to prevent a complete blackout and the shutdown of Silicon Valley.

The state is facing a number of problems:

- An inadequate transmission grid means that surplus power in the south of California cannot be effectively routed north.
- California has not built a big power station for more than ten years, despite rising demand. Those plants that have been built are mainly gas fired, and rising gas prices have made them expensive to operate.
- Prices on the state's power exchange have been running at between \$300 and \$400 per MWh and as high as \$1,500. The \$300 figure translates into 30 cents per KWh, but there is a regulatory cap of 10 cents per KWh on the price that utilities can charge consumers. Southern California Edison is losing \$1m an hour, while Pacific

Pricing Perils How the system works

To encourage companies to generate power, deregulation guaranteed the highest price for wholesale electricity.

So the top bidder in a session on the power exchange sets the prices for all.

For example, if three brokers offer power at \$450, \$500 and \$800 per MWh, and all the power is needed, the state grid has to pay the highest price to all three suppliers.

gas & Electric is borrowing \$1m an hour.

- Business and domestic demand has soared and many computer companies require a constant supply of electricity – a cut for even a fraction of a second can result in huge losses in systems and revenue.
- Last summer was one of the hottest in years, and the winter has been cold and stormy. As well as increasing demand for air conditioning or heating, the storms caused nuclear plants to cut output for safety reasons.
- It is thought some Californian generators may have been selling electricity to other states for a higher price.
- Peak demand occurs in the summer when Californians turn on their air conditioning.



The sun is setting on California's power industry.

Most plant maintenance is undertaken during winter and little effort

is made to minimise shutdown times.

California's deregulatory dream of 25% energy savings has now turned sour – but the British are coming.

Companies such as Scottish Power and National Grid have bought US power stations and claim up to 60% cost savings, while firms such as Innogy, formerly part of National Power, are at the cutting edge power industry technology and could solve most of California's generating and distribution problems.

Transmission inadequacies could be tackled by installing "Regenesys" fuel cell technology, which allows power produced off-peak to be stored and used during peak times.

This would optimise the use of existing transmission lines, saving the need to spend \$300m on a new north-south transmission path.

Expertise in engineering operation and maintenance, coupled with plant conditioning monitoring systems, would ensure optimum performance and minimise maintenance, allowing California to generate more power from its existing portfolio plants.

- Gerald Michaluk and Faisal Choudry are consultants with Marketing Management Services International, the UK's fifth largest strategic marketing consultancy.

MANAGEMENT CONSULTANCY

Annual Consultancy League Tables
July/August 2001

Strategic marketing

Firm	Ranking
Analysis	1
PFour Consultancy	2
PA Consulting Group	3
PricewaterhouseCoopers	4
KAE: Marketing Intelligence	5
Equador Consulting	6
Collinson Grant	7
Marketing Management Services International	8
City Consultants	9
Winchester White	10

Scottish Computer Headline

E-commerce set for Glasgow launch

New Internet ventures to receive funding and guidance.

Marketing Management Services (MMS) based in Glasgow has announced the creation of its Electronic Global Opportunities (ego) service. Ego aims to provide both funding and management help to new business ventures focusing on the Internet.

Claiming to be based on the US model of business hothouses, the project will be supported by ventures funding from the US and will



be located next to MMS's Global Research Centre in Glasgow city centre.

"We aim to foster tornado growth companies that will

become the leaders in this new global industry," said Gerald Michaluk, Managing Director of MMS.

"Access to the very latest research and GMAS (Global Marketing Advantage Systems) means that prospective entrepreneurs will have access to a research resource that is not matched anywhere else on the planet," he added.

Quality@Ascend

Customer Satisfaction Bulletin



Ascend's New Vision of Customer Satisfaction

Interview Chris Delcol

The term "Voice of the Customer (VOC)" is about to take on an entirely new meaning at Ascend Communications. The concept is being reshaped with the help of Chris Delcol, Ascend's new director of global customer satisfaction, who recently began implementing a new real-time customer satisfaction process.

"My immediate vision is to implement a worldwide VOC 'closed loop' system for identifying Ascend's strengths and weaknesses," said Delcol, 46, who served as senior manager of services quality for Global Integration Services before taking the new job on April 19. "It includes multiple customer listening posts that allow us to deliver customer feedback to the desks of Ascend executives within hours of the information being available. Appropriate recommendations are then made for leveraging strengths and addressing weaknesses. The loop is closed when the customer is informed of the progress being made on their issue. The loop begins again as we re-measure the issue through the VOC and institute additional changes as necessary. It's a process that never ends."

Eclipsing the Competition

It won't be long before Ascend begins seeing benchmarked customer satisfaction survey results, Delcol asserted. "Once we understand where we are with respect to our direct competition, we will be in a position to raise the bar on customer satisfaction standards," he said. Delcol believes that through the VOC program, Ascend

Communications, already known around the world for high quality products, will also be recognised as the industry leader in customer satisfaction. "The goal is to go so far beyond the the competition that they can't catch up," he said. To do so, Delcol said he will use state-of-the-art customer satisfaction techniques and advanced networking capabilities of Ascend's own wide area network to create the "Voice of the Customer." The proces involves incorporating video images and sound clips into a standard Web format.

Voice of the Customer

One of the first steps in creating the "Voice of the Customer" involved hiring Marketing Management Services, a Glasgow, Scotland-based marketing research firm responsible for conducting focus groups and interviewing senior level executives of Ascend customers worldwide. Marketing Management Services directors such as Gerald Michaluk pinpoint customer likes and dislikes, edit video and audio clips of discussions, and then post them on the Ascend intranet for company-wide access.

Eventually, company employees will receive e-mail whenever a paticularly impactful interview has been posted, Delcol said. "That will prompt them to go to the desktop of their PC's, click on an icon, and see what the customer had to say. The goal is to push the critical customer satisfaction information to the desktops of executives at the highest level," he said.

The Voice Behind The Voice

The company hired to assist in pin pointing the "Voice of the Customer" (VOC) provides a state of the art service that greatly enhances

Ascend Communications' ability to keep customers satisfied. Scotland based research firm Marketing Management services, LTD., sends it's team of market researchers to conduct real-time interviews with senior executives of Ascend customer companies around the globe. Interviews are taped, edited, and posted on the Ascend company-wide intranet. Ascend employees are notified via a desktop icon when a particularly topical interview becomes available.

Gerald Michaluk, Marketing Management Services owner and managing director, asserted that the real-time videos provide a highly effective method for determining customer dissatisfaction. "They add a level of customer understanding that isn't provided by other research firms," he said. "We try to understand what people are really saying and to do that you really have to listen. Something as seemingly unimportant as a screw turning the wrong way can potentially be a big problem. Our researchers have an understanding of the industry so they can ask the sort of questions that get at the heart of the problem."

When Marketing Management Services finishes the editing process, information contained in the interview is listed and then stored in various category boxes on the Ascend intranet. "If you go to the Website you can pull up what anybody has ever said about Y2K, for instance, or you can search other categories," Michaluk said. "The idea is to bring the actual words of the person who has the problem to the person who's going to fix it. So you can see the actual effect of not fixing something, has on an actual customer."

Growth in the Valley

Up-and-coming Scottish software companies are being given the chance to capture a slice of the lucrative Californian market by locating in a new incubator unit at San Jose, south of San Francisco.

The Scottish Software Centre was officially opened yesterday by Scottish Office Industry Minister Brian Wilson.

Operated by Government export agency Scottish Trade International (STI) and the software team of economic development agency Scottish Enterprise, it is Scotland's first overseas software centre.

It offers temporary accommodation for up to seven companies at a time and it is hoped that it will allow Scottish software firms to win at least an additional \$5m (£3m) of exports in the next two years.

The centres launch follows hard on the heels of the opening last week of a similar but larger centre backed by the South Korean Government, which is only a stone's throw away. The South Korean unit is home to 10 companies, and this will rise to 15 by July.

Also nearby, in an international business incubator, are about 14 companies from 11 different countries.

Wilson, who is this week leading a Scottish Council Development and Industry trade mission to California, said: "The opening of our first overseas software centre in the heart of Silicon Valley is a vital strategic step for Scotland.

It will help our companies compete even more effectively in the valley market where, in 1996, the top 150 public companies sold \$170bn (£100bn-plus) worth of computers, software and related products."

Silicon Valley is home to about 7000 electronics and software companies and 11 new ones are, on average, created every week.

The Scottish Software Centre's first three tenants, Edinburgh-based Orbital Technologies and Aspects Software and Clydebank's Marketing Management Services, are now in the new incubator unit.

Marketing Management Services offers real-time market research information through software and

hardware products that it has developed.

Software vendor Orbital, founded in 1995, plans a six-person, sales and marketing team to cover the US. The company recently received \$2m (£1.2m) of venture capital from 3i and Scottish Enterprise's Scottish Development Finance arm.

Aspects is involved in testing "smart cards" - which carry data on magnetic strips - and is collaborating with Visa International.

They will be assisted by centre manager John Del Favero, formerly a world-wide product marketing manager and strategic planner with computer giant IBM, in setting up banking facilities, researching the market, and seeking out new customers.

The European Regional Development Fund and Local Enterprise Company Lothian and Edinburgh Enterprise are helping with the ongoing costs of the project.

The unit is the first of a number of business centres, which STI plans to open in the US.

Tandem research contract secured by MMS

Kirsty Dorsey

Glasgow-based strategic consultancy Marketing Management Services (MMS) has won a global contract to conduct customer research for Tandem Computers, which was purchased by Compaq last June in a \$3000m stock swap.

The agreement, which is believed to be worth around £500 000, will more than double the current turnover of £316 000 generated by MMS. Although it is based on a one-year rolling contract, the last company that did this work for Tandem held the business for some 30 years.

As managing director Gerald Michaluk described it, the deal was "quite a coup" for his 10-year-old company. MMS wrestled the contract from the world's fourth largest market research company, Prognostics, which like Tandem and Compaq is headquartered in the United States.

Although Tandem employs 80 people in Stirling, the company has some 9000 workers throughout the world developing, manufacturing and selling business computers for books and other financial institutions. Some 50% of the world's e-mail

goes through Tandem's computers and an estimated \$2 trillion is exchanged via the company's equipment everyday.

Mr Michaluk, a former lecturer in Marketing at Strathclyde University, said MMS was successful in its bid for the Tandem contract because of its leading edge in Real-Time Research (RTR).

This integrates e-mail, the Internet, fax and telephone communications in a way that allows research to be compiled quickly in rapid-changing technology markets.

"There are other companies that are doing what we're doing in putting all this together, but I don't think most of them have succeeded to the extent that we have," Mr Michaluk said. "We've actually been able to make it all work."

Using RTR, MMS monitors markets throughout the world. If anything happens that might affect a firm's performance – such as mergers or a competitor's new product launch – the system automatically alerts the planners.

With RTR it is possible to assemble relevant market information within seven days, whereas using traditional research methods it would take seven weeks.

"The technology wasn't there a year ago to do this," Mr Michaluk said. "We reckon this is the next wave that consultants will have to join, or they will lose their customers."

This is the first contract of its type to be secured by MMS, but a target list of other desirable clients has already been drawn up. The company is also in talks with Tandem parent company Compaq about the possibility of doing research for it.

Although MMS is operating only 25% of capacity, a deal with Compaq would undoubtedly force the Scottish company to relocate into larger premises and add to its staff numbers.

The Tandem deal itself should lead to an additional 15 jobs being created, bringing the total number of full and part-time workers employed by MMS at its offices in Clydebank Development Industrial Estate to more than 50.



Franchising, A solution for the sole trader

By Gerald Michaluk

Administration is another headache for the sole trader: financial management and billing, as well as keeping an eye on the accounts takes your time away from consulting. Mead recommends writing out a business plan to deal with VAT issues, information technology support, and, most importantly, ensuring that sole traders upgrade their training. "You have to be very self-disciplined, and you need to sell hard and be very self-confident and positive," says Mead. "It takes a long time to develop all that." Time is certainly an issue, but Gerald Michaluk, managing director of Marketing Management Services, and formerly a lecturer at Strathclyde University, thinks that he has found an answer. In November this year, he plans to launch Going Solo, an Internet franchise call centre operation where sole trader

consultants can get administration and research support. "If they use our franchise they will spend less time on administration, credit control, and research, and will actually spend more time with clients and therefore earn more money." says Michaluk. The cost of the 24-hour franchise service is £25,000, which includes a training certificate from the University of Strathclyde on management consultancy, based on BSENISO9001 and manuals on how to run a consultancy business and balance the books. The firm also supplies consultants with a videophone, ISDN, computers and laptop access to the call centre in Dunbartonshire via a docking station. After that, consultants are only required to pay a royalty fee on all their projects, they get the research and administration support at cost.

Consultants would have to operate under the Going Solo brand, but for that they also get access to customer lists and tenders for projects, says Michaluk. The main benefit is individual franchise group consultancy support and the help of mentor, whose aim is to make the business grow. "A lot of people who go out on their own underestimate the difficulties," says Michaluk. "They are Mr Smith Consulting and not Price Waterhouse, and companies tend to buy brand names for the security because they can sue or pass on the blame. In the research that we conducted, the consultants leaving Coopers & Lybrand are billed out at £1,500 per day. But the longer the consultant is away from the Big Six the less they get paid. I can pick up an ex-Price Waterhouse consultant for £250. What we are offering with our franchise scheme is a way out of that.

Top guru breathes life into project

The Herald, by Albert Naismith

Even management gurus can have their road to Damascus. When the blinding flash happened to Gerald Michaluk, the inspiration came from the dead science of good old-fashioned economics. Now this instant convert to the idea of making serious money through lone endeavour has just been rewarded by seeing his company enter the coveted Top 100 list of similar companies up and down the UK.

It was as a lecturer in marketing at Strathclyde University that Michaluk was asked by the DTI to assess marketing consultants' performance for certification. He spotted the differential between a lecturer's salary and what a marketing consultant might expect. "It's not enough." cried an inward voice. "Get some of the action." So it came to pass that Marketing Management Services was born, in a large villa in Glasgow's south side. Gerald Michaluk did not fall off his proverbial horse that day in 1988 when he realised the benefits of branching out, but he nearly did so in July on learning that Management Consultancy Magazine had named it among the top 100 consulting firms in the UK.

It meant his youthful business was in company with the giants of the arena, such as Coopers & Lybrand, KPMG Management Consulting, and Deloitte & Touche. Although he scraped in by the skin of his teeth, Michaluk recognises this latest achievement as the icing on a cake which already has a rich mixture.

MMS clients have included the GDA, Tandem Computers, Hewlett Packard, Linn Volvo, Moat House Group, various colleges, consultancy and training organisations, the Royal Mail, some LECs, British Rail, Scottish Enterprise, Scottish Power, British Gas, and medical groups. The company has also just announced a franchising initiative. It is aimed at consultants leaving major firms to branch out on their own but who have become accustomed to the back-up and research support of such companies.

Going Solo, which offers a call-centre operation via video phone and laptops, opens important doors to information retrieval and administration support. Michaluk says the scheme takes care of the "chorey" bits and there is a big bonus when it comes to researching via the Internet.

Marketing Management Services is on the point of expanding on its services in this area with an important announcement about a new facility for Scottish companies involving research software previously limited to US specialist Internet research companies.

Marketing Management Services has also newly concluded a deal with Strathclyde University to run a 10-week certificated course in management consultancy. This could start as early as October this year, though the following January does seem more likely. Already, Michaluk is a guest lecturer in the subject at a number of educational establishments,

including Strathclyde University.

His thoughtful approach to marketing and management at least partly explains the success of Marketing Management Services, now based in two large villas in Glasgow's south side and at a software research centre in Clydebank Business Park. He offers an all-in service, encapsulating consultancy, strategy, national and international marketing, and publications. His success stories are many, with one company's turnover increasing from £20m to £70m in 18 months and a smaller company, The Sweeper Centre of West Kilbride, enjoying a 100% turnover increase in 10 months.

Marketing Management Services has also recently received Investor in People status and has staff who are trained in delivering IIP to client companies. As a company going places, MMS believes that time is money and it is not unusual for its consultants to pilot their own light helicopters to remoter parts of Scotland to ensure quick and personal access to clients. As its turnover grows, Michaluk takes pride not only in making it into Management Consultancy's top 100 but also in having been named No.38 in strategy consultancy.

"We are adopting a higher profile each year," he says. "We are building on our success and challenging the top names." In some ways he has already reached Damascus and is on the lookout for further conversion.

Consultation is key to challenge of the changing market - By GERALD MICHALUK

MARKETING consultants have helped numerous organisations meet the challenge of change in the market place while their use has doubled between 1994 and 1995, according to the annual report of the Management Consultants Association.

The overall increase in the use of strategy, marketing and human resources consultancy — all traditional indicators of an expanding economy — suggests that industry and commerce are gearing up for an anticipated end to the recession. However, public sector work fell by £71m to £182m in 1995.

With this growth in use and the need to ensure that you company gets the best value for money from your chosen marketing consultants, what are the practical steps you should consider.?

First of all, one needs to be fully aware of what marketing is. It is not just selling although an increase in sales and profit are usually the ultimate aim. Marketing is a collection of activities which aim to identify, anticipate and satisfy customer requirements profitably.

As this involves a multitude of tasks, there are specialist consultants in many of the various marketing fields as well as generalists and one-stop shops. There are, for example, specialists in strategy, sales promotion, advertising, public relations, market research, merchandising.

Secondly, what exactly do you want out of the assignment? This could be convincing investors that a market exists, or assessing the effects of closing a surgery in terms of patient loss to a GP practice or determining the international demand for floor coverings, or designing a strategy for the introduction of a new service to the building industry.

An easy way to determine what you want the consultant to do is

simply to draw up a list of questions which if answered would improve the business and result in you taking actions that would increase sales. This is often a valuable starting place, but remember to ask yourself what you would do with the answers, don't ask questions if you could do nothing with the answers. Next determine if you are eligible for Government grant assistance. If so, provided you can make the final consultant choice, this can half the cost.

Never accept a consultant without looking at several unless you are an experienced buyer of consultancy services.

Any consultant being considered should be a member of a professional body such as the MCA, CIM, MRS or similar. They should ideally offer a service backed by a recognised quality standard, such as BS EN ISO 9001. They should have had experience in your area, or a similar area, and have the relevant academic qualifications. The consultant should provide a detailed proposal explaining what they will do. This should include a project schedule, costs, named staff contributions, clear project milestones, paying and reporting arrangements. The audit commission considers these to be the basic elements which should be present in a consultancy project proposal.

The consultancy report will normally only represent a part of the work the consultants undertake, often as important is the interaction between the organisation and the consultant, so ensure there is adequate time for this to happen built into the proposal.

Having interviewed at least three consultants, all qualified to deliver the work, then your final choice has to be based on value for money, reputation the individual consultants' personalities, and your trust in their abilities. Unless you can

trust your chosen consultant then the project will not be satisfactorily completed.

Having chosen the consultant then it is essential that you provide them with all the information you have available so that they don't waste their time and your money finding out what you already know.

Ensure your staff has been informed as the unexplained presence of consultants has been known to alarm some members of staff.

Do not let the agreed timetable slip. You must reserve your time for the consultants as most delays can be blamed on the client if you have not been available for scheduled meetings. The consultancy has to be taken seriously and time allowed for your input and that of your staff.

A consultant can't produce an effective plan without your input. They may be experts in marketing but they don't have your years of specific industry experience so you must work with them to produce a plan of action that you believe in and can completely see the logic while understanding the risks.

Do not sign off the final report at the last meeting. Take time to read it.

Only after you have given it due consideration and had any misconceptions corrected should you sign off the report.

Do not lose contact with the consultants — keep in touch as you implement the report and do not forget to get them involved again when the report needs updated or there is a sudden unforeseen change in the market.

Working with consultants can benefit your business provided you make the right choice of consultant. Only get consultants involved if you are going to work with them to provide real solutions for your organisations.

Gerald Michaluk is managing director of Marketing Management Services

Using experts to plan the way ahead *BY DAVID PRIMROSE*

The idea of letting someone with no direct relationship with your company run one of your departments would be enough to make most board members reel in horror. There can, however, be real benefits in employing a person or team from outside to "Facilities Manage" a department in your company.

Every company has to be flexible and responsible to change and can often be constrained by the personnel it does or does not employ.

It is a solution that is most appropriate at a time when a company is going through a period of change. In a time of rapid expansion, takeover or management buy-out the resources are simply not available internally to carry out all the work required.

The direct employees of the company are primarily concerned with maintaining levels of service and customer care. To establish operating procedures and strategic plans it is necessary to import specialist knowledge.

A conventional use of consultants would be inappropriate for this because once they had carried out their research and produced appropriate strategies the plans could gather dust because there would be no-one to implement them.

With Facilities Management the company would employ a team of experts to set up and run a department. This approach prevents time being wasted at crucial stages when direct staff have to acquire new skills. Once the department was running and systems were in place the company could then switch over to its own staff.

In one of the newly privatised rail companies the management was successful in its buy-out but the newly independent company, which had previously employed the support of Railtrack headquarters' functions, rapidly had to acquire the expertise to compete in the market-place. To do so it employed a firm of marketing consultants to carry out all the functions of a marketing department.

The new company gained immediate access to professional staff who worked in-house and adopted the identity of the company. Customers and potential customers remained under the impression that they were dealing with staff and management directly employed by the company.

Any company employing facilities managers should ensure that it is working in accordance with that company's objectives. Where possible the company should have a clearly defined time-scale for moving from facilities management to directly employing its own staff. It should set Key Result Areas which should be delivered by the facilities management team. This gives the management measurable targets against which it can gauge the performance of the facilities managers.

Unlike its own employees the management can terminate any agreement very quickly if standards are not being met. When the facilities management is a great success, it is not unknown for consultants to leave their own company to take up permanent positions in the companies they were previously facilities managing.

An alternative to employing a team as facilities managers

would be to employ an individual as an interim manager. The interim manager becomes a direct employee of the company and is primarily a trouble-shooter, taking over line responsibility for managing as chief executive or acting head of marketing, production, finance or IT.

The practice of interim management originated in Holland but has since spread across Europe and the USA. Because the people employed as interim managers are good there can be a tendency to over-estimate the time they are needed for. The danger is that companies can become too dependent on interim management and have to ensure that once the key result areas are achieved then they know when to terminate the arrangement.

Facilities and interim management are not the final solution to a company's problems but are the way to start moving towards that solution. If companies are needing a department at a time of change or needing a trouble-shooter to address short-term problems then they should consider employing outside help rather than incur the overheads of employing and training their own staff.

Expertise is available in the market and companies can control their spending by employing these people short-term contracts. Companies can also afford to be results orientated in employed outsiders. Putting your business in their hands could be the beginning of the answer to your problems.

David Primrose is a consultant with Marketing Management Services.

Marketing key to good MBO *By GERALD MICHALUK*

In the current British Rail Infrastructure Services privatisation's there have been three successful MBOs or MEBOs out of the nine companies sold to date. This demonstrates a willingness of management to take on the responsibility for their own destiny.

The secret of a good MBO is simply a sound business, excellent management, committed institutions, the optimum financial and management structure and a clear exit route.

It is established in a few relatively simple sounding steps:

- Getting the management team together.
- Appointing the advisers.
- Undertaking a feasibility study.
- Preparing a business and marketing plan.
- Agreeing a price.
- Approaching the investors.
- Negotiation with the seller.
- Agreeing a final price.

This all has to be done taking into consideration the structure of the funding, the banks' requirements, due diligence requirements, the tax implications and legal considerations. The question of insurance must also be addressed and all this has to be done without effecting performance in the management role for the seller and in free time after work.

In one deal the MBO team would have faced an advisers' bill of £40,000 if their £10m acquisition had been unsuccessful. As it happens it was successful and

the bill was £70,000. It is not surprising that there are very few managers willing to go through the process more than once in a lifetime. Success usually brings the reward of financial independence. Success or failure will be determined by how well the MBO team has read the market.

Knowing the market and accurately judging its potential is essential in an MBO and will be one of the areas in which investors will want a great deal of re-assurance. The due diligence team will have particular interest in this area.

As important as choosing your financial and legal advisers will be the accuracy and quality of your marketing information and systems. The use of a suitably qualified and experienced marketing consultant can often smooth the way because the information on the market will have been gathered independently. Investors' needs are considered in terms of verifiability of data, stringent recording of sources and rational behind estimates, assumptions and success probabilities.

It can help the management team, who can often only see one side and can fool themselves into believing the company is worth a lot more than it actually is. They must avoid saddling their new company with debt and the inherent effects this will have on competitiveness and profitability. Marketing promises are often included within the funding agreement and to ensure the continued support and trust of the backers any promises made should be based on the best market intelligence available at the time.

In the many recent privatisation's marketing has often been a problem to the MBO or MEBO teams because the companies historically have less need to find work as part of a nationalised industry. In these cases the need for marketing expertise has gone a lot further than the preparation from a marketing plan and has involved the setting up of a marketing department from scratch.

This is the most exciting type of project for a marketing consultant. The optimum systems have to be designed and installed. Some of these new departments will outperform the more traditional competitors because they have been designed to include the latest in marketing software and to BS EN ISO 9000 standards.

They are often set-up and run, over the critical first few months, by the consultancy firm involved. They are key results orientated and not limited by a single marketing manager's abilities. They are flexible and can call on specialists in all areas of marketing

(public relations, advertising, journalists, designers, etc.) to ensure a performance which can outshine competitors and result in achievement of the MBO's objectives more efficiently and with less expense than would have otherwise been the case.

In all MBOs the need for effective marketing is paramount to see the team through the buy-out process. It should convince investors that the market is sound and that the company is capable of achieving the sales projections and, after the MBO, it should ensure that promises made are met and the business grows at the desired rate.

Gerald Michaluk is managing director of Marketing Management Services

Value of exhibiting the right attitude *By JACQUELINE BAMBOROUGH*

ARE you under pressure to deliver more for your company's money, despite marketing budgets being slashed? Have you asked yourself: "Am I getting the most out of attending trade fairs and exhibitions?"

Many managers and companies launch into exhibitions without properly considering the role they have in their marketing plans. You should evaluate every year the contribution each one is making to your particular plan. If you are not doing this, the full potential of exhibitions might not be realised.

When properly used, trade fairs can be a cost effective medium. Those attending at least have a specific interest in your sector. This offers you, as an exhibitor, a targeted audience. It is a unique opportunity to reach key decision makers, service existing clients and contact new prospects all under one roof.

Research shows that exhibition audiences are quality targets with 84% possessing buying influence. Their expenditure reached in excess of £483m in 1994.

It is surprising some companies still regard attendance at key industry events as unnecessary, failing to realise they can be an excellent sales and marketing opportunity.

To take full advantage of this, companies are increasingly using consultants to provide advice, organisational and publicity skills. These experts will guide you through the planning process to maximise returns and deliver better value for money.

Exhibitions that are properly planned, organised and

publicised prosper. A successful trade fair is dependant not on luck but on the effective implementation of the following guidelines.

The establishment of your aims is critical to deciding what products to feature and how to present the company. Everyone involved must be aware of what you need to achieve. A clear statement of objectives also helps in post-event evaluation.

To choose your exhibition you should focus on audience quality and quantity, relevance, stand location and other logistical aspects. The Audit Bureau of Circulation can provide verified attendance figures as well as visitor profiles. Some local and national funding bodies offer information and subsidies for companies wanting to invest time and money in exhibitions.

Decisions regarding stand display and design must be taken early, and you will need to return contractor forms well before deadline dates.

An ineffective stand is often related to personnel. It is vital the staff selected have the knowledge, training and enthusiasm to make an impact. They must behave in a professional manner, which means not eating, smoking and chatting to friends.

A system for identifying and recording visitors should also be put in place, as well as procedures for contacting the office and the eventual debriefing of staff.

It is essential to produce some pre-exhibition publicity to ensure potential customers visit the show and, more important, your

stand. This could be direct mail or trade journal advertising. Publicity should be organised as soon as possible to take advantage of production schedules in magazines and achieve maximum exposure.

Running raffles and competitions, giving away free samples and sponsoring seminars all help to entice visitors. You could invite the industry's top 20 prospects and give them passes to a special business lounge organised during the exhibition, treating them like VIPs for the day. This can generate valuable goodwill.

After an exhibition the biggest crime committed by companies is not following up prospects. The reliability and speed with which enquiries are handled is a direct reflection of company standards. All that is usually required is a letter thanking the person for their visit, answering any specific queries raised and offering a sales call within two weeks.

Once contact has been made the capability of professionalism of your company should be demonstrated. These actions will help obtain feedback from target groups and allow for direct evaluation of the exhibition's effectiveness. The analysis of each element against your previously stated objectives should eliminate any flaws in the organisation of the next show.

Long-term planning and effective participation at exhibitions can not only lead to increased profits but can establish your company in the marketplace.

Jacqueline Bamborough is a consultant with Marketing Management Services

Unravelling the secrets of network building *By MICHAEL WOODCROFT*

NETWORKING is a way of increasing your business by sharing information, referrals, endorsements and assisting others to your mutual benefit. It is based on the idea that if you can do more than just deliver your core service, for example by introducing your customers to new business, they will refer work to you.

In the professions networking has always been acknowledged as an important source of business. Although there are increasing opportunities for promotion, networking has retained its importance and, if anything, this has grown.

The first steps in any formal networking system are to establish: who you know; who is important to know and why; how best to meet them and who is best suited in your organisation; how to form a genuine business relationship with them, be it mutual referral, peer group recognition or something else.

Always view any network relationship from the other person's point of view. What do they want and how can you ensure a balanced relationship serving both parties?

In most networks people do not tend to keep score of the

referrals or assistance given. However, those who do not reciprocate are soon dropped, as are those who do not provide a quality product or service or who lack credibility.

The secret of good networking is knowing and trusting the services supplied by those you network with. If you refer a client to another member and they are let down, it reflects on you as well as on the service provider. Likewise, if you make a referred client unhappy, it reflects not just on you but on the referral agent. Networked client referrals come with a "handle with care" label which you ignore at your peril.

You can always spot a good networking-based organisation from its in-house journal which will have around 80% of its stories about its clients' businesses. Putting your clients in the spotlight and taking a back seat is one of the most effective networking activities you can indulge in. You must be your customer's champion.

Ensure your network know what you do, where you are positioned in the market and what type of client you can help most. Do not try to sell yourself to everyone you meet. Determine first what their needs

are and if you can meet them. If you can, explain how you can help and give a network member as a reference. If you can't, say so, and refer the person to a network member you know can meet their needs.

Do not underestimate the need for friends in business. It is much more difficult to sell your service to a stranger than it is to a friend. However, it is far more demanding, requires greater ability and skill and is much more important to deliver a quality service to a friend.

If you can make the grade, networking will give you buyers for life and reward you with a lot more than just money and power; it will give you respect, recognition and trust.

To ensure your networking efforts are successful, you must put in place systems and controls which will allow you to manage your network. Some of the information in this article is taken from the syllabus of the University of Strathclyde's certificate in entrepreneurial studies.

If your needs, however, are solely those of network building, it is possible to use consultants to help you create and control it.

Michael Woodcroft is a consultant with Marketing Management Services

Value for money is priority for sponsors *By ALAN GRANT*

ALTHOUGH sponsorship and philanthropy are in theory quite separate, in practice there is a great deal of confusion and conflict.

In some companies, the decisions on sponsorship are taken by the marketing department and the money comes from the marketing or promotional budget. But for many others sponsorships are routed through the same channels as charitable appeals, and some even pay out their sponsorship money in the same way as a donation through their company trust.

What is clear is that sponsorship available in the UK today is in excess of £300m, with sport and the arts taking the lion's share. More recently consumers will have noticed the trend towards the endorsement of television shows, particularly by national newspapers.

In Scotland those avid fans of High Road will have no doubt spotted that their favourite programme is brought to them by Scottish Blend, and commercial weather bulletins are sponsored by Kwik-Fit.

From a virtually standing start in 1989, television sponsorship in 1994 was worth £30m, with predictions that 1995-1996 will top out at between £45m and £50m.

As companies seek to target even more elusive consumers, London Underground, for example, is creatively seeking to

brand its prime stations. Harrods' Knightsbridge perhaps, or could we go one better and have phone company Orange sponsor the Glasgow Underground trains.

So what does all this mean? Quite simply sponsorship is big business, with those prepared to consider endorsement becoming increasingly demanding, certainly at the top end of the market. Philanthropy has gone and been replaced with hard-nosed negotiators seeking value for money as a top priority.

Providing objective appraisals to clients and consultants on the effectiveness of their sponsorships is not an easy task, and the role of the market researcher cannot be overestimated in assisting the negotiating process at both ends of a deal. If a company believes that sponsorship is the right strategy to follow, it needs to be sure the proposals are worthy of entrusting a brand image to. Event sponsorship can be a risky business, as Philip Morris and Fosters discovered when they watched their £1.2m support of the America's Cup challenge One Australia sink off the coast of San Diego.

Pepsi had a similarly upsetting experience, beating a hasty retreat from first, Madonna and then Michael Jackson after bad publicity.

Most sponsors are looking for the opportunity to raise the profile of a brand or have it

associated with events that are well known and people enjoy, but they may also want to make things happen or create events which might not otherwise take place.

Sport is the most expensive area because of television coverage, but there are many more opportunities for sponsorship at a more modest level of expenditure. Almost any form of activity affords the opportunity for sponsorship. Ingenuity, creativity and enthusiasm can ensure that a modest budget can achieve target audience penetration.

Opinion is divided on the benefits of sponsorship, but for building brand awareness, image improvement and building customer loyalty there is a sustainable argument.

So those chairmen and chief executives seeking board approval for their favoured causes, or those who are seriously interested in using or seeking sponsorship to build awareness or make things happen, should allocate a budget for market research.

Research can go a long way in both presenting a "winning" proposal and for assisting in the assessment of the impact. This, in turn, may create the feel-good factor and confidence that sponsorship is an important tool worth keeping in the marketing tool box.

Alan Grant is a director of Marketing Management Services based in Glasgow.

City shake-up means a fresh start *By DAVID PRIMROSE*

GLASGOW'S marketing has evolved over the years and the public, both within and outside Glasgow, is familiar with the Mr Happy image and the slogans promoting the Dear Green Place.

The reorganisation of local government has provided the new Glasgow City Council with the opportunity to examine the marketing drive and make a fresh start.

After just over a month the new council's marketing team has still to fully develop its plans and strategies. Already, however, there have emerged three clear areas where it hopes to improve its service.

Coordinating activity and spending has not always been a feature of city marketing initiatives and John Brown, new head of public relations and marketing, has already started to pull together the marketing officers from the city departments into a Marketing Forum where policy and co-operation can be developed. The city is keen to maximise the benefit that can be gained from its internal resources.

Carol Matthews, chief marketing officer for Glasgow City Council, defined the challenge facing her team as "to ensure that Glasgow flourishes as a great international city".

She sees the job of marketing the city in the same way as would somebody marketing a product and a service. One of the main differences is the

number of "customer groups" she has to serve. Glasgow City Council is serving its staff, the citizens of Glasgow, tourists, Glasgow businesses and it is trying to send messages to people and businesses all over the world telling them why Glasgow is a great city for "living, learning, working and playing".

As well as coordinating the City's marketing effort, the new department is also dealing with communication. The aim is to ensure that all the target audiences receive clear positive messages about the City.

One of the main priorities that Carol Matthews has identified is the need to communicate more information to the people of Glasgow about how they benefit from the council's spending.

This year's Festival of the Visual Arts is expected to generate an additional £9.8m for the city which brings spin-off benefits to the hotel, restaurant, retail and tax businesses among others.

Glasgow's marketing strategy is based around "Pacing" events (The Garden Festival, City of Culture, Festival of the Visual Arts and the Year of Architecture and Design) and the marketing team has to devise linked plans for all the target audiences.

The third theme for the new marketing department at the city council is partnership. Sponsorship has already been used for the benefit of city and business in many large and small projects. Joint initiatives

with tourist bodies, hotels and other business groups are planned to promote Glasgow.

John Brown has already spoken to marketing officers in other new unitary authorities to explore ways of working to their mutual advantage. They are all experiencing new problems and challenges and are trying to work together rather than in opposition.

Glasgow City Council is hoping to continue working with Glasgow Development Agency and other agencies promoting Glasgow as a business location, to develop joint initiatives and to ensure that Glasgow gets a fair share of inward investment publicity. It is intended to align the city's corporate identity with good news stories.

The new Glasgow City Council has many marketing challenges ahead. At present none of the methods or ideas are cast in stone and there are plenty of opportunities for new ideas and concepts. The reorganisation has given the marketing team a rare chance to start afresh looking at all aspects of its marketing activity. Once the new team is in place, it will assess the needs of all the customer groups and develop the action plans accordingly.

Carol Matthews says that although the plans are not yet in place, they will be "exciting and dynamic", portraying Glasgow as a "truly great city".

David Primrose is a consultant with Marketing Management Services in Glasgow

Valuable opportunity to take the financial initiative *By MICHAEL WOODCROFT*

THE Private Finance Initiative (PFI) was launched by the Conservative Government in 1992. Since then Piffles have been increasingly considered for major projects requiring a high level of capital investment.

A number of projects are now under way or completed, notably in areas such as healthcare and transport. The PFI means companies have to be ready to react when tenders are advertised. The encouragement is also there to seek out opportunities and put forward proposals.

Private sector involvement in what were traditionally public sector projects is likely to continue even if there is a change of government — Labour's proposed initiative, the Public-Private Investment Partnership, has many similarities to the PI.

There are two fundamental requirements for the use of private finance: the sector must genuinely assume risk, and value for money must be demonstrated for any public expenditure.

The PI aims to minimise risk to the public sector and to give the private sector incentives to deliver cost-effective and efficient services.

The Scottish Office is keen to encourage proposals in three sectors.

The Health Service needs privately financed facilities where it can be shown these are in the best interests of the patients and offer good value for money. These might include nursing home care for the elderly, patient

hotels, support services and the leasing of medical, laboratory and office equipment.

The Roads Directorate is looking for proposals to relieve traffic congestion and to speed communications. These are in addition to the road projects already under discussion.

Water and sewerage services are still in the public sector but the new water authorities in Scotland face the same pressure for investment as the private sector elsewhere. Regulations on improved drinking water standards and EC directives, for example on urban waste water treatment, have to be met.

Work must continue on providing for new and expanding development needs, maintenance of existing networks and upgrading overloaded treatment facilities.

To take part in a PFI project you will normally have to form a consortium, whether or not you are a major company. Each member should bring individual skills suited to the project.

The identification of partners should be well thought out, since the failure of one affects all others, particularly when a project might last 10 years or more. There are some key areas that should be considered in your choice.

- Financial strength and stability — to ensure effective risk management.
- Operational excellencies — working well with employees and unions.

- Business management capability — managing process and change.

There are broadly three types of private finance projects.

- Financially free-standing — when the private sector undertakes the project on the basis that cost will be recovered entirely through charges for the services to the final user.
- Joint ventures — when the private and public sectors work together. The public sector supports a project where the returns are too low for the private to cover the risk or initial investment alone. The private sector retains overall control and its initial outlay is reduced.
- Services sold to the public sector — when the private sector becomes the contractor providing services previously supplied by direct labour. PFI is most suitable where a significant part of the cost is capital expenditure.

For firms which have already positioned themselves well within the market and established relationships, PFI provides a golden opportunity. Companies who have not researched the possibilities should consider taking action now before others do.

Michael Woodcroft is a consultant with Marketing Management Services

In touch with a shopping-mall revolution - by ALBERT NAISMITH

Don't get on your bike, get into that booth. User-friendly Videonet sites are coming - to make direct contact between consumer and company as easy as being there, says Albert Naismith

JUST when you imagine the future has arrived something happens which makes you realise technology's box of tricks is only half open. It happened again last week and the word is that the police are making inquiries.

They, along with leading banks, building societies, travel agents, insurance companies and supermarkets, are more than interested in a touch-screen system which will allow the public to report crimes, check in their driving licences, talk to their bank, buy insurance policies, and book and pay for their holidays from hi-tech but user-friendly booths.

They will speak face-to-face to the person at the other end, with both participants in the conversation able to see each other and thus establish the person-to-person relationship which other technologies apparently seek to destroy.

Videonet sites could be established at the local shopping mall, rail station, supermarket, or anywhere with reasonably heavy pedestrian "traffic". They have yet to arrive in Scotland but last week's demonstration at Glasgow Royal Concert Hall made it clear that the proposed trials will be the forerunner to another revolution in the way we approach everyday tasks.

The system — both hardware and software — is designed, built and supplied by PFA UK Ltd whose managing director, Ian Cotterill, told me of significant success with the 25 or so terminals now situated in conurbations such as London, Hull, Manchester, Sheffield, Cardiff and Newcastle.

Existing clients of PFA include the Co-operative Bank, the Cheltenham & Gloucester Building Society, Thomas Cook, and Nat West. All are benefiting from a situation where a bank customer can use the branch

Videonet to book a holiday, on the spot — or a Thomas Cook customer can employ the agency's site to arrange finance or a current-account statement with his or her bank.

Daewoo, the direct-sales car maker, is also involved; so we have a scenario where the purchaser can talk to his bank from the showroom to see who is giving him the best loan arrangement.

In all cases, the information exchanged is totally confidential. A print-out is supplied to the client for his records, reflecting exactly the information he has input, and after the negotiation is over all the data goes downline to be stored in the call centre. For the customer's part, he/she has identified himself via a signature on an electronic signature pad, and/or a swipe of his bank or credit card through the same outlet.

Some versions of Videonet also have scanners, which can be used for the aforementioned driving licences (eg, when one has to report in after being caught speeding), for other forms of identification, or for the transmission of documents.

Introduction of Videonet north of the Border is being undertaken by PFA and Marketing Management Services, the Glasgow-based marketing consultancy which is intent on testing the project in a highly cost-effective way while offering six target organisations the opportunity to be in on the ground floor.

"We have already generated considerable interest among the Scottish Business Shops network", says project manager Ralph Risk. "We envisage this technology as of significant help in an organisation specialising in providing advice to existing businesses and start-ups.

"Anyone with a business idea but living in a town which doesn't have a Business Shop might be reluctant to spend a lot of time travelling to investigate an idea which could well be a non-starter. But contacting the nearest shop via Videonet, inputting the basic information

through the menu which appears on the screen, talking directly to an information officer and then face-to-face to a business adviser, is a different matter.

"Similarly, the various business experts in the network would be accessible from remote locations. It would be an efficient and cost-effective solution for everyone concerned".

He is also anxious to secure the interest and support of the private sector in order to achieve the proper "mix". His six targets are supermarkets, banks, travel agencies, utilities, police forces, and insurance companies. "We are offering a two-year partnership under which each member would pay set-up costs of about £6950 each, with monthly costs of £1346 and a bill for the actual calls. For that they will receive specially developed software, an operating system designed for them, and an on-going evaluation under which Marketing Management Services would establish how successful each site is proving for each individual host organisation.

It is understood that grants might be available to the private sector. Each partner would have one site at one of its own premises, plus an input into discussion on the siting of the five others. Extra sites would also be available, with unit costs reduced.

At the end of the two-year period it is anticipated there will be a national "roll-out", accompanied by an appropriate publicity and information campaign based on the statistics from the trial period.

Risk anticipates the technology will bring its own revolution and that the evaluation period will prove highly instructive — not so much as to its desirability but more in regard to how best it should be used.

"Within five to 10 years I expect it will be widespread, even having made inroads into the home," he says. "By then the Internet and cable will have been developed to the extent that Videonet negotiations from one's armchair will be quite commonplace.