

ASTORM

So you've been made redundant; what now? Georgiana Head forecasts some timely advice.

T1 OK, so it's time to get serious, we are at that point in the market place where redundancies are becoming extremely common. The downturn is getting stormy and the majority of the Top 20 firms in the UK are starting to 'batten down the hatches' and are looking to shed between 2% and 10% of their tax staff. For those of us who have been through previous recessions we know that this may only be the start of a process and that further job cuts are likely to follow. I remember in 2002, for example, that a very good friend of mine who had joined a Big 4 firm as a newly-qualified ACA discovered that she was the only one of her peer group of ten people to survive the redundancy programme that year.

So if you have unfortunately been made redundant recently by all means allow yourself the luxury of a good stomp, scream and rant. But then, after you have talked to your friends and family, you will almost certainly begin to realise that a surprisingly large number of people that you know – including perhaps many

that you wouldn't have expected – have themselves been made redundant in the past. Indeed, no one is immune – even one President of the Institute of Taxation found themselves being made redundant by their firm, and during their year of office while they were serving as president! It really can happen to anyone. So by all means feel upset, but then you must also – in the recent words of Barack Obama – 'pick yourself up, dust yourself down' and then start to get yourself organised.

YOUR ENTITLEMENT

First, find out what you are entitled to from your erstwhile employer. Check your employment contract and your firm's redundancy policy. Ideally, get an employment lawyer to check this and any compromise agreement for you. Take a serious look at your own finances, work out what your outgoings are and what the bottom line is; e.g. what you need to survive – to be able to pay the mortgage, etc. Check the fine print – do any of your insurance policies pay out if you get made redundant? Work out



how long you can live on your redundancy payment and on any savings that you might have. If you have a mortgage find out if – in the worst case scenario – there is a possibility of a 'payment holiday'. Get your bank manager or financial advisor to go through your finances with you. If you have a partner, talk to them about the situation, work out between you how many months you can survive without getting another pay check, or how long you can survive on one salary between you.



Georgiana Head

WARNING



Financial advisers often recommend that the equivalent of three month's earnings should be maintained as savings in the event of income loss, ideally more. If you have not yet been made redundant, but are worried about the future possibility of this, now might be a good time to try to build up some financial reserves if this is possible.

OPPORTUNITIES

Once you have worked out what your financial situation is, you can then start working out what your choices are. Do you want to remain in a job in taxation? You need to think about this; most of the candidates that I meet fell into tax; indeed, I am a classic example of this.

I originally wanted to train to be a valuer in an auction house, but ended up in a graduate role with Price Waterhouse because it paid three times as much. You should see redundancy as an opportunity to take stock of what you want out of life, this could be your chance to set up your own practice, or to move into something completely different such as recruitment, teaching or lecturing. In the last dip in

the tax market between 2001 and 2003 I saw several candidates decide to change direction, several joined the Inland Revenue, others began teacher training, and one even fulfilled a life-long ambition to become a commercial photographer.

STAYING IN TAX

If you decide that tax actually still is the career for you, then you have two practical options; to set up your own practice or to return to employment. If you are considering setting up your own business a good starting point is to talk to your local Business Link adviser (go to www.businesslink.gov.uk).

In this market it is unlikely that you will get a loan or funding from a bank so you will need to do a very thorough business plan and 'SWAT' analysis and work out what you can afford in terms of initial outlay (e.g. things like professional indemnity insurance).

Make sure that you also check any restrictive covenants from your previous employment contract. If you are considering setting up your own business, feel free to give me a call as I can give you some basic information and a fact sheet. ▶

YOUR CV

If opening your own business sounds like step too far, then talk to a reputable recruitment consultant about getting a new job. You need to get a CV together – which ideally should include details of your education, professional qualifications and pass track, as well as details of your career to date. Include dates of promotions and the split of your technical experience, business development experience and man-management skills.

roles/firms and – ideally – the job specs of positions which they feel are suitable.

OTHER OPTIONS

I talked to a friend who is a lawyer who had recently been made redundant and she gave me her advice, from her own experience.

'The first thing I did was ring up the Job Centre, and found out how to sign on, then rang my recruiter of choice. By the end of the first week, I had my CV done and sent out and had made an appointment to "sign on". I got all my bases covered – worked out how much I needed to live on – it was quite surreal thinking about what I would have to allow myself as a weekly budget when I still had a fridge full of fine wine and sun dried tomatoes.'

Alongside talking to your recruitment consultant, you should also be scouring the tax press for roles and agreeing with your consultant which firms you want to try to approach directly on a speculative basis. But be careful; if you talk to more than one recruitment consultancy make sure you have control of the process and that you have made each firm agree which companies they are going to approach to be certain that there is no duplication.

Think about whether relocation is an option – could you commute on a weekly basis or rent out your house? Relocation could open up a whole raft of life-style choices.

KEEPING BUSY

Try to keep yourself busy doing things that will help you get back into work. So if you are part qualified sign up to complete your CTA, if you are qualified sign on for CPD updates with your local branch of the Institute of Taxation (see www.ciot.org for local branch details). Look into volunteering for TaxAid, or another charity especially on the finance side.

Employers will generally look more favourably on people who have done something constructive with their time out of work. Equally, take some time out for yourself; as my lawyer friend says; 'One suddenly has time to reflect – the treadmill stops and you recognise things about your own identity and realise how much you define yourself by your work'.

KEEP THE FAITH

You may be thinking that 'it's easy to give advice when it's not happening to you', but if it's any consolation – and I know it's probably not a lot – you are not alone in these difficult times. If you know of others – say even from your own firm – who are in the same boat, perhaps you could agree to meet up every so often to offer mutual support and encouragement; such a network could prove very useful in the future, not just now.

Many others have been in this situation before you and, unfortunately, you will not be the last. I've been made redundant in the past and found it actually opened opportunities – at the time people said to me 'It could be the best thing that ever happened to you' – and they were right. So try to look for the positives that can be gained from this experience. And remember, you are in a profession. It may not be the world's oldest, but taxes have been around for several thousand years now and I would hazard a guess that they are unlikely to be replaced any time soon. The outlook may be uncertain right now, but you must make sure that you are well placed to weather the storm and take advantage of the sunnier times to come.

Georgiana Head is a recruitment consultant at Georgiana Head Recruitment.

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As a general rule of thumb, any CV that you send out to a recruitment consultant or to a firm directly should be a maximum of two pages long. A CV prepared by a recruitment consultant may be longer. Your recruiter should meet up with you and interview you in person. They will then put your CV in their house format including more details from the notes that they have taken. They should return it to you for your review with a list of potential

▶ GEORGIANA'S TOP TIPS

- 1) Talk to your friends and family – allow yourself time to rant.
- 2) Check what you are entitled to – seek advice from an employment lawyer.
- 3) Work out your financial situation – talk to a bank manager or financial advisor.
- 4) Decide what you want to do next – do you want to remain in tax or is this an opportunity to do something different?
- 5) Consider options like setting up your own business.
- 6) If you decide to stay in tax find a reputable recruitment consultant.
- 7) Control the process – make sure you review your CV and have sight of where it will go.
- 8) Keep busy – whether it's studying for exams or charitable work.