

From:
Sent: 06 June 2013 13:56
To: Pubs Consultation Responses
Subject: Pubs Consultation

Respected Minister Sir,

I am a Publican running an Enterprise Inns PLC pub.

There has been a lot of debate and discussions related to the exploitation meted out by tied pubs vis a vis free of tie pubs.

I can highlight my experience with you in the matter.

The agreement I have with Enterprise is a tied agreement and I have seen and experienced a number of benefits from this agreement / arrangement.

1. The entry cost is low. If the entry cost was not low, it would probably have been difficult for me to enter the pub trade. As you are fully aware that these days banks have shrunk their lending and specifically they have shrunk their lending to the smaller pub operators. Apparently there is only one lender who offers lending to the small pub operator at a cost of 2% which is clearly not affordable.
2. Admittedly the beer prices are high on a tied agreement. However, there are numerous discounts available on achieving targets and soft incentives are available for promotions, which in the long run increases profitability and encourages a small operator to promote the products to achieve higher sales and increase margin by volume.
3. Enterprise has very recently approved substantial investment at my pub for refurbishment. This will clearly provide my pub a much fresher look and also position my pub at an advantage over other tired looking dated pubs in the area. Under a free of tie agreement such an investment would not have been envisaged.
4. Lastly, there are roadshows and training sessions organised, which both my staff and I actively participate in. The benefit of this is not only substantial training costs but also better trained staff providing a better service which in turn improves profitability for the small operator. Under a free of tie arrangement such roadshows and training sessions could not have been envisaged.

In summary, I can only say that all in all the support that is received under a tied agreement cannot be achieved under a free of tie agreement. Admittedly, there is a higher price to pay for the tied products, but a large part of that is being reinvested by Enterprise to improve the performance, look and service of the pubs.

Yours Sincerely

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