

Portsmouth Students' Union Trading (PSUT) Limited
Board of Directors
MINUTES
3.00pm, 6th March 2018
Room 1, The Union Building

ACTIONS

Action	Who	Update	Status
6.2 Explore ideas for events and bring back to Leadership and keep BoD up to date	TW		Complete

CONFIDENTIAL ITEMS

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Present:

Anita Butler (AB – Chair), Rhian Johns (RJ), Tom Worman (TW), Anita Butler (AB), Marcus Campopiano (AC)

In Attendance:

Anna Clodfelter (AC), Jenny Greatbatch (JG – Observer), Peter Greaney (PG – Financial Adviser, present for items 6.2, 6.3, 7 and 8), Laurie Jones - Minutes

1. Apologies for Absence

James Thompson (JT)

2. Declaration of Interests

No declarations

3. Minutes of Previous Meeting

Minutes from 6th February 2018 agreed.

4. Matters Arising and Action Points From Those Minutes

4.1 Speak to solicitors regarding governance model and recruiting an external director rather than a trustee (TW) **Complete**

TW: The governance model is with our solicitors and will be back Friday to allow us to proceed with recruitment replacement for External Trustee. Initial feedback is that the solicitors are happy, but want to go through it in depth

AC: There will be a recruitment for a director for Board of Directors and two external trustees for Board of Trustees

5. PSUT Management Accounts for note (TW)

BOARD OF TRUSTEES NOTED THE PSUT MANAGEMENT ACCOUNTS

6. Business Matters

6.1 Retail Discussion (TW)

MC: Our aim is to touch more people rather than getting less people to buy more?

TW: Student money is getting tighter, so we want to grow the number of heads that are spending not for the spend per head to grow

MC: Worrying there is only 3% sales from the website. If we're looking to grow audience, this is a good primary one to do

TW: Very focussed on retail outlet being in the Union building when 90% don't come here – need to focus on being more visible on campus

MC: We spend a relative amount on student staff salaries, but don't make a lot of profit in the shop?

TW: Currently offset Shop and Reception Administrator with student staff which we've changed in the restructure. PSUT pays for a portion of student staff salaries as they are dual role between PSUT (retail) and UPSU (reception)

RJ: Could we get our business consultants to take a look at retail for due diligence?

TW: The brief was to look at new businesses as we have a current understanding of retail as it stands of being merchandise and gift shop – any new retail would count as a new business (e.g. bike retail/groceries)

RJ: It's the stuff we don't know about retail that would be interesting to explore. Business consultants would come at it as another angle so it would be worth it

TW: We could build in to work with business consultants to do a rolling review of current work as well as new

RJ: I wouldn't want them to come up with new things that would be high risk when we could do a slightly different approach to current retail that might be a lower risk but higher gain

AB: Boston Matrix – to turn question marks into stars, you need investment and resource – how?

TW: Question mark for retail is corporate merchandise. A reasonably appropriate mark up of 20% on top of the University's deal should give us £10-15k to invest. Have a research budget, we have also recruited student staff to solely look at this. We are carefully balancing putting money into this.

MC: In a nutshell what is the strategy to get more people to buy products?

TW: Primarily this is picked up under headline business plan - 3.2 Product and service range focus:

- Broaden range of products and solidify us as the only place to get merchandise.
- Bring in more personalisation to increase purchases by Athletic Union or Societies who want bespoke things.
- Broaden ranges to broaden interest – currently we only focus on specific community – what about students in Hong Kong or mature students?
- Bring in students' products – like the Heligog range.
- Marketing – drive online (investment in things like paid advertisement), working with university and getting out of the building – driving distance sales as well as campus sales.

RJ: Would it be helpful to be clearer about key mile stones/journeys for different types of students - the journey of a traditional undergrad vs a part time student. Particular range for each year – a hoody that was designed by a student for that year group or products only available at Freshers' Fayre or graduation.

TW: We'll be working with the Insights team to work out what these personas are. We should tighten this up so it's about personas and communities and set up milestones for these.

AC: This is in year one of the Insights framework anyway so this information can be fed in to PSUT
BOARD OF DIRECTORS AGREED THE FIRST DRAFT OF THE BUSINESS PLAN FOR RETAIL AND FOR RESEARCH ON STUDENT PERSONAS TO BE BUILT INTO THE FIRST YEAR

6.2 Events Discussion (TW)

TW: This is a relatively robust business plan. However, there is significant risk. The University will be closing Ravelin Park, which is one of our big event sites, for year one of this plan. After Freshers' 2018, the site will close. From 2020 Ravelin Park will be designed as an events site. This is one of our event spaces for Freshers' and our end of year event. Because of this risk, we have exit plan options which highlight the financial risk. As a Managing Director, I need to recommend that we don't proceed with an events business right now. Financially it's a lot of money to risk, there's issues with the University site access. However, if you think this is worthwhile, have the resource ready and have had interviews this week.

AC: If it's important that events are delivered for student experience, could they be delivered by a 3rd party? There is not a massive gap in the market

RJ: It feels really exciting on the one hand, but it seems Portsmouth isn't lacking these events either, so is it that students are not going to the city to where these things are put on or can we do it better? Feels like we need to be in this space because it's about community but should it be us who does it?

TW: Don't know the answer to that question – lots of things going on in the city that aren't getting the student market and we can't prove these are required from students.

MC: I've been really excited about this – I think there is money in student events, and we can engage and build this community. I see student events packed every week – not just Eskimo events. I think there a loads of things we can do, but no capacity to do so. Are we going to delay this?

TW: You can always hold the business plan and then come back and revisit it. The University might want us to hold events on Ravelin Park in the future, so you could delay it and take a few years to work with our business consultants. It's also worth flagging that we have concerns over the commercial awareness/performance for the candidate we have for the role

MC: Until we start investing money in PSUT, it will stagnate

AC: If you don't do this that's not to say there is no investment in PSUT, but not with events. If the events don't succeed, the risk to the business is the cost of the event – liable for staffing, acts, decoration of over 75% of the cost regardless of the whether the events go ahead. Events are expensive things to do to drive a relatively small amount of profit

AB: What proportion of the event proposals would be effected by Ravelin Park closing?

TW: Depends on what events you want. Lots of the ones in the proposal won't be able to take place. From a Union building perspective you can only have gun house/gun house green. Could hire other places but cost implication with that

AB: Main issue seems to be with Ravelin Park being closing. If you look at the events we and the University do, they are very popular. Could the portfolio be reduced until Ravelin Park is available?

AC: University events are free. This is business model and focus on events that cost

RJ: Could we do some research with some students on what students would pay vs the event cost

AC: Could pull into the brief with business consultants

MC: Events are something we're lacking in funding and there is a thirst for it. Nightclub events are always full in the city.

TW: We've only sold 50% of tickets compared to last year with the same amount of marketing

AC: You're looking at night time economy rather than events – your argument is that we don't do an event but look at night time economy venue

AB: Would be interesting to find out how many student tickets places like the ice-rink sold

TW: Wouldn't be about to access that commercially sensitive information. Have been approached by them for a partnership on the advertising commercial side

MC: Can we take the time out for the students and make a profit? E.g. Christmas meals – if we did it all together, we could make partnerships and really make some money

TW: What you've described there are all performance marketing models which would sit under our advertising and business partnerships. We can explore these

AC: We would need to rewrite the business plan due to the closure of Ravelin Park. We really want to do something for students from an experience view – that is missing. But this business plan is risky. Could there be a direction from Board to deliver student experience, but just not in the big events? It's the cost of employing someone. We could do a business plan for smaller community events? Could ask business consultants to look at this – they will do all the research necessary. We can include in the brief that there is a desire from Board to have an experience/events business and they can see if they can find something that works

RJ: May be good idea to influence what will happen to Ravelin Park

TW: I am the key stakeholder to decide what goes in Ravelin Park, so we are part of making decisions. My understanding is we're taking a year's postponement, to review and get third party insight and get other options. We will keep revisiting when appropriate as we want to deliver something for student events. At the moment we're not willing to go with this events business model.

AC: In the meantime, we will continue to be reactive as we go. And there will be opportunities for low key/low cost events through the agile projects function

MC: Who will run Gradball?

TW: I have some ideas – need to think about this as losing this business plan means losing all event technical expertise.

AC: USPU have lost 20% but on the flip side, still 20% of the salaries to spend

MC: We're at capacity, we need more people to do more stuff

TW: We have 5 new staff across the organisation. Events are looking like they are likely to sit in the Agile Projects Team. Might be that PSUT pays the Agile Projects Team to do events like Freshers'

AC: This role was always reliant on PSUT being able to deliver the money. You can't employ another person – now it's not a standalone, we need to bolt it in to another role/department to have a body who can do this stuff and we can backfill to free up capacity while we test.

**Action: TW to explore ideas for events and bring back to Leadership and keep BoD up to date
BOARD OF DIRECTORS AGREED TO TAKE A YEAR'S POSTPONEMENT ON THE EVENTS PLAN, GET
THIRD PARTY INSIGHT AND COME UP WITH OTHER VIABLE OPTIONS**

6.3 Commercial Partners Update (TW)

AB: How many of these are exclusive partnerships?

TW: All of them except from Unite – variance as it's more of a priority access, but there is flexibility built into those.

RJ: Looks great and definitely want to maintain them. They are a mixed bag - where are the obvious missing partnership that we ought to be looking for?

TW: I agree – JG and I have looked at where the gaps are, we've done some research with other Unions and we have a greatest portfolio of partnerships and turn a much higher value than anyone else. This is about brand raising rather than performance marketing – we really struggle with performance marketing where you get a return commission.

Risks – BAM is secured; Domino's is secured; had a really positive meeting with Astoria, Library Bar and Eskimo, so no issue; Endsleigh is likely to continue. Risks come with Unite as it's a new partnership and NUS. Have had a conversation with Unidays and have a meeting next week.

BOARD OF DIRECTORS NOTED THE COMMERCIAL PARTNERS UPDATE

6.4 Business Development Consultancy Proposal (TW)

TW: Pleasantly surprised with the proposal and the telephone conversations I've had with the potential business development consultants as well as the 3rd party consultant which is a modern catering company

MC: As we're going through so much change, it's a benefit that we can get some people with such expertise. What's the timeframes?

TW: First round of activity completed by Christmas so we can budget for new businesses in the New Year – April to December. As we've added some additional things to the brief, we may need to look at broadening the budget – this will be discussed at Finance and Risk. We're forecasting a reasonable surplus which will be able to contribute. Having spoken to the FCAM, she is very confident that we won't need to take anything from reserves because there should be enough within current income streams

RJ: It's a really good idea. In addition to having some expertise, it's also expertise who doesn't have the baggage/history. Need to make sure they do enough student research so we can be really confident

TW: Will take forward to Finance and Risk for the additional finance gap should we require it

BOARD OF DIRECTORS APPROVED THE BUSINESS DEVELOPMENT CONSULTANCY PROPOSAL

7. AOB

7.1 External Trustee Recusal (AC/RJ)

BOARD OF DIRECTORS ACKNOWLEDGED RHIAN JOHNS LETTER OF RECUSAL

8. Date and Time of Next Meeting

Tuesday 29th May 2016 at 3pm - Room TBC

Minutes Approved: _____

Date: _____