

MAKING THE MOST OF REDUNDANCY

'MY DAUGHTER WAS ON THE POINT OF MOVING INTO HER FIRST HOUSE. THE TIMING OF HER REDUNDANCY WAS UNFORTUNATE BUT THE FINANCIAL SETTLEMENT WAS REASONABLE, VERGING ON THE LAVISH'

My daughter was made redundant recently. This came as no great surprise. She had been working for a niche assurance company (niche is their word, although I would call it small). For a niche/small assurance company, it had some grandiose ideas. It was based in a new building, which had won architectural awards, with a gymnasium and duck-pond and a lilted brook in the grounds. It had sponsored an eccentric English explorer who carried the company name on his front while he did something really dangerous and eccentric – like, oh, I dunno, cartwheeling to the South Pole, or something just as stupid.

To be fair to the explorer, his journey was so dangerous that the marketing director, who had nominated himself to the support team, felt justified in charging to his company credit card the purchase of a gun to shoot polar bears. Sadly, subsequent market research found that 57% of the assurance-buying public thought that the feat had been sponsored by Virgin, and the other 43% had not heard that the South Pole had been thus conquered.

Its business had been based upon men in bowler hats coming round on a Friday evening to collect premiums, and, after the premiums had been tucked safely away in the briefcase, trying to sell the punters new policies. In a sudden move – which deserves to be written up as a case study in the Harvard Business School collection of Great Marketing Ideas Which Did Not Quite Come Off – the board decided to get rid of the men in bowler hats.

From then on, the company had to make do without a direct sales force, and the customers would take out their new policies by telephone or via the internet. Marketing, where my daughter worked, could not have been a very effective function without a direct sales force.

Things got worse and worse. New business seized up. The punters would not touch stakeholder pensions, which came as a relief since the company had not found a way of making money from running them. With shares wilting, nobody would buy any product linked to the stock market. This, though, caused no great damage, since their products were hopelessly uncompetitive against the big assurance companies. The stock market kept falling and took them to the brink of their solvency requirements. The obvious solution was another round of redundancies.

Another feature of the company's grandiose past was that it had negotiated a generous redundancy package with a white-collar trade union. Since my daughter was on the point of moving into her first house, the timing of her redundancy was unfortunate, but the financial settlement was reasonable, verging on the lavish.

I am told that the modern fashion is for those made redundant to be given a plastic bin bag in which to put their personal possessions, and to be led off the premises by a security guard. My daughter's employers had economised on plastic bin bags, and had previously made all their security guards redundant; and she was sent off on immediate gardening leave. However, she still had her swipe-card, and was able to return on the following Saturday to stock up on enough stationery supplies to last a lifetime.

There is the rumour – almost certainly a scurrilous lie, an urban myth dreamed up by the Republican party – that, when the Clinton team left the White House before the Dubya staff arrived, they removed the 'w' letter from every keyboard in the building. My daughter is too well brought up to want to trash the office but she thought that she deserved more than a lifetime's supply of stationery. When she worked for them, she had been given an electronic thingie on loan, a little gadget that could be held in the hand, part personal organiser, part e-mail sender and receiver, part internet link. Handwriting reader? Maybe, though I think that it would need some special attachment to do that.

I reckoned that this gadget must be worth a few hundred pounds, and was unsure about the morality of keeping it. "Wo n't they expect it to be returned?" I asked sternly, "and besides you haven't had your redundancy cheque yet". My daughter, I should tell you, is very street-wise, quite brazen about taking back a pair of worn trainers and asking for a refund, claiming that she is doing no more than exercising her rights as a consumer. "No," she replied, "I will just have to tell them that it has been stolen". "But, wo n't everyone claim that their handheld thingie has been stolen", I asked doubtfully. "Of course," she replied, with just a hint of scorn, "but I will have to make the theft official."

She then dialled the local police station, and, as I shouted that she could be charged with perjury or wasting police time or conspiring to pervert the course of justice, I heard her solemnly telling the policeman that her electronic whatsit had been stolen from the unlocked boot of her car, and then asking for a Crime Registration Number. The police were very sympathetic.

"But that is immoral," I shrieked. She shrugged. The next day she received a helpful letter from Crime Support, offering counselling, but there was no visit from Detective Plod to discover that, as her car has central locking, there is no separate lock for her boot. "I still do not approve," I said, using my sternest corporate treasurer voice, "and, besides, what if they refuse to clear your redundancy cheque without it being returned?"

"With a Crime Registration Number that is pretty unlikely," she replied scornfully, "but, if they do, I will just have to say, 'Oops, terribly sorry, I forgot that it was under my bed all the time'." JF