Ashdale Business Consulting Ltd

May 2020

Ashdale Insights

INSIDE THIS ISSUE:

Quantity Is Vanity, Quality Is Sanity

This month we ask by looking to provide too many options do some operators compromise on the quality they can deliver?

A little while ago I was talking with one of my clients who told me that yet another chef had handed in their notice. It seems the writing had been on the wall for some time, with my client explaining that the chef had become disillusioned. Tell-tale signs included poor kitchen management, lack of budget control and too much wastage. We discussed how this had happened; bearing in mind the chef in question had started so well not that long ago.

The more we talked the more it became clear that the root of the problem lay in the menu. Or more to the point the size and breadth of the menu. Although it was a private members club, they were trying to deliver at the last count over 80 different dishes, with only a limited number of staff. The problem was that in an attempt to meet the perceived needs of all its different members, the menu had continued to grow over a period of time. As a result the chef had become overwhelmed by what was being asked to be delivered so that the basics started to be ignored and standards slipped.

The more I thought about it the more I realised how difficult some operators found it to keep their offers manageable.

Project creep…

In my experience when most new pubs, bars and restaurants open they have given a huge amount of thought to what their offer is, from what's on the menu through to the depth and range of the drinks they stock. Menus look well-constructed and there is usually a strong belief that the size and staffing of the kitchen and front of house can successfully deliver what is on offer.

Unfortunately for some operators these good intentions can too often be overtaken by what they see as commercial imperatives.

To read this in full and previous articles go to Ashdale Articles

www.ashdale-consulting.com

The economic data is all predominately pre the Covid-19 lockdown so we can expect significant changes over the coming months

Economic Headlines

These headlines are from our Economic Bulletin.

CPI for March 2020 was +1.5% down on +1.7% in February, this in part was due to a fall in petrol prices as well as clothing & footwear.

Latest figures from the ONS shows that the unemployment rate was up +0.2% to 4.0%, with concerns this may rise further due to the impact of Covid-19.

The latest estimate for GDP for the 3-months to February 2020 was +0.1%, as a slight growth in Services off-set the declines elsewhere.

CPI	+1.5%
RPI	+2.6%
CPIH	+1.5%

UNEMPLOYMENT	+4.0%
PAY	+2.8%

3-Mth to fEB-20 GDP	+0.1%
TRADE BALANCE	+£5.91BN
SERVICES	+£24.57BN

Co-op's market share rose to 6.7% up from 6.1% last year, as independent & symbol retailers also did well

Retail Headlines

These headlines are from our Retail Bulletin.

Retail sales were down at (5.8%) in March 2020 vs. March 2019, as the impact of the Covid-19 store closures started to have an effect.

Food Led Stores and online sales were up significantly as the UK went into lockdown to limit the spread of Covid-19, with all other retailers being in heavy decline.

Latest 12 week figures saw the Grocery Market grow +9.1%, the last 4 weeks saw sales £524m higher than this time last year, online sales are now 10.2% of the market.

RETAIL VOLUMES	(5.8%)
RETAIL VALUES	(6.0%)
INTERNET SALES	+13.1%

GROCERY MARKET	+9.1%
GROCERY INFLATION	+1.9%
Co-op	+20.0%

There is no guarantee that the fall in consumer confidence has ended and it is only five points short of the record low of (39) in July 2008

Consumer Spending Headlines

These headlines are from our Consumer Spending Bulletin.

Average family spending power was up £6 a week in February at £218, this was the slowest rise in the Income Tracker since August 2018.

The estimated average mortgage debt in January was £132,242, meaning the average annual interest paid would be £3,134 per household (based on a rate of 2.37%).
No update this month

GfK's UK Consumer Confidence Index was (34) in April, as the Covid-19 lockdown takes full effect, this is closing in on the all-time record low of (39) in July 2008.

HOUSEHOLD INCOME	£821
TAXES & COST OF LIVING	£603
DISCRETIONARY	£218

HOUSEHOLD DEBT	£60,363
EXC MORTGAGES	£8,082

Overall Confidence	(34)
LY Personal Finances	(4)
NY Personal Finances	(14)

Beer Update

Latest data from the British Beer & Pub Association shows that beer sales in Q1 2020 were down (6.4%) on the same quarter a year ago.

The decline was driven by sales through Pubs, Bars & Restaurants following the Covid-19 shutdown.

Sales through Pubs, Bars & Restaurants in the UK in Q1 were down (14.8%). This compares to a decline of (1.5%) in Q4 last year and a decline of (0.8%) in Q1 2019.

Sales through Supermarkets & Convenience Stores in the UK in Q1 were up +1.8% compared to the same quarter last year. This compares to growth of +3.2% in Q4 last year and growth of +3.8% in Q1 in 2019.

Total sales on a MAT basis are down (0.5%).

As the lockdown continues sales in Q2 are set to be even worse.

Source: BBPA May 2020

The growth in sales in Supermarkets etc. hasn't been enough to off-set lost sales from Pubs, Bars and Restaurants

Supermarket Update

Aldi has joined Asda and Tesco in making face masks available to all its in-store staff to further help keep them - and us - safe. This move comes on top of measures already in force including gloves and clear screens installed at more than 7,000 checkouts. Staff can also access the Government's Covid-19 testing programme for critical workers.

People have reverted to shopping the way they did a decade ago by making one big weekly trip to the supermarket, according to the boss of Tesco. Chief executive Dave Lewis said Covid-19 social distancing measures mean consumers are shopping less frequently. He said that the number of transactions in April nearly halved, but the size of the average basket had doubled.

Tesco has now broken through the one million online delivery slots a week for the first time

Weather Summaries

For more months and years then simply go to:

www.ashdale-consulting.com

MARCH

DRY MILD

Temp = +0.1
Rain = 82
Sun = 134

- Began cool and showery before becoming milder, dry and sunny
- Snow on higher ground, but the 9th sunniest March since 1929

APRIL

DRY WINDY

Temp = +1.7
Rain = 40
Sun = 151

- Mostly fine and settled, although some easterly winds at times
- 5th warmest April since 1884 and sunniest since 1929

Plenty of sunshine in April generally allowed daytime temperatures to rise well above normal on numerous days

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Helping clients…

Sell More
Charge More
Lower Costs

About Ashdale Business Consulting

I help my clients ***sell more***, ***charge more*** and ***lower costs***.

Having been a client myself I understand you always have ***more things which need doing*** than you ever have time for. Sometimes you also need ***additional skills*** or ***experience*** to complement those already in your organisation.

Sound familiar?

That's where help. I provide an independent flexible resource to draw from on just those occasions. I work across a range of different industry sectors providing ***analysis***, ***insight*** and ***strategic thinking***, however I specialise in helping the UK alcohol and hospitality sector.

Clients range from ***individual outlets*** and ***microbrewers*** through to ***regional/national brewers***, as well as ***global drinks companies*** and ***trade organisations***.

For more information go to my website:

www.ashdale-consulting.com

Dates and Events for Your Diary*

General

May
7th Lockdown Review
8th Early Bank Holiday (VE Day)
17th National Children's Day
25th Spring Bank Holiday

June
13th Queens Official Birthday
20th Summer Solstice
21st Father's Day

Licensed Trade

May
No events due to the Coronavirus lockdown

June
No events scheduled due to the Coronavirus lockdown

Sports

May
No events due to the Coronavirus lockdown

June
No events scheduled due to the Coronavirus lockdown

Ashdale Training Dates

Helping Pubs & Bars Make More Money

No current Open Workshops in 2020

For more information click here.

Ashdale Business Consulting

***Events and Sports are being postponed/cancelled due to the Coronavirus**