

Vaccination or culling



With much talk in the press about the current economic downturn, and even the dread word recession being mentioned on occasion, the Association's secretariat is turning its mind to some contingency planning.

As treasurers, we occasionally pride ourselves on our ability to analyse and manage risks. But the problem with contingency planning is that once the plans are formulated it becomes difficult to drop them quickly and develop alternatives when the planned for event arises. A good example of this is MAFF's response to the foot & mouth epidemic. In hindsight it is clear that a ring-fenced vaccination programme would have contained the disease much better than the contingency programme of slaughter and destroy. This is because the threat was considered to be rare and no-one appears to have considered that an epidemic could break out simultaneously in so many parts of the country, making the logistics of culling almost unmanageable.

Planning

So it is with planning for a recession. Just how big will it be and what could be the strategic and commercial impact on the Association? A starting point is to try to gather data on individual and business responses to the downturn. Even this can produce unreliable results. Projections made today on how people and businesses will behave can be quite different from their attitude and behaviour when a recession is biting hard. For example, would we see a rise in the number of students as employees responded to a much more competitive jobs market or would we see a fall as employers cut back on their education and training budgets? Both groups' responses to this question could be fully reversed in the face of economic necessity.

Today, the Association's income is well balanced between membership fees, advertising, sponsorship, and commercial and student income. Overheads are primarily employee costs and accommodation. It is easy to see our vulnerability is the classic variable income: fixed cost configuration, which makes me more than thankful that the Association's reserves are much higher than those held by my predecessors when facing earlier economic downturns. Nevertheless we will be running some scenario analyses to see how the Association could cope with adversity. Meanwhile employees and members may take comfort from the knowledge that I am much more in favour of preventive preparation than in emergency culling. For treasurers, it may be time for those of you thinking of taking one of the ACT's qualifications to try to lock your employer into a funding commitment before they also look to their budgets, or to brush up on your efforts in respect of continuing professional development (CPD).

Secretariat changes

Last month Charles Cresswell joined us as our Network Manager and he will be working with Tom Gordon, our Information Systems Manager on a review of our network set up with a view to making it more efficient and secure. Natalie Levy also joined us as Education Assistant with responsibility for AMCT tuition, and our AMCT students will have a chance to meet her at their next tuition day.

This month will see us saying goodbye to Kate Frere in our Conference Department. Kate has long been a keen gardener and has decided to make a radical career move into garden design. Kate delayed her departure to complete work on the UK Treasurers' Conference so those of you who visited the conference in Birmingham will have had a chance to say goodbye to her.

I will be writing more about the Conference in the June edition but I hope to have met many of our readers there. ■

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