



**CGMAX Management Case Study Examination
May & August 2021
Pre-seen material**

COVID-19 Statement

This pre-seen and the case study in general (while aiming to reflect real life), are set in a context where the COVID-19 pandemic has not had an impact.

Remember, marks in the exam will be awarded for valid arguments that are relevant to the question asked. Answers that make relevant references to the pandemic or social distancing will, of course, be marked on their merits. In most cases, however, candidates may find it helpful to assume that there are no restrictions to the movement of people, goods or services in place.



**TRAYYNER
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Introduction

Trayyner is an unquoted company that offers executive training courses. The company is based in Capital City in Northland, but it offers its courses at several international locations.

Northland is a developed country that has a high standard of living. The country has an excellent higher education system, with relatively high proportions of its population holding undergraduate and postgraduate degrees.

Northland's currency is the N\$. Northlandian company law requires companies to prepare their financial statements in accordance with International Financial Reporting Standards (IFRS).

You are a financial manager at Trayyner's Head Office. Your primary responsibilities are associated with management accounting and you report to Dzodzi Tsikata, the Senior Financial Manager, who reports directly to the Finance Director.

Executive Training Industry

Executive training companies provide short courses, typically lasting for 3 to 5 working days. They provide course participants, more commonly known as “delegates”, with the opportunity to update their existing skills or to develop skills and knowledge that they require in order to be more effective in the workplace.



Executive training courses take a variety of different forms and they are provided by a range of different organisations. Many colleges and universities offer executive training courses, some of which are led by prominent academics. There are also many private sector training companies.

Course fees are generally paid by delegates' employers and so it is usually possible to charge a significant amount for course participation. Senior managers and directors are often entrusted with key decisions and so enhancing their competence through relevant training can be a highly cost-effective investment.

Training is also potentially good for morale. Training courses provide delegates with an opportunity to step back from the pressures of running the business, without requiring them to make use of their annual leave entitlements. They also reassure delegates that they are valued by their employers because they take their needs for personal development seriously.

Having directors and senior managers participate in ongoing executive training also sets a good example for more junior employees in organisations that encourage their workforces to engage in lifelong learning.

Training courses take two main forms:

Public courses	<p>Public courses are open courses that are advertised publicly and can be taken by anyone whose employer is prepared to pay the course fee. The course outline is published in advance and so delegates can decide whether it suits their needs.</p> <p>The fact that the outline is developed by the training company's experts suggests that it covers material that should be of value, perhaps because the course facilitator regards it as current or because it is frequently misunderstood.</p> <p>Delegates enjoy the opportunity to interact with their fellow participants, who will come from different employers and may have very different backgrounds. All delegates have an interest in the course subject matter and so it may be possible to share insights and seek advice about the practical issues arising from the course content.</p> <p>Class sizes are usually restricted to a maximum of, say, 20–25 delegates. That makes it easier for individuals to engage with the course content.</p>
Bespoke courses	<p>Bespoke courses are designed in consultation with clients, with a view to covering material that is relevant to the client organisation's needs and the needs of the delegates. The course might cover a particular topic area from the perspective of the client's industry, or it may be designed to assist a particular group with their specific needs. For example, if a company has recently appointed new directors then it might develop a training course to help them understand their responsibilities.</p> <p>Bespoke courses often give delegates an opportunity to relax and interact as a management team, without the immediate pressures of being in the work environment.</p> <p>Class sizes for bespoke courses are determined by the client, but are generally small. In principle, it would be possible to offer training to an individual delegate if that was what the client wished.</p>

Executive training courses take two main forms, either developing new skills for delegates or updating delegates' existing skills.

The early careers of company directors and senior managers typically start in a functional or professional area. For example, in engineering or finance. Generally, careers progress through various stages of seniority, with managers taking on more supervisory responsibilities and moving into a position that requires the ability to contribute to the management of the organisation's strategy. For example, a geologist might work her way through the ranks of an oil company before being appointed to the Board of Directors. As a newly appointed director, she would almost certainly find it useful to receive some training on aspects of her new responsibilities in order to augment the knowledge that she gathered earlier in her career.

Training companies frequently offer courses covering generic skills required by senior managers and directors, such as:

- Budgeting and financial management
- Corporate governance
- Leadership.

Training companies also provide courses that update or extend skills and knowledge in ways that are appropriate to the professional backgrounds of senior managers and directors. For example, the following courses might be offered for HR professionals:

- Recent developments in employment law
- Recruitment using social media
- Artificial intelligence in selection.

These courses are often designed to meet the needs of professional bodies for continuing professional development. For example, the Northland Institute of Personnel and Development requires its members to complete an annual return that confirms they have taken appropriate steps to remain current. While that requirement can be satisfied in several ways, members can demonstrate compliance by participating in formal training.

There is considerable competition in this industry. New training companies require little initial investment. Most large hotels rent out meeting rooms that are fully equipped with all of the necessary audio-visual equipment required for presentations. Trainers are often employed as contractors for the duration of their courses. Trainers are expected to use their own laptop and presentation software.



The low set-up costs mean that there is a steady flow of newly established training companies. The resulting competition also means that there is a very high failure rate, with many newly established companies struggling to generate sufficient revenue to remain viable.

There are relatively few well-established training companies. These companies generally rely heavily on repeat business from corporate clients who often work closely with training providers to develop relevant training courses for their senior management teams.

Trayyner

Trayyner was founded in the 1990s by the Nasir family. Asif and his sister Miriam were the original directors and they built up the business together.

Asif and Miriam are on Trayyner's Board: Asif as Executive Chair and Miriam as Chief Executive.

Trayyner's Head Office is in Northland's Capital City. It offers a wide variety of courses that are generally 3–5 working days in duration, with its longest courses lasting 10 working days.

Trayyner is based in an office building that it owns and uses as a base for 60 staff, who are split between administration and accounting, global marketing and course management. There are also three overseas sales offices, each of which is incorporated as a 100% subsidiary in its host country. These employ a total of 24 staff whose job is to market courses to potential delegates from the host countries.

Head Office staff are split into three main departments:

- Administration and accounting
- Global marketing
- Course management – each training course has a designated course manager, who liaises with delegates before they travel and who will be present at the venue to supervise the course and deal with any problems or concerns that arise.

Marketing activities

Trayyner has an extensive client base that is drawn mainly from regions that had developing economies until relatively recently, but that have transitioned to maturity. Countries in those regions frequently have large numbers of professional people who occupy senior roles within indigenous and parastatal (government-owned) organisations. Those managers are typically graduates and have significant business experience. They share the same needs as managers from more developed countries to receive training that challenges them by exposing them to new ideas.

Trayyner takes two main approaches to marketing its courses:

- Course managers are active in developing and maintaining relationships with delegates and their employers. There is always a course manager present during any given course and that gives them an opportunity to promote future bookings in a low-key manner, through chatting at breaks and seeking feedback about delegates' needs.
- Course managers constantly seek useful intelligence, such as asking each course delegate for the contact details of the person who selects and books courses for their organisation.
- Course managers maintain regular email contact with past delegates and their training managers, recommending upcoming scheduled courses or asking whether a bespoke course might be of interest.
- The three overseas sales offices are each located in a different foreign country (Southland, Eastland and Westland). Each host country is home to many of the companies who have booked courses in the past.

The local sales teams work to develop contacts with employers who might book executive training courses. They also assist the course managers at Head Office by maintaining contact with local training managers who have previously booked Trayyner's courses.

This local presence helps maintain bookings from these three countries. The overseas sales offices ensure continuity of contact with important clients and also reduce the pressure on the course managers at Head Office, particularly when they are overseas and busy supervising courses. Trayyner is, however, happy to accept clients from any country. Course managers maintain regular contact with clients and potential clients from many different countries and new clients are sometimes recruited through Trayyner's website.

The Head Office and each of the three overseas sales offices are run as separate profit centres. Each is responsible for signing up delegates for public courses and working with corporate clients to develop bespoke courses.

The overseas sales offices incur all costs locally. They are credited with a commission from Trayyner's Head Office whenever they enrol delegates on public courses or sign a contract for a bespoke course. Delegates simply join the public courses that they have signed up for. Bespoke courses negotiated by the overseas sales offices become the responsibility of course managers at Head Office.

Course locations

None of Trayyner's training is undertaken in Northland or in the host countries occupied by the overseas sales offices. Courses tend to be conducted in locations that are within a day's travelling distance for both Trayyner's staff and course delegates. That is usually defined as being within a day's flying time. Many courses are offered at a location that is an 8-hour flight from Capital City and a similar flying time for most delegates.

Delegates are willing to make such long journeys because Trayyner's courses are generally based in cities that are regarded as attractive destinations and that are usually served by major hub airports. The vast majority of course delegates are senior managers, frequently Board members, and they can justify the cost of an intercontinental flight to maintain their competency or to learn new skills.



Trayyner's courses are all conducted in luxury hotels. These generally offer fully equipped meeting rooms that have the necessary facilities to project the course materials from the trainer's laptop. Trayyner generally accommodates the course manager and their trainers at those same hotels. Trayyner aims to build relationships with specific hotels so that it can negotiate discounts on meeting room hire and on accommodation and also ensure that hotel staff are instructed to provide good service.



Trayyner's courses generally run from 9.00 hrs until 13.30 hrs. Delegates are provided with tea, coffee and snacks during all breaks and a full lunch at the end of each day's training.

Trayyner can arrange accommodation for delegates at the hotel, although many delegates work for companies that have corporate accounts with international hotel chains and so they often make their own arrangements.

Ideally, Trayyner will have two or three courses running simultaneously in any given hotel. The same course manager can then supervise more than one course and the costs associated with travel and accommodation can be spread across multiple courses.

Trainers

Trayyner has approximately 300 trainers, all of whom are employed on a part-time basis. Each has an area of specialism and must fit in presenting courses for Trayyner alongside their other work and personal commitments.

Trainers are recruited mainly through direct approaches made by Trayyner's course managers. They might, for example, study catalogues of major publishers, looking for authors whose books are in relevant areas. Once recruited, those trainers may be able to recommend colleagues and acquaintances who would also be worth approaching.

Many of Trayyner's courses require specialist knowledge of topics that are likely to challenge many potential trainers. For example, several courses are designed to assist delegates who have recently been appointed as pension fund trustees, which means that trainers must be capable of delivering credible and useful courses on the management of different types of pension schemes.

Trainers are required to develop their own course materials, even if the course is a public one that has been taught previously by someone else. Trainers do not receive any separate payment for developing the materials, but they are motivated by the possibility that they will be asked to repeat the course at a different location or at a later date and so they will have little or no preparation for any repeats.

Delegates are asked to evaluate trainers at the conclusion of each course. The course manager then provides the trainer with feedback and suggestions for improving future courses. The course manager will also have sat in on the course for at least part of the time and will have personal observations to make. It is not sufficient for courses to be technically correct, they also have to be delivered in a lively and engaging manner.

Trainers are only asked back to deliver future courses if their overall performance is deemed satisfactory. Trayyner has many trainers who have worked for the company for several years, but even long-serving trainers can be withdrawn from service if their course evaluations are weak.

It can be challenging to deliver courses with qualified trainers. Even a 3-day course requires a day's travel both at the beginning and the end and so the trainer must be able to commit to a week or more at a time. Trayyner requires trainers to commit to the whole course from beginning to end because it is not cost-effective to fly two trainers out to share a few days each on a training course.

Trayyner does not employ any trainers on a permanent basis, which can make it difficult to facilitate courses. Some trainers are unable to commit to more than one or two courses a year, despite the fact that Trayyner pays an attractive daily fee. Most competent trainers have significant prior work commitments and may have to take annual leave from their full-time jobs in order to accept an assignment. Some trainers are full-time lecturers at colleges or universities who use part of their vacation time to work for Trayyner.

Trayyner forbids its trainers from working for any other training company. Any who are found to be doing so will not be used again, even if they are popular with delegates.

Course Managers

Course managers have a range of responsibilities:

- They create schedules of courses, both public and bespoke, that will be potentially attractive to clients. Public courses may deal with obvious topics, such as leadership, and so Trayyner may be competing directly with other training companies in order to attract delegates.
- Course managers work constantly to develop leads with corporate clients. They approach delegates from past courses in order to ask about their needs for further training, either through participation in a public course or through a bespoke course. Course managers also work with the HR departments of corporate clients to identify the managers who are responsible for training budgets and who might be in a position to request bookings.



- Course managers use break times during courses to interact with delegates. They use these opportunities to gather intelligence, such as checking that they have the latest contact details for the corporate managers who make training decisions.
- Course managers also engage with delegates to ensure that they are happy with the course so far and to assist with any

problems that they might have with travel or accommodation. They also organise social activities during the course.

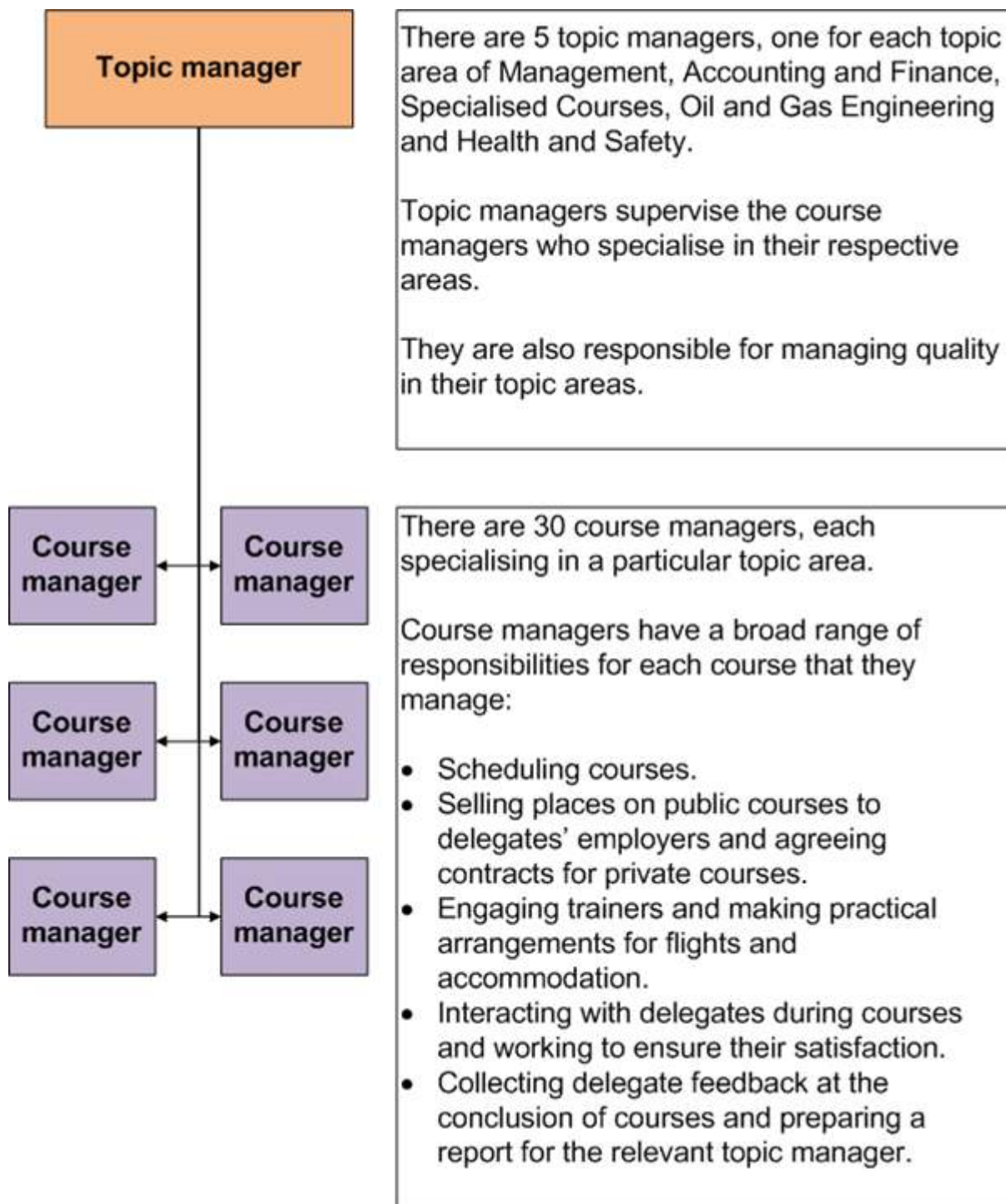
- Course managers are also expected to plan and make the arrangements for future courses. They need to recruit trainers, organise flights and accommodation and track bookings for public courses to ensure that numbers are viable. Those duties might conflict with overseeing courses that are under way and so they may have to take time out of the training room to work on their laptops and mobile phones.
- Course managers are responsible for briefing staff at the three overseas sales offices on any information they have collected that will help the sales office staff to sell courses to delegates and employers from their host countries. The sales office staff and course managers must coordinate their efforts to make the most effective use of contacts. Marketing activities carried out by the course managers are supported by colleagues who are based in Traynyer's three foreign subsidiaries. Each of these subsidiaries is based in a host country that is home to several of Traynyer's major clients. The subsidiary staff are responsible for maintaining good relationships with those local clients, often using information collected by the course managers. They also engage with potential clients in their host countries.

Topic Managers

Traynyer offers a wide range of courses, broadly grouped under the topic areas of Management, Accounting and Finance, Specialised Courses, Oil and Gas Engineering and Health and Safety. Each topic area has its own topic manager, who has overall responsibility for the public and bespoke courses within that topic area.

Topic managers supervise the activities of course managers. For example, at the conclusion of each course, the course manager who was responsible for supervising it must compile a report for the topic manager that summarises delegate feedback along with costs and revenues.

Topic managers must also approve the appointment of any new trainers before they can conduct a course for the first time.



Courses

The following is just a sample of the public courses that Trayyner offers:

Management

- Leadership Skills for the Technical Manager in the Non-technical Role
- An Introduction to HR
- Strategic Leadership for Directors
- Managing Effective Teams
- Corporate Social Responsibility
- Managing Risk
- Serving on the Audit Committee
- Corporate Governance
- Marketing for Directors
- Big Data Analytics
- Supply Chain Management for Directors
- Cyber Security for Directors

Accounting and Finance

- Accounting for Directors
- Financial Statement Analysis
- Understanding IFRS
- Valuing Companies
- Raising Finance
- Recent Developments in Financial Reporting

Specialised Courses

- Valuing Pension Funds
- Pension Fund Board Responsibilities
- Internal Audit in Parastatals
- Board Duties in Parastatals
- Valuation in Alternative Energy Organisations
- Governance in Charities
- Raising Venture Capital in the Technology Industry

Oil and Gas Engineering

- Oil and Gas Accounting
- An Introduction to the Oil and Gas Industry
- Oil and Gas Safety
- Procurement in the Oil and Gas Industry
- Managing Construction in the Oil and Gas Industry
- Offshore Safety Management
- Risk Management in Oil Exploration

Health and Safety

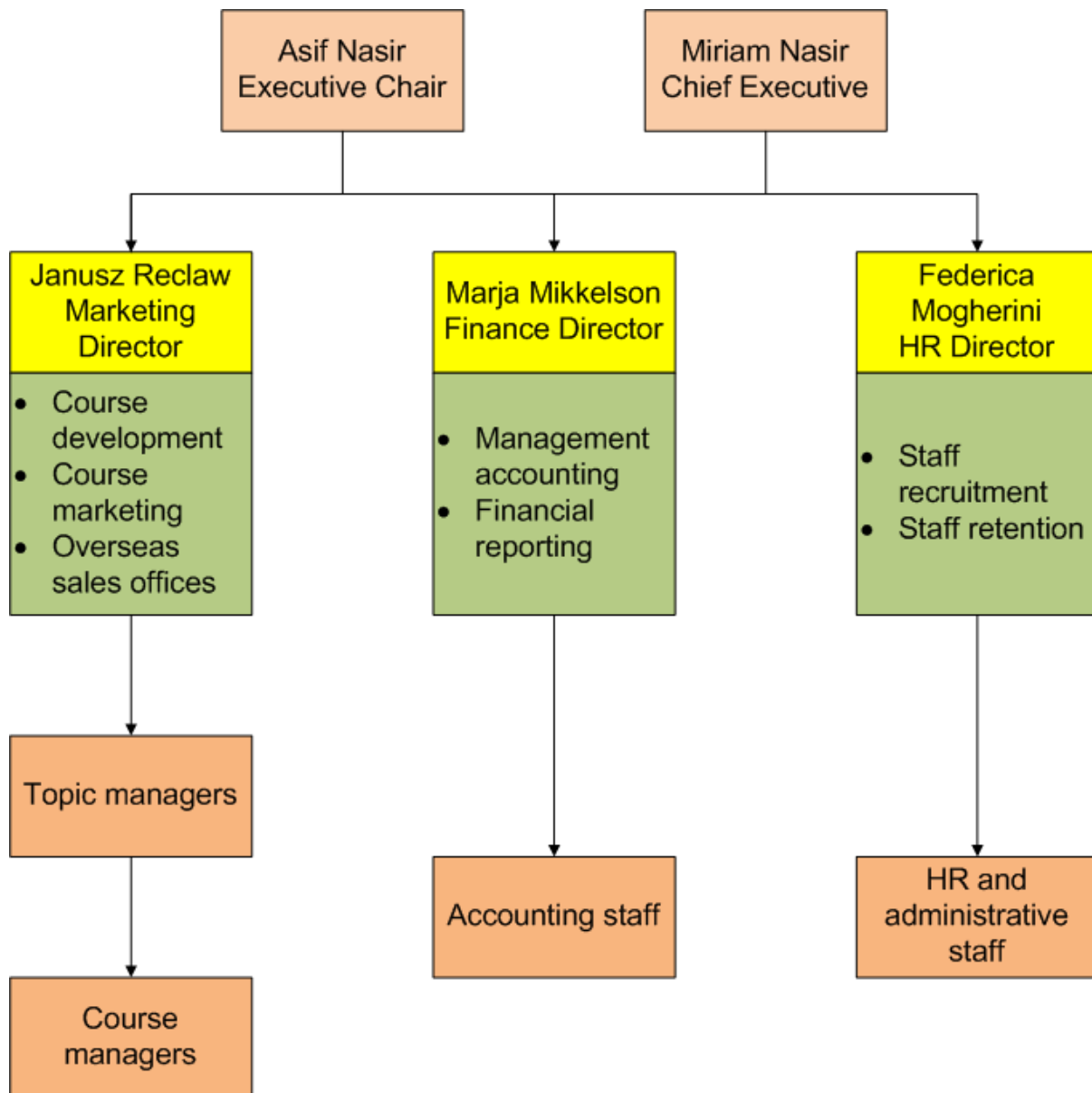
- Risk and Incident Analysis
- Health and Safety in the Oil and Gas Industry
- Safety Compliance and Inspection
- An Introduction to Health and Safety Management
- Risk Assessment in Vehicle Operation and Maintenance
- Risk Assessment in Manufacturing Operations

Some of these courses are very popular and run several times a year. For example, Accounting for Directors and Managing Risk both run four times a year.

Bespoke courses can be based on public courses or they can be designed to the client's specific needs. For example, the directors of a major teaching hospital recently requested a course on the recruitment and training of junior nurses. One of Trayyner's course managers identified a trainer with considerable experience in that area and organised a four-day course that covered the client's requirements.

There are 30 course managers, each of whom specialises in one of the five topic areas, although there is a constant need for them to be flexible. If there are three courses running simultaneously in a particular venue then it is more cost-effective to send just one course manager to supervise them all, even if they are spread across unrelated topics. It may also be cheaper to have the same course manager stay at a particular hotel for two or three weeks in order to oversee a succession of different courses, rather than incur the cost of air fares to change between course managers. That can mean that a course manager who specialises in, say, Accounting and Finance must also supervise courses from different topics.

Trayyner's management structure



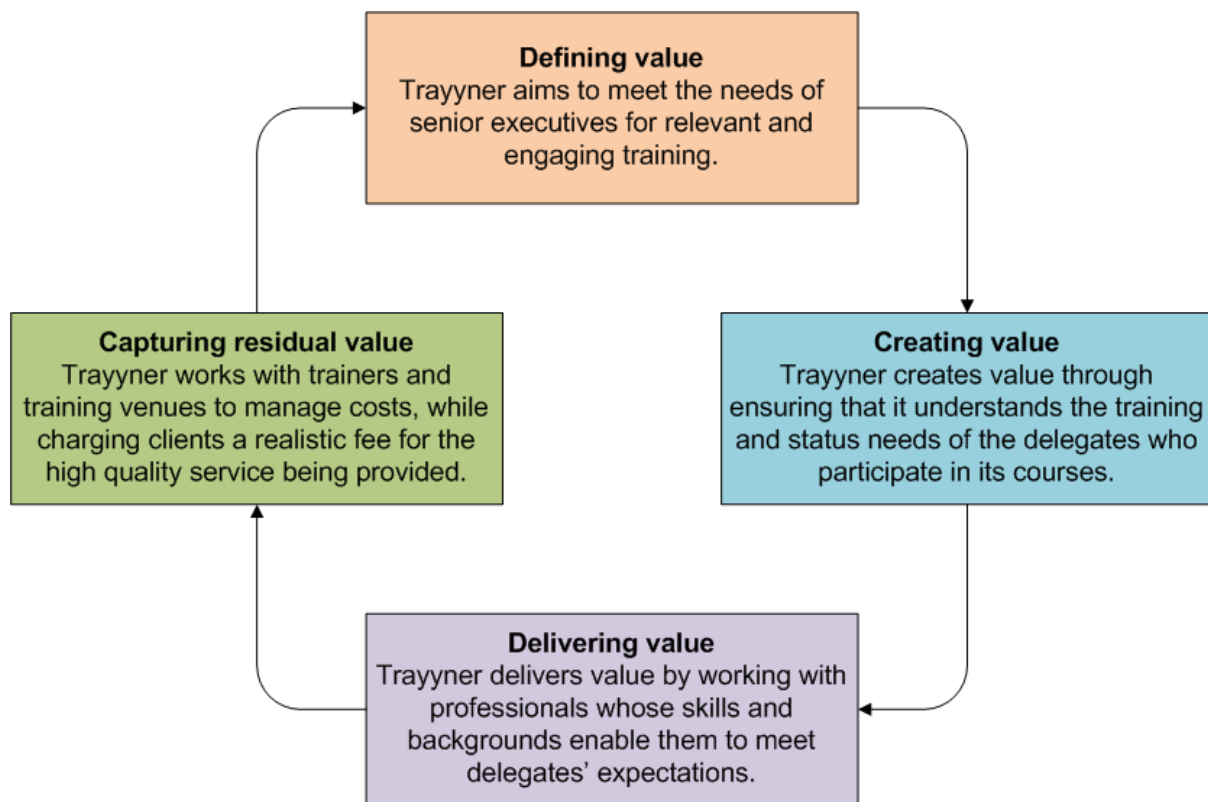
Trayyner's Board comprises only executive directors. That is common practice for unquoted companies.

Asif and Miriam Nasir share responsibility for the overall strategic direction of the company. Asif chairs Board meetings and deals with key external stakeholders, including lenders and shareholders. Miriam focusses more on oversight of ongoing operations.

Asif and Miriam each own 10% of Trayyner. The remainder of the shares are owned by individuals who were invited to invest to assist with the company's expansion.

The Trayyner Group comprises a parent company, based in Northland and three 100% overseas subsidiaries: Trayyner Southland, Trayyner Eastland and Trayyner Westland. Each of the subsidiaries is a sales office. All courses are organised by course managers from Trayyner's Head Office.

Trayyner's business model



Trayyner focusses on developing courses that are relevant to client needs. For example, it offers several courses that are aimed at delegates who have recently gained new responsibilities as non-executive directors. For example, a course on audit committees has been extremely popular with non-executive directors who do not have an accounting background. The need for such courses only became apparent because of conversations between course managers and delegates during breaks and lunches on unrelated courses.

Delegates also have high expectations with regard to the ambience of courses. They appreciate the fact that public courses offer the opportunity to network with senior managers from other companies. On all courses, they enjoy the opportunity to travel and to work in pleasant surroundings. Trayyner always organises at least one social event, such as a dinner for delegates, to enhance that ambience.

Trayyner pays close attention to feedback from delegates on its trainers. New trainers are monitored closely by course managers, but even experienced trainers are supervised and any whose evaluations are deteriorating are unlikely to be invited back.

Course managers are expected to control costs carefully. The company always uses good quality hotels, but it negotiates substantial discounts in return for offering repeat business. Trainers are offered generous daily rates for days spent training, but no payment is made for travelling time or for preparing course materials, even if the course is cancelled at the last minute after the course has been written. Trayyner insists on being paid in advance by all clients, thereby eliminating the costs of uncollectable receivables.

Costing information

The costs and revenues associated with a typical course are as follows:

	N\$
Delegate fees (N\$3,000 x 15 delegates)	45,000
Commission to overseas sales offices	(3,000)
Cost of training room (including snacks and lunches)	(4,000)
Trainer's fee	(4,250)
Air fares for trainer and course manager	(1,700)
Accommodation for trainer and course manager	(3,400)
Entertaining delegates	(3,375)
Course manager	(400)
Head Office costs	<u>(2,500)</u>
Profit from course	<u><u>22,375</u></u>

Each course is the responsibility of an individual course manager. Course fees are based on a set price of N\$3,000 per delegate on public courses and N\$45,000 per bespoke course. These set prices are established and updated by the Board. Course managers have limited discretion to discount those fees in order to sell places on public courses or reach agreement on bespoke courses.

Entertaining costs are incurred because Traynyer organises social activities for delegates in the evenings. These include providing tickets for sporting or cultural events and a dinner on the last evening before the end of the course.

The charge for the course manager is based on a daily rate that reflects the average course manager's annual salary and the expected number of days spent each year supervising. This charge can vary depending on the number of courses being supervised simultaneously. Course managers are expected to supervise up to three courses at any one time, but there may only be one or two courses running at one time in a particular location.

Head Office costs are based on the running costs of staffing and operating the Head Office in Capital City, including Topic Managers' salaries. The total cost is apportioned based on expected annual costs divided by the estimated number of courses.

Course managers are responsible for making all arrangements in advance of their courses. They usually have discretion over budgeted costs and revenues, but are expected to notify their topic managers in advance if the expected surplus from a course is less than N\$10,000. Delegate fees are the main concern, with some courses being less popular than others. Traynyer will sometimes run a public course at close to breakeven or even at a small loss if the delegates who have signed up for it are from an important client. Costs can also be affected by seasonal variations in the cost of air fares and hotel rates.

Course managers submit a statement of costs and revenues to the relevant topic manager at the conclusion of each course. Course manager performance is evaluated, in part, on the surplus from the course.

There is also a non-financial aspect to the evaluation of each course. At the end of each course, the course manager asks each delegate to complete a short questionnaire which asks them to rate each aspect of the course using a five-point scale, where 1 is extremely dissatisfied and 5 is extremely satisfied. Aspects include the administration of the course, the course content and the trainer's presentation skills. The course manager collates the

responses and discusses the results with the trainer. The course manager then prepares a report, drawing upon delegate feedback, the manager's personal observation of the course and the trainer's responses. The reports and the delegates' questionnaires are submitted to the relevant topic manager upon the course manager's return to Head Office.

When a course manager organises a course but is unable to supervise it personally then the colleague who undertakes the supervision is responsible for collecting and reporting back on delegate feedback. The course manager who organised the course must review that report and comment on it, as well as preparing the statement of costs and revenues.

Extracts from Trayyner's annual report**Trayyner Group****Consolidated statement of profit or loss****For the year ended 31 December**

	2020	2019
	N\$	N\$
	thousand	thousand
Revenue	98,465	92,557
Cost of revenue	(36,542)	(34,715)
Gross profit	61,923	57,842
Administrative expenses	(1,143)	(1,097)
Selling and marketing expenses	(4,262)	(4,134)
Operating profit	56,518	52,611
Finance costs	(60)	(114)
Profit before tax	56,458	52,497
Tax	(11,856)	(9,974)
Profit for year	44,602	42,523

Trayyner Group**Consolidated statement of changes in equity for the year ended 31 December 2020**

	Share capital and premium	Foreign currency reserve	Retained earnings	Total
	N\$	N\$	N\$	N\$
	thousand	thousand	thousand	thousand
Balance at 31 December 2019	3,700	1,963	9,809	15,472
Exchange losses for year		(1,677)		(1,677)
Profit for the year			44,602	44,602
Dividends			(42,390)	(42,390)
Balance at 31 December 2020	3,700	286	12,021	16,007

Trayyner Group**Consolidated statement of financial position****As at 31 December**

	2020 N\$ thousand	2019 N\$ thousand
Non-current assets		
Property, plant and equipment	25,575	24,041
Intangible assets	2,887	2,912
	<u>28,462</u>	<u>26,953</u>
Current assets		
Trade receivables	997	984
Bank	412	396
	<u>1,409</u>	<u>1,380</u>
Total assets	<u><u>29,871</u></u>	<u><u>28,333</u></u>
Equity		
Share capital and share premium	3,700	3,700
Foreign currency reserve	286	1,963
Retained earnings	12,021	9,809
	<u>16,007</u>	<u>15,472</u>
Non-current liabilities		
Borrowings	1,000	1,900
Current liabilities		
Trade payables	1,012	997
Tax	11,852	9,964
	<u>12,864</u>	<u>10,961</u>
Total equity and liabilities	<u><u>29,871</u></u>	<u><u>28,333</u></u>

Extract from Masterkles's annual report

Masterkles is a rival training company that operates in a very similar manner to Trayyner. It offers a wide range of public and bespoke courses that are facilitated by part-time trainers.

As with Trayyner, Masterkles is based in Northland's Capital City, but it provides most of its training in other countries.

Masterkles Group

Consolidated statement of profit or loss

For the year ended 31 December

	2020 N\$ thousand	2019 N\$ thousand
Revenue	83,695	80,525
Cost of revenue	(32,157)	(30,896)
Gross profit	51,538	49,629
Administrative expenses	(1,017)	(987)
Selling and marketing expenses	(3,878)	(3,803)
Operating profit	46,643	44,839
Finance costs	(56)	(106)
Profit before tax	46,587	44,733
Tax	(9,783)	(8,499)
Profit for year	36,804	36,234

Masterkles Group

Consolidated statement of changes in equity for the year ended 31 December 2020

	Share capital and premium	Foreign currency reserve	Retained earnings	Total
	N\$ thousand	N\$ thousand	N\$ thousand	N\$ thousand
Balance at 31 December 2019	3,441	1,865	6,501	11,807
Exchange losses for year		(1,599)		(1,599)
Profit for the year			36,804	36,804
Dividends			(34,422)	(34,422)
Balance at 31 December 2020	3,441	266	8,883	12,590

Masterkles Group**Consolidated statement of financial position****As at 31 December**

	2020 N\$ thousand	2019 N\$ thousand
Non-current assets		
Property, plant and equipment	20,716	19,473
Intangible assets	2,338	2,359
	<u>23,054</u>	<u>21,832</u>
Current assets		
Trade receivables	828	817
Bank	358	341
	<u>1,186</u>	<u>1,158</u>
Total assets	<u><u>24,240</u></u>	<u><u>22,990</u></u>
Equity		
Share capital and share premium	3,441	3,441
Foreign currency reserve	266	1,865
Retained earnings	8,883	6,501
	<u>12,590</u>	<u>11,807</u>
Non-current liabilities		
Borrowings	930	1,767
Current liabilities		
Trade payables	941	927
Tax	9,779	8,489
	<u>10,720</u>	<u>9,416</u>
Total equity and liabilities	<u><u>24,240</u></u>	<u><u>22,990</u></u>

News reports

Northland Business Daily

Parastatals in transition



Parastatals are essentially companies that are owned by a government, but that are managed by a Board of directors. Many recently developed countries use this structure to operate utilities such as electricity, gas and telecommunications.

The Boards of parastatals are held accountable to the government in a similar manner to the accountability of any company's Board to its shareholders. The only real difference is that parastatals generally have more complicated purposes. While they may be expected to operate at a profit, they are also expected to operate in the national interest. That could mean that they must cap prices in order to ensure that the needs of domestic and commercial customers are met.

The roles of parastatals are changing in many countries, with a greater emphasis on creating profit and maximising wealth. Nancy Chitera, Chair of the Eastland Telecommunications Corporation described this change when she announced that a substantial loan had been raised in order to finance the installation of new optical cable links across the country. She stated that this project had been evaluated primarily on a commercial basis and that Eastland's Minister of Telecommunications was looking forward to increased dividends once the project has been completed.

Southland Gazette

TeCoS Board criticised over training course



The Minister for Telecommunications has criticised the Board of The Telecommunications Corporation of Southland (TeCoS), the parastatal responsible for the provision of telecommunications across Southland, for attending a training session in a luxury hotel in Hopeland. She queried the cost of this training and asked for a justification of its value.

A spokesperson for TeCoS explained that the course was a bespoke course on business intelligence (BI) systems. The TeCoS Board is considering the acquisition of a BI system and had taken the opportunity to discuss the issues associated with doing so under the guidance of an expert in data analysis.

BI systems are relevant to TeCoS because they are used to make more effective use of data that is generally already being collected or is available from external sources. The systems enable managers to make unstructured analyses that can be presented in many different ways. So-called “data mining” enables managers to process both structured and unstructured data, even if none of that data has been gathered with that particular interest in mind. Such a system would be of immense value to TeCoS. It is also worth noting that telecommunications companies are interested in any developments that might encourage demand for the transmission of data.

The spokesperson assured the Southland Gazette that the TeCoS Board had worked very hard throughout this 5-day course and that the directors had returned to Southland with a much deeper understanding of a key technology.

Northland Daily News

Action stations – stand by your spreadsheets!



Northland's Navy has announced that it plans to incorporate budgets and financial planning into the training programmes for all of its senior officers.

Commander Andrews, a Navy spokesperson, assured the Northland Daily News that the additional training would be added to the curriculum and would not be replacing any of the existing content. "Our officers will still be able to navigate ships and operate their systems, but we have identified a growing need for training in various aspects of management alongside

technical specialisms. Ships' captains frequently have to manage complicated budgets."

The Navy pointed out that it has always trained its officers to be competent managers. For example, all officers have to manage the crew members in their divisions and so they are all taught to be competent in human resource management. The new initiative will simply broaden the scope of management training.

Northland Business Daily

Home workers need to check over their shoulders



It is becoming increasingly common for office workers to work from home. The workplace has changed, with individuals being asked to hot-desk in the office, rather than having their own personal desk. Files are stored on laptops issued by employers and networks can be accessed from anywhere that has an internet connection.

Previous concerns that home working inhibited interactions are being overcome by teleconferencing. Those same laptops that are used for email and work storage can also

be used to conduct online meetings, with colleagues being able to make eye contact and read facial expressions and body language.

Teleconferencing is not without its drawbacks and there have been some well-documented disasters.

Maurice Dechamp, author of the self-help book "Get Yourself Promoted This Year" advises the following:

- Look over your shoulder before you join the meeting because your colleagues will see exactly that view. A bookcase full of intelligent books makes you look studious. A sink full of dirty dishes is not so good.
- Participants are also often guilty of looking at their laptop screens instead of their cameras. That makes it look as if you are avoiding eye contact.
- Invest in a good webcam. You will never look good when seen through a low-resolution camera on a cheap laptop.
- Check your internet connection. A slow connection will affect the quality of the audio and the video on your meeting.
- Finally, make sure that the other members of your household are aware that you need privacy. It is a distraction if your partner or your children wander into the background or play loud music in another room.

Many large companies have strict rules that prevent home-based participation in teleconference meetings with clients or other external contacts. When a teleconference is necessary then the meeting should be hosted from a properly equipped meeting room at the corporate office.

Extracts from Grumpy Trainer's (very unofficial) Blog

Worst course ever!



I have just got home after a very horrible bespoke course. My course manager had told me to keep things light because the delegates were looking for a basic introduction to financial reporting. Unfortunately, one of those delegates was the client's Finance Director, who complained constantly that he was learning nothing. He kept asking really complicated questions, that were interesting to him, but that would have really confused the other Board members if I had answered them.

Needless to say, he persuaded the other delegates to give me a poor evaluation.

COMMENTS

I have had similar experiences. I think that part of the problem is that the course managers promise the clients that our courses will suit any possible delegate, even when they have very different needs and expectations.

Quiet Shouter

It will be interesting to see whether you get asked back.

Lonely Talker

Is it asking too much?



I have just finished the first day of a new course. My plane was due to land at 03.20 in the morning, but a delay meant it didn't get in until 07.00. By the time I had cleared immigration and got to the hotel there was barely time to have a quick shower and change into my suit before heading straight to the training room.

I hope I didn't look too tired today. First impressions count. Anyway, I am off to bed for a sleep.

COMMENTS

Traynner always asks us to fly the day before we start teaching. I used to do courses for Masterkles and they used to fly us down a day early. That meant you could check into your hotel room and spend a day recovering from the journey before you had to start teaching.

Dan Planet

Goodbye forever



I won't be teaching for Trayyner ever again. I was supposed to be starting a course today. I spent a week preparing the materials and then got up early this morning to fly from North Airport to catch the intercontinental flight from Capital City Airport.

When I tried to board my flight at Capital City, I was told that my ticket had been cancelled while I was in mid-air! Apparently, the delegates had some last-minute problems with their visas and so they couldn't travel and Trayyner cancelled the course at – literally – the very last minute.

I had to wait at Capital City Airport until lunchtime before I could fly back to North Airport.

COMMENTS

Bad luck! You could always do what Dan Planet did when he decided to quit. He agreed to teach a course that was a repeat, so he didn't have to prepare any new materials. Then he deliberately missed his flight. The course manager was left sitting in a training room with a group of unhappy delegates. Apparently, it took two days to locate a suitable replacement and fly her to the venue.

Quiet Shouter