**Minutes of the Otley Chamber of Trade Business Meeting held Tuesday 16th May 2017**

**at 6.30pm at Chevin Country Park Hotel.**

**Present:**

Katie Burnett Courtyard Planters (President)

Keeley Kear Dorris Dent Estates (Vice President)

Tom Hatley Christopher Little & Co. (Membership Sec.)

David Eadon BFE Bray (Treasurer)

Carole Drake (Minute Secretary)

Trevor Backhouse Patisserie Viennoise

Martin Bate Sentient

Penny Fardell Hollings Crow Storr

Pete Heald OTP & Lund of Otley

Simon Raybould Cambrig & Print Crew

Stephanie Stead Stead & Co. Architects

Amy Tennant Chevin Country Park Hotel

Helen & Tom Wilkinson Dowgill House

Christopher Winpenny Winpenny Photography

Linda Yates Wharfedale Mills

**Apologies:** All apologies are read out at the meeting, but not recorded in the minutes

Before the meeting commenced, the Chamber’s President thanked Amy Tennant and the staff of the Chevin Country Park Hotel for their hospitality and facilitating the Chamber to hold this meeting at the hotel.

**1. Minutes from the last meeting and matters arising**

The minutes of the last meeting were confirmed as being a true record. There were no matters arising

**2. Presentation by Simon Raybould on Anti Virus Systems**

Ransomware causes huge problems worldwide and closed many NHS facilities last week. Your
networked computers are at risk.
What do you need to do?
• Install Cyber protection software – antivirus, malware, ransomware, etc.
• Regularly update and patch your Windows operating system and installed software
• Backup, Backup, Backup! Always keep a reliable backup of your critical files
• Be vigilant and train your staff on how to identify suspicious email attachments and links
The latest WannaCrypt ransomware attack affecting 1,000’s of computers in over 150 countries has
been a wakeup call and raised the bar. We/you need to respond accordingly. We recommend, as a
minimum investing in Bitdefender or any other Cyber Protection software that includes antivirus,
malware, root kit, ransomware, etc.
Using all three options listed below affords you the best protection and enhances your chances of
business continuity should the worst happen. Once installed we remotely manage and check
updates are being deployed via the cloud, giving you piece of mind.
Bitdefender
There are several ways you can protect yourself against future ransomware attacks. Installing a
cybersecurity solution such as Bitdefender GravityZone means you will be protected against
zero-day threats, viruses and ransomware. Clients already using Bitdefender were automatically
protected from WannaCrypt ransomware, as the cybersecurity software vendor stated last
week. More here
Monitoring & Asset Tracking
Monitoring provides early recognition of problems in your IT infrastructure and immediately warns
you. Stay one step ahead of problems and prevent costly downtime and data loss. Includes
Windows Updates. List hardware and software across all devices in your network.
We strongly recommend you deploy both options, Bitdefender and Monitoring & Asset Tracking.Optional Backup Solution
Hosted Acronis Backup Cloud offers a cover-all, end-to-end solution for all your backup issues.
Between flexible and unlimited data storage from as little as per Gigabyte to package options for
workstations and servers. Your data is securely hosted in Acronis UK data centres. Please get in
touch to see how we can help you find the perfect backup solution that suits your needs.
If you are experiencing a live ransomware attack call Action Fraud immediately on 0300 123 20 40
Useful links
• NCSC site where there is loads of advice - www.ncsc.gov.uk/about-us
• Also the CISP which worked amazingly over the weekend. Really good example of agencies,
business and enforcement working together - www.ncsc.gov.uk/cisp
• Finally a reference to www.nomoreransom.org - run by Kaspersky, Dutch Police and Europol

**3. Presentation by Linda Yates (PR Marketing Communications Manager) from Wharfebank Business Centre**

In December last year the previous owner sold, what was the Wharfbank Business Centre to a property investor based in London - who runs other similar ventures, together with private residential accommodation across Europe. They in turn have appointed Atkinson Associates (Commercial Property Agents) who are Leeds based and have local knowledge/connections to manage the renamed Wharfebank Mills. Linda who has a marketing background was appointed PR Marketing Communications Manager for the business centre and from the beginning of January has been busy introducing herself around and outside the town, and also working on creating a business community within the business centre. Over the last three months Linda has been very involved with new branding and they are just about to launch a new website with a fresh new approach. Now that Wharfebank Mills has been re branded, their objective is to appeal to a wider range of businesses as they have units from 200 – 600 sq. ft. to accommodate businesses wanting large/small office space, rooms to let for start-ups , workshops and shared spaces etc., and some at daily rates. Wharfebank Mills will be well maintained and looked after with half a million on spend to work on the building, together with a marketing budget to enable networking between other tenants at Wharfebank Mills and the business community outside. At the moment Wharfebank Mills have 35 businesses at the Mills, this equates to 60% occupied with voids 40% and they intend to build on external relationships as well as help those businesses within the Wharfebank Mills. End of June the launch of the website and people will be able to see every available unit on the website once it is up and running.

**4. Banking Issues in Otley - Katie Burnett**

Due to the number of banks closing down in Otley the President of the Chamber invited representatives from Natwest, Lloyds and the Post Office to this evening’s meeting. Lloyds declined the invitation saying members should contact their dedicated business manager directly for help. The Post Office sent details of what services it could offer for different accounts: see below. Natwest sent an email as detailed below.

 **Business Banking transactions available at the Pot Office Counter**

 **Cash Wdl Cash Dep Chq Dep Change Giving**

 **HSBC/First Dir Y Y Y N**

 **Co-op Y Y Y N**

 **Barclays Y Y Y N**

 **Santandare Y Y Y Y**

 **Nat West Y Y Y Y**

 **RBS Y Y Y Y**

 **TSB Y Y Y N**

 **Yorkshire Y Y Y Y**

 **Clydesdale Y Y Y N**

 **Ulster Y Y Y Y**

 **Bank of Scotland Y Y Y N**

 **Cahoot Y Y Y N**

 **Lloyds Personal Banking available but unsure about Business Banking**

*This is some further background to reasons why we are closing Otley in October. We have seen a 36% reduction in the number of counter transactions at Otley since 2011 as our customers continue to the shift towards digital banking. Nationally, mobile and online transactions have increased by over 400% since 2010, and 60% of Otley customers are already choosing to use digital banking options.*

*Firstly, we know that not everyone is comfortable with digital banking, and that is why we are introducing NatWest TechXperts to Otley until it closes on 2nd October 2017. These individuals will offer customers digital training and support, as well as hosting special one-off events and a fraud awareness day. We take a very holistic approach to this support and have examples of our NatWest TechXperts supporting customer with a range of digital issues, from helping to set up brand new iPads and assisting customers register email addresses, to the more sophisticated services such as setting up apple and Android Pay- the focus is on supporting customers individually with what they want to do, rather than one-size-fits-all approach.*

*I realise that extra travel can be inconvenient, particularly for our older and / or vulnerable customer. The nearest branch, once Otley closes, will be Ilkley, 6 miles away. We know that some customer will still prefer not to bank digitally, but I hope out contract with the Post Office, allowing customers to carry out simple transactions, will prove a more convenient alternative. Customers can check their balance, deposit and withdraw cash, deposit cheques and business customers can register to obtain coinage. There are 6 Post Offices within 3*

*miles of the Otley branch, but customers are able to use any Post Office, across their network, the nearest Post Office being around the corner and a 2 minute walk.*

*While the Post Office will offer face-to-face service for your everyday banking needs, there will be occasions where customers may need additional support. In branch we shall be arranging events in the branch through our TechXperts and or Business Growth Enablers to show customers alternative ways to bank.*

*We do recognise that different businesses have different requirements therefore would encourage the businesses in the local area to arrange an appointment with their business managers to discuss their own banking requirements and the options available. Staff at the branch are not sufficiently qualified to deal with complex queries around this. I’ve spoken to Tony Wales who is the Business Director for NatWest covering the Otley area, unfortunately he was also unable to make the Chamber meeting, however, both Tony and I are happy to come to meet you or the committee at a future date.*

*Some extra information that may be helpful.*

***Lending an account opening:***

* *80% of accounts are now opened online by customer. This involves an 11 minute application process and 99% of these customer get their sort code and account number within 4 hours.*
* *The process is completely paperless with no need to go into the branch to provide identification or sign documents.*
* *In March 2017, we increase our small business loan from £25k to £35k, which means smaller business customers can now access funding, without fees or the need to pledge security.*

*Business Growth Enablers*

*Our unique team of locally based Business Growth Enablers (BGEs) are at the heart of our local support for SMEs. Each BGE:*

* *Is specially trained to help source advice, that businesses need most;*
* *They open the right doors, to help businesses reach their true potential;*
* *They run free events in our local markets every month;*
* *They work with industry partners to deliver these events.*

*Our Business Growth Enablers are already working collaboratively with the local business groups and other to provide local events & networking connections that really add value to businesses.*

*Please accept my apologies for not being able to attend the meeting and I hope that information above helps.*

*Many thanks,*

*Mark Sutton (NatWest)*

*LCEO York*

*0779881204*

*Customer Distribution*

Chamber member highlighted:

* that the Retail businesses need cash! With 250 businesses in Otley, they do not carry sufficient money. Retail and handling cash, you cannot do business without cash! Disappointing for retail businesses. The Banks should get together and have a hot-desking service.
* the Post office cannot accommodate giving change on Bank Holiday’s.

COT to write to banks to reconsider down downsizing and this will be discussed at the Chamber Exec. **ACTION**

**5. Correspondence**

5.1 Friends of Otley Lido

 Fundraising. There is a 72ft professional hoarding panels around the lido site which gives an opportunity for Otley Businesses to promote themselves by advertise on the panels. The panels are available for hire, to enable the Otley businesses to showcase their business. This will not only highlighting those businesses who advertise, but also support the lido.

 *If interested in advertising please contact Bridget Deakin at* friendsofotleylidofundraising@gmail.com

5.2 Letter received from Rhona Smith re 2017 Business Awards – read out by Keeley Kear

 Regarding the Otley Chamber of Trade Awards 2017, I think you will agree that the 2017 Business Awards was a huge success . Tom, Ryan, Katie and Rachelle put in a lot of time and commitment, not only through their work building up to the awards but on the evening itself. We were also fortunate to have the mystery shoppers who did a great job and gave a fair marking. I hope I will be invited to help again next year and I think the Chamber and the Otley businesses alike, should give a big thank you to Tom, Ryan, Katie and Rachelle in making it the success it was and a great evening for all.

**6. Members issues**

6.1 OiB/Britain in Bloom judging starts beginning of August. We want to be the best town and to that end we are running a window dressing competition (leaflets distributed). When the judges are going round the town we want to get a good press! Let me know if you are willing to participate. Katie Burnett 01943 462390

6.2 Open Gardens Event Poster. If you have space for a poster in your business to advertise the event or wish to open up your garden to invite visitors to look round on 25th June, please get in touch with Katie Burnett 01943 462390.

6.3 Breaking in spate in Otley. COT to record their concerns by getting in touch with the Chief Constable at Weetwood and try and get an answer from them as to why they cannot take up the gauntlet re images on CCTV. Also invite a Crime Prevention Officer to a meeting.

**7. Date and time of next meeting**

 Tuesday 18th July at 6.30pm – venue TBA



**Re-Energise your Business in 6 Easy Sessions**

SESSION 2

Reviewing Your Customers

There is a theory called Curry’s Pyramid that says that 20% of your customers generate 80% of your revenue. You need to make sure the most profitable customers are taken good care of.

To increase your revenue, it is easier to convert some of the 80% of existing low revenue generating customers into higher revenue generating ones rather than look for new customers.

“Curry’s Pyramid is designed to achieve one aim; to ensure your business is customer driven. If you are not focussed 100% on customers then you are looking in the wrong direction.” From The Big 100 by Jeremy Kourdi.

Profile your customers over the course of a week or a month by recording these details; gender, age, geographical region, class, items bought and profit from that sale (rather than turnover). Use this profile so you know how best to market to them.

*Spend some time thinking about your customers…*

|  |  |  |
| --- | --- | --- |
| What defines your 20% most profitable customers? | What do you need to keep them happy/retain them? | Actions needed… |
| What defines the middle 60% of your customers? | How can they be made more profitable? | Actions needed… |
| What defines your 20% least profitable customers? | Do they take a lot of time?Do you need to sack them?Is there another reason you keep working with them? | Actions needed… |
| Is there a group of customers you want to attract? | How will you do that? | Actions needed… |

Reviewing your Pricing Structure & Profit Margins

*How do you arrive at the prices you set for your product or service?* *Think about if your pricing strategy is providing you with the profit you need/want or the market share you want.* Here are some ways to set prices. The answers from Courtyard Planters are in green to help guide your thinking;

* Would a small change in price lead to a big change in demand, or have little impact? **Psychological pricing** is the act of ending a price in .99p or .95p. This probably works because the brain only registers the first number as that is the one it thinks is important. E.g. £10.00 appears more expensive than £9.99

The products we sell that are also available at other garden centres/supermarkets and the market have a more fixed value in the eyes of our customers as they can do a comparison. Due to becoming VAT registered, and price increases from our suppliers we made all the prices that used to end in 60p end in 90p e.g. £3.60 became £3.90 – no-one has batted an eyelid, perhaps because the left hand number is the same.

* Does the product have ‘snob’ value where the demand increases with high prices? **Price skimming** is used by companies where there has been a lot of money spent on research and development, it aims to recoup costs from “early adopters” before the price is driven down by competitors entering the market.

Never tried that one…

* In your market are there customer perceptions about price, do you accept the pricing culture or challenge it?

Regardless of how much time has gone into growing a plant it is very difficult to sell a plant for over £10. We are servicing people’s hobbies, but no-one NEEDS a plant. Also, keen gardeners tend to be thrifty folk but tend to prefer shopping at small nurseries as they see the quality, therefore value for money. My other group of customers are not keen gardeners, but are willing to spend more money for an instance impact and view their garden as another room in the house. You can put a higher price on a plant in flower. Ironically, I would be better courting the people who want to enhance their homes rather than the keen hobby gardeners.

* Do you have competitors who drive your pricing?

Just a few of the most popular plants that can be purchased from several places seem to have a set price. There is a perception that the market is cheap, the supermarkets are cheap but poor quality, and garden centres are expensive but have a wide range. I don’t think any of those perceptions are true having done research over the years. I think people perceived us as being expensive when we looked more “boutiquey”, it made a big difference when we started displaying goods in a way that said “we buy and sell in volume”. The products that are not available elsewhere – rare varieties, personalised services and replanting work – can be sold for as much as the market will bear.

* **Loss leading strategy** will drive out competitors, but your losses can escalate and you may become involved in a price war. It is used when you want to increase your market share.

We never wanted to drive out competitors, so we focussed on finding a point of difference. Because we grow most of our stock, there is a limit to how much we can produce with the land we have available. We need our competitors to sell the things we don’t want to grow. How would you then increase the price to make sure you can make a profit if you have lowered customer expectations of what they should pay.

* **Target pricing** is the process of estimating a competitive price in the marketplace and applying a firm's standard profit margin to that price in order to arrive at the maximum cost that a new product can have. If you can’t buy/make the product with enough room to add on your margin, then you don’t sell the product. It is useful in manufacturing businesses, it encourages efficiency, but can lead to corner cutting to keep costs down.

Maximum price – profit margin - % of expenditure = maximum amount I can pay wholesale for the item. £6.50 - 30% (£1.95) - £1.25 = £3.30 (equates to £2.75 + VAT)

* **Price differentiation** allows for variable prices for the same product to different customers, it relies on customer ignorance but allows the most revenue to be generated from one product. Useful for maximising profitability of each item.

You can’t really do that in a shop, also we put our prices on our website in the interests of transparency.

* **Variable pricing** allows for reducing prices to increase sales, and increasing prices when working at capacity. Can be alienating to customers who may not know the true value of your product. Useful for smoothing cashflow and workload

We operate a “buggeration factor” in high season where we make sure we charge fully for our labour during spring and in the run up to Christmas. At other times of year if someone asked us to deliver plants and put them in position in a border for the gardener to plant up, we probably wouldn’t charge because we would be happy enough to sell a good quantity of plants.

* **Cost plus pricing** is where you add together your total costs and your desired profit margin and divide by your likely sales. Customers accept this system and it is competitive, the companies with the lowest costs charge the lowest prices. However, your profits are vulnerable to changes in demand, so you need careful marketing to make sure that you achieve the number of sales you need.

(Cost of stock + % of expenditure +cost of labour + desired profit) = average cost
(£1 + £0.44 +£2 + 30% £1.02 ) = £4.47

* **Customary pricing** is where you charge the same for a smaller product and is useful when costs are rising, but can risk alienating customers. Useful in defending your market share when you think your competitors might be struggling.

A plant in a 1 litre pot is £3.90, a plant in a 2 litre pot is £4.90 – yet 2 litre pots are much more popular, even if there is little difference in the size of the plant in the pot. Not sure why, but we roll with it!

* **Keystone pricing** is the standard used in retail of simply doubling the wholesale cost of an item. This is easy to work out. If you sell items where there are a lot of competitors it is unlikely you will be able to remain competitive using this formula, however if you sell rare or specialised items then you are likely to be selling yourself short with this method. This method is not suitable for services as it does not account for any time you spend or value you add.

We use this method for all our bought in items. However, most of our items have a low cost, but huge amounts of time added to give them their value so it doesn’t work for them.

* **Bundle Pricing** is where you encourage customers to buy more from you by packaging them together. It is useful for clearing stock (BOGOF). Customers often perceive an added value (2 courses for £10 in a restaurant)

We are just about to start a new offering of a selection of plants to fill 2 square metres of border for a fixed price. This should allow us to offer customers an easy solution – a bit like a veg box – and allow us to sell 5 plants together rather than just one.

The main thing that you need to know when deciding on your pricing strategy is to have an aim of how much you are going to sell. Therefore, unless you are really confident about how much you can sell, you will need a marketing strategy to ensure you are growing your most profitable markets….

Next time; A SMART plan to achieve your dream

How to delegate and why?