

Business is about striking a deal

ONE of the most important things in business is certainty. When someone says they are going to deliver something you need to be sure it will be there and will work. When you take out an insurance policy you want to be sure that you are covered when something happens. That is why we need a reliable system of business law with an efficient court system to make it work.

But going to law is very expensive. There are the direct costs of legal advice. There is also the obvious cost of management and specialist time. While your managers and internal experts are bogged down in a complex legal case they are missing new business opportunities.

The third cost is in lost business relationships. It may have taken years and millions of dollars to put together a reliable supply chain and build relationships with key people at suppliers or customers. When you go to law all these can be damaged or destroyed.

Business law is all about the same things as other aspects of business – the bottom line. Is it really worth going to court? As Tony Soprano in the US TV drama says: "When we're at war, nobody is earning."

Innotec consultants are qualified as mediators as well as being accredited members of The Chartered Institute of Arbitrators. Mediation is not the same as arbitration. Its about making a deal between two parties who are in dispute. Usually the deal is the one that each party can live with rather than what they would ideally like. But its one that works for everyone.

Our experts can get to the bottom of a dispute. It is not always clear where things went wrong. It can be a technical problem or a problem with the way the specifications, insurance policy documents or contracts were drawn up. Usually there are holes in both sides' cases.



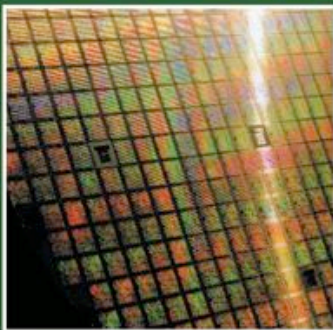
An expert mediator can sit down with both sides and thrash out a deal. It is much less expensive and is much quicker than the court process – which can take years – and much less management time is taken up.

Most importantly, business relationships can emerge intact. Each side accepts a little bitter medicine and you move on.

Doesn't that sound like a good business proposition to you? We have had countless results which have been arrived at in a fraction of the time a court case would take and at a fraction of the cost. And if the mediation does not work there is always arbitration.

About Innotec

- Due diligence and investment appraisal
- Expert witnesses for technically complex litigation
- Technical support for government departments
- Corporate restructuring and business planning
- Services for inward-investing
- Major project management
- Trouble shooters for design and manufacturing
- Services for start-up companies



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London Stansted Airport.



Innotec News www.innotec-uk.com
Innovation in Technology

INNOTEC'S expert evidence helped give online poker company Empire a winning hand in its dispute with web gambling giant PartyGaming.

Empire took legal action against PartyGaming after it terminated an agreement to link the two companies' players into a single "pool". Empire's view was that this was a big disadvantage to its customers who lost the 'liquidity' of a large group of players. PartyGaming claimed it was not technically feasible to continue with the single pool following the redesign of its software systems. Innotec director, Professor Peter Ivey presented evidence in support of Empire's case to a confidential arbitration held in London.

Following the hearing, the two parties entered into negotiations which resulted in PartyGaming buying some of Empire's operations for \$250 million. Prof Ivey said: "There are very few experts out there with experience of designing online poker systems; anyone who has done it probably works for one of the parties to the dispute. I used my deep knowledge of designing complex systems to analyse the problem and propose solutions. I think that the outcome speaks for itself."

Innotec was engaged by James Irvine and Geoffrey Gauci from the London arm of the international law firm, Howrey LLP (www.howrey.com).

Empire holds all the aces



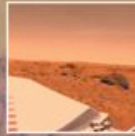
Prof Peter Ivey shows a winning hand for Empire.



Inside: Vibtech goes to Mars
• Award for our top man • ROI for Taxpayers • A better way to solve disputes.

Vibtech Flies to Mars

AT INNOTEC we expect our clients to go far. Vibtech is definitely going the farthest we can remember – to the planet Mars.



The company produces systems for seismic exploration, usually on Earth. But it has been engaged by the National Aeronautics and Space Administration (NASA) in the US to design remote acquisition technology for the vehicles which will be used to explore the Moon and Mars.

The Planetary Exploration and Geophysical System will be used in future manned and robotic missions. Innotec has been working with Vibtech since its earliest days. They were introduced through the Department of Trade and Industry's Electronics Design programme as a start up. Vibtech was looking for help with the design and manufacturing of its units. While it understood the needs of its customers well it did not have the skills in house to realise their ideas in hardware. A consultation with Innotec under the scheme led to the selection of a design and manufacturing partners with Innotec securing considerably better terms than it could have negotiated on its own.

Top honour for our man Chris

New ideas on experts for the West Coast

Innotec has expanded its operations to include the West Coast of the United States, the heart of the electronics and IT industries. In a recent tour of the area Innotec directors Chris McArdle and Peter Ivey joined sales director Tim Lines (right) in visiting leading commercial law firms to discuss opportunities for working together.

Innotec has already become involved in providing expert testimony in one of the largest cases in the history of IT and computing, including depositions.

Tim Lines said "We thought we had an interesting offer for US law firms. In the US they tend to employ experts with a very narrow field of speciality. We have found that most cases are not so clear cut and that our clients benefit from the very broad range of expertise that we can offer. Would you go to a doctor and tell him what the problem is or would you rather he examined you and found out what was really wrong?"

"The other thing is that most experts in the US, with that narrow knowledge, have usually once been employed by one party or another when the case involves very large corporations. Our experts have the knowledge and background but a completely independent employment history."



Innotec managing director, Dr Chris McArdle, has been presented with a special award by the leading trade body for the electronics and IT industries.

The Outstanding Achievement Award was presented by the membership of Intellect for his work in setting up and chairing the Electronic Design and Innovations Group. He also persuaded the UK Government's Department of Trade and Industry to set up a Knowledge Transfer Network within the country's electronics industry and has worked tirelessly to make that network successful.

Dr McArdle said: "I am delighted to get this award because it is from the membership as a whole; that is my colleagues in the electronics and IT industries. There are many initiatives which benefit the whole industry and they will not work unless people are prepared to provide some leadership and put in some hard work for the public good."

Dr McArdle has recently been appointed to sit on the DTI's Electronics Leadership Council, a group that advises the government on its policy towards the electronics industry. His particular focus is heading the public procurement team – looking at ways that the government can use its enormous spending power to drive innovation. Specifically to boost the amount of government spending placed with smaller electronics companies.



He is also a member of the Institution of Engineering and Technology's IT Sector Panel which is helping to enhance professional standards within the IT industry.

Dr McArdle said: "It is important to give something back. I enjoy being at the centre of the action in the industry and helping to drive it forward to even greater success."

Getting an ROI for the taxpayers

By Chris McArdle
Innotec's
Managing Director



Most governments want to help their industries become more efficient and technologically advanced, because it helps the economy generally and helps everyone. Successful companies pay more tax than failing ones. Making them more efficient is about getting the right technology into their products, not necessarily the latest or sexiest.

So how should they do it? Some governments use defence contracts to stimulate technological developments. Or else they put money into "pre-competitive research" where the results are shared by a number of companies. Some governments invest in ideas which are a long way from being commercial products and then take a royalty from the successful businesses that result, putting the money raised back into new ideas.

One thing is certain, if an idea looks like it is going to be a huge commercial success companies will have no difficulty attracting investors to fund its development. Governments should not be interfering in this market. We have all seen what happens then. Millions of tax dollars are lost on white elephants for which there are no markets.

Governments should not worry so much about new inventions; very few of them actually make it through to becoming viable commercial products.

What is more important is encouraging successful companies to incorporate better technology into the products they already make and know there is a market for.

Large multinational companies have plenty of resources of their own and have no difficulty finding design houses to help them out when they need it. But the greatest benefit comes when design houses get involved with small and medium sized companies. These companies can be helped enormously by the experts at design houses, and the UK has some of the best in the world. Government assistance can make it worth their while helping smaller companies. The return on investment (ROI) can be much greater if a lot of small companies double their turnover, say, rather than a few large companies increasing their turnover by a few percent.

Rather than telling people what they should be doing, why not concentrate on bringing the skills of the design sector to bear on the small companies that have a greater potential to become big companies given a bit of a technological boost?

Is it the end of the line for call charges?

By Prof Peter Ivey

You may have noticed that we have included "Skype Names" in our contact details. If you download Skype from www.skype.com, you can call us free from anywhere in the world. Instead of using phone lines, Skype sends the call over the internet, using something called Voice over Internet Protocol (VoIP). Of course, as the Internet is carrying your call, the quality can be poor sometimes.

There are many VoIP systems emerging, some even allow you to call landlines for free. Many large organisations are also installing VoIP for their corporate telephone networks. These can offer very significant savings and suppliers often offer a fixed price "per seat" for unlimited calls. But a cheap price can mean poor quality of service, and that can cost you a lot more in the long term.

Unfortunately, VoIP systems are not all compatible with each other. In fact many VoIP services have to go out into the world of normal telephony, called PSTN, in order to connect to a rival company's VoIP network. We expect this situation to stabilise over the next few years. There is no doubt that the cost of making telephone calls is going down very significantly, but over the next few years the different systems will be vying to become the world standard and some systems will be left behind.

