

Portsmouth Students' Union Trading (PSUT) Limited
Board of Directors
MINUTES
3.00pm, 27th August 2019
Room 1, The Union Building

ACTIONS

Action	Who	Update	Status
None			

CONFIDENTIAL ITEMS

None

Present:

Helena Schofield (HS - Chair), Baldev Gill (BG), Anna Clodfelter (AC), Sue Arnold (SA), Gerard Matthews (GM), Rama Hilouneh (RH)

In Attendance:

Rich Leader (RL), Laurie Jones - Minutes

1. Apologies for Absence

Rama Hilouneh (RH)

2. Declaration of Interests

No declarations

3. Minutes of Previous Meeting

Minutes from 11th June 2019 agreed.

4. Matters Arising and Action Points From Those Minutes

4.1 None

5. Business Matters

5.1 Year End Trading Report - for note and questions only - RL (included in 5.2)

5.2 PSUT Business Development Update including new business action plans (RL)

RL:

Overview

Looking at last year, it's fair to say there's been quite a large change to staff. The company has done really well, narrowly missing budget by £1400. Main success was in Retail. In the last quarter we were able to map out the last key contacts and enquire with their plans - this meant we were better equipped, and pushed retail over by £20,601. We narrowly missed budget in the Partnerships line due to TOTUM sales and events line. The TOTUM incentives scheme was amended and they took away the on campus printers a week and a half before graduation. This is usually the last opportunity for students to get a 3 year card which is a key sales period and we missed out on that.

SA: Can they do that contractually?

RL: Apparently they can as there appears to be no formal agreement over the number of years we've been running the partnership. Events line was a risk. Last board discussed whether we should run Grad Party in the knowledge it will decrease the deficit of the Summer Ball - it did, but we used best case scenario figures. We didn't quite hit these but managed to decrease the events line deficit by just over £6.5k.

Retail:

Print shop is now live so you can see the annual plan. It's in the development phase with a new website and a new plug in, which will give shoppers suggested products depending on items looked at/in the

basket. There is also a new plug in which will try and increase average transactions going through. Graduation sales - increase of £5k from last year, even with the added pressure of not having card printer. Currently looking to have a partnership with PFC - I'm now on the working board for the group. PFC have their own merchandise, as do the University but there's nothing joined up between them. Aim is to create a co-brand with University and PFC with us being the supplier. Two models currently being investigated, this could either be as an exclusive supplier and redirect traffic from PFC's site too, or we'd look to be their supplier and include the use of PFC shop. This would be the preferential route. We have implemented price increases and hopefully that's clearer in terms of GPs. In terms of a benchmark that we are actually quite cheap. This went live for graduation and we had no feedback that it was overpriced. We're looking to formulate our Sales Performance Incentive Fund. We're at the last stage of draft, and we just need to actualise the values. E.g. Retail: an increase transactions in shop - looking at upselling, and adding deals on purchases; looking products that are new or have higher GPs. Marketing: how much traffic has passed through; changing consumer behaviour due to plugins and the IT side of things. Partnerships: how much on boarding, like an increase of 5%

SA: This has been a great year. Looking at the numbers, does this make a difference on what you put for next years plan?

RL: No, when we did the plan and budgeting, we already knew this information

SA: So you already prepared this in budgeting

RL: Yes. For me it will be about getting our branding out there - whenever I go out I see a Pompey football shirt

BG: The TOTUM card - does this have any other effect?

RL: There is a financial aspect - £23k loss on budget. Because we have other areas of business development: we'd hope to on board another one or two partnerships along with a couple of other opportunities. Freshers' Fayre has been well attended, but we're also looking to supplement that with Welcome Weekend. We've got 4000 people coming to collect tickets for the night time economy, so we will have local businesses that can't afford Freshers', or those who have had a bad experience to regain that trust. We do have other methods and we can still sell the cards

SA: We don't have to rely on the cards

RL: Yes, we don't want to have to do that. They've put the prices up on the cards so they will be harder to sell, and they are offering a 'Lite' version for free, so many people are questioning the benefit. To me the only benefit is that you get the ISIC card when you go abroad, which means you can still get a discount, but that only lasts for a year. For £15, would a student want to buy this?

Partnerships:

RL: We've grown even though we've left BAM and there's been a challenging events line. BAM is a media company who were paying us £67k per year, and they owned all the media rights. If a company approached them, they would get the revenue. It was nice that we didn't have to work for the money, but we didn't have any say in increased opportunities. This is now in house. Key successes was the generation of some key materials to replace BAM, as we didn't have anything in place. Freshers' Sales - Target is £50k, we're at £37k and I'm confident we will hit budget

SA: Freshers' - is this because people are buying stuff in advance to attending?

AC: This is not students, this is partners. Partners will have stalls at Freshers' Fayre

RL: They have the knowledge they will get 10-15k students come into the area without having to do anything. We wanted to do a presenting partner concept, but we thought about this a bit late into Q3. Ideally we wanted a bank as I perceived that we'd add more value than another organisation. From some studies, we know students struggle with financial concerns throughout their university experience. We could have a partner and their branding would be on throughout Freshers' and presence on Freshers' Fayre. They would supplement it for their own finance workshops which we wouldn't have to staff and we'd have experts there. We'd also hope that international students would set up a bank account with them. By the time I'd asked the University about their partnership with Santander, it was a bit late, so this will be something to do next year. 8Dol is a new partner this year and will continue. They are a student supermarket in a warehouse and they do deliveries so you just

get an app. Their USP is cheaper than other supermarkets and they can deliver any quantity for a minimum spend of £5. We've done a gap analysis on Purple Wednesday line. We wanted finite the audits to be more transparent. We'll look at H&S records and entries going into clubs so we can see what revenue we should be taking from door sales. There's a new dashboard in place for partners, up until now we've given a few stats and figures but nothing in depth. Aim is that partners will get a login and can be kept up to date with their campaigns and statistics. £23k impact expected for TOTUM next year as discussed.

Events:

Some didn't perform very well. We tried to overturn this loss, and Grad Party did so but not enough, which saw the line at a net loss of £10k

SA: Is the Grad Party the first time you've done it?

RL: First time we've separated the two events. We're not sorted for next year, don't want to run events from the start, but we understand this will impact the student experience. We'd look to do something similar with one event again, but then you open up the whole not having a special Grad Party feeling/experience

HS: After Grad Party there was a better feeling that it wasn't a normal night. Before there wasn't, it wasn't communicated well enough that it wasn't a normal night out for £12.

RL: The benefits for that was that we didn't have to buy as much content, the venue was already there. For Summer Ball, we had to hire guildhall which has costs, plus the security on top.

SA: Have you done Summer Ball before?

AC: The issue is we can't use the venue (Ravelin Park) in the same way because of the Sports Centre build, so we had to move it

SA: Was it well attended but the costs were too much?

RL: Both - Grad Party was much more well attended.

SA: Students want something different than a Summer Ball?

HS: There were issues with the location - it wasn't well communicated the reason for the venue change. There were also issues with the date as loads of people had exams the next day.

RL:

Digital Consultancy:

Wildrocket visit every few months to look at our digital roadmap and assess the needs of departments. We had planned to have our digital consultancy with Wildrocket up and running for September. It was apparent that Wildrocket felt uncomfortable with our model where we were offering off the shelf products at the last meeting in August. Wildrocket wanted to provide consultancy and solutions. He has sent us a rough draft of a new business plan last week, and he will send a final one this week. There are some additional gaps found in that. We're all on the same page, and happy to provide consultancy, however there are still a few opportunities to exploit. We're looking at an hourly rate rather than just a retainer model of 25-50 hours per month. From that Wildrocket will work alongside us to make up our student union digital offering. Or they could have a one off cost for a product and that would be theirs to do what they want with. It might be that Student Unions just need an hour of our time to ask some key questions or half a day before they work out what they want. We're now making changes to the business plan to be ready for October.

SA: So it's our concept? Would that be a telephone interview? Because travel plus 1 hour will be a bit much. Lots of consultancies give half a day as time to be booked.

RL: We were looking at an hour as a quick troubleshooting/advice/direction.

SA: It also gives them an idea if they can work together

AC: WONKHE is a policy briefing organisation which sprung up in the shadow of NUS. Their initial model included an hour long mentoring session. We're thinking about colleagues in tiny SUs, who don't have the digital back up or the money to have a retainer, but they might have the money to have a conversation with us, and then go to their Board to put some things forward and then come back to us. This opens up the market for smaller Unions. The big Unions won't want to buy from us if they can just do it themselves

HS: What are they buying from us?

RL: Plugins, for example our HYS platform to add on to their website

AC: Or for Wildrocket build bespoke - we have products for people to buy, or we can also find digital solutions - we're selling ideas and products

BG: Why didn't they want to form a partnership?

RL: He's keen to be a partner, but he didn't want to sell off a shelf which was the only real option discussed. He likes the consultancy model and knows the products wouldn't be perfect for every organisation.

AC: He's just taken steps to employ 6 or 7 people, and he's got clarity for his organisation, so I admire him for saying that's not who we are - we are the fixers, inventors, problem solvers. The main business is the consultancy, and if these products work, we can sell them.

RL: We're looking at a 70/30 split - 70 being Wildrocket as it's they are creating the products and have more labour time. We come up with the ideas, but they build the product. The next stage is where is the breakdown with staff and costs. Realistically the IT consultancy is all theirs, but we'll be having conversations with Unions about what's coming up, what they could be thinking about etc. If we were to go to a Union, we'd go together in order to have that working relationship - we've got someone with the tech and someone with the union/been there experience.

BG: So this is a Union contract?

AC: There will be a separate business, the contract will be with PSUT, and it will be a partnership agreement with Wildrocket. We're satisfied at the moment to go with a MoU because we've had people waiting for months. We will work out what the Business looks like over the coming months. As long as we're protected we'll go with those first clients with an MoU

BG: How will you deliver more widely?

RL: We're using existing staff

BG: Going forward have you thought about how many universities..?

RL: It's in the business plan. It depends on what Wildrocket come back with in terms of their staffing capacities. We could also sell the retainers for the consultancy

AC: I feel more comfortable with this business model

RL: And there's more opportunity to engage the smaller Unions. Most of the resources is with Wildrocket

BG: There is a lot of engagement to do with contacting the Unions etc. You need to make sure you have the resources.

RL: We have 2 Unions waiting. Went to a digital summit, and everyone was really dissatisfied with their existing providers.

AC: Wherever the lead is generated it all comes back in

RL: There are a few risks. Net income will be £9k for 19/20. There is some reputational damage of those who are waiting for products. Because we've changed the model it might be more time intensive. We're looking at an annual retainer commission and our IP around product innovation is rewarded with annual commission payments

BOARD OF DIRECTORS NOTED THE PSUT BUSINESS DEVELOPMENT UPDATE

6. Finance Matters

6.1 PSUT Management Accounts for note (RL)

RL: PSUT surplus of £142k which was just £1400 under budget. This is down to the events line.

BOARD OF DIRECTORS NOTED THE PSUT MANAGEMENT ACCOUNTS

6.2 Finance & Risk Sub-Committee minutes 11th June 2019 for note and questions (AC)

AC: Main thing to note is that good to see that things are being talked about in both F&R and BoD

BOARD OF DIRECTORS NOTED THE FINANCE & RISK SUB-COMMITTEE MINUTES

7. AOB None

8. Date and Time of Next Meeting
Tuesday 26th November 2019 at 3pm

Minutes Approved: _____

Date: _____