

Business Plan



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1. Summary

Fifty years ago, the parish of Kingsbury Episcopi was a thriving community with a multitude of services. Towards the end of the century, just one shop existed. In September 2002 it closed due to retirement of the owners. Prior to this the Post Office had already closed.

The Kingsbury Community Shop Project was initiated by local residents in May 2008, after consultation with the whole community.

In the past three years funding applications were submitted to the Lottery for the Village SOS project (for a shop, community room and cafe) and at the final stage the project was not awarded funding. This was a very a lengthy process.

Now the committee have gone back to the community for their feedback. In June 2011 a questionnaire was distributed and the results collated. 53% of 575 households responded. 88% of the respondents want a shop and want something now – as three long, slow, years have already passed. The results have led the committee to look at a quickly achievable, cost effective option, which is a completely new direction for the project and committee.

In August 2011 we found a second hand originally custom built cabin type shop which until June 2011 was used as a village shop in Frensham, Surrey. In 2007 when the cabin shop was originally built and sited the shop cost Frensham £42,000 – it includes everything that Kingsbury Episcopi parish would need to get the project off of the ground – DDA compliant Access Ramp, plenty of room internally to allow for wheelchair and pushchair access, shelving, air conditioning unit and lighting. As it was built solely to be a shop the original shell is an anti-vandal unit which is reinforced to ensure walls do not bow from the weight inside (which is a common fault for converted portacabins).



Funding ...

- To ensure we do not miss the opportunity of purchasing the Frensham Shop Unit, the committee need to secure a total of £20,000 to add to our pre-existing funds of £5,000, for the first step in bringing a shop back to the community.

Funds are needed to

- purchase the unit
- move it to Somerset (involving two cranes and a low-loader with escort vehicle)
- prepare the site
- apply for planning permission for the cabin to be sited at the village recreation ground
- insure the cabin
- arrange connection of utilities and services

By bringing a shop to the village the committee aims to

- *Have 325 weekly customers shopping locally by the end of year one. This will significantly reduce travel expenses related to top up shopping, have an impact on car usage in the village and benefit shoppers and the environment. Shoppers will have chance for increased social interaction with other villagers and potential reduced social isolation.*
- *By the end of year one, our 55 shop volunteers will have enhanced skills – including health and safety, fire and first aid training– leading to increased employment opportunities.*
- *By the end of year one 50% of suppliers will be within a 20 mile radius, contributing to sustainability of local economy, enterprise and resource awareness.*
- *The shop will be a non-profit making enterprise owned and run by the community for the benefit of the community.*

2. Business overview

Introduction

There has been no village shop in the parish of Kingsbury Episcopi since September 2002. In April 2008 the Parish Council were asked at a meeting what plans they had in place to bring a shop back to the village. The village shop committee was formed after this and have since been in consultation with the village. The villagers now want to see action and after significant recent changes on the committee, a shop is what the committee are determined to bring to the parish.

The location for the proposed Cabin is to be at the recreation ground in Kingsbury Episcopi, on the main road through the village (main Langport to Crewkerne road), ideal for passing trade and ease of access for shoppers and suppliers. The shop will sell fresh (and where possible) local produce as part of 'top-up' grocery items. A key part of the service will be a lift service bringing those unable to drive to the shop to carry out their shopping, or a home delivery service to those housebound or temporarily infirm.

Current position

The shop will be a start up business. There are over 575 households in the parish of which 199 of respondents shop weekly or more regularly for 'top-up items' and 155 of these say they would use the shop weekly or more often. The shop will start on a small scale ensuring it serves the needs of the community and will over time develop its range and services. The Plunkett Foundation have reported (January 2011) – Community shops have a 97% survival rate and present show a very positive picture for future resilience of the community shop sector. A community shop presents a rational and achievable alternative for communities who have lost their village shop. Over the years through our various fundraising events and support from the Lottery we have £10,000 in the bank towards the project. £5,000 is allocated for the capital funding and £5,000 towards the next stage of stocking and purchasing equipment to enable trading to commence as soon as possible after the unit has been purchased and is in position.

Competitive advantage

There are no shops within the parish. The nearest local shops are in Martock, South Petherton or Langport – each about 5 miles away. There is a fruit farm with a small outlet selling a limited selection of seasonal fruit and a Cider Farm selling Cider and apple related produce. The shop will be an outlet for local suppliers to sell their produce – reducing food miles. Many will be able to walk to the shop from Kingsbury Episcopi reducing the mileage/car usage. Others will be able to walk, cycle or drive and park in the onsite car park (which already exists). Being in the heart of the Somerset Levels the Parish is regularly subjected to flooding making many roads impassible for extended periods of time. In recent winters with the long cold spells roads have not been gritted making access out of the village for many extremely difficult. The housebound and those unable to drive will be catered for with the volunteer 'driving pool'. Bus services through the parish are poor and those without cars (9) have to rely on others getting their shopping and 31 people have a disability and a shop in the village will enable some to regain their independence. The shop will be staffed by volunteers (with a part-time employed manager/s) – 75 have put themselves forward via the questionnaire which will enable us to keep the overheads down. 55 of these as running the shop and 20 volunteers during the planning and siting stage.

The shop will be not for profit. Run by the community for the community.

The target market for shoppers will be parishioners, passing trade, school parents (from out of area), those attending local events – May Festival etc, tourists – and those staying in the local caravan and camp site.

Growth plan

Whilst the initial plan is for the running of the shop from a Cabin it is intended to be a temporary measure. With the longer term plan being to build a permanent building in 4 or 5 years. Depending on the needs at that time the permanent structure could also house along side the shop, a community room and cafe, which were going to be included in the 2008 plans, in conjunction with the Recreation Committees who plan for a changing room and showers, hall and equipment store. Potentially making one combined community complex. The Cabin will be sited out of the path of potential works traffic ensuring that it will not be required to be moved once it is in place.

Overview of Goals

By bringing a shop to the village the committee aims to

- *Have 325 weekly customers shopping locally by the end of year one. This will significantly reduce travel expenses related to top up shopping, have an impact on car usage in the village and benefit shoppers and the environment. Shoppers will have chance for increased social interaction with other villagers and potential reduced social isolation.*
- *By the end of year one, our 55 shop volunteers will have enhanced skills – including health and safety, fire and first aid training– leading to increased employment opportunities.*
- *By the end of year one 50% of suppliers will be within a 20 mile radius, contributing to sustainability of local economy, enterprise and resource awareness.*
- *The shop will be a non-profit making enterprise owned and run by the community for the benefit of the community.*

3. Business strategy

Year one

0 – 3 months (August to October 2011)

- Produce accurate costings on new direction for venture
- Secure funding (£20,000)
- Place visual fundraising thermometer on the gate of the recreation field in order that the village can visually see how fund raising efforts are going.
- Obtain full planning permission
- Secure the Frensham Cabin Shop (it is a fantastic opportunity)
- Identify expected training needs of volunteers and possible training providers
- Write Person Specification and Job Description for the shop manager
- Investigate waste removal options
- Advertise shop manager/s position
- Confirm all agreements with the Recreation Committee
- Apply for funding from other sources for stock and other sundries – e.g. chillers and freezers

3 – 6 months (November 2011 to January 2012)

- Planning permission for signage (outside of the site) and throughout the village
- Arrange moving and siting of the building
- Arrange for the utilities to be connected to the site
- Plan what products etc will be able to fit in the available space of the shop
- Identify potential suppliers
- Contact volunteers to discuss availability for shifts and arrange Volunteer training programme
- Order and arrange delivery of shop equipment - e.g. chillers and freezers
- Recruit Shop Manager/s
- Firm up on suppliers
- Agree book keeping package and procedures
- Organise home delivery service
- Arrange publicity material
- Initial trading

6 – 9 months (February to April 2012)

- Launch event with invited guest speakers
- Organise driver pool availability
- Increasing suppliers
- Trading
- Feedback on stock and stock levels
- Rationalise stock
- Management committee to continue and operational committee to be formed

9 – 12 months (May to August 2012)

- Arrange production of village 'Cook Book' for Christmas 2012

3 – 5 year plan

Build a sustainable business where a small surplus in income is generated – especially by selling added value products – sandwiches, coffees etc. Look to future funding sources to help further increase the community spirit via a community room and a small coffee shop in a permanent building. Once we have a permanent building we will be able to sell our Cabin to another community starting out and use the funds towards our new building.

Tactics

We need to secure funding to ensure we can purchase the Frensham Cabin (and if this falls through) then funding will be required to purchase a similar (or bespoke built) cabin – however a new build cabin would lead to an increase in our costs and therefore an increase in the funding we would need to secure.

The committee has secured the support of the Parish Council, shop fundraising group, amenities committee, David Heath MP and South Somerset District Council.

The willing volunteer respondents need to be contacted and engaged to arrange staffing for the shop and provided with a high level of support to prevent loss of enthusiasm and involvement.

Strategic issues

Our external threats include the proposed building (subject to planning) of a Tesco store in Martock. The existing top-up shopping locations of Langport, Martock and South Petherton. The outlets for the Fruit Farm and Cider Farm and a small shop at the post office in neighbouring parishes of Shepton Beachamp and Hambridge. By offering a local top-up shop destination with local and fresh produce with prices kept as low as possible the shop will compete as well as possible with other destinations. With the ethos being by the community for the community it is intended that the community will naturally support the venture if it sells what they require and is open at convenient times. Objections or amendments to the planning application could hold up proceedings.

Future areas for development can include

- Offering post office services
- Being an outlet for suppliers – where they direct their clients directly to the shop
- Inclusion of a cafe and a community type room
- Whilst the building is happening there is potentially increased trade from the site staff
- The amenities committee may see and increase in sports teams wishing to play from the Rec as it will have improved facilities
- Opportunity to arrange hand made sandwiches and salads for sale – especially to local business – potential to pre-order for collection at lunch time

Core values

A not for profit shop owned by the community, being run by the community for the benefit of the community.

The community are able to be involved at every level from helping to man the shop, members of the driving pool, being on the committees – management or fundraising and operational, as customers and suppliers. By being involved the costs of items in the shop will be kept as low as possible enabling the shop to compete with the top up shopping destinations –without the fuel expense.

The above will bring the community together and start to engender a diminishing community spirit.

The work to bring a shop to the village has led to increased liaison with other professional bodies who are stakeholders in the business.

The profits from the venture will enable the project to support other local ventures in the future.

To keep the community and volunteers engaged in the project tasting sessions with suppliers and cooking demonstrations will be organised regularly where volunteers will get the chance to taste products on sale and therefore be able to better advise the customers.

4. Marketing

SWOT and critical success factors

In order to know where the project is in terms of its positive marketing messages (strengths), the potential for future development (opportunities), the areas the committee needs to keep an eye on and address (weaknesses) and where needed and other competition which could affect the viability of the project (threats) the following SWOT audit has been produced.

In brackets on the Weaknesses and Threats are the committees comments on the items.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong skilled committee • Community run/involvement • Not for Profit • Keep money in the parish • Support of local business • Local/convenient • Reduced food miles (where possible) • Location (on the side of the main road) – passing traffic • Parrett Trail • Home and away sports teams and supporters • People coming to the rec for leisure activities • Improvement in community spirit • Strong committee with many diverse skills needed to bring the project to fruition • Community at large are being actively involved without discrimination 	<ul style="list-style-type: none"> • Rely on volunteers to staff the shop (good volunteer training and support to ensure long term retention) • Pricing competitively (with volunteer staff overheads will be kept low) • Size/position of building (not every person in the parish will travel to the shop regularly) • No current cafe or community room (can investigate hot drinks machine if required) • Reliability of local suppliers for the short and long term (will be part of the selection process) • Reliability of stock levels from local suppliers • Location (not in the centre of the parish) • Perishable stock (we will investigate sale and return with suppliers)
Opportunities	Threats
<ul style="list-style-type: none"> • Sell coffee and tea etc • Handmade sandwiches/salads • Community cook book • Sale or return with suppliers • Cafe • Full Post Office Services • Signage around the village • Website to include information about the suppliers and staff and history • Local training providers to be supported e.g. First Aid • Prescription collection and dry cleaning • Book exchange • Community information point/notice board • Invest in a village marquee for special events • For sale/wanted items board • Fresh Fish day etc • Menu/meal ideas • Employment for part time manager/s 	<ul style="list-style-type: none"> • Martock, Langport and South Petherton shops (other shopping opportunities will always be available) • Independent retailers fruit farm/cider shop (currently these only sell limited ranges) • Online shopping (unlikely for top-up items, more for main purchases) • Weather (we will have back up plans for ensuring key perishable stock is always available) • Funding – short and long term (we need to secure the funding to obtain the Frensham unit) • Tesco opening in Martock (this again will be a main shop rather than top-up items – we will need to keep an eye on their prices)

Market research

Two questionnaires have been conducted – the first in 2008 and most recently June 2011. In addition regular feedback is received at our monthly stall at the produce market.

Over 50% of households in the parish responded to the most recent questionnaire and 88% will support a community shop and have given feedback that they would like a shop to provide top-up items, rather than full shopping items and they would like to be able to purchase fresh items.

Customers will be regularly asked for feedback on the stock, what other items they would like to see on sale.

Distribution channels

The current marketing of the shop is via the bi-monthly newsletter Let's Talk Shop which is distributed by a team of volunteers to every household in the parish and through our regularly updated website www.kingsburycommunityshop.co.uk. Even when the shop is open the newsletter will be continued and include details about stock, offers and suggested menus.

Once trading, signage outside the site and throughout the village will help publicise the location to passing trade.

Driving Pool volunteers will help the less mobile get to the shop and help promote the work of the shop to the infirm that they deliver to.

Regular demonstrations and tastings, including at the produce market will encourage footfall and people to try products on sale and recipes which can be created with the produce sold.

In store offers will be frequently changed when we can negotiate deals with suppliers.

Strategic alliances

The shop will form strategic alliances with suppliers, ensuring that we know when new stock lines are to be available and ensure we know about offers or discounts that would be available to us – and those that we can pass on to the community. In addition guidance will be sought from the Plunkett Foundation and other community shops and projects in order that best practice can be shared.

Local businesses will also be approached for help with specific areas of sponsorship and support.

The parish craft club will have an area to display items they are going to sell.

The gardening club have already offered to stock planters for the outside of the shop and people with excess home grown produce will have the chance to sell their items through the shop.

Tactical promotion plan

The promotional plan will include

- Public relations – we are currently working with local agency ADPR to generate exposure for the venture
- Local advertising – through village newsletters (Parett Talk), notice boards and fundraising events
- Signage on site and around the village (subject to planning permissions)
- Production and distribution of Let's talk shop newsletter
- Questionnaires and surveys
- Offers
- Suppliers promotion – us promoting them – and them promoting us as a stockist
- Advert in the annual parish directory
- Thorney Lakes –campsite and fishery – signage and leaflets
- Somerset Art Weeks – promotion through participating artists/venues

- Promotion and sales stalls at local events

Credibility and risk reduction

- We will ensure all suppliers have the correct storage facilities and adhere to Health and Hygiene standards.
- Health, Hygiene and Safety will be of paramount importance in and around the shop.
- The shop will have appropriate storage facilities for goods on sale.
- All staff will be appropriately trained and monitored – especially in relation to information and training on goods on sale and customer service
- Feedback will be received from shoppers – from the items they buy and the items they would like to buy
- Testimonials will be placed on the website and on notice boards

5. Team and management structure

Skills, experience, training and retention

We have a committee with diverse skills.

Michael English (Chair)

Owner of local estate agents in Langport. Long standing interest in the village. Superb organisational skills and business experience. Strong negotiation, mediation and motivational skills. Good communicator.

Carly Warren (Vice Chair)

Experienced in all aspects of the purchase of design and buying of printed items. Has run her own start up business for the past 7 years. Was born and brought up in the parish. Has a number of good reliable contacts for the supply of trades and other associated business services. Excellent marketing skills and knowledge of how to promote businesses and services. Sound knowledge of PR.

Pauline Warren (Secretary)

Previously owned own business in the community and has worked for many years as a District Nurse dealing with the needs of those living in their own homes. Has been on the committee since 2008 and has been an active member organising fundraising events, producing funding applications. One of the key organisational pins on the committee.

Angi Catling (Treasurer)

Full time post working for NHS in Finance since 1995, in Management Accounts and more recently Payroll. (Fire monitor for 3-4 offices, regular training). Treasurer of Shop committee since 2008. Previously Treasurer for Yeovil District Hospital Sports & Social Club. Experience includes setting up and running a shop, from initial design to selling business, Stock control, Book Keeping and recruiting staff. Currently edits Newsletter and maintains Website for www.kingsburycommunityshop.co.uk. Produces/edits Local Annual Parish Directory, from design, sales of advertising space and updating. Advanced IT knowledge and Financial background. Able to train staff at all levels. Has a sound knowledge of HMRC regulations, employment law and VAT.

Jeffrey Martina

Professional Business Owner / Director with extensive experience covering FMCG (Fast Moving Consumer Goods) Retail Sales and Distribution, Financial Services, Sales, Communications, leadership and motivational skills. Determined marketer having strong business acumen and a firm believer in high quality customer care and service. Personal development includes participating and delivering sales seminars, effective supervision, exhibition planning, and personnel management and presentation skills, building and operating sales networks and distribution channels. Voluntary work undertaken covering, Chamber of Commerce and Industry, local hospital radio, and supporting various charities and clubs.

John Bray

Civil Servant with skills in Project Management, Purchasing, People and Business Management and Customer Relations.

Patrick Godwin

Experienced in business planning, financial projections and budgeting along with planning issue assistance and press release writing.

Sue Boer

Previous team manager for local authority, experienced with work and rota planning, matching skills to needs and the monitoring of impact and staff satisfaction.

Heather Pearce

Long history of working with community projects and regeneration schemes. Trustee of furniture project and a mental health project.

Clair Hinton (Minutes Secretary)

Lived in the parish for 4 years and works at Yeovil District Hospital as a clinical trials administrator. Excellent administration skills, having worked in clinical trials and other office environments for the last 15 years.

Volunteers

All volunteers will be fully trained and motivated to ensure long term retention, regular attendance and maximum social interaction with shoppers.

Part Time Shop Manager/s

The part time manager/s will be a person who has worked in a similar role and environment previously – a full person specification and job description to be written.

Training needs identified

- First Aid
- Fire
- Till/customer service
- Post Office Services
- Health and Safety
- Food and Hygiene

We are currently identifying suppliers and exact requirements.

Advisors

In our learning curve to bring the project to its current stage we have had regular contact and advice from

- Seavington Village Shop Committees – operational and management
- Frensham Village Shop Committee
- Plunkett Foundation
- Accountant
- Solicitors
- South Somerset District Council
- Committee Members
- Parishioners of Kingsbury.

Management systems

The management structure will be a standard tree structure with the Manager reporting directly to the committee and all volunteers reporting to the manager.

A central staff handbook of procedures will be written and kept on site for all of the processes which happen in the shop and all staff will be trained in these procedures.

Book keeping and accounting procedures to be finalised.

Daily, Weekly and Monthly reports to be created – sales, stock wastage and new stock received.

6. Financial budgets and forecasts

Costings

	<u>VAT</u>		<u>Total</u>	<u>Source</u>
	£	£	£	
Purchase of Unit	14,167.00	2,833.00	17,000.00	Frensham
Total			<u>17,000.00</u>	
Transportation Cost	2000.00	400.00	2400.00	Hams
Total			<u>2400.00</u>	

Utilities

Connection to Electricity supply	2000.00	400.00	2,400.00	Western Power?
Connection to water supply/waste	1100.00	220.00	1,320.00	Wessex Water?
Siting materials, i.e. Base	1500.00	300.00	1,800.00	?
Phone Connection	198.00	39.60	237.60	BT
Total			<u>5,757.60</u>	

TOTAL **25,157.60**

Estimated

Sales forecast for the 12 months after opening of Shop

Month	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
Forecast Av Sales	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	50,400

Profit and Loss forecast for the first 12 months

<u>Income</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
Turnover	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	50,400
Purchases	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	35,280
Gross Profit	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	15,120

Overheads

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
Rent	42	42	42	42	42	42	42	42	42	42	42	42	504
Light/power	80	80	80	80	80	80	80	80	80	80	80	80	960
Telephone	60	60	60	60	60	60	60	60	60	60	60	60	720
Water Rates	34	34	34	34	34	34	34	34	34	34	34	34	408
2 Part time managers	565	565	565	565	565	565	565	565	565	565	565	565	6,780
Insurance	22	22	22	22	22	22	22	22	22	22	22	22	264
Accountancy /Legal	40	40	40	40	40	40	40	40	40	40	40	40	480
Non dom rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Repairs/renewals	50	50	50	50	50	50	50	50	50	50	50	50	600
Depreciation	70	70	70	70	70	70	70	70	70	70	70	70	840
Payment to Plunkett Foundation	20	20	20	20	20	20	20	20	20	20	20	20	240
Payment to Rec Committee (see note)												1,000	1,000
Total overheads	963	963	963	963	963	963	963	963	963	963	963	1,963	12,796
Net Profit/Loss	297	297	297	297	297	297	297	297	297	297	297	-703	2,324

3 year forecast

	Year 1	Year 2	Year 3
Turnover	50,400	54,432	58,787
Purchases	35,280	38,102	41,151
Gross Profit	15,120	16,330	17,636
<u>Overheads</u>			
Rent	504	504	504
Light/power	960	1056	1162
Telephone	720	756	794
Water Rates	408	428	450
Part time managers	6,780	6,983	7,193
Insurance	264	290	319
Accountancy /Legal	480	504	529
Non dom rates	0	0	0
Repairs/renewals	600	660	726
Depreciation	840	720	648
Payment to Plunkett Foundation	240	240	240
Payment to Rec Committee	1,000	1,000	1,000
Total overheads	12,796	13,141	13,565
Net profit	2,324	3,189	4,071

Assumptions

*Turnover is based on 325 customers per week spending an average of £3 per visit (This has been taken from the results of a survey conducted in July 2011)

*Average mark-up is based on 30%

*No VAT is included as it is not anticipated that turnover will reach the VAT limit

*Non-domestic rates will not be due

*Sales of Alcohol and Tobacco have not been included at this stage

*Two Managers based on £6.50 per hour 10 hours per week each

*Suggested opening hours on 8am - 6.30pm Monday to Friday, 8am - 5pm Saturday and 10am to 12pm Sunday

Note: Costs incurred by Freeholders to allow a shop to be placed on the Rec. £1000 per year for 5 years

*Telephone includes card services and intruder alarm