

▶▶ Talking Shop special

REMOVAL of the demand test later in 2007 means many areas will be opened up to potential competition for the first time – and betting shop managers in a lucrative outlet enjoying a good relationship with their punters will be tempted to consider branching out on their own, writes Jim Cremin.

Of course, it is not going to be easy, and planning restrictions will prevent a huge explosion in licences – the right type of premises need to be found, and local authorities are surely not going to allow rows of betting shops to suddenly appear.

That said, there is uncertainty as to what exactly will emerge, and, for instance, a well-connected local individual may have more of an advantage in seeking change of premises approval than a multiple.

Mark Winder, from betting shop consultancy firm Atlas, appeared on a seminar panel with me at the recent Betting Show.

He spoke well and thoughtfully and afterwards I asked him what sort of guidance he would give a current manager thinking of opening a shop themselves.

He said he would send me an email detailing his thoughts, and it is certainly thought-provoking. Reading through it, the emphasis is on finding the right premises – and if you know your area, that should not be an issue.

However, even highly experienced development managers for the multiples sometimes open a shop that proves a disaster. A big company can shrug it off; it would be curtains for a one-man band – especially if the family home had been mortgaged to pay for it.

My advice is to make a careful risk analysis. This involves considering the unlikely, as well as the obvious. Anyway, here are Mark's views – and he starts with the advert!

▶▶At Atlas, we deal in all matters betting shops, from disposal and acquisition through to offering a one-stop betting shop solution for existing and new investors.

▶▶We feel there are 1,000 or so good opportunities for new betting shops still to be had before the market reaches a capacity level.

LOCATION LOCATION LOCATION

Thinking of opening your own shop? Well, here's some invaluable expert advice

▶▶Betting shop managers working for the big companies need to take a step back and ask themselves: 'does working 12 hours a day for four days a week for £22k a year really appeal to me?'

▶▶Are you managing a good shop with excellent business levels? Do the figures in your FOBTs blow your mind? Why not open your own shop near to your existing office and take the benefits for yourself?

▶▶Well, in the past you simply couldn't, because the exhaustive legislative processes meant the objecting company, whether they were Ladbrokes, Hills, Coral or the Tote, would delay the hearing for the betting office licence in the hope you would lose the property or simply couldn't afford to pay a holding rent while you waited for the case to be heard.

▶▶The new legislation is taking away the demand test on which all previous applications for betting office licences was determined. Instead, a more tightly legislated framework from the Gambling Commission at first base should ensure a level play-

ing field for all when making new betting office licence applications.

▶▶Yes, you can pay £35k for a franchise operation and a further £60k for a shop fit, but why, when you can have full control over your own shop for a lot less?

▶▶In realistic terms, a lot of the hard work is done by finding the right premises – A2 planning use required – in a location you feel comfortable with and one where you feel there is a betting market.

▶▶Once you have your premises, you need to be thinking about the legal aspects of permit and betting office licence applications. In conjunction with these, you need to be planning the costing of the venture. Shop fit, service providers, tills, staffing etc.

▶▶Timing is crucial. You don't want to spend anything more than is required in the early stages of business, but equally and probably more importantly you don't want to miss anything out that could cause you problems long term.

▶▶In terms of cost, there are so

many variables involved that it is impossible to nail down the exact cost. A smoothly run project should cost in the region of £50,000- £60,000 in total. However, the sky is the limit and

costs can easily escalate into £200,000-£250,000 for a top-notch shop with all bells and whistles attached!

▶▶In general, clients approach us with the idea to fund the

venture by remortgaging their property. The equity available to a lot of people, thanks to the housing property boom, is one way. Another is a friendly bank manager, or partnership arrangement with a colleague or friend?

▶▶The big bookmakers, and I don't blame them for their part, would have us believe that the UK shop market is a place only for national companies. Independents can't survive.

▶▶Well, this view is common and it has filtered down to all levels in the industry and has been reflected in the number of high-profile independent bookmaker firms that have sold out recently. If this were correct, then ask yourself this question: 'If there is no place for the independent then why the high prices being paid for betting shops by the nationals?'

▶▶My view is this: if you can't keep pace with the times then get out while the going's good. However, a client of mine remarked recently: "It's a funny time to sell shops, there's money coming out of the FOBTs like a Bank of England printing press!"

▶▶Our company mantra, and one that I think can be attributed well to this industry, comes from Larry Carter, the CEO of Cisco Systems: "It's no longer about the big beating the small; it's about the fast beating the slow."

Howard Chisholm joins the growing band of layers signing up to Finsoft

INFLUENTIAL independent Howard Chisholm has decided to buy Finsoft's Margin Maker EPOS system for his company, Chisholm Bookmakers, who operate a Northumberland-based chain of 50 shops.

Chisholm, a leading figure within the ABB and who recently sent a detailed paper to the Gambling Commission explaining why its proposed range of fees were both unfair and mistaken, said: "We have been looking for the right product that will give us the abil-

ity to compete head-on with the large multiples. The functionality available in the Finsoft product will allow us to do just that."

Predrag Popovic, Finsoft's MD, is understandably delighted – Chisholm is recognised as a cautious individual who will have carried out a detailed cost/benefit analysis.

Popovic said: "We are really pleased to welcome Chisholm Bookmakers to the Finsoft family of customers. This is a first-rate endorsement of our products and

will enable Howard and his team to improve their offerings to the customer."

Finsoft is also basking in the success of Michelle Fox, of BoyleSports, in this year's Racing Post/SIS Manager of the Year competition – Boylesports were one of the first bookmakers to commit to Finsoft, and have been an enthusiastic advocate of the system, which has also been particularly supported from the start by Steve Fisher of Stan James.

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