

From:
Sent: 13 June 2013 13:19
To: Pubs Consultation Responses
Subject: Fwd: BIS Submission

Sent from my iPad

Begin forwarded message:

From:
Date: 13 June 2013 12:48:57 BST
To:
Subject: BIS Submission

My company, [REDACTED], has six venues: three Enterprise leases, one free-of-tie retail park unit with a private landlord and two freehold village pubs. We entered the retail side of the industry in [REDACTED] with our first venue, [REDACTED], which was an Enterprise lease we purchased on assignment from Greene King. Our second and third openings were also with Enterprise Inns. In total we now have circa 15 trading years under our belt with Enterprise - I have a duty to my trading partner in the current political climate to be open and honest with regards to our long relationship. Our company has been very successful thanks to a good working relationship with Enterprise and because I believe our retail offer has looked to the future. Enterprise has provided us with good properties where we have been able to put our retail skills to work. In a complex business environment where parties willingly contract, a landlord like Enterprise Inns can only take so much of the blame when things don't work out. We have entered into a contractual relationship with Enterprise three times - and have made good profits at every site, each and every year.

We entered the industry in [REDACTED] just prior to the smoking ban. Recognising the need to evolve the standard pub offer to encompass the opportunity that would be presented by the ban was vital - the industry was about to change forever. Whilst others were wasting time arguing about the ban, we were evolving to cater for the future. Unfortunately, many people running pubs

whilst very good publicans are somewhat lacking in business acumen and have not progressed from being turnkey operators.

With the economy also starting to falter within a couple of years many operators were caught paying far too much money for assignments of leases - in some cases hundreds of thousands of pounds, remortgaging houses using savings or taking loans. The pubcos were powerless to stop them - the economy and individuals with rose-tinted glasses have led to many pub failures.

Have the pubcos played their part? Yes - in the form of tied beer and full repairing leases and buildings that had been underinvested. But as individuals we all had the opportunity to say no and not take the lease and move on to something else.

The industry as a whole has changed exponentially over the time I have been involved. The power of the branded managed pub companies has increased, new branded outlets and multiples have grown on a daily basis, grabbing consumer spend through wider choice, cheaper options and quality operations. Alcohol has also been available at give away prices through supermarkets, which has become a major factor in people's mindset when visiting the pub. Many now pre-load on cheap alcohol - the customer is happy, the pub powerless to compete.

Pubs, as we once knew them, are finished. We need to evolve to survive. We need to offer more. We must put the H back into Hospitality and work harder to give consumers a reason to visit our pubs.

So will getting rid of the tie solve this? Not a chance. We must realise to compete with the branded managed outlets is impossible they rely on smaller

margins and succeed on volume. This is not going to work in smaller venues in secondary positions generally operated by leasehold operators.

Leased pubs, the people running them and their corporate owners need to look

at high streets up and down the country and draw the parallel. Fail to compete and evolve and you fail to exist - look at Woolworths and many others. Investment in pubs with a future and closure of the ones that don't is the start. Snuff out corporate profit and this can't happen. Pubcos need to alive of the danger on failing to invest in the underinvested.

Abolishing the tie is so not the answer. Investment in the future is the key - massive debt piles don't help in this. If the profits accruing from the tie are applied to greater investment the future is bright for the industry. Working together with our pubco partners we can grow and succeed. It's been the story of our time with Enterprise

This email was received from the INTERNET.

Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.
