



HOW TO SET UP A BUTCHER'S SHOP



Produced in association with the
Meat and Livestock Commission



Paul Hubbard from Suffolk took over his butcher's shop three years ago, aged 28. He had however, worked in the very same business for 15 years – since he was a schoolboy.

Paul believes that quality has to be one of the most important elements of running a successful butcher's shop and to ensure that he gets high quality meat he visits every farm and selects individual animals to ensure that his customers get exactly that.

Paul explains: "All of the meat we sell is locally sourced so I can visit the farm personally. I only use farmers that continue to use traditional methods of farming so that the meat I get is of the quality and type best suited to my requirements. My customers appreciate good food and are prepared to pay a premium. Some of my customers travel up to 100 miles to visit my shop, I don't advertise, it's purely word of mouth, so I know I'm doing the job right".

To ensure the business keeps coming Paul believes that it's always important to come up with fresh ideas which keep customers interested. However, he says it is important not to forget the core of your business. "The bread and butter products that will always sell are a quarter of ham and a pound of mince" advises Paul.

*Paul Hubbard
Rolfe's of Walsham
Suffolk*

INTRODUCTION

Nowadays consumers are becoming increasingly interested in the food they eat, and many turn to their nearest butcher or farm shop in search of quality ingredients from local suppliers.

Setting up a butcher's shop is an option which many people in the food industry have considered in recent times, and there are a number of stories of successful businesses that have been established, some of which are featured in this booklet. Equally, the advice offered in this booklet is valid for those already working in the meat industry or in a butcher's shop who may want to take over a business or set up on their own.

This booklet has been produced by EBLEX in conjunction with MLC. It provides advice on all aspects of setting up a butcher's shop, from the basics – deciding what to sell – through to continuous business development once the shop is established. Check-lists summarising key points are provided throughout and areas in which EBLEX/MLC can offer additional help are also highlighted.

WHAT TO SELL

You need to start by thinking about what you want to sell. Most butchers' shops will offer a range of fresh red meat - beef, pork and lamb - as well as poultry and perhaps game. The range of cuts is extensive and the EBLEX sales development team can advise you on the most popular ones to include.

You may also want to consider selling other meat products, such as pork pies and ready meals - and even complementary products, such as sauces and chutneys, although the choice of what you are going to sell will determine how you can sell it and what legislation you will need to be aware of.

If you decide to sell only fresh meat from a traditional butcher's shop you will not need to be licensed.

If however you decide to sell any food which is ready-to-eat, including tinned or packaged products from the same premises, then you will need to apply for a licence as a butcher's shop from your local authority.

NB: The rules are different in Scotland from the rest of Britain.

All food businesses are required by law to register with the Local Authority, prior to selling food, as required under The Food Safety Act 1990. Contact your Local Authority (LA) Environment Health Department (EHD) for clarification.

CHECKLIST: WHAT TO SELL

There are a number of product categories that can be considered. For example:

- Fresh/frozen meat, beef, pork, lamb, poultry, game etc.
- Bacon, ham, sausages, other meat products (pork pies etc.)
- Ready meals
- Complementary products, chutneys etc.

Whatever you decide to sell, the following principles will serve you well:

- Start simple
- Do only what you can do well
- Develop the business as you go

MLC has extensive information on all aspects of meat and meat product preparation and can tailor the information to your specific needs.



'Picture the scene...a sunny terrace overlooking a tranquil pool, a herd of Hereford cattle grazing in the nearby field. You take a sip of your drink whilst you watch the children play close by.' Taken from their newsletter, it is this pride and pleasure that makes the Cheerbrook Quality Farm Shop the success it is.

Andrew Shufflebotham opened the shop just over two years ago. There are four members of staff, including Andrew, and a chef who is expanding the ready meals, pastries and deli side of the business.

Andrew says: "I am self taught and have learnt everything from the staff around me. The time and investment that needs to be put in is definitely worth the effort. During our second Christmas the order book had to close, by the first week in December, 120 boneless lamb saddles and 25 sets of ribs of beef, along with a vast array of other products had been ordered".

*Andrew Shufflebotham
Cheerbrook Quality Farm Food
Nantwich*

LEGISLATION

Many aspects of food production and sale are governed by legislation. Ignorance of this offers no defence in law, so you must establish at the outset which controls apply to you. These will relate to hygiene, food labelling, weights and measures, prices, meat product compositional regulations, transportation, temperature control, health and safety and employment of staff, amongst others.

You should be aware that failure to comply with food and other relevant law is a criminal offence, which can lead to prosecution, conviction, a criminal record, fines and even imprisonment.

Talk to your Local Authority Environmental Health and Trading Standards departments. Between them they are responsible for enforcing the majority of legislation that is likely to affect you. If you need planning permission for new buildings, or you intend to change the use of existing buildings, you will need to talk to the planning department.

You should ensure records of all correspondence with Local Authorities, your suppliers and other service providers are kept.

METHODS OF SALE

As well as the traditional way of selling fresh, frozen or pre-packaged meat over the counter, you could also consider home delivery as an option, although this will depend on the resources (eg staff, vehicles) available to you.

Setting up a website to promote your product range is a very good idea in the current market place and can be used to offer a mail order facility. If you don't have premises from which to sell your products, you could consider setting up a mobile shop. Products can be sold from a refrigerated vehicle, although you will still need to have a licence to trade as a butcher's shop from the local authority in which you are trading, if you are selling ready-to-eat products as well as raw.

If you are specifically looking at setting up a shop then the following organisations may also have useful advice:

National Federation of Meat & Food Traders
1 Belgrove
Tunbridge Wells
Kent
TN1 1YW
01892 541412

National Farmers' Union (NFU)
020 7331 7230
www.nfu.org.uk

DEFRA
020 7238 3000
www.defra.gov.uk

Farm Retail Association
PO Box 575, Southampton
SO15 7BZ
0238 036 2150

Meat and Livestock Commission
PO Box 44
Winterhill House
Snowdon Drive
Milton Keynes
MK6 1AX

Telephone: 01908 677577
Fax: 01908 609221
Email: contactus@mlc.org.uk
Website: www.mlc.org.uk
www.britishmeatnpd.com



Karol Bailey and husband Michael opened up Holly Tree Farm Shop in 1989, after taking over a tenancy with a 33 acre farm. With a farming background and a little land, they threw themselves into starting their own business.

During 1990 an opportunity arose that would give them the head start they needed. Karol says: "In 1990 we won the National Farmers' Union, Young Farmer's Award, for Young Entrepreneur of the Year. We used the prize money to buy a day's training from MLC. We are mostly self taught and the training gave us the opportunity of strengthening our business further."

The shop developed from selling small amounts of lamb and poultry for Christmas, to selling between 700 and 800 lines of meat and meat products. The shop also offers the customer chutneys, bakery products, cakes and catering services.

The Baileys are proud of the progress they have made, Karol comments: "The secret of our success is to be resilient, suffer the knock backs and keep going. The shop demands long hours and a great deal of hard work, but persevere and let nothing hold you back."

*Karol Bailey
Holly Tree Farm Shop
Knutsford*

GETTING STARTED

Before you can start to set up your shop, you also need to consider the following areas: finance, staff training and equipment.

FINANCE

There is help to be gained on business planning and finance from most banks and building societies. You should also consider talking to your local Business Link service and the Local Authority as they both may have special support packages for new business start up ventures in their area.

TRAINING

Staff training and staff management are key areas to consider and the Meat Training Council (MTC), 01908 231062, www.meattraining.org.uk can offer advice. If you are employing more than five staff you will need a written Health and Safety policy. Issues relating to employment law can be discussed with your local Department of Trade and Industry (DTI). The National Federation of Meat and Food Traders (NFMFT), a subscription-based organisation, offers legal advice, a defence fund and advice on employment law to members. NFMFT can be contacted on 01892 541412 www.nfmft.co.uk.

EQUIPMENT

Equipment suppliers are mostly listed in Yellow Pages. However the publication 'Who's Who in the Meat Industry' published by Yandell Publishing (01908 613323 www.yandellpublishing.co.uk) has listings for almost everything you are likely to need.

MANAGING YOUR BUSINESS

The day-to-day management of your business can be one of the hardest and most time consuming aspects of the job. You should have the necessary suppliers and systems in place.

RAW MATERIAL SUPPLIERS AND PURCHASING SPECIFICATIONS

You will need a reliable source of supply of raw materials. Consistency is vital in ensuring consumer confidence and repeat purchase. Livestock is variable and if there is no specification to dictate the range of acceptability, then there will be problems. Procurement specifications can be easily produced using the MLC classification system.

COSTING AND PRICING POLICY

Costing and pricing correctly, according to your business costs and profit projections, is vital. Many businesses fail to make adequate profit and indeed fail completely on this issue alone. It is unacceptable to guess or rely on other people's pricing structures to decide on your prices. Costings on carcasses and primal cuts must relate to your average purchases. Saleable meat yield for example can vary by as much as 10% depending on whether you buy steers or heifers. If your costings are based on steers and you buy one heifer then margins will suffer. The method you use to cut the carcase will also have an effect on the amount of meat you sell.

Good accountants, they say, will pay for themselves in the long run. You should ensure that your business is regularly evaluated and have monthly profit and loss figures produced. Accounting systems need not be complicated and are designed to give you reliable and up-to-date feedback on performance. Modern till systems can provide excellent data on sales.

You should aim to know on a weekly basis your turnover, customer count, average spend, stock value, and cost of purchases.

STOCK CONTROL

A reliable system for stock control will save you money. Any excessive stock is money tied up.

TRACEABILITY AND LABELLING

Traceability for beef purchases and the labelling of beef at the point-of-sale is a legal requirement enforced by your local Trading Standards Officer (who may be in your local Environmental Health Department). There are penalties for failing to comply. Traceability is an important feature of a due-diligence defence system.

CHECKLIST: MANAGING YOUR BUSINESS

- Raw material suppliers
- Purchasing specifications
- Costing and pricing policy
- Stock control system
- Traceability system for beef (beef labelling)
- HACCP (Hazard Analysis and Critical Control Point) system if licensed
- Accounts
- Staff policy including training

YOUR LOCAL AUTHORITY CAN HELP HERE.

EBLEX AND MLC CAN OFFER GENERAL ADVICE.

MARKETING AND PROMOTING YOUR BUSINESS

This is a very important and often overlooked area of business management and development. For any business to succeed, marketing and promotion are two vital aspects for you to consider. It would be helpful to develop a structured marketing plan and allocate budget for this area from the start.

Develop a unique selling proposition (USP) for your business, think about what makes your shop different to others in the local area and do some research into the market - make sure you know who your customers are and what they are looking for. Keep a customer database and open up a dialogue with your customers by post or email.

Be proactive locally, create leaflets for a doordrop, or take out an advert in your local paper or on the radio. Don't be afraid to copy successful ideas that you read or hear about.

If you sell cooked foods, encourage your customers to try new products, which will often result in a sale. Make the point-of-sale area attractive and informative - put up posters, and distribute leaflets to your customers - EBLEX produces point-of-sale kits for butchers to highlight beef and lamb products on sale to their customers. Make sure special offers are clearly visible in your shop. If you invest in marketing your strengths to customers, it will help to ensure that existing customers keep coming back and you are also more likely to attract new ones.

CHECKLIST: MARKETING AND PROMOTING YOUR BUSINESS

- Structured marketing plan
- Unique selling point (USP)
- Market research
- Direct marketing
- Competitions
- Local press
- Point-of-sale displays
- Special offers
- Customer database



Enter your products into competitions - many organisations including MLC and NFMFT run regional competitions and product evaluation events for butchers. If you win an award, make sure you contact your local paper and give them your story, promoting your excellent quality products and butchery skills to existing and potential new customers. Local press coverage highlighting your success will encourage new customers to visit your store.

EBLEX can provide help and assistance in this area. Please contact **EBLEX** on **0870 241 8465**.

CONTINUOUS BUSINESS DEVELOPMENT

Businesses that stand still eventually disappear. Continuous evolution is essential in line with consumer demand and purchasing trends - extensive regular market research is undertaken amongst consumers and EBLEX can provide you with advice on this.

Offer your customers a variety of innovative and inspiring recipe ideas - again, EBLEX can provide you with recipe leaflets for your customers.

Consider developing a ready meal range, offering a complete meal solution so your customers do not shop elsewhere.

Take advantage of significant dates such as Valentine's Day or barbecue week, to create inspiring and colourful themes, displays and presentations.

Ensure that your staff are regularly trained; it is fundamental for your business and they can pass on good advice to customers. The success of your shop will be due to the teamwork and communication within your business and the personal and professional service which you and your staff provide to customers.

Always remember your core values and find the right balance between quality and innovation.

EBLEX can provide help and assistance in this area. Please contact **EBLEX** on **0870 241 8465**



Sam Papworth, General Manager at a Norfolk chain of butchers, is certainly no stranger to farming and retailing. The Papworth family has farmed in East Anglia for many generations and ten years ago they jumped at the opportunity to buy a butcher's shop, when, unexpectedly a local existing premises and slaughter house became available.

After establishing a strong client base, the Papworths opened up another shop two years later and finally took over their third shop three years ago, which has introduced a new period of growth for them. Employing twenty-five full and part-time staff, Papworth plans to extend his growing empire if the right opportunity comes his way.

Papworth says: "Our range of meats is largely home-reared, we rear our own beef and lamb, which gives us control of the whole production process and with our own abattoir we can guarantee full traceability. Our award-winning sausages and delicatessen counter feature in each shop provide variety, together with quality and reassurance that gives our chain of shops the competitive edge."

Papworth believes that it is the support of his family, long hard work and a great deal of perseverance that has successfully enabled him to make the transition from producer to traditional retail shop manager.

*Sam Papworth
J&D Papworth Farms
Norfolk*

CHECKLIST: OPERATING YOUR BUSINESS

The check list below provides a summary guide to what you will need to operate a butcher's shop business, from obtaining your premises, through to transportation of goods.

■ Premises

- Existing / adapted premises - may require 'change of use' permission

■ Licences

- Local authority or MHS approval required

■ Business plan including a marketing plan

- Will be required in any finance application

■ Staff

- Staff training programme

■ Equipment

- Protective clothing, safety equipment, mincer, slicer knives, bowl choppers, scales, pre-packing, sausage filler, burger presses, vacuum packer etc

■ Sundries and materials

- Wrapping paper, trays, seasonings and spices, carrier bags, plastic bags, wrapping film for pre-packing etc

■ Display equipment

- Display cabinets, dairy cabinets, freezer, labels and tickets, trays and containers etc

■ Refrigeration for meat and meat products

- Separate storage for ready-to-eat foods may be required

■ Storage for dry goods

■ Transport

- Refrigerated, non-refrigerated

Your requirements will obviously vary according to the type of operation you run.

**EBLEX can provide help and assistance in this area.
Please contact EBLEX on 0870 241 8465.**