



## **Your Business Bulletin from Thanet & East Kent Chamber**

### **Thanet & East Kent Insider**

**2<sup>nd</sup> September 2012 Issue No.: 193**

#### **1. Thanet Earth Update**

As anyone with a keen interest in East Kent business knows, Thanet Earth is the name given to the group of large glasshouses on the outskirts of Birchington. Less well-known is the success of this investment in Thanet. Teething problems associated with the first phase of development are now firmly in the past. In an exclusive interview with the Thanet & East Kent Chamber, Managing Director Ian Craig outlined the recent progress made and detailed plans for the future. Such is the confidence of Thanet Earth in its operations on site, that it has committed £17 million to building a fourth glasshouse to supply the increasing demand from its customers. Work on the groundworks has already begun. On completion, the Thanet Earth complex will represent an investment of £120 million and employ 700 workers. Attention to staffing and human resources has been a key element in the success with no worker on minimum wages and much care given to the training and well-being of staff.

#### **2. Why Do We Need Thanet Earth?**

It is in the UK's best interests to produce more food domestically. We note from a government report that: "In 2009, 27 countries together accounted for 90% of UK food supply. Just under half of this (49.5%) was supplied domestically from within the UK." [*Food Statistics Pocketbook 2011, Department for Environment, Food and Rural Affairs*]. This means in effect that from a position in 2008 when the UK supplied 52% of its food, now we import over half. This has strategic and security implications for the UK as well as important environmental considerations relating to the food miles involved. Given comparatively favourable weather and a unique location that is the closest in the UK to European markets, East Kent

farmers, market gardeners and hydroponic growers are in a good position to reverse this trend and to provide a solution to the problem of domestic food supply.

### **3. But Aren't These Jobs All Part-Time?**

Full-time staff are an essential part of the Thanet Earth operation, as indeed are full-time core staff in our farms and at other food producers. To function successfully, part-time staff are equally essential. There is a widespread misunderstanding of the nature of employment in the UK food industry where part-time work is common due to the seasonal and cyclical nature of the sector. The same source at Defra quoted above states: "In 2010, 51% of food sector jobs were part time."

### **4. Is Thanet Earth Part Of A Group?**

Thanet Earth Marketing is part of the Paddock Wood based Fresca Group which can trace its origins to 1874 and the establishment M&W Mack Limited. The current group encompasses 17 fresh produce businesses which together posted a turnover of £390 million in the 12 months to 29 April 2011. Thanet Earth Marketing's Managing Director made no mention of his own role in the remarkable transformation at Barrow Man Road. The Group Chairman and Chief Executive, Chris Mack, did. In his published 2011 Review, he reserved "particular congratulations" for Thanet Earth Marketing and stated: "This business has turned a £4.4m loss into an operating profit that's approaching £1m this year – a remarkable achievement and a welcome piece of good news". We understand that the latest figures yet to be published show a continuation of the success story. This may help to explain why on 7<sup>th</sup> August 2012 it was announced that Thanet Earth Marketing's Managing Director Ian Craig has been appointed Deputy Group Managing Director.

### **5. Computer Virus**

Chamber member Thanet Earth may maintain a virus-free environment in its greenhouses, but can you say the same about your IT systems? We have received reports from some Chamber members of particularly nasty bugs infiltrating their computers which have caused disruption to their daily operations. Just about everyone with the cheapest desktop will have some sort of anti-virus programme, but commercial users and those who trade over the Internet require something more robust to protect their systems. The providers of the main free anti-virus programmes recommend that companies should upgrade to the professional software. This is hardly a surprise perhaps, but when contacting Avast, one of the market leaders, this Chamber was indeed surprised to learn that in the previous 30 days, Avast had detected 504,441 infected websites and claimed to have prevented 100,333,575 users from visiting them. This represents a lot of idle teenagers, disillusioned cold war scientists and anti-business activists doing their best to nobble your IT systems. If you want to get the best advice on preventing an IT disaster on your communications, you might like to contact one of the following specialists who can give you expert guidance on how to remain unnobbed (a new word, you read it here first): AI IT Web Design of Broadstairs tel: 01843 604664; Auratek of Broadstairs tel: 0845 652 2438; Coastal Data Systems Ltd of Ramsgate tel: 01843 823324; ICC Services Limited of Deal tel: 01304 365200; InCloudOne Ltd of Sandwich tel: 01732 447859; Simtech Computer Systems Ltd of Margate tel: 01843 297652 and Sota Solutions of Sittingbourne tel: 01795 413500.

### **6. Healthy Workers, Healthy Profits**

We are grateful to our friends at Dover Counselling Centre, tel: 01304 204 123, for informing us that; "175 million working days are lost due to ill health every year. The Health and Safety Executive estimates that one in five days lost working days (36 million) are due to occupational ill health. This costs the nation around £13 billion a year." If you wish to protect your staff from flu this winter and minimize the disruption to your business or want to organise health checks for yourself and family, you might like to consider the bespoke services of offer at The Spencer Private Hospital in Margate tel: 01843 234555 or Ashford tel: 01233 616201.

## **7. Celebrating Manufacturers In East Kent**

At a time when the country's finances are under particular pressure, we need to support our domestic manufacturers. These are the firms where workers get their hands soiled making things. There is a respectable argument that it was our manufacturers who put the "Great" in Great Britain. Our East Kent factories are again well-placed to export to help restore our balance of payments and to reduce our national debt. One Chamber member, less enthralled by the Premier League and Saturday night television than many, has contacted the Chamber with the following comment: "We do not value people who make things, people who manufacture and sell to the world. We value people who can kick a ball or sing a song. There is something fundamentally wrong with this. We need to reorientate our aims and re-educate our desires." He has a point. In East Kent, we are blessed with some excellent examples of busy companies which take in raw materials and send out finished goods. Here is a selection: Claridge Upholstery of Margate tel: 01843 290855; East Kent Coatings Limited of Margate tel: 01843 293343; Flambeau Europlast Ltd of Ramsgate tel: 01843 854000; Flying Fish Hovercraft of Sandwich tel: 01304 619820; Hornby Hobbies Ltd of Margate tel: 01843 233500; London Fancy Box Co. Ltd of Dover tel: 01304 209926; Major Fabrications (Kent) Ltd of Deal tel: 01304 614541; Premier Framework Displays of Canterbury tel: 01227 710104; Shepherd Neame of Faversham tel: 01795 532206; Silent Gliss Ltd of Broadstairs tel: 01843 863571; TV One Ltd of Margate tel: 01843 873300 and Wantsum Brewery Ltd of Canterbury tel 08450 405980.

## **8. Discovery Park Limited**

The Thanet & East Kent Insider issue no, 191 of 4<sup>th</sup> August 2012 gave detailed information on the background and current professional interests of the new owners of the Discovery Park. The purchase of this prime site in Sandwich from Pfizer was completed at 5.00 pm on 31<sup>st</sup> July 2012. Since then, two of the three main board directors, Chris Musgrave and Trevor Cartner, have been joined by Jeffrey Hind to form Discovery Park Facilities Management Ltd. Jeffrey Hind remains on the board of Wynyard Facilities Management and Wynyard Food and Catering Limited and will no doubt be using his considerable experience to make a success of catering, food and room hire facilities on the 297 acre site. The challenge to local companies will be to match and if possible surpass the price, quality and service that Jeffrey Hind has come to expect from suppliers which must inevitably include those where he sits as a current board member; Beamish Mary Inn, The Captain Cook Brewery, Grey Horse Ltd, Consett Ale Works, Beer Warehouse, Brewer & Firkin (Hartlepool) and the delightfully named Slurp Ltd. The Managing Director of the Discovery Park is Paul Barber, a genial Yorkshire man, yes they do exist, with an enviable record of success. Curiously early in his career he worked in the estates department of Kent County Council. A graduate in Land Management from the University of Reading, Paul Barber worked as a Development Manager for the DTI before becoming the Regional Director of English Partnerships for Yorkshire and Humberside. He then became the Executive Director of Yorkshire Forward for twelve months before spending six years as Chief Executive of Priority Sites Ltd. Since 2006 he has divided his time between posts as Chief Executive of Strategic Sites Ltd, Director of UK Strategic Partnership Ltd and since July 2011, Managing Director of Wynyard Park Limited. He is justifiably proud of Wynyard's success in regenerating the former 200 acre Samsung site at Billingham which is now adjoined to an additional 500 acres purchased from Sir John Hall and currently hosts 65 companies supporting 2,000 jobs. That will do nicely, thank you.

## **9. 30,000 Workers Needed**

News has reached the Chamber from the Sector Skills Council (SSC) for the gas, power, waste management and water industries, which is licenced by Government and working under the guidance of the UK Commission for Employment and Skills (UKCES) that: "Due to an ageing workforce and significant capital expenditure programmes, in particular in new technologies, the gas, power, waste management and water industries, need to recruit and train over 30,000 staff over the next five years. This represents a significant increase in both recruitment and training activity." If your company is looking for a new direction, if you are thinking of investing in training courses or if your son or daughter is wondering about how the recession will influence their career path, there may be some value in considering the gas, water,

power and waste industries. They are all providing products and services in demand now and for the foreseeable future.

## **10. Have Mobile, Will Buy**

News has reached the Chamber from the Interactive Media in Retail Group (IMRG) that the percentage of UK online sales made through a mobile device could reach 1 in 5 by Christmas 2012, with the percentage of site visits through the channel at just under 1 in 3. Surveys of 20 top retailers including Debenhams, JD Sports, John Lewis, Marks & Spencer, Matalan and Millets have revealed that in the second quarter of this year the percentage of sales through mobile devices rose to 11.6%, up from 8.2% in the first quarter. Since the beginning of 2010 the penetration of mobile in terms of UK e-retail sales has soared from just 0.4% of e-retail sales in Q1 2010 to 11.6% in the last quarter. Site visits through mobile devices also rose significantly in the second quarter, reaching 21.1% of visits to UK e-retail websites, up from 16.4% in the previous quarter. In a press release of 30<sup>th</sup> August 2012, Chris Webster of Capgemini said: "The second decade of this century will be viewed in history as the decade when the mobile device became the point of access to digital services. This has happened very quickly for commerce services and by the end of this year, 20% of all digital commerce transactions will be completed on mobile devices." IMRG stated last January that: "E-retail now accounts for 17% of the total UK retail market and is likely to increase with the rise of mobile commerce and following high sales of tablet computers in the last year." That prediction seems to have materialised. One Chamber member has commented bluntly: "The lesson for East Kent retailers is clear: 'Join in or ship out'. However, perhaps our good friends at Value Retail have a solution as the item below shows

## **11. Best Practice**

Not all retailers have fallen victim to the rise in Internet shopping. We have often reported in the past on the example set to our retailers by Bicester Village near Oxford, and its parent company, Value Retail Limited. Whereas our High Street shops have suffered in recent years, Bicester Village near Oxford has gone from strength to strength. In 2011 Value Retail's sales increased by 20%, driven in part by Chinese tourists who spend £250 each on average, an increase of more than three times since 2009. In an article in Women's Wear Daily (WWD), "the bible of fashion", Value Retail's Chief Executive Desiree Boiler claims: "In Europe, we've always been number one in terms of productivity per square foot". The power of world class brands is a significant element in this success. Boiler continues: "Chinese love Prada, Gucci and Burberry, but there's a broader curiosity now. For instance, in Value Retail's flagship Bicester Village mall in England, Alexander McQueen is popular." Value Retail owns nine villages in Europe; all within one hour's travelling time of a centre of population. Margate, Ramsgate and Dover would have to improve their rail journey times from London to attract the interest of the company. Continuing expansion will be assured next year when the first Chinese outlet is due to open, a 600,000 square foot development to be known as Suzhou Village. Situated around 50 miles from Shanghai, Value Retail estimates that it is within one hour's drive of 40 million people. A key target will be fashion goods for Chinese men. In contrast to their Western counterparts, Chinese men spend more than double the amount on clothes as Chinese women. Boiler ascribes this to different cultural habits. "They behave differently from Europeans and Americans where [menswear] is usually purchased by women for men". Any British men reading this who buy their own socks might not realise that they are in a minority group.

## **12. Goodbye Thanet College, Hello East Kent College**

Thanet College maintains that it is proud of its past and is very much looking forward to a bright future under its new title and branding as East Kent College. The resurgence in the last few years of Thanet's largest training organisation has led to some ground-breaking changes that have made the college more business-friendly and better prepared to meet the current and future needs of employers. A new range of Higher Education courses complement the Peter Jones Enterprise Academy. They will be joined next year by the £6 million Centre for Environmental Technology. It's all systems go at the Broadstairs campus and time to update your database, mobile or old-fashioned filofax personal organiser with the new name: East Kent College, Ramsgate Road, Broadstairs, Kent CT10 1PN, tel: 01843 605040.

### 13. North South Divide

Our media outlets are currently much engaged in covering the weeks before the general election in the USA where voters will in all probability face a choice between the Republican Candidate Mitt Romney and the incumbent Democratic Party President Barack Obama. It was in 1858 that another Republican candidate for a Senate seat made a speech in Springfield, Illinois in which he said: "A house divided against itself cannot stand." That person was Abraham Lincoln. He lost that particular election but of course later became US President. He was talking at the time of the differences between the North and South of his country. On the same day last week that we learned that the new BayPoint Club in Sandwich has recruited a chef from George Blanc's restaurant of 3 Michelin stars to serve gourmet food to the refined palates of discerning executives, we read that in Doncaster a fish & chip shop has produced the world's largest serving of cod & chips which at 97lbs had to be lifted from the fryer with two gardening forks. Now, what does that tell us about modern Britain?

### 14. Joint Venture Strategy

Some readers may have heard a variant of the following narrative as it has a noble history and like a fine wine can mature with age. Trusting to the innate intelligence, outstanding intellectual abilities and discreet tastes of our readers, we bring this account to you nonetheless in the knowledge that some Chamber members are currently actively considering joint ventures. Our tale begins in the early years of Mrs Thatcher's administration when workers were being urged to form their own companies in order to grow the UK economy. It was not only workers who heeded the call. One chicken, brighter than most, decided that he would like to branch out on his own account rather than keep producing for the sole benefit of his master, the farmer. After a serious feasibility study and careful consideration of the marketing mix of price, place, promotion and product, he decided on what he wanted to sell. Unable to launch the company on his own, he approached his friend the pig with his idea. "Look, Mr Pig, we are on the outskirts of town on a direct route to the station. Lots of people pass by our field on the way to work in the morning. Why don't we form a joint venture and offer a cooked English breakfast for sale." "But what can we give them to eat, Mr Chicken?" asked the pig. "That's easy, Mr Pig," said the chicken. "We offer them eggs and bacon, the classic English breakfast. My cash projections show that after the initial costs, there will enough profit in two weeks to set us up for years." "That's great", said the pig, "but where do we get the food?" "Simple, Mr Pig. That's the beauty of it. We provide everything, here on the farm. I will produce the eggs and you produce the bacon". "Great", said the pig, "I wonder why we didn't make the joint venture before." After a minute's quiet reflection, the pig said hesitatingly: "Just a moment, Mr Chicken. You provide the eggs and I provide the bacon. Is that correct?" "Just so", said the chicken. "But if that happens", said the pig, "you are fine. But I'm not." "Well, there are always winners and losers in every transaction", said the *chicken*. "Maybe so, Mr Chicken", said the pig. "But I don't think that's at all fair. You get all the profits and I get annihilated in the process. I don't call that a joint venture." "Oh, you know nothing about business, Mr Pig", said the chicken, "That is precisely what happens with most joint ventures; now pass me the frying pan".

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It's happening now, it's happening in Thanet & East Kent.  
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Thanet & East Kent Chamber Limited

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