

# Sharing Success

## Martin Weinholt

When Jean, your conference secretary, asked me to consider giving a talk to the B.S.B., I said I could only speak on two subjects -

Our family business or Manchester City.

However as I now only speak about City with the Samaritans, I will try in the next 20 minutes or so to explain where we have come from and what we do.

Question time may be devoted to City if you wish.

I am a 4th generation confectioner. My Great Grandfather, Ferdinand (a legal immigrant), came to Manchester in the 1860's with considerable skills. He was able to make varieties of confectionery hitherto virtually unknown in Mid-Victorian and booming cotton rich Manchester.

His speciality was his Vanilla Slice - The Cotton traders' descendants who now live in prosperous Alderley Edge still have the opportunity to buy them. I hope they are just as good. According to family members they sold in his shop for 6d. If that is true, he was getting the equivalent of perhaps over £2 now - I wish!!

It is astonishing that 140 years later our Vanilla Slice, still based on his 3 layers of very thin butter puff, is our No.3 best seller - so I have a direct link here, except he probably would not credit that we can only charge less than half his price for the same work and product.

This link of high quality, almost irresistible luxury confectionery that proved so successful with Ferdinand and my Father, George, has been amazingly resilient and consequently the Family has enjoyed prosperity - provided we did not weaken.

Several family businesses were spawned by my Grandfather - August - all run by Family members who kept to the maxim - SMALL IS BEAUTIFUL.

There are now only 2 Weinholt businesses - ourselves in Alderley Edge and my cousins, Frank and John, in Chester.

Alderley Edge is the creation of my Father, George. I have spent my career nursing his baby. Father passed away 20 years ago. My Mother, Kathleen, who is now 90, has recently taken the mantle of shop tray washing, as she was somewhat concerned over the standard of this operation typifies the dedication that is expected of us by the Weinholts up there (!) looking down on us daily - (at least that's how it feels to me).

The business was set up in 1950. My Father was de-mobbed, and began to get restless within the then Family business in Cheadle, Cheshire - The Premier Cafe.

This business, although not very large, encompassed many areas

cafe, outside caterin

deliveries, wholesale,

celebration cakes, bread, savouries, patisserie, lunches (it makes me feel tired).

It was the patisserie and savouries that George felt were his strengths and love, and he knew it was too difficult to excel in a variety of areas, so he decided to break away from this successful set-up to pursue his dream and to focus on a business doing solely patissene and savoury products.

For good measure, he also decided to dump other areas that he felt took up too much time, energy, frustration, tha should be channelled into hi strengths and desires. So ou went bread, and all the rest an OH! For good measure out we taking orders, birthday cake anything that got in the way making Steak Pies and Vanil Slices - well - not quite - but yo maybe get the drift.

This in 1950 was just 'crackpot' reckless. "You've got no chance"

"You'll be back" - even Family members feared for him, his wife and 3 little boys.

Then as now, fortune favours the brave and he got away with it, despite there still being rationing and food controls. And in such a small place - Alderley Edge - well heeled then as now, but with less than 5,000 souls and no advantage as we have now of motor car borne trade.

My Mother recalls one of the very first customers walked out because we would not give 'tick', the irate dowager-type lady brandished her stick shouting "you won't get away with your Manchester ways here my dear".

Well I hope she too is looking down - now we are the longest established business in Alderley Edge.

Now the business is providing for School fees, family holidays, a nice late 50's lifestyle, his appetite for travel - America fascinated George. Then as now they just got on with what they wanted to do. The idea of pursuit of wealth and happiness.

With the social revolution of the 60's beginning, he could sense the customer becoming increasingly sophisticated - more American - much less able to put up with post-war austerity. The NOW generation were flexing their muscles - he could see we needed to sharpen up a bit - refocus - quality was OK but the way we delivered was not quite good enough but he could not bring himself to change the formula and business model.

Also during the mid-sixties he could see the advent of this new

generation of customer being prepared to travel to get what they wanted. Up to now solid local trade did not mind buying whatever was there at the time. He wanted a FULL SHOP, FULL VARIETY OF GOODS - all the time - American style.

To capture this trade would mean Sunday work regularly, nightshift maybe, more space - more staff. And God forbid, very early starts.

He very niftily and boldly solved this hurdle and was able to maintain his lovely ideal. He would open the shop on Thursdays, Fridays and Saturdays only, making Tuesdays and Wednesdays as preparation days making Monday a day off as 5 day week work was arriving.

Although crackpot George was at it again, he knew 75% of his trade was Thursday, Friday and Saturday so he would settle for that. Our variety and back up product - remember, deep freeze was now appearing as an option to aid efficiency - were now enhanced - the shop looked good for 3 days - so inviting this new mobile customer to travel and turn up at Alderley in their Sunbeam Rapiers.

What actually happened was that we saw within months, trade go up by 50% in real terms. So with this new efficiency and better look to the shop (but same products) our turnover nearly doubled with lower costs.

Had we been a bread shop, I doubt we would have got away with it. At this time I was 18 in the business for 2 years so I saw you could make more money with an easier system.

Unfortunately Father was in hospital with a heart attack when we went 3 days but he had set up the business, and me, with a formula which still works nearly 40 years later. He recovered well and enjoyed semi-retirement thereafter becoming very active in the Richmond Club and B.C.A. which we (and still are for me) a major source of new lines, new ideas and inspiration. He could also indulge yet more in travel, coming home with ideas for me to pursue and run off to his new retirement home near Nice where he would telephone to enquire the days' takings.

Father and Son relationships are obviously either very good or very difficult. We had the former. We were lucky by our shared love of the product above all else. Of course we worked for income but come what may, the shop just had to look right whatever the cost - work hard and it's easy he used to say.

This 3 day opening was no holy grail, imperfections still existed but we decided when we got it absolutely right we'd go on to 50 shops - we still have one! And we are still purely product driven to the point that we are prepared to carry on with some lines that are not so cost effective, but are right for the image. *They* will have to be carried by other products.

It may sound like bravado, but provided our quarterly profit and loss statement shows labour and materials under 50% of turnover we're happy. Then there's plenty in there for us, and we only cost for information. Pricing is swings and roundabouts. Maybe we get away with this as we have only

one shop with a low cost base - a luxury not open to bigger businesses.

We charge what a line will stand. The very maximum price that links with the optimum production run given our limited space and equipment.

If a line begins to sell more than we want to make, then it has to rise to control it. We're after a balance of work for employees, limit drudgery and boredom of over long runs, try to get a rhythm of moving on, passing work along to others making the team help each other - like Arsenal - not City!

I well remember a colleague, John Durig, who pointed out to a very cost sensitive friend, that if one is costing, say, a Black Forest Torte, cost the sponge, cream, cherries, and yes multiply by 2, 3, 4 whatever, to give yourself a return, but don't multiply the vital ingredient - The Kirsch Wasser by 3 or 4 - merely add it to the final costing - give it away at cost - in a Black Forest it may be 50 pence each torte. You're doing well with the item, making a good return, so lash on the flavour!

The same applies to many of our ingredients, notably butter. Take the difference between Margarine and Butter and give away again, at cost, this proportional difference - you can't fail with an all butter croissant.

Our prices are generally higher than the industry average, but not that much, yet customers just do not feel we're pricey. They repay us handsomely by an average spend which is now £6 and £6.20 on a Saturday.

It is just as well this average is high as over the last 15-20 years the customer count has fallen year on year, but our turnover has never fallen. The customer fall has to be due to supermarket competition - and a decline of High Streets including ours.

Despite our constant efforts to rotate varieties (except of course) bestsellers, it does amaze me customer's loyalty to the usual and never really changing lines - I hope I'm not being complacent here, but it is a fact. One major plus for us, and this helps us indulge in a good variety of confectionery, is our number 1 bestseller - Steak Pie. It accounts for nearly 20% of our turnover.

In an average week we do 1,500 @ £1.50 each, couple this with Sausage Rolls and Vanilla Slices, we have almost 40% of turnover in relatively simple lines.

For a little business, we have our own economy of scale built in. So why do over 50 other lines to make up 60% of turnover. When I'm working late I ask myself this but of course it is the mix that works, and perhaps we may have something right. We don't produce, for example, iced buns. They're lovely when done right but as with bread, but I don't think they would fit in despite, I could imagine, good sales. I just feel our time is better spent on higher ticket items, with all due respect to Greggs, they do not do. I often look at the value of a tray of stuff on the shelves. I'd rather it be raised to the highest possible figure.

Please do not think I do not have respect of all sections of our craft, but I hope you get my drift. I need customers who

have travelled - we have to entice them with not run of the mill that supermarkets can do possibly better. But of course a niche business can become a rut and I have to a certain extent made a rod for our backs by sticking to fairly complex items and recipes but it does give me distance, from more intelligent, cleverer bakers who may have economic muscle and put it simply, more brainpower, yet there is a place for us.

We do however attract a good cross section of society. I don't just want A's & B's, we do want the lady from around the corner who likes 2 custards and 2 potato cakes, workmen in at lunchtime queuing for the hot selection and prepared to pay top price for a pie lunch.

I've spent perhaps too long on production, just as - no more important - is display and selling. We've been lucky that my Mother, Kathleen, and now Rosemary Weinholt, have been just as dedicated as have us all and our staff to ensure that at 9 a.m. when the door opens the shop is full of product, carefully and lovingly set out, anything slightly damaged is weeded out, and hopefully when the first customer of the day comes in there is - a 'SEXY' (not SEXEDUP!) shopping experience. - A feel good factor - "I'm in the right place" factor - "I've done the right thing coming here".

We let the products sell themselves - allow new lines to get themselves away, by the trust that has been built up over the years by our greatest asset "CONSISTENCY OF QUALITY". Of course some new lines just don't get going, however much R & D went in. This does not

matter - if we get one new line in ten to stick we're doing well - the nine were not a waste of time - they helped keep up the Steak Pie sales.

My Father always believed that at any given time there is one limiting factor - he had no sugar periods - periods of poor prosperity, high taxation periods, our biggest problem facing us is obtaining shop sales staff.

Despite local respect, ads sometimes do not have one reply. The reason I feel for this drying up (well with us anyway) of shop staff is generally low pay in retail. We have fallen below cleaning wages for home-helpers. We pay around £5.30 per hour - more for Saturdays - but it is just not enough. It cannot be put right overnight but it is not good enough for people 'fronting' the business.

The other problem is I feel that supermarkets have siphoned off much of the historically available labour. They operate 24 hrs per day employing many local people, have profit sharing perhaps, perks we cannot match. Saturdays are presently held together by pre-university schoolgirls who are very bright and industrious but this fact does not make me feel too good.

Another problem that is a limiting factor for us (although not the larger businesses) is the lack of available technology in small scale baking. We employ the same amount of people as 20, 30, 40, 50, 60, 70, 80 years ago!! OK my Grandfather would no doubt be delighted to see a semi computerised paste roller, or a deep freeze, plastic wrap or silicone paper - but

that's it. Compare this to British industry as a whole who have de-manned and mechanised, we are stuck in the past. How can we change when the product has not really changed? Being old fashioned may be seen as endearing, but it is our achilles heel.

The limited machinery and methods we have taken on board only enables us to produce relatively higher quantities that are needed to cope with the real fall in food prices as I stated at the beginning of this paper.

Yet despite all, we do earn a good living, albeit falling in real terms but low tech low risk food businesses do enable you to sleep at night. It is hard work - I work in the bakery full time - long hours, and slog at Easter and Christmas. This is compensated by being wellknown and respected locally, and the stability it has brought to our Family should never be underestimated.

I'm sad to see some of the 'bounce' in our profession diminish over recent years - seen by the shrinking number of Master Bakers. It does seem our sons and daughters see richer easier pickings elsewhere maybe they're right - they could be wrong.

Enough downside - I cannot end my paper on such negatives although they are real. So I will close before taking questions on perhaps where do we go from here by telling you why I stick with it and hope you have gleaned -love it.

I often start the week by opening up the bakery myself. (I may have called in on Sunday to look

around and perhaps visualise what we need to do in the week ahead). There is little or no product - all was sold on Saturday. A few things halffinished in deep freeze, a few bases, ganaches in refrigeration, lots of lovely ingredients, modern cheeses, exotic fruits, vegetables (raw materials these days are really good quality - no limiting factor here) - As the week progresses, nice products begin to appear - then BINGO - its Thursday, we're open - Money at last.

By 5 p.m. and closing on Saturday - we have sold some lovely products, to many happy customers (maybe a slip up that's been binned) - a safe full of money, virtually no waste - a contented staff watching Blind Date, or dancing at the Palais and I just feel 'ELECTRICITY' in my veins - NOT blood!

It's really great - well earned I hope - and where else could I get it?

Never mind -

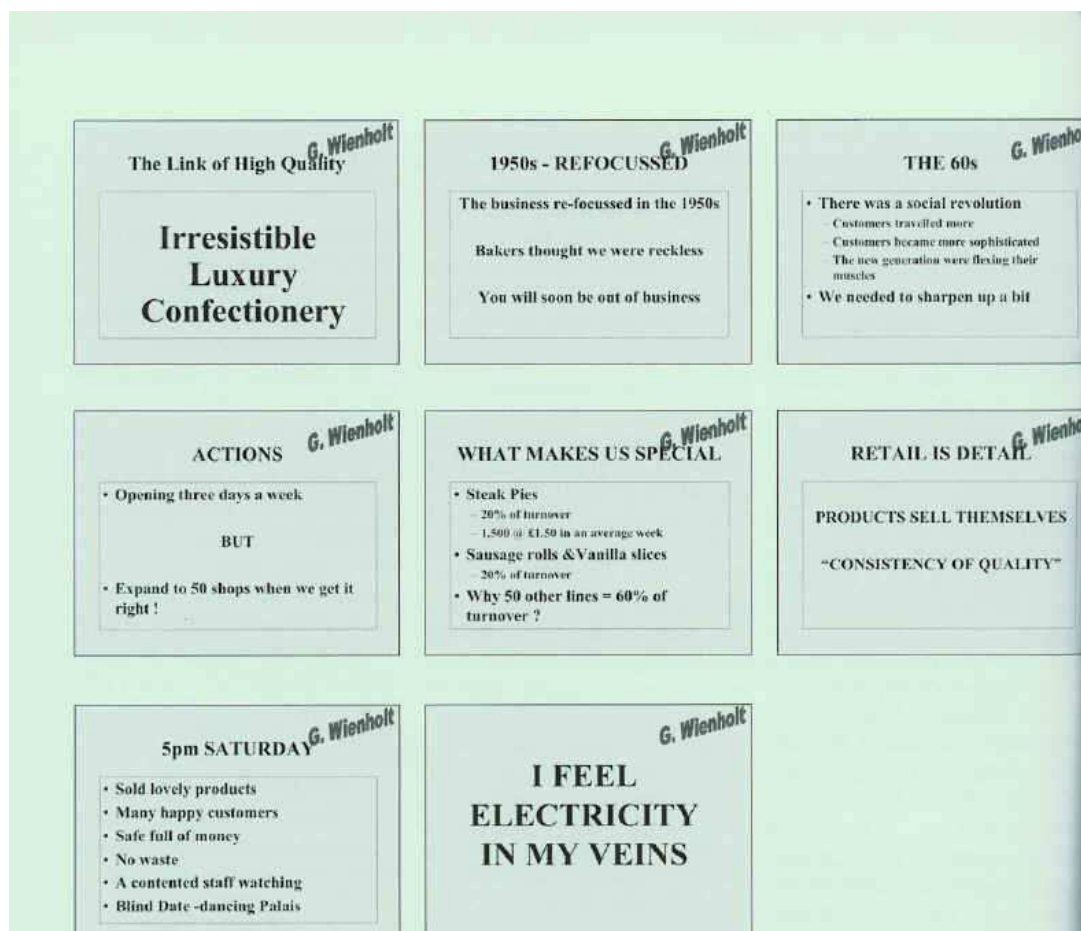
RETURN ON CAPITAL SHAREHOLDER GROUSES MARKET SHARE  
BOND ISSUES DEBT

THE NEXT POLITICALLY CHARGED

DIRECTORS MEETING

I'll leave SIR PETER to that!!

(SIR PETER if you are reading this - I don't mean it! - I'm only joking!)



Question: John Gillespie, Aberdeenshire

You mentioned earlier in your paper the decline in footfall and you had some explanation for that, is there any suggestion that its linked to age, are the younger people still coming in or is it the older generation ?

Answer:- No, we are attracting younger people, we've still got a good mix in the shop. Yes perhaps a lot of greyheads in the shop but no, there are a lot of young people but I've noticed this with a lot of people within the BCA, I think there's very few of us there who could say that



the footfall's increased over the say they've got a rising footfall last few years. It may well on like for like shops. increase if you take on a new

shop and you refit it and relocate it, that's something different, but on a like for like, I know Patrick Bird he's just saying steadily his customer count is going down. What we've been successful in is getting this average up to nearly £6.0 now which is very good for bakery products and that's helped up to keep our turnover and profit up. But it seems inexorable this footfall, I don't know if other people are finding that or I am barking up the wrong tree. Can anybody here