

GETTING ON TOP OF YOUR PROPERTY NEEDS

General the biggest factors to consider when thinking of expanding your business is the location of your next property and whether to lease or buy. Colin Lambert from Savills Property Services says that with around 80 pubs a closing down each week, as the drinking ban and availability of cheap alcohol from supermarkets adversely

affects trade, and lack of consumer confidence in the economy continues,

there are some good opportunities for merchants looking for new premises.

"The likes of pub-trades such as Punch Taverns pulling out of the market means there are some very good deals to be had," he said. It's unlikely you would want to operate these premises in their existing format, but you are empowered to change a public house to fit retail use under a general development order, at least, too much of a headache.

Another advantage of buying a former pub is that many come with car parking, and are often quirky buildings on village high street sites. In addition, many local authorities have pub protection policies, which means that developers

have to provide a license for retail use for the former pub."

However, one of the biggest problems likely to face those wishing to expand is the lack of bank finance available to fund a property purchase. "There are plenty of people willing to purchase both property transactions, but the finance is just not there," said Lambert. "The banks will lend to those who DON'T need it, rather than those who do."

The good news for those fortunate enough to have finance in place is that property values have dropped since the peak of 2006/07, so there are bargains to be had. "And it's the threatened country pub market that has been most affected by lack of bank finance," according to Lambert. "These are often the most viable businesses, in terms of proven track record," he said.

For those who don't have the finance, or prefer not to commit to purchasing, renting has become more affordable in the past few years, with a glut of rental properties on the market and a reduction in occupancy. "The percentage of rental units has increased in recent years," confirms Lambert, who makes most landlords are prepared to be far more flexible in their tenancy agreements. "Typically landlords will offer 12 months rent-free, or rent-free based on the cost of fitting out the unit, equating to 12 months' rent." "Landlords are becoming more savvy - typically we are now seeing break clauses being built into leases," said Lambert.

In fact, it is London which is outperforming the market as a whole, while areas with a high concentration of government workers, who are facing ongoing cuts, face tough times ahead, predicts Lambert. Property hotspots, he said, include central London, as well as "second-tier towns" like Bath, Oxford, Cambridge and York.



were tied with franchising, but said "If you get the right people you reduce the risks."

Wilson advised anyone considering expanding their business to make sure they really wanted it. "Five years have the hunger for it," he said. "The effort expenditure simply might not be for you." It's also worthwhile considering whether you're already at maximum retail capacity. "If there's nothing on your door, you can't expand your business to make it more profitable, there maybe the door is tight or expand."

For example, Cambridge Wine Merchants offers various premises as party rooms, as well as offering wine demonstrations, tastings and cellar-walking.

You also need to be aware of any possible barriers to expansion. "Finance can be a problem," he said. "Unfortunately you can't borrow on the back of 500,000 of stock, you can't benefit from that asset." Cash flow is something else which is vital to the health of your business. "If you cannot manage cash flow properly, you can't make huge profits and sustain the business," he said.

Keep ahead of the competition, too, he advises, and ensure your team share your vision. "You need to keep price checking and benchmarking. - For example, we've dropped prices 10% below what you can buy more cheaply in the supermarket than any set price."

Be aware of the profit margins on each of your lines, and increase margins incrementally, he advised. "You

can't invest in your business unless you have sufficient equity, and don't spend unless you've got your feet very profitable."

Ted Sambrook, owner and managing director of Oxford Wine Company

"Anyone can set up a wine company," declared Ted Sambrook, owner and managing director of the Oxford Wine Company, which has three shops (two in the bar, across Chelmsford and the West Midlands. "It's dead easy!" Or at least that's the common misconception that he held about what it really means.

He paraded the investment banker who stage up a property in the Cotswolds, and make "probably being" the first customer, dramatically Bordeaux and Burgundy, with lip service barely paid to the New World. Then there's the stage who brings a flat in a smart part of town whose balcony is lined with white boxes of wine, he stands every evening going and brought a few bucks every day. Or the former manager of a local Wine Bank who doesn't know the first thing about wine because he's never been trained, and with nothing but his wits.

"The wine probably came from three suppliers



"To be successful you need vision, quality staff and luck"

Ted Sambrook