

PULLING in the same DIRECTION

Members of Harpers' new Independent Wine Crew are willing to put their competitive instincts to one side to find ways in which they can work together, share experiences and offer advice on how to run wine stores more effectively. **Erin Smith** reports

Put seven independent wine merchants in a room and you might imagine it would quickly fill with tales of newly discovered wines or the latest trip to some far-off foreign vineyard. But when Harpers hosted the latest meeting of the Independent Wine Crew, all the merchants really wanted to talk about were topics such as who had the best overdraft rate from which bank or how much they each charge for a cup of latte.

The fact that each of them runs a pretty successful wine business and knows what they are doing when it comes to sourcing and buying wine was a given. But who among them knew how the others went about making a living, how they handled their costs or how they ensured there would be enough cash flowing through the business to make it healthy and profitable?

After all, running a successful independent wine merchant is as much about knowing what you are selling and why as it is about having the best wines on the shelf.

Harpers has been working with multi-site independent wine merchants to give them the opportunity to meet, share ideas and experiences and hopefully help each other – and the rest of the independent trade – run better businesses. The Independent Wine Crew was set up to provide this very platform.



We have been here for four years and when we opened the wine bar we had people coming in and welcoming us to the village

Ruth Yates

Here is a flavour of the topics that were most up for debate.

Credit controls

This was a key issue, particularly for those members operating significant wholesale operations and therefore having to chase late payments. Matthew Hennings of Hennings Wine Merchants said it was “now normal” to ask for credit control, which was not the case five or six years ago. “A lot of people now want to trade that way,” he said. Ideally one should look to get customers to pay by direct debit.

Ted Sandbach at Oxford Wine Company said he insists that customers pay on a monthly basis.

Banking

It seems that, despite their claims to the contrary, the major high-street banks could be doing a lot more for small businesses. The merchants had a long list of woes when it came to dealing with them, be it costs for handling cash – best to go through the Post Office, they said – through to overdraft rates, poor loan terms and the lack of either customer service or a relationship with a bank manager.

Sandbach, like a number of other merchants, reported that even though his company's turnover was up it had “been pressured to cut its overdraft facility” by the bank.

Jamie Hutchinson of The Sampler, however, was happy with the foreign exchange service he was receiving from HSBC. “I am not easily impressed by bank people and I have been impressed by HSBC,” he said.

Running wine bars/cafes

These offered another mixed picture. On the one hand they were great for turnover and, in particular, driving cash through the business. But it could be costly and difficult to keep on top of.

Hutchinson said his wine bar at The Sampler in Kensington was “rammed most nights” but still did not turnover a great deal and “takes a lot of staffing”.

Matthew Hennings asked whether it was better