

 **Imperial College Union Finance and Risk Committee**

**Date 19.06.19**

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| **AGENDA ITEM NO.** | 16 |
| **TITLE** | Commercial Strategy update |
| **AUTHOR** | Julia Mattingley |
| **EXECUTIVE SUMMARY** | The Commercial Strategy is now coming to the end of year 1. When it was written there were many unknowns and key dependencies; some of which are still in existence and add an extra layer of complexity to achieving success. This is an update to inform on some key headlines of what we have achieved in 18.19 and what is to come in 19.20. |
| **PURPOSE** | For information |
| **DECISION/ACTION REQUIRED** | None |

Background

The Commercial Strategy was written during the first 6 months of 2018 (calendar year) and circulated widely during July 2018. The strategy was formally presented to Board on the 11th of September 2018.

Updates on what we set out to achieve

* **Introduction of breakfast to FiveSixEight**

Breakfast was a completely new enterprise and one which the Union had not explored before. Work on the project started in May 2018, with initial site visits, menu designs and tastings, leading up to the breakfast launch on Monday the 24th of September; one week prior to Welcome Week. The messaging around breakfast was that this was a trial and viability of the service would be reviewed.

Initial sales and feedback were good but staffing challenges meant that we were unable to maintain quality and consistency of service and product. Sales dropped off after December and the trial was stopped in February.

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| Month | Sales |
| Sept 24th – 30th | £664.95 |
| Oct | £2,929.90 |
| Nov | £1,375.07 |
| Dec | £1,019.91 |
| Jan | £627.78 |
| Feb (service ceased w/c 18.02) | £476.83 |
| Mar (sell through) | £111.50 |
| TOTAL | £7,205.94 |

There are not any plans to reintroduce breakfast as a mainstream offer but we are looking into other opportunities to provide this service at other key times.

* **Introduction of food to go and coffee in Shop Extra**

Food to go was first introduced to Shop Extra in March 2018, starting with a range of sushi and expanding into fresh pastries, fruit, sandwiches, salads and breakfast items.

From its introduction in March 2018 to current day (up to June 11th 2019), food to go has added an extra £131,131 to turnover. The figures below show year-on-year 2019 vs 2018 monthly sales turnover and % sales increase on the previous year since food was introduced:

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| --- | --- | --- | --- |
| Month | 2019 | 2018 | 2019 vs 2018 |
| Mar | £2,400.75 | £91.63 | 2520.05% |
| Apr | £6,298.19 | £2,359.44 | 166.94% |
| May | £12,413.52 | £6,469.82 | 91.87% |
| June (up to the 11th for 2019 but whole month for 2018) | £2,924.34 | £1,699.45 | 72.08% |

We are planning to invest in more food display refrigeration units for 19.20 and further expand the range to include:

* greater quantity of product
* more breakfast items
* greater range of special diets (e.g. vegan range)
* a rolling range of new and innovative products to test on the market

Bean-to-cup coffee was introduced on the 12th of December 2018 after a delay to the project. So far 5,660 units have been sold and sales turnover to date is as follows:

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| --- | --- |
| Month | Sales |
| Dec | £143.01 |
| Jan | £999.83 |
| Feb | £1,437.19 |
| Mar | £1,306.07 |
| Apr | £1,130.32 |
| May | £1,797.85 |
| June (up to the 11th) | £384.20 |
| TOTAL | £7,198.47 |

We intend to build on this success throughout 19.20 via targeted promotions and increased marketing.

* **h bar relationship with College**

h bar operates as a shared space between the Union and College on a profit share agreement. The College were providing a food service up until February of this year and the Union operate the bar. The current status of the agreement is sitting with the Managing Director who has initiated talks about h bar future with Jane Neary, Director of Campus Services.

* **Main menu overhaul in 568**

This project was intended for delivery in February 2019, but was deliberately paused due to staffing challenges. Since the recruitment of an Operations Manager, this project is now on track for delivery in time for Welcome 2019.

* **Improve food offer at Reynolds**

As with the food offer at 568, this was also pushed back due to staffing challenges. Very recently we have been trying out some new food ideas during bar events and getting student feedback, which has been very positive so far. We have set a challenging food target for 19.20 and intend to continue to try out new food ideas and get student feedback throughout the year.

* **Hiring out Metric more frequently during days and unused evenings**

In the Commercial Strategy, Metric is a space which was identified as being in fairly good condition and therefore sellable in a way that other spaces in the Union are not as they need to be refurbished before we can sell them. In 17.18 Metric external hires income was £14,152. To date, 18.19 external hires income is £18,775; an increase of 33%. We anticipate this figure to rise in 19.20 as we increase our online presence, build and fortify relationships in the College and have repeat bookings from previously satisfied customers.

* **Beit Venues one stop shop booking system**

Having working systems that are able to process relevant data effectively and improve efficiency is vital for our organisation. At the time of writing the Commercial Strategy, the timing of a building maintenance schedule / refurbishment plan was unknown and therefore timings around x, y and z had to be estimated. The one stop shop booking system for Beit Venues is still important for service delivery and data capture but there are no current plans for installation of this. This is due to the timing of the building refurbishment plan which is still unknown. Once this schedule is known, timings of essential systems infrastructure can be sorted out and plans put together for installation and set-up.

* **Summer Ball**

A Summer Ball Project Co-ordinator was successfully appointed on a fixed contract in January to assist with the planning of the 2019 ball. The Beit Venues team has been investigating the future viability of continuing to deliver the ball in its current format. It is a loss-making event which requires substantial and sustained staff resource whilst catering to a small proportion of our members. We only have 1700 tickets to sell, which mainly go to undergraduates. There are other student groups within College that do not attend the Union ball as they have their own (e.g. PG Ball or Business School Ball). These events are held off site and are organised by the schools themselves. The Beit Venues team has been looking into other options for Summer Balls going forward.

What’s next for 19.20?

* Focus on Food:
* Shop Extra – expand range and quantities
* 568 – overhaul of main menu
* Reynolds – trialling food offers throughout 19.20
* H bar – introducing a new service since the College ceased food service in February
* EPOS project:
* General housekeeping and tidy up
* Ensuring all products on
* Training
* Expanding into h bar
* Setting up separate stores
* TUCO – set up framework agreements across Commercial Services and encourage greater collaboration between bars, catering, events and retail for further efficiency gains
* Deciding which projects to take forward (currently being assessed by Leadership)
* Build on external hires of our spaces – concentrate on selling the spaces that are in a suitable condition as we await a building refurbishment programme