

Don't get left behind

The Chancellor's Business Advisory Group meeting in October was attended by Anthony Stern on behalf of the Association.

Love it or hate it, the euro will arrive in your pocket less than 13 months from now on 1 January 2002. By then you had better have emptied that jam jar of old francs, pfennigs, drachma, lire and other coins of the euro-realm or else you'll be – forgive the expression – out of pocket. The UK government is well aware that British companies need to be ready by this date if they are to stay competitive and that the pressure for change needs to be kept up.

We're told that roughly half of all UK corporates deal with or have business connections with European companies, but only 29% of the small and medium-sized firms are ready. The problem is that, from a political perspective, the word 'euro' is currently a dirty word.

While treasurers have been happily using the euro for nearly two years, finding that the new European capital markets provide a far better source of finance than was previously available, many others in the UK have been jumping on their bandwagons and banging on about the horrors of change.

Getting the message across

So how is the euro-preparation message going to get through to British business? Why, by appealing to their pockets. In an adjustment of strategy, which the Bank of England representative described as 'clever' and even *The Times* newspaper (not a frequent supporter of European matters) has praised, the Department of Trade and Industry (DTI) has launched an initiative called 3es: e-business, exports and euro.

The 3es initiative provides genuinely useful advice to small and medium-sized firms on how to develop their businesses and stay competitive in this changing e-world.

Helen Liddell, Minister of State at the DTI, launched the initiative in September 'to help businesses respond to the challenges created by the euro and e-business'. A free CD-Rom accompa-

Preparing for the euro is now not an end in itself, but part of a sensible business strategy to stay competitive. That's clever

nies the initiative containing an animated PowerPoint presentation with video clips, provides guidance on how to develop an e-business – which, being accessible to overseas customers will need to deal with the euro. A floppy disc is also available which gives the text without the bells and whistles.

The CD doesn't pretend to give all the answers, but it is certainly thought provoking. I'd be surprised if members of the Association who obtain a free copy of the disc and watch one or two of the video clips don't ask themselves: 'That's an interesting idea – I wonder if we can do that?'

So preparing for the euro is now not an end in itself, but part of a sensible business strategy to stay competitive. That's clever.

The latest meeting of the Business Advisory Group (BAG) on the euro was short and sweet. It was chaired by two ministers – Helen Liddell from the DTI, and Melanie Johnson, Economic Secretary to the Treasury – and well attended by members of business and consumer associations, including the CBI and the British Retail Consortium. The financial sector was represented by Bank of England, the BBA, APACS and the Association of Corporate Treasurers. The objective was to discuss progress on preparation for the euro and to gain support for the 3es initiative.

The DTI team reported that initial reaction to the 3es project had been very favourable and asked for support of the BAG participants to give it publicity among their members.

UK businesses can help

The Treasury team were keen to ensure the message about preparation for the euro gets through to UK firms. They have noted concerns that the change-over in euro-land is being left until the last minute, despite the attempts of some governments to accelerate the process. They are also keen to get help from UK firms which have knowledge of what is happening in participating countries and from whose experience they can learn. Can you help here?

The round table discussions welcomed the 3es initiative and commented on preparations generally, noting that a European clearing system for cheques or a more efficient trans-euroland system for low value payments would greatly assist the development of business. Ministers' support was requested. It was noted that there was still much work to be done in the UK for, as new systems are planned, it would be easier and cheaper to build in the ability to handle the euro at the initial design stage, rather than later on.

The meeting was useful as an exchange of views and information, and it was agreed that a further one would be held next Spring. I suspect the BAG will really come into its own when the prospect of UK participation in the single currency becomes a reality.

In the meantime, my advice is to start thinking about preparing for the euro – even if all you do is dig out all those old coins before it is too late. ■

Anthony Stern is Director of Bass plc
For more information on the 3es initiative go to www.zy.com/3es
If you would like to obtain a free 3es presentation CD-Rom or floppy disc, simply e-mail 3es@dti.gsi.gov.uk

The EPU team at the Treasury are looking for companies to assist with euro preparation case studies. If your company can help, please contact colin.perry@hm-treasury.gov.uk ■