



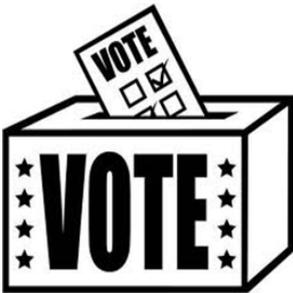
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INSTITUTE ELECTIONS 2013



At the recent Institute AGM held in October at Lichfield the results of the 2013 elections to Council were announced.

Those elected to serve on Council being, John Heap, Harry Hogg, Kevan Kelly, Andrew Muir and Malcolm Towle.

New Arrangement of Wind Turbines Increases Productivity by a Third

Recent research by the University of Delaware USA has found that by staggering and spacing out wind turbines in offshore wind farms, engineers could improve performance by as much as a third.

"Staggering every other row was amazingly efficient," said Cristina Archer, associate professor of physical ocean science and engineering and geology at the University of Delaware.

Archer and her colleagues examined an offshore wind farm near Sweden, comparing the existing grid-like layout to six alternatives. Each arrangement was simulated for several weeks using computer models that took into account the eddies the turbines create downwind as their blades spin and how that impacts surrounding turbines.

Based on the results, the researchers determined that by both spacing out and staggering the turbines, losses caused by eddies dropped and overall performance increased.

SEASONS GREETINGS

Season's Greetings are extended to all members of the Institute and your families with wishes that you will have a Healthy and Happy 2014.



Lower Salaries in Greece but increased productivity

Greece is the only one in the European Union that has seen a reduction in nominal salaries in all of the last three years, with civil servants taking a bigger reduction than their private sector counterparts in the period from 2010 to 2012.

Greece further posted the biggest annual reduction last year, amounting to 8.3%, while the average Eurozone salary climbed 1.3% compared with the year before. Plus taxation increased in Greece over the same period. This means that Greeks have suffered a double blow, both on the salaries front and in terms of taxation.

Commission data showed that the total tax on salaries grew by 7.2% in 2012 compared with 2001, most of which came from the 6.4 % increase in income tax. Both increases were by far the highest in the Eurozone. Social security contributions from both employers and employees rose by 0.4% in the 2001-12 period.

Labour productivity posted a steady reduction from 2008, when the Greek recession started, to 2011, but last year it showed a 2.1% rebound from the year before, according to a recent European Commission report.

Australian Banks Most Cost Effective in World

Australia's big four banks are among the most cost-efficient in the world, with revenues almost four times as much as staff expenses. A recent analysts report indicates that Westpac, the Commonwealth Bank, National Australia Bank and ANZ were "almost leading the world" in terms of staff expense to revenue ratios in the 2011 financial year. That implies that Australian bank staff are either extremely productive, or underpaid compared to their overseas counterparts.

The big four banks' wage-to-revenue ratios fell further last financial year as a result of productivity drives. About 2% of jobs were cut across the major banks in the 2012 financial year, and a further 1.9% of jobs were lost from NAB and 1.7% from ANZ in the first half of this financial year. CIMB suggested that the ratio could fall again this financial year, with wages likely to rise an average of 3%.

Poor GDP Growth in Europe

In most European countries, GDP per capita is currently lower than it was six years ago. In some cases, like Greece, Italy, and Ireland, it is more than 10% lower. Even in Germany, where it is higher, average growth over the last six years has been slow.

As a result of poor GDP growth the European Union has lost six million jobs since 2008. Many younger people who have entered the labour force in recent years have been unable to find a job

corresponding to their skills and are bound to pay a price for it throughout their careers. Governments have been struggling with the impossible task of balancing their books despite dwindling revenues. And, worst of all, multi-national companies have begun discounting Europe in their investment plans, paving the way for a permanent loss of aggregate momentum.

In such a situation, growth ought to be at the top of the policy agenda. But, while

the EU and national governments pay lip service to it, they have not devised an effective economic-revitalization strategy. Things are completely different in the United States, where growth is on everyone's agenda: the Federal Reserve is targeting an employment rate below 6.5%, and companies have used the recession as an opportunity to reorganize and become more efficient. The lasting adverse effects of the 2008 shock are likely to be much smaller there than in Europe.

Poor Productivity in New Zealand



New Zealand Finance Minister Bill English has warned that New Zealand is still extremely vulnerable to global economic risks. Mr English believes that since there are many forces in the global economy over which the country has no control, it is especially important that we focus our efforts on getting our own economy into better shape: further constraining government spending, shrinking our debt to return to a surplus, and lifting the country's economic output to raise living standards.

New Zealand must improve its economic performance and this hinges on improving productivity. That means generating more value for each hour that is worked. Or, as the Productivity Commission puts it, "Productivity is about how well people combine resources to produce goods and services. But the problem faced by New Zealand is that its productivity levels have stayed more or less static. With many other countries successfully improving their productivity, it is little wonder that some 700,000 New Zealanders, who want to improve their lives, now live overseas, attracted by the better opportunities provided in countries with higher living standards and better wages.

Need for Dairy Herds to be more Productive

Dairy herds in the UK will need to become larger and more productive in order to remain financially competitive in a global environment. The key to doing so will be to safely develop levels of performance and efficiency. That was one of the key messages from the recent 8th Large Herd Seminar, 'Investing for the future'.

Organised by Lillico Attlee, one of the UK's largest privately-owned agricultural merchants and the Evidence Based Veterinary Consultancy, the 2013 Large Herd Seminar was addressed by a number of eminent dairy industry specialists and producers from around the world. The event and attracted an audience of 400 dairy farmers, agricultural supply trade professionals, veterinary surgeons and academics.

One of the keynote speakers was Dr John Fetrow, V.M.D, MBA Professor of Dairy Production Medicine at the University of Minnesota stated: "The highest rate of profit is made at the margin, at the last bit of production, the last animal tended to, the final productive input. A farm's financial averages are made up of the outcome of a series of marginal decisions.

Israel has Productivity Problems

Israel has become known as the world's Start-up Nation but it's not all sunshine as productivity problems exist in other sectors including the use of technology.

At a global level, the two most successful high-technology clusters in the past sixty years, Silicon Valley in North California and Israel, have some key unique features. Israel developed in a semi-arid region from the 1950s and coupled with work in the development of military technology, the country developed a strong research base.

So when the Soviet Union collapsed in 1991, and Israel became the home for 1m new migrants, including the greatest short-term movement of intellectual capital in history, the country took advantage of a significant opportunity. Israel's overall population increased by 20%. Nearly 40% of the immigrants held academic degrees, many of whom were scientists, engineers and specialised technicians.



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