PLUNKETT UK: COMMUNITY BUSINESS HEALTH CHECK REPORT

BUSINESS NAME: Ermington Store and More	**Plunkett Adviser:** Sarah Mayell	**Date of visit:** 23.9.26	**Legal Structure:** CBS
COMMITTEE / STAFF MET WITH: • John Kerslake (Chair) • Iain Grafton (Secretary) • Roger (Committee)		(cont.) • Sarah (Manager)	
BUSINESS TYPE: **Pub** □ **Shop YES** **Café YES** **Community Space YES** **Other** □ (state type)			

OVERVIEW

The community opened the hub in 2020 in space next to the local garage workshop, in the centre of the village.
It comprises a light and airy facility with a central café area, small kitchen, separate shop and a hub space and is set up as a CBS.
There is some car parking adjacent to the hub with overflow being provided in the carpark of the next door pub.
Customers are primarily locals, supplemented by visitors, cyclists and walkers in the season.
A development of executive homes was built in the village approximately 11 years ago. Funds from this project (via Section 106) were used to upgrade the hub building.

AREAS OF EXCELLENCE:

1. **Atmosphere very welcoming**
2. **Strong group of active committee members**
3. **I particularly liked the natural light in the shop which is very inviting**
4. **The hub is well managed with financial improvements shown over the past year**

KEY METRICS (at last FYE)			
Turnover	**£120,000 (2025/6)**	**GPM**	35%
Cost of sales	**£78,000**	**Number of volunteers**	24 regulars
Gross Profit	**£42,000**	**Number of Shareholders**	Approx 200
Overheads	**£43,350**	**% sales spent on wages**	2 P/T staff employed; 24%
Loss	**(£1350)**	**Assets**	£21,000

SWOT

KEY STRENGTHS	RISKS
• There is a strong Management Committee of eight, with responsibilities being clearly defined. The committee meet monthly to discuss the hub performance and progress, with action points assigned to individuals who are accountable for feeding back to the next meeting. This is very commendable. • All policy documents have recently been updated; contracts reviewed; an Asset Register produced and a Business Plan developed. • The team are aware that costs need to be controlled and hence have analysed each cost centre to reduce overheads. The loss of £6,000 in 2024/5 has been reduced to £1350 in 25/26 reflecting the hard work undertaken. • Optimising sales is now a key area of focus for the committee who have recently completed a survey of households. Gross profit at 35% is excellent. • Sarah (The Manager) cooks for the café and volunteers bake cakes in their homes. The quality of products is excellent.	• Finances – continued effort is needed to ensure that costs are controlled in order to target making a small surplus. After allocating funds for repairs etc, if even a very small amount can be offered to groups in the community this is a fabulous way of getting publicity, reinforcing the legal structure of the hub and motivating volunteers. • Alongside monitoring gross profit as a percentage of sales, consider analysing wage costs as a percentage of sales. If any hours can be trimmed by upskilling volunteers this would be worthwhile. • Signage – consider additional signage. • Consider a Share Offer to give the opportunity for newcomers to the village to buy shares and to understand the legal structure. This helps to encourage use of the shop as there is a feeling of ownership. Funds raised should be for use on projects rather than operating costs.

OPPORTUNITIES	POTENTIAL THREATS TO CONSIDER
Increase the use of the **hub space** – perhaps a new group could be asked to investigate this. There is not a Village Hall in the village so this area could appeal to the various clubs/groups in the village as well as encouraging use for birthday parties etc. Additional income from this is important as no additional labour would be necessary. Task the group with achieving the budgeted sales figures. **Shop**: Perhaps investigate additional local food suppliers to ensure that you provide the fresh, local, perishable items which draw customers in on a regular basis. Farmers Markets are a good source of these suppliers. This could be a job for a new group of volunteers to research. Some suggestions from other Devon shops: Ready meals from Heat & Eat Kitchens, Barnstaple; Hogs Bottom preserves from Lifton. Remember to 'tell the story' about all the wonderful local products you do source – this adds enormous value and interest. Use literature from suppliers to do this as it helps to add value to the purchase for the customer. Eg when/where was the local honey collected - even what were the bees 'grazing' on! Customers love the information and it reinforces the special nature of your products and the work which has gone into sourcing it.	Flexible pricing which allowed staples to be competitively priced and has a larger gross profit on the luxury/gift ranges is recommended in this type of location. With this responsibility having been assigned to the Manager now, rather than being undertaken by various committee members, this will be far easier to achieve. A 'shopping basket comparison' could work well to reinforce the competitive pricing – especially when fuel and parking costs are included. Place eggs in a primary sightline with the story and price clear – this reinforces the value offered. **Volunteer recruitment**: Endeavour to include representatives from different parts of the community as volunteers and on the committee eg newcomers, commuters, parents from the school. This will add depth of ideas and ensure that the shop is moving forward to keep up with customer expectations. Encourage the newcomers to the village to become involved. Consider producing a welcome pack/newsletter to get them into the shop – include a 'free coffee' voucher then they can see for themselves what is available as well as someone explaining the concept of volunteering.

We discussed some of the merchandising principles which really work well such as 'eye line is buy line'; making sure the products flow round the shop; using well-lit chillers to draw customers to the back; the importance of 'hot spots' for display; leaving the decompression zone clear and if possible, 'bouncing' customers between products to ensure the whole shop floor is covered. Within product ranges a principle of providing 'Good, Better, Best' varieties adds depth and choice. Providing baskets near the door has been proved to increase sales. Investigate opening for an evening session – perhaps a Thursday 5 – 7pm to allow commuters to shop and volunteer. This might target another segment of the community who are currently not engaged with the shop because of the opening hours. Youngsters should continue to be encouraged to complete their Duke of Edinburgh Awards in the shop. **Café**: Keep the menu tight so that it can be carefully costed and wastage minimised. Light lunches and coffee/cake make a far better margin than main meals. Perhaps consider using the Parish Council funding to introduce smoothies, soups and possibly to purchase a dishwasher.	Suggest sub-committees which may appeal to someone with a busy schedule as it has a fixed timescale - eg a Food Fair in the Hub Space to showcase possible new suppliers. Visitors are asked to give feedback - reinforcing the message that this is their shop. Take the opportunity to publicise the legal structure of the business and its inclusive nature, as well as selling additional shares (to encourage engagement rather than to raise capital). Features on volunteers in a newsletter are a great way of raising awareness. Don't forget the 'unsung' heroes who work behind the scenes! Reinforce the message that all volunteers are critical to the success of the business.

Weekend community breakfasts and a weekly lunch club have proved popular in other community cafes.	

AREAS FOR CONSIDERATION	

1. **Plunkett members Morrisons arrangement**: Morrisons are offering members a card to buy goods from stores or online, with free delivery included. Many shops are using this facility to 'top up' with weekly/monthly deliveries in addition to their large wholesale purchases. This allows shops to expand ranges where they don't have shelf or storage space (eg soup where tomato and chicken sell well but a few tins of mushroom, minestrone & vegetable will strengthen the offer); stock special dietary foods eg gluten free; avoid waste; support promotions eg with multi-buying deals and ensures that food is kept chilled/frozen during transit.

2. Refer to **Plunkett Member Hub** for details of additional membership benefits and Recommended Supplier directory.

3. A **'recipe in a bag'** has worked well in some shops – using a craft carrier to hold all the ingredients required for the recipe, with chilled items being added as required. The village can become involved by contributing recipes for 'all in one pot' family meals. A great way of generating interest as well as driving footfall. Could be a specific job for a volunteer who doesn't want to be customer facing.

4. **Impact** – consider what an enormous positive impact you have on the community and environmental issues: you source local produce reducing air miles; encourage customers to walk or cycle; support vulnerable customers with deliveries. Maybe a sub-group could investigate and feedback in one of the newsletter articles. Use the Plunkett 2026 Impact Report (www.plunkett.co.uk/reports) to highlight the importance of the shop within the community.

5. Ensure that all activities are reported in the press. Perhaps approach a retired journalist or similar who might undertake this. Social Media is an area which could be allocated to a young person who could deliver this remotely.