



## **Grampond Village Store**

**Grampond Community Shop Ltd**

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## **Business Plan**

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## 1. Summary

In late 2012 the people of Grampound learnt that the Hollies Store and Post Office would be closing in 2013 owing to the retirement of the shopkeeper and postmistress, Graham and Jenny Gingell. The premises are poorly located for modern retail purposes and the owner of the freehold has signalled his intention to convert the property for residential use.

The response of the community was emphatic. Through questionnaires and a village meeting local people expressed a need for, and desire to establish, a community shop.

A Steering Group was formed and set to work to look at the feasibility and viability of such a project. Grampound has a large village hall with extensive attached land, administered on behalf of the village by a charitable trust. It was decided to look at this site as it offers easy access and ample parking to attract both villagers and people passing through on the main road. The trustees quickly indicated their agreement in principle and discussions have resulted in a firm agreement for the location of the Village Store on this site. A planning application for siting two portacabins is being submitted. One will house the Village Store and the other a community Coffee Shop. When these are established it is intended to then look for funding for a purpose built cabin type building which will offer larger premises for our, hopefully, expanding enterprise.

The inclusion of a coffee shop from the outset is to provide a meeting place for us all, to broaden and buttress our commercial base and to attract more customers.

Since the closure of the shop it is clear that the community misses the convenience of shopping locally and many Grampound people can be seen buying daily newspapers in other villages. With this in mind the shop will sell newspapers both national and local.

It is not intended to run the post office from these premises although certain facilities will be available and the post office is organising an outreach service.

The Steering Group is working with the Parish Council, who have helped considerably, and with The Plunkett Foundation which promotes and supports co-operatives and social enterprises in rural communities nationally. The foundation has experience in helping set up village shops and continues to offer invaluable assistance to Grampound.

The Steering Group has also been encouraged by the increasing number of people coming forward to volunteer for both shop work and the practical tasks of locating and fitting out the premises.

Financing the setting up of the initial shop will be achieved by applying for local grants and a share offer will be made available to local residents to encourage true community ownership and commitment.

## 2. Business Overview

### **Introduction**

The village has over the past decade or so lost a number of significant businesses such as a butcher's shop, antique shop, Indian Restaurant and more recently the Hollies Store which provided a reasonable but limited range of groceries and vegetables, cards, stationery, alcohol and newspapers.

The response of the community was to establish a steering group to examine the feasibility of opening a community shop and looking to expand on the success of the monthly village produce market which offers produce local to Cornwall and which has been running in the village hall for 5 years. Since the establishment of this group much of the ground work has been done and support for the project among the community has grown as the loss of the Hollies is more keenly felt.

Our community has reasonable access to farm shops in the nearby villages of Tregony and Probus which are well regarded by their customers who travel some distance for quality food. However, there is a good market for basic and quality products within the village which a community shop could supply. It would complement the recently revamped smokehouse shop which is selling high end products including quality sandwiches, Cornish juices, smoked fish and meat, fresh crab and much more, albeit in tiny premises.

### **The Village of Grampound**

The ancient township of Grampound is centrally situated in Cornwall and its origins can be traced to the iron-age. In the 13<sup>th</sup> Century it was a medieval market town on the river Fal. Fore Street, Grampound is on the busy A390 and has some very fine listed buildings, which signify the industrial heritage of mills, tanning and farming.

Today the village has a population of between 6-700 and whilst this has been steady for a few years a good size modern development is currently being built on the site of former Manor Tannery. This fits well with the architecture of our village and has been a good boost to the village school which has increased the number of classes by one this year.

The village is very active and its community hall is a regular venue for drama, dance and music as well as a base for a number of organisations, which include the Gardening Club, Tuesday Club, Rainbows, Brownies and Guides. The village also has a Bowling Club, Football Club, Women's Institute, Amateur Dramatic Club, a Transition Movement and a very successful annual carnival as well as two churches and a pub.

There is a high level of interaction between the people of the village through the various organisations and it is known for its friendliness. This helped the village become the Calor Village of the Year for 2007/8 and, indeed, the judges commended the community atmosphere of the area.

It is a great place to live with many activities to get involved in. However, the closure of our village shop has resulted in the loss of an amenity and a meeting point, especially for people who live alone or cannot easily travel. All will benefit from what a community shop, supplying a wide range of produce and incorporating a coffee shop, has to offer.

### **Current position**

The Grampound Community Shop Steering Group has established Grampound Community Shop Ltd, an Industrial and Provident Society. Its intention is to open a community shop and coffee shop located on land adjacent to, and belonging to, the village hall. Initially, this facility would be housed in two portable structures but the long-term aim of the Steering Group is to raise major grant funding to build a permanent outlet that would also include other community facilities not currently available in the village hall during the school day.

### **Competitive advantage**

The new community shop will have access to a good car park, off a busy A road and next to a popular primary school. The Hollies, whilst on the main road, did not enjoy parking and was on a fairly steep hill.

Grampound is not an isolated community and has been chosen by many residents for its close proximity to both Truro and St Austell. It is within 8 miles of both towns where supermarkets are available and it has an hourly bus in either direction.

The new village shop could not compete with supermarkets but it will have the advantage over the Hollies of being able to offer a larger trading floor area and therefore to stock good basics to complement supermarket shopping together with a range of premium products. It will be able to provide local ingredients to make a family meal.

It will be partly run by volunteers although a part-time professional manager experienced in running quality food outlets will oversee the business. This will help reduce staff costs as well as offering a friendly local service.

Competition from supermarkets and on-line shopping will be countered by the friendly personal service and local knowledge, where the customer is known and valued.

It will be community owned and financed which should help to promote local patronage.

The range of goods will reflect what local people say they most need and almost certainly this will include newspapers.

A coffee shop will be included from the outset to provide a meeting point for locals and to attract the passing tourist trade.

### **Growth plan**

It is intended initially to open these enterprises in temporary buildings located on land belonging to the trustees of the village hall. This will:

- Provide a short-term replacement for the facilities lost when the Hollies Store closed
- Provide an opportunity to assess what the local market wants and will support
- Enable the Grampound Community Shop to forge links with local suppliers
- Enable Grampound Community Shop to build up a loyal customer base to whose need it will be responsive
- Enable the shop to recruit a professional manager and a team of volunteers and to undertake the training of the latter.

In the longer term the plan is to seek major grant funding to construct a new building (phase two), also on land belonging to the trustees of the village hall. This would offer considerably more trading space than either the Hollies or the phase one shop. The aim is to provide such a range of products as to serve the needs of not only the residents of Grampond but also to become a destination venue attracting from a much wider area. It would also incorporate additional community facilities in addition to the coffee shop such as a meeting room and possibly creche.

The village shop would have the potential to attract custom from those dropping off and picking up children at the school, visitors to the thriving football club and bowls club and from passing trade. It will be the only shop on the main road between St Austell and Truro to offer extensive parking and will therefore be a convenient and easily accessed stopping-off point.

### 3. Business strategy

In the next year it is our objective to open these community shops located in temporary buildings. To do this will require:

- A grant from the Parish Council
- A successful community share offer raising c£15000
- A successful bid for £23 000 to the Garlenick wind turbine community fund, which becomes available in 2014
- Obtaining full planning consent
- Recruiting volunteers to fit out the building
- Recruiting a group of volunteers to work in the shop
- Identifying suppliers, entering into appropriate contracts etc
- Undertaking promotional and marketing activities prior to the launch

#### **Tactics**

The Parish Council Grant has been secured. We have also secured offers of volunteer help to fit out the shop and to work in it. A social event has been held for the latter and we have contact details for all.

We have put together a Share Offer Booklet and a covering letter outlining the advantages of the scheme. We propose to send a copy of both, individually addressed, to every resident of the village together with a summary of the business plan. We are also intending to organise an open meeting to launch the offer.

#### **Strategic issues**

There is clear evidence of local demand for a shop of the sort we are proposing and good signage should attract passing trade. There is good potential and a few possible difficulties.

- Pre-planning advice has indicated that planning consent is likely to be granted.
- Our small community may have a finite number of people willing to invest financially, however, we intend to tap into significant funding from the Garlenick wind turbines.
- Whilst the village is small, it is growing with a significant new development of 55 properties which are mostly family homes nearing completion.

- The potential for passing trade is considerable.
- The potential to encourage parents from the school who do not live in the village is good and the number of children in the school is growing.
- The village is showing real interest in the project and more volunteers are coming forward.

## **National and Local Strategies**

### 1. National Strategies

The purpose of the planning system is to contribute to the achievement of sustainable development. The policies in paragraphs 18 to 219 within the National Planning Policy Framework (NPPF) 2012, taken as a whole, constitute the Government's view of what sustainable development in England means in practice for the planning system.

There are three dimensions to sustainable development: economic, social and environmental. The most relevant to this plan is the social role that planning can play which state:

A social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being;

The Government is also keen to promote the quality of people's lives through the planning process, the NPPF seeks to find ways to enhance and improve the places in which people live their lives. Furthermore paragraph 17 of the NPPF states that planning should take account of and support strategies that seek to deliver sufficient community and cultural facilities and services to meet local need.

Section 8 of the NPPF seeks to promote healthy communities and can play an important role in facilitating social interaction and creating health, inclusive communities. The NPPF further emphasis this with the following extract from paragraph 70:

To deliver the social, recreational and cultural facilities and services the community needs, planning policies and decisions should:

- Plan positively for the provision and use of shared space, community facilities (such as local shops, meeting places, sports venues, cultural buildings, public houses and places of worship) and other local services to enhance the sustainability of communities and residential environments;
- Guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs;
- Ensure that established shops, facilities and services are able to develop and modernise in a way that is sustainable, and retained for the benefit of the community; and
- Ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.

## 2. Local Strategies

Cornwall Council Local Plan (submission version)

Within the emerging Local Plan for Cornwall, objective 7 aims to meet a wide range of local needs including, among other themes, a range of facilities with the aim to improve the quality of life and reduce social exclusion. Furthermore Policy 3 (page 14) seeks to promote vibrant local communities and support local services. An appropriate level of growth and investment will be encouraged in settlements such as Grampound, which are outside of the main identified towns and which will reinforce their role as providers of employment, community, leisure, and retail facilities. The proposed community shop will accord with this vision. This is further emphasised by the area based policy PP6 part 2b page 87.

The addition of a community owned and operated shop in Grampound, to replace the former commercial outlet, meets the aims of the above strategies and further enhances the amenity and viability of Grampound.

### **Core values**

We see the Grampound Community Shop as being at the core of our community. The implications of this are:

- We will focus on the needs of local people and will be responsive to their requests and criticisms.
- We will seek to promote local produce to the greatest possible extent.
- We recognize that social aspect of the shop and its importance in reducing social isolation. To this end a coffee shop will be a key element in our project at all stages and in phase 2 we intend to provide improved community facilities.
- The ownership of shares will promote loyalty to the project and a sound customer base intent on making the business successful.
- The training of volunteers will impart new skills and instill a sense of value and self worth.

## 4. Marketing

### **SWOT and critical success factors**

Our strength will be in offering a community owned, personal service that is environmentally friendly, there being no need for residents to use a car. Being located on a main road with good parking there will be passing trade. It will be the only general store in a village where there is a growing population and a growing primary school. We will offer locally produced speciality goods which can be showcased in the coffee shop. The venture will complement the recently refurbished speciality smoked fish shop that is situated nearby. The owner of this business is very eager to collaborate with our proposed shop.

Concerns will be the range of products limited initially by space, price undercutting by supermarkets, opening hours that are possibly too short and maintaining enough volunteers.

### **Market research**

The Parish has been consulted by means of two surveys and a public meeting to date. The public meeting was well attended and from that the Steering Group was formed. The last survey brought forward 18 shop volunteers initially and this has grown since to over 40.

In September a very attractive community shop stall was held at the village carnival fete and received a huge amount of interest. Stickers showing support of the shop were worn by everyone who visited the stall and more volunteers came forward. This stall was also present at the most recent produce market and is creating considerable interest and more importantly informing villagers of progress.

Work will shortly begin on a more updated parish survey which will be hand delivered and collected in order that members of the steering group may speak to every household. The Steering Group is looking for others with more marketing experience to help with the process.

A social event for volunteers was hosted by a member of the steering group and was a good method of communication and appreciated by those who want to be involved.

### **Distribution channels**

Residents of village, parents of school children, surrounding local area, passing trade.

Regular flyers, email, signage on road, local press adverts and Grampound Times published quarterly.

This would go some way to making this become a destination shop because of the quality and wide range of local products.

The advantage of a small community means that every household can be included in surveys, information and invitations.

### **Strategic alliances**

There are already well established links with suppliers of local produce via a monthly produce market held in the community hall. This is well attended and the produce is popular. It is anticipated that the community shop would source many of its product ranges from these suppliers, making them available on a permanent basis.

We are fortunate that within a 5 mile radius of Grampound are the following producers all of which we have contact with:

- Dexter Beef – The Perry family live in Grampound and produce delicious beef from their herd of Dexters, this is sold at our produce market and also cooked by celebrity chefs in London.
- Da Bara bread is made by two brothers who were chefs at the Tresanton Hotel. This bread is served at some of Cornwall's finest hotels and restaurants as well as Grampound's produce market.
- Eggs – two suppliers St Ewe eggs farmed by the Tonks family and now sold in supermarkets throughout the country and Cracking Eggs produced by Mr and Mrs Colton and sold from their farm gate as well as the produce market.

- Grampound Honey sold by Penny and Geoff Hodgson who took over the hives from a Ladock couple they met through the produce market. The bees are on Grampound's allotments and flavour the honey from village gardens, Geoff and Penny also offer a different flavour honey from their hives on the Roseland.
- Kernow Sausages produced at Tregony from Gavin's own herd of pigs and served at all the best breakfasts in the county.
- Boddington's Strawberry Jam comes from Mevagissey and is Cornwall's favourite jam for Cornish Cream Teas.
- The Hiromi sushi company whose products are popular in the village.

### **E-commerce and technology**

We will create our own website that will be linked to the existing, and very well-used, village website. We will have Facebook and Twitter accounts.

### **Tactical promotion plan**

Promotion so far has been within the village although this will be extended closer to the opening. We anticipate regular tastings, coffee mornings and special offer flyers. We will also aim to leaflet caravan and camp sites in the locality and holiday lets. We will offer welcome hampers and a delivery service.

### **Marketing budget**

We will earmark £1000 for this purpose. We will devise means whereby new customers are asked where they heard about us.

### **Credibility and risk reduction**

Personal knowledge of customers, consistently good quality products, responding to requests, suggestion box. Since we are having a combined shop and coffee shop we will be engaging in a range of activities.

## **5. Team and management structure**

### **Skills, experience of steering group, training and retention**

<b>Members of</b>	<b>Steering Group</b>	<b>Experience</b>
Norman	Baines	Norman has extensive technical, business and retail experience.
Helen	Bunt	Helen has many years of experience as a General Manager and until recently was Operations Director for an International Theatre Company. She has worked in schools, for charities and the creative industries. Her key skills include: <ul style="list-style-type: none"> <li>• project management and the operational mechanisms related to project delivery</li> <li>• financial management including planning, monitoring and control</li> </ul>

- management of funding relationships and partnerships
- serving as a Trustee/Director and Company Secretary for charitable organisations

Stephanie	Cairns	As a primary and secondary school teacher for 26 years, Stephanie has a range of skills that she has brought to bear on the project.
Tony	Davies	Tony has extensive experience in design, construction and building.
Annette	Egerton DBE	Annette is involved with the produce market and helps her husband, Bob who set it up. She ran a village post office in the 70s/80s for some 12 years before becoming involved in local government as a district and county councillor.
Cat	Evans	Retail experience, I have worked in shops and in hospitality services so I have a working knowledge of stock taking, display, pricing, cash systems, simple accounts, working with the public, dealing with complaints. I have worked in the food industry so I have the relevant health and safety standards certificates, and training which could help when we open a cafe at a later stage. I have practical skills to help with the actual build of the shop albeit not professional. I have worked in the volunteer sector which could be useful when encouraging volunteers to help out and scheduling rotas. I have worked in the planning department at a solicitor's firm so have contacts if we need help with planning applications.
Mark	Jones	Own business (as Fiona). Practical skills ( general building). All those many skills linked to the teaching profession.
Fiona	Jones	Merchandising Shop and staff management. Stock control. Own business (market stall). Sales and account management.
Margie	Lundie	Communication, presentational and management skills in role of Head of Upper School in Secondary College; worked alongside husband as Company Secretary to a successful business selling chemicals to the Oil industry;

continued the business alone for 3 years and successfully negotiated its sale.

Alison	Ryves	I ran my own Dress Boutique for 5 years in the 70's. 1990 - 2012 I had a business at home as a Clinical Aromatherapist. 1995 - 2010 Part time Assistant Manager at a Deli/Cheese Shop. 2010 - 2012 Volunteer in a Coffee Kiosk at a local Woodland Discovery Centre.
Peter	Wootton	Head of Upper School and member of the Senior Leadership Team at Putney High School, an independent school and limited company. Leadership, management and organizational experience. Senior leadership at John Smeaton Community High School, Leeds, including management, financial control and introduction of new initiatives. Voluntary work, including fund-raising, for OXFAM and VSO.

### **Advisers**

We have taken advice from:

- The Plunkett Foundation
- The Cornwall Rural Communities Council (CRCC)
- Bob Egerton – local Cornwall Councillor
- Peter Hardaker – retired local businessman with experience of Industrial and Provident Societies and EU funding streams
- Bryan Coode – retired local businessman with experience of cooperative ventures
- Dean Jenkins – local entrepreneur and Chair of Grampound with Creed Parish Council
- Terry Clarke – planning consultant
- Cornwall Council Planning Department

### **Management systems**

We will employ a professional manager, at least part time, who will be answerable to a management committee elected by the shareholders. We will also have an appropriate software system.

The Steering Group has budgeted for the purchase of the EPOS system to assist with stock control, ordering etc.

A handbook will be produced covering issues such as volunteer behaviour, the responsibility of the company towards its volunteers, a code of practice etc

The Management Committee will seek professional advice with regard to all compliance issues.

The fuller details of the management structure will be for the Management Committee, elected at the Shareholder AGM, to decide.

## 6. Financial budgets and forecasts

### Start-up Costs

The following table is based partly on the model from St Germans' Community Shop and partly on internet searches etc. It is quite approximate.

Item	Realistic	R - 10%	R + 10%	R + 20%
Planning Costs	1000	900	1100	1200
Purchase of building	4000	3600	4400	4800
Ground works	1500	1350	1650	1800
Electrical work	1500	1350	1650	1800
Phone line connection	250	225	275	300
Counter unit	500	450	550	600
Shop shelving and display	500	450	550	600
Fridges (2)	700	630	770	840
Freezers	400	360	440	480
Signage	1000	900	1100	1200
Security	1000	900	1100	1200
Heating/cooling system	1500	1350	1650	1800
Till (EPOS)	5000	4500	5500	6000
Insurance	700	630	770	840
Fire extinguishers	50	45	55	60
Paint	500	450	550	600
Stationery	50	45	55	60
Food wrap	100	90	110	120
Advertising	1000	900	1100	1200
Solicitor fees	1000	900	1100	1200
Accountant fees	1000	900	1100	1200
Coffee machine	1000	900	1100	1200
Coffee Shop furniture/crockery	500	450	550	600
Premises license	125	112.5	137.5	150
Newspaper bond	500	450	550	600
Initial stock	3500	3150	3850	4200
Working capital	1500	1350	1650	1800
Miscellaneous	1000	900	1100	1200
<b>Total</b>	<b>31375</b>	<b>28237.5</b>	<b>34512.5</b>	<b>37650</b>

## Cash-Flow Forecasts – Alternative Scenarios

One – £100 000 pa turnover + 20% gross profit + 5% pa volume growth

Item	Year 1	Year 2	Year 3
<b>Income</b>			
Sales (+5% pa)	100000	105000	110250
<b>Expenditure</b>			
Purchases (+5% pa)	82000	86000	90300
Expenses (adjusted pa)			
Wages	12000	12500	13000
Utilities	1000	1050	1103
Insurance	700	721	736
Maintenance	100	150	200
Office supplies/postage	50	50	50
Telephone	500	510	520
Travel costs	600	618	837
Accountancy	650	675	700
Bank charges	100	110	120
Wastage	750	800	850
Sundries	500	500	500
Ground rent	200	200	200
Total Expenditure	99150	103884	109116
<b>Profit/loss</b>	<b>850</b>	<b>1116</b>	<b>1134</b>

## Cash-Flow Forecasts – Alternative Scenarios cont

Two – £120 000 pa turnover + 20% gross profit + 5% pa volume growth

Item	Year 1	Year 2	Year 3
<b>Income</b>			
Sales (+5% pa)	120000	126000	132300
<b>Expenditure</b>			
Purchases (+5% pa)	96000	100800	105840
Expenses (adjusted pa)			
Wages	12000	12500	13000
Utilities	1000	1050	1103
Insurance	700	721	736
Maintenance	100	150	200
Office supplies/postage	50	50	50
Telephone	500	510	520
Travel costs	600	618	837
Accountancy	650	675	700
Bank charges	100	110	120
Wastage	800	850	900
Sundries	500	500	500
Ground rent	200	200	200
Total Expenditure	113200	118734	124706
<b>Profit/loss</b>	<b>6800</b>	<b>7266</b>	<b>7594</b>

### Cash-Flow Forecasts – Alternative Scenarios cont

Three – £100 000 pa turnover + 22% gross profit + 5% pa volume growth

Item	Year 1	Year 2	Year 3
<b>Income</b>			
Sales (+5% pa)	100000	105000	110250
<b>Expenditure</b>			
Purchases (+5% pa)	78000	81900	85995
Expenses (adjusted pa)			
Wages	12000	12500	13000
Utilities	1000	1050	1103
Insurance	700	721	736
Maintenance	100	150	200
Office supplies/postage	50	50	50
Telephone	500	510	520
Travel costs	600	618	837
Accountancy	650	675	700
Bank charges	100	110	120
Wastage	750	800	850
Sundries	500	500	500
Ground rent	200	200	200
Total Expenditure	95150	99784	104811
<b>Profit/loss</b>	<b>4850</b>	<b>5216</b>	<b>5439</b>

### Cash-Flow Forecasts – Alternative Scenarios cont

Four – £120 000 pa turnover + 22% gross profit + 5% pa volume growth

Item	Year 1	Year 2	Year 3
<b>Income</b>			
Sales (+5% pa)	120000	126000	132300
<b>Expenditure</b>			
Purchases (+5% pa)	93600	98280	103194
Expenses (adjusted pa)			
Wages	12000	12500	13000
Utilities	1000	1050	1103
Insurance	700	721	736
Maintenance	100	150	200
Office supplies/postage	50	50	50
Telephone	500	510	520
Travel costs	600	618	837
Accountancy	650	675	700
Bank charges	100	110	120
Wastage	800	850	900
Sundries	500	500	500
Ground rent	200	200	200
Total Expenditure	110800	116214	122060
<b>Profit/loss</b>	<b>9200</b>	<b>9786</b>	<b>10240</b>

