

Marthall Tree Products

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Winter 2016/17 Newsletter

Traditionally I would start by discussing our previous year but the second half was over shadowed by two more important or potentially more important events, Trump and Brexit.

Brexit

Could I say straight away that I hate the word Brexit, I do not know why, I just do. Having now voted to leave, I have a great fear that democracy in this country is about to die a very slow death as those who did not get the result they desired attempt to stop us leaving by whatever method possible. Firstly it was going to be October that we would trigger article 50, then the end of the year, then February and, for now anyway, we appear to be steadfastly saying March. On the day before the vote I was speaking with a couple at the trade counter and I said I thought that the vote would be 52-48, although in favour of remain. As for myself, I voted leave, despite having a French wife and a base in France and all the potential complications we may or may not face with that. I did not vote politically I did not want to see the back of David Cameron or George Osborne. Indeed it made perfect sense to me that Mr. Osborne stay in his post as he would be negotiating with politicians from other EU countries that he had the prior knowledge of dealing with, whereas a new man coming in to the job will not know the characters involved. Having said that, what did happen with Mr. Cameron stating that whatever we decided he would stay to see it through, and then not doing so says a lot about our political figures. Indeed that cow in Scotland, good politician for the Scots she may be, should to my mind now be in the Tower of London for Treason. Let them have another vote by all means but they should have to wait the same length of time, so set a date in 2317.

I voted leave, and I did so for one reason only, to rid ourselves of the EU bureaucracy. Forget immigration issues, the country is too far gone for that. With such a large amount of varied coast line to protect it is an impossible task to stop people arriving illegally. With the talk now all about people's rights to remain, if we are really going to ask all those French, Spanish, German etc to leave then should we not add those from the former commonwealth as well??? The commonwealth holds little of what it once was so as things in the EU have changed and we have to debate sending people home then a debate should also happen regards all other Nationalities. The discussion regarding this is simply a further scare tactic to get a remain vote if we do actually have a second vote. If democracy does end in this country over Brexit then I will go and live in the Isle of Man, who had the sense to not get involved in the first place. I would also not rule out some civil unrest by some so let us hope March means March.

Having decided on a Leave vote what should have happened is that a 'wartime' style coalition should have been formed, with all those in the new government, supporters of a leave campaign, but very much cross party, as we need the very best people to be able to negotiate for us. At the moment we are fielding a team in which half are likely to want to score in our own goal and that is not good for the country at all.

I do feel that whatever the outcome and the level of hardship we may or may not have to endure will be largely decided by our politicians and the Press. Imagine how boring it would be for the media and press if we had of voted remain? As we are still under a very tight budget regime, should we still be sending money to other countries to assist them or should we not instead be asking those countries if they can help us somehow to keep our local services

maintained, libraries etc? One of my team has just received his Tax breakdown of where his taxes were used and was angered somewhat to find that he sent £29 to overseas aid, when you cannot get seen at A & E and large rural areas and some towns have no public transport, because WE cannot afford it!

Trump

Only the people of America could have voted for someone like Trump. Having had two lunatics both called George Bush have they got a third? I struggled to watch one of the head to head live debates, in which, Mr. Trump struggled to put a single sentence together. It was so painful to watch and I was delighted when it was over and couldn't stomach watching another. But since his win is there now some mellowing and toning down of how he is going to be and if he is such a great friend of the Russians this could be a boost for a more peaceful world. We all have to remember that more often than not if the US invades somewhere we have to go as well.

Prices

We have, of course, seen a large number of price increase letters due to the Brexit situation and the initial currency reaction. These tended to be around the 6% mark but the worst was 16%, fortunately on a product we no longer sell. For our part we will be keeping any price rises to a minimum and the vast majority of prices will remain unchanged. Some items which rely heavily on imports, such as plywood and wire will inevitably increase.

Year 26

Well another year passes and we are all a year older. Despite all the uncertainty we ended our year 2.5% up on last year. We continued our improvements with more tarmac on the yard. This means less dust, less bumps for the forklift trucks and, hopefully, a quicker service for you. We have a clear plan for this year, which should see a much larger shop as the end result of a large investment. The team is very excited about this! Sadly we had to say good bye to Paul Smith who worked in the yard and had started to cover for Alan in the aggregates department on Alan's day off. We welcomed Alex Whelen to the team in the yard. As you will probably know we never advertise, other than on our own website, but somehow manage to have a small steady growth each year. We appreciate this is partly down to customers recommending us to others and would like to thank all of you for this. Never a day goes by without somebody turning up having been advised to do so by somebody else and this 'word of mouth' publicity is certainly the best of all.

Looking ahead

Looking ahead we have decided to make some fundamental changes, largely due to requests from customers or as a result of costs incurred or changes made to us. Some of these are very important and will have a direct effect on you so you need to read on.

Over the years a small selection of customers have commented that although they receive a trade price, that a none trade customer spending over £400 as a one off can receive the same price only to be never seen again. With the introduction of our 2017 price list we are changing this. If you are on our system then you will now have a Trade price list, in effect the list you currently receive. We are introducing a new Public, cash sales list which will mean that even if a unknown customer comes in and gets the full 40% discount then they will be paying 5% more than you. We hope that this will please those who wanted this to happen?

This makes it now VITAL that you introduce yourself upon arrival as if you don't or you are not recognized you will end up paying more.

Credit Notes

This leads us nicely into the topic of credit notes. These have exploded in number this year, largely due to customers over ordering safe in the knowledge that we are happy to take things back. Whilst this policy has not changed (except for concrete), what has changed is how our card providers treat refunds. Originally if you bought £1000 worth of goods on a credit or debit card we would pay about £10 in charges, if you then returned £500 worth then we would be credited £5 of those charges. Sometime within the last few years during one of the 'card industry changes' this was changed so that instead of us being refunded the £5 we were charged for it. So a customer taking an order and paying by card and then returning the whole order for a refund (yes it happens) would result in two charges to us for no profit or sale whatsoever, plus a cost for putting it back into stock. We have discussed restocking charges, but the team here have resisted this so in future if you make a return for a refund and you require this refunding by card we will be charging 2.5% for it. If you will take this in cash then there will be no charge. Obviously if it is our error in some way this won't apply.

From 2017 no exchanges or refunds will be done without an original proof of purchase, Sadly we have had a few incidents which have made this necessary like people returning goods which were not bought from us or have been used in some way.

Transport

During the past 12 months I have analyzed our transport costs and revenue. Our delivery service is simply that a service, unlike a haulage company, we are not try to make a profit from it, but by the same token we should not have too much of a cross subsidy either. During the past twelve months to run the three vehicles with two and quarter drivers has cost £100,000 excluding any allowance for depreciation of assets. Revenue from delivery charges came in at £37,000 which left a significant shortfall and two straight choices! We would have to triple delivery charges to allow for further increasing costs and, following discussion with the team it was felt that this would result in the comments of 'Those robbing ba***rds at Marthall.....' or reduce the delivery service. Going back to our charges and I have mentioned this many times before we charge £20 for a delivery to Northwich whereas two of our Northwich based suppliers charge us £80 to come this way which I suppose gives you further evidence that our charges are too low. It was decided to reduce the service and have a much smaller increase in the actual charges to reduce this shortfall. It was with much regret that we entered in to discussion with our two main drivers who had been with us 8 and 11 years respectively about redundancy resulting in one of them accepting an offer for voluntary redundancy. As you will appreciate with 11 years' service this comes at a cost but the savings started immediately. From the New Year we are going to plan delivery runs geographically to minimize dead mileage and hope to improve on the number of drops possible per day, but for now delivery times quoted will be longer than you may be happy with. Having said that, we had not had the best of years, in terms of driver availability anyway. Sadly, Paul had three family bereavements in quick succession and, although Steve had a happier event with the arrival of his daughter Sophie it did result in him missing most of October. So we are not much worse off now than we had been during a good part of the year. We do have an excellent yard team and they are on hand to help you with your collections, so you can avoid delivery charges all together if you wish.

Bank Notes

From the New Year we are no longer accepting none English Sterling bank Notes. This is to cut down on the risk of receiving fake notes as those from Scotland and Northern Ireland are harder to detect.

Fuel cards

Just a cautious note for those of you who may use Fuel cards! We have tried several companies and they all work on the same system. They don't get the fuel any cheaper than you or I. Indeed one company we used sent me a snap shot of his computer screen showing that his company was making a 1p loss per litre on what we bought. These companies have an 'escalator' in place and slowly they increase the price to you by a fraction of a penny each time. Without realizing it you could end up paying as much as 8p a litre above the pump cash price for the privilege of using the card. Forget what they say in the blurb they are ALL the same, the vast majority of all cards end up with the same supplier somewhere.

Bank Change

After 26 years with Natwest they finally made us more than aware that they didn't really want our account. With the last reduction in the Bank of England base rate it is far easier for the Banks to borrow off them than it is use any credit balances business's may have. So having decided to increase our charges 2400% initially, reducing to 500% after discussion we decided to shop around and were given a much better deal by Santander. Indeed the switch went so well I found myself saying that I should have done it years ago.

If paying by cheque please ensure our full title is put as a couple of cheques were returned for having variations of our name, or better still, have you considered paying by BACS, if so... our details are sort code 09 01 29 account number 06655178.

Disruption

With the major work that will be undertaken with regard to our new shop there will inevitably be some disruption. We are planning this as carefully as possible and assure you we will do whatever is humanly possible to keep disruption to a minimum, but assure you it will be worth it.

And finally, from me anyway

I keep hearing about this controversial bedroom tax and although I don't know much detail, it seems ridiculous to me, as do many taxes, to tax somebody for wanting to live in a more spacious environment. Should we all be battery hens then? One tax I would like to see introduced is a garage tax. We build beautiful new modern estates with garages to tuck the cars away only to make that an extra room and dump cars here there and everywhere. So if you don't use your garage for your cars you should be taxed, but only as long as they scrap some others like Vat on fuel, which is already taxed, airline passenger duty and insurance tax. You should never have a tax on something which is compulsory!

Is 2017 going to be a year to be positive? The FTSE has just hit 7200 so somebody somewhere is confident, shouldn't all of us be? Or it may drop a third overnight and I end up eating those very words!

All the best for 2017.

Dave Godsmark.

Managing Director.