

# Management Options for Retail Markets

September 2017

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# Management Options for Retail Markets :

## The case for review

Financial challenges restrict ability to invest into markets

Recent success stories among non-LA markets

Customer expectations of 'the market experience' are changing

Active curation of markets more difficult for LA's

### **Yet 2016 Nabma survey found :**

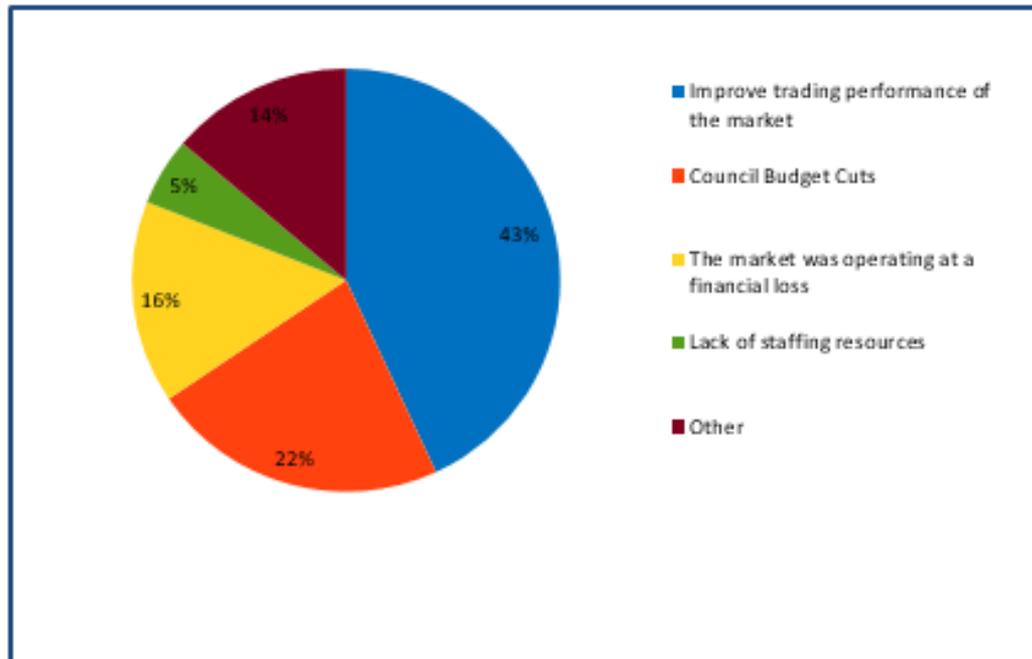
Only 8 members have actioned change of management approach

Of members rejecting change, only 15% intend to review their position in the next 5 years

Lack of knowledge and confidence across the membership

# Management Options for Retail Markets : The case for review

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# Management Options for Retail Markets :

## The case for review

### Conversion to new management regime

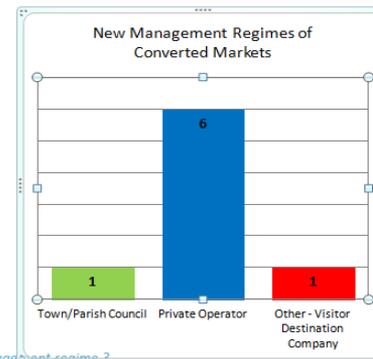
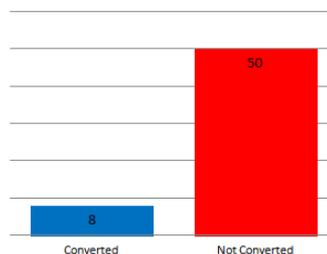
Fewer than 1 council in 7 has acted on the outcome of their review to make changes, a surprisingly low conversion level.

*What are the reasons behind this low conversion level ?*

The favoured change was to outsource to a commercial operator

However, please note the very small sample size of those considering change

Conversions to New Management Regimes by Those Considering



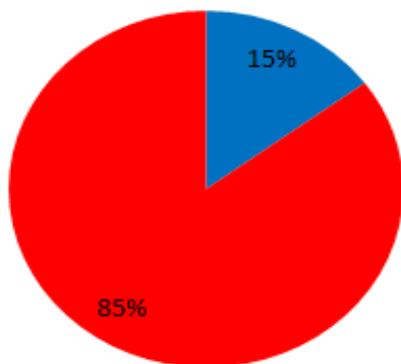
Q: Following review was the market transferred to a new management regime?

Q: Following review, what is the new status of your market?

Base: 159

8

Markets **not** currently considering change, that do/don't plan to in future



- Plans to consider change
- No plans to consider change

Q: Over the next 5 years, will you consider a different model for your market ?

Base: 159

# Alternative Management Options :

## Concerns from Owners and Operators

- ◆ Lack of confidence about markets legislation
- ◆ Lack of confidence to source the right expertise
- ◆ Internal political factors
- ◆ Lack of knowledge how to progress outsourcing process

# Considering Options for Retail Markets : Concerns from Owners and Operators

## Barriers to conversion

Respondents provided a range of reasons for not acting on the review of market operations – some are more convincing than others



*Q: How do you rate the new management model ?*

Base: 159

## Alternative Management Options : Concerns from Consultants and Service Providers

- ◆ Over complicated process for registration and application
- ◆ Application process is not transparent
- ◆ Application difficult in relation to the opportunity

*'Opportunities to convert are advertised too late in the day – we are weary of being asked to look at 'Lazarus Jobs''*

# Alternative Management Options :

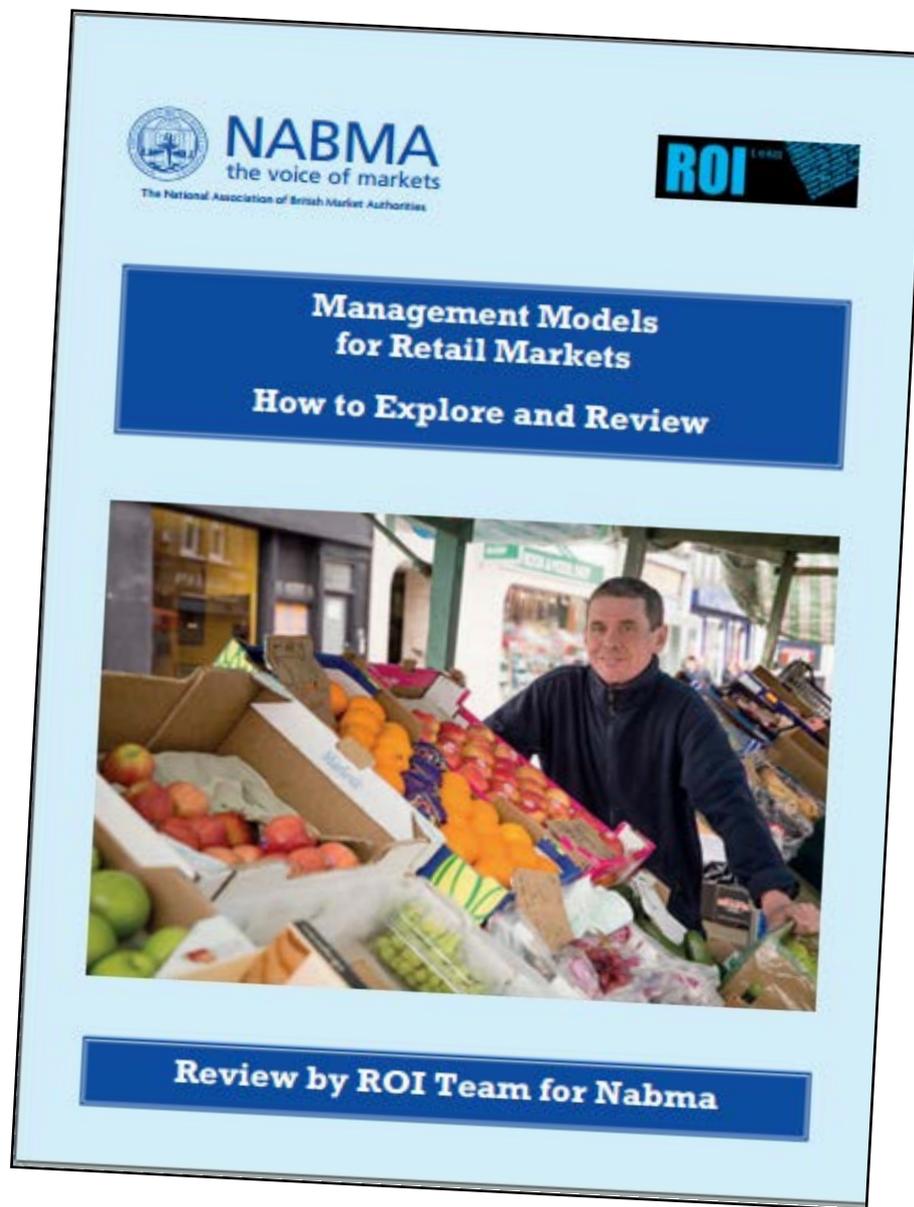
We recommend .....

- ◆ Wise to be informed and to have a strategy for action
- ◆ Take good advice from pioneers and sector sources
- ◆ Prepare the tools and resources that you may need
- ◆ **Take the positive step** - don't wait until it becomes a distress move

# Management Options for Retail Markets : New Resource to ready you for action

Researched and produced by  
ROI Team and Nabma :

- ✓ Review
- ✓ Recommendations
- ✓ Good Practice Guide
- ✓ Case Studies



# *Management Options for Retail Markets :* New Resource to ready you for action

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Roadmap for Nabma Members :

How to explore and approach outsourcing of your market(s)

12 Case Studies 'from the coal face' highlighting options, advantages, and challenges

Hard copy free to all today's delegates

PDF available soon via Members Zone of the Nabma website

# What are the Options for retail markets ?

We identified 6 viable routes for outsourcing management of retail markets :

- 1 Commercial Service Provider
- 2 Smaller Council
- 3 Community Interest Company (CIC)
- 4 Dedicated Trading Company
- 5 Trader Co-operative
- 6 Business Improvement District (BID)

- ◆ Report provides **Case Studies** for all these options
- ◆ All have advantages and disadvantages
- ◆ Different solutions answer different challenges

# Options for Retail Markets :

## 1 Outsource to Commercial Operator

Well trodden route with established track record and a slate of proven operators

Case Studies featured :

*Dudley*

*Kirklees*

*Stratford upon Avon*

Should be the default route, but .....

- ◆ Owners still unsure of finding a dependable service provider
- ◆ Service providers bemoan cumbersome application process
- ◆ Horses for courses : service providers range from one man band (Kirklees) to international operator (Keswick)

# 1 Outsource to Commercial Operator :

## Dudley Markets

### *Who is best placed to run a market ?*

With the benefit of hindsight I would say we should have examined the motivation of the traders group more carefully. It soon transpired that they lacked sufficient resources and expertise for running the market

On the other hand there are good commercial operators out there. It's true they arrive with commercial objectives – but at least that means they are aiming for a successful and viable market

And they don't arrive with the baggage and history that councils carry. Councils tend to be wrapped up in all sorts of T&C's that hinder progress to a successful market.

*All in all commercial operators are better placed to run markets than are councils*

## Options for Retail Markets :

### 3 Outsource to Community Interest Company (CIC)

Putting the market at the heart of community empowerment

Case Studies featured :

Buxton

Faversham

Derbyshire Dales

St Leonards and Hastings Old Town

- ♦ Be aware of the new 'Community Right to Challenge'
- ♦ Locate and nurture your CIC in advance – you can't buy one off-the-shelf !
- ♦ Some CIC's supported by exceptional volunteers – but is this model sustainable in the long term ?

# 3 Outsource to Community Interest Company : Buxton Markets

## Applying the formula

The approach can be applied elsewhere, if the key questions are addressed :

- Is there sufficient demand to support a financially viable market ?*
- Will it be possible to recruit and retain sufficient traders ?*
- How much investment is required for start-up (purchase of equipment, publicity, management time) and how will it be funded ?*
- Can you mobilise enough volunteer time with the right skills ?*

John Estruch, Director  
Buxton Markets CIC

# Options for Retail Markets :

## 4 Dedicated Trading Company

Redefining a resource base to support progressive market management

Case Studies featured :

Make it York	(wholly owned by City of York)
Newport Norse	(JV with Norfolk Council)

- ◆ Exciting option offering business-friendly structure with a well resourced basis
- ◆ Successful examples at Newport, York, Ely
- ◆ Managers speak of easier and swifter structures for decision-making and allocation of resources
- ◆ Be aware it's a long term commitment, difficult to unravel

## 4 Dedicated Trading Company : Make it York

### Lessons to Learn

#### Research

Thorough research is needed to understand the future demand for a market before refurbishment is planned.

#### Continuity

In our case all the council staff who contributed to the new status moved on to other departments. What we actually need is a strong and close relationship between the old regime and the new

#### Urgency

From my experience in the world of retail, I see a very different pace of response to customer conditions : in the world of retail markets, operators, councils in particular, don't seem to have a sense of urgency. At *Make it York* our independence makes us faster moving, more nimble.

Chris Price, CEO  
Make it York

# Options for Retail Markets :

## 5 Transfer Management to Trader Co-operative

Give the initiative to the people whose livelihoods depend on the market

Case Study featured :  
Brixton Station Road

- ◆ Less prevalent than might be imagined. *Why so ?*
- ◆ Perception : Traders are self-interested and defensive
- ◆ Brixton's trader Co-op includes accountant, barrister, and numerous graduates
- ◆ Some operators, council and others, report bad experience of trader control
- ◆ But other trader managed markets are thriving, providing jobs and economic activity

## 5 Transfer to Trader Co-operative : Brixton Station Road



### Lessons to Learn

- ◆ We never agreed an SLA with the Council – so our achieved performance is a matter of perception. With the benefit of hindsight I wish we had agreed an SLA
- ◆ Again, with the benefit of hindsight, we would have set benchmarks against which to judge performance
- ◆ Traders will step up to this challenge if they are given true freedom and responsibility for running the show
- ◆ The process must be democratic and the council has to be transparent with all parties

# Options for Retail Markets :

## 6 Transfer to Business Improvement District BID

On the face of it, the natural home for the local market

Case Study featured :

Lower Marsh (We Are Waterloo BID, SE London)

- ◆ BID reaches into both business and community pools
- ◆ BIDs work closely with councils and provide services to them
- ◆ Best examples have re-energised failing markets: Lower Marsh, St Leonards, Market Rasen and others
- ◆ Today more than 270 BIDs in the UK – so why not more running markets ?
- ◆ Observed pattern : BID resurrects a failing market, does the hard work, and then hands over to a commercial operator.

# Business Improvement District : Lower Marsh Market, Lambeth

## Highlights

- Stalls up from five (2012) to 39 (2017)
- Footfall has seen a 25% year-on-year increase
- [Southwark's] move to the Food Act has transformed a deficit to a surplus. We hope for an equivalent turn around in Lambeth

## Future Plans

- Supporting enterprise by providing a market school for this and other markets in London, giving future traders the skills they need to start a market pitch, and existing traders the skills to move into bricks and mortar.
- Updating market infrastructure, providing care facilities, water sources, and improved storage for traders.
- Automating payment systems in-house and encouraging traders to accept card payments
- Grow the flea market to become a community-led and owned project.

Ben Stephenson, Chief Executive  
We Are Waterloo BID

# Options for Retail Markets :

## 2 Transfer from Larger Council to Smaller

Logical step along Localism agenda

Case Study featured :

Bishop's Stortford (District to Town Council)

- ♦ Sometimes triggered by availability of new funding source
- ♦ Beware of cosmetic change that just shifts responsibilities and issues, without new solutions
- ♦ *What other changes to support the structural change ?*
- ♦ Local passion is the strength – but *are the resources there to support the passion ?*

# Management Options for Retail Markets

## We recommend :

- ◆ 4pm Workshop 2 :

  - How do you get the Right Management Model ?*

- ◆ Read our brochure and check challenges and approaches against your position
- ◆ Do you have performance metrics for your market ?
- ◆ *Is a formal review process needed ?*
- ◆ Get your strategy in place and be ready to move swiftly
- ◆ Some aspects are under your control, but some are not

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