

"Survival of the Craft Baker on The High Street"

Mike Holling

Good morning and welcome to you all.

This morning I would like to share my views and experiences on how a craft baker survives in today's ever changing High St.

Before I do this, let me give you some background information on Birds the Confectioners.

We operate 49 retail units- 8 with Tearooms, in predominately High Street locations, served by the Bakery situated in Derby.

The retail estate is geographically spread throughout the East Midlands. We go as far as Matlock to the north, Tamworth to the west, Coalville to the south and Newark to the east.

Our turnover is in the region of 16.5 million and all sales are generated through the retail shops. Average turnover per shop is around £6750, with an average customer transaction of £2.50. The sales product mix is

We are retail craft bakers, using quality ingredients, making products fresh daily that taste great and still using traditional skills to this day.

We are proud to be members of the National Association of Master Bakers, British Confectioners Association and of course the British Society of Baking.

Let's examine the pressures that affect our business today

Government Legislation and red tape

- Waste disposal - animal by-product regulation

- European regulations

Cream Cakes Confectionery lines Savouries & Pies Cooked Meat & Sausage Bread

Bread Rolls

Filled Rolls & Drinks

14.4%	13.6%
19.7%	16.1%
9.2%	16.0%
11.0%	

One stop shopping development Tesco Express

Increased insurance costs

Rental and business rate increases

Finding good locations with affordable rents Staffing issues —

Recruitment, Retention & pay rates

Changes to the High Street

We all need to trade on a vibrant High Street with increasing footfall, all councils should be achieving a pleasant, lean and safe environment in which customers enjoy their shopping experience.

They should not be looking at opportunities to implement or increase car parking charges all the time, this issue alone can have a very negative impact.

What does concern me is the number of the independent specialist businesses that have closed down on the high street.

That's the negative part out of the way,

Let's start talking about the positives and what actions we have taken to improve our business on the High Street. Key areas for survival or to

live longer

The question that I am asked continually is what makes Birds a successful business, well in my opinion it comes down to the following areas.

Product & People

There will always be a market to sell quality products; this has been the foundation of our company's success. Our products are made with great care and skill, but more importantly as fresh as possible.

We are fortunate to have a dedicated production team and retail staff, with excellent skills. They make our products with enthusiasm and sell them with great pride.

Marketing

Marketing comes in many guises, it can be anything from placing products on top of your counter, to rebranding your company's image, here are a few ideas that you may wish to consider:

One area where I believe we can improve is to make sure that we inform our customers of the effort that goes in to making our products.

Marketing should not be done with a felt tip pen on the back of a cake box, do use quality point of sale and ticketing. Let's tell them the fresh bread and rolls are coming out the oven at 4.30 am. The savouries are baked fresh from the oven this morning

We are using quality ingredients in the products that you purchase; we see these kinds of statements on the packaging in the supermarket, but when it's taken out of the box, does it always meet your expectations?

Presentation and Display

From time to time you should assess your business from the customer's eye; we can always get too engrossed in the main issues of the day. What I do look for is not what we are doing right, but more importantly what we are getting wrong.

Do the contents of your window display catch your customers eye?
When was its appearance last changed?

It is equally important to make observations inside the shop, check that the counters are merchandised correctly, are you fully utilising all the space that is available? This includes the back fitting also.

The shop should portray a bright, modern and clean environment which will lead to customer confidence. If you are using point of sale, make sure it is up to date and more importantly of a good standard.

With the advent of digital printing, the cost is more affordable.

Any notes you make, discuss them with your staff, it is important to involve them in the changes that you may make. Identify your products U.S.P,

Unique

Selling

Point

Make sure your customer, get to know this.

Customer Service

Ensure that all staff have good product knowledge and an aim to exceed customers' expectations. Training in pleasant customer skills, and hygiene awareness are essential.

Remind them that every time they serve a customer they hold the company's reputation in their hands. Product Range

New or continuous product development is the lifeblood of every company; we can also react quickly to introduce new lines

When developing new or existing products be totally quality conscious, charge what the costing tells you, quality allows you to secure good prices.

I still believe that there is sales growth in the takeaway sector that the craft baker can capture; we should not underestimate its potential.

One of the main ingredients in the sandwich or filled roll is bread. This is an opportunity to increase your bread and roll production, traditionally a high profit margin line.

Working habits have changed; most people only have time during their lunch break to grab a quick bite. Our challenge is to meet their expectations.

You can significantly increase your sales by developing add-on sales to complement the filled roll. You can also offer a selection of savoury products, confectionery lines and hot or cool drinks.

Information Technology

It is said that retail is detail and I totally agree with this statement, the cost of this technology is becoming more affordable. We fully networked our retail business in 2002, the information we receive from the system has been invaluable.

Case study of a

recent New shop

Project

Nottinghamshire

Market Town High St

Location

Opened April 2004

Sales footage 750 sq ft

Present sales

£5,800 per

week Staffing 1

full-time 6 Part

time

3 metre counter plus 1 metre Bake-off

Trading 6

days a

week

Surroundi

ng

traders

Main Post office

2

Superma
rkets

Independ
ent

Butcher

2

Greengro
cers 2

Florists

2

Che
mists

Hard
ware

store

New
sage

nt

2 Sandwich bars

Outdoor Market trading twice a week

Footnotes

1. Unit previously traded as a baker.
2. Placing the counter across the shop may reduce display space, the positive side to this is your shelves will require continual replenishment.
3. No one wants to see
empty counters or shelves.

Summary

I hope I have given you a brief insight in to how Birds the Confectioners are dealing with the continual changes that affect today's High Street.

In closing I would like to thank the B.S.B committee for inviting me today to give this paper.