1 So you want to run a pub?

The dream of many people over the years has been to give up their nine-to-five job and take a pub or country inn. Their vision was of foaming tankards of ale, of delicious freshly prepared food and customers queuing to get into their car park at opening time. The reality was often very different.

Today, more than ever before, licensed retailing demands specific talents from special people. This applies whether you are a salaried manager, a tenant licensee or the owner/operator of the premises.

Motives

Those who interview for prospective managers or tenants have, with good reason, come to be suspicious of certain sentences from the applicants before them:

- ‘I want to escape from the rat race.’
- ‘All our friends say we’d be marvellous at it.’
- ‘We’re retiring soon and think it would be nice to run a pub.’
- ‘I’ve just been made redundant and decided to run a pub.’
- ‘It’s a business and a roof over our heads as well.’
- ‘My husband has always wanted to run a pub.’
- ‘I’m a senior manager in industry so I certainly should be capable of just running a pub.’
These are the people who do not understand what entering the licensed trade means; such attitudes are unacceptable as a basis for starting out upon a whole new way of life. Sadly, though, we can all quickly think of landlords who have slipped through the net and both they and their customers are suffering for it.

To be successful in the trade, you need:

- dedication to the ideal of customer service;
- to have a burning desire to build your business;
- to welcome hard work and long hours;
- to be able to relate well to customers and staff;
- to enjoy the financial challenge of running a largely cash business where control of that cash and of your food and liquor stocks is critical.

The list could go on but the point we are making is that innkeeping is a complex mix of talents and skills. No one should believe that it is simple and should not expect easy pickings from it. It is a tough, competitive business.

**Objectives**

You need to be honest with yourself as to your objectives in the trade. Are you there to:

- offer a service to the community
- primarily make money
- enjoy a certain lifestyle
- exploit your particular talents for hospitality;

or

- be your own boss?

The best answer may be a mix of all of these and a few more besides; successful innkeepers and publicans are blessed with a similarly wide range of abilities.
Skills

In the not so recent past, the licensed trade was often seen as the home of the amateur. People spoke of ‘retiring and taking a pub’ as though it was something that anyone could do. Happily, this unthinking approach is now much more rare. A good licensee today needs many skills encompassing:

- personnel management to recruit, retain and inspire staff;
- the creation of a hospitable environment for customers;
- financial management to fully understand the way the business operates and to influence the profitability of the business;
- relating to customers and understanding their needs;
- giving first-class customer service;
- marketing skills to attract new custom;
- technical skills to run a good cellar and to operate a kitchen producing quality food punctually and consistently.

If you add to all this the job knowledge required, such as a basic understanding of wine, the law in respect of hygiene, health and safety, licensing, employment, VAT, PAYE and tax, you can see that being a licensee of even the most ordinary backstreet pub is a highly skilled profession.

Increasingly, the licensed and catering trades will be seeking people with qualifications. The introduction of S/NVQs (Scottish/national vocational qualifications) is only one step in that direction.

There are a number of training courses on offer; the larger brewers and pub companies (pubcos as the trade press like to describe them) put their own licensed house managers through extensive training programmes and various organizations regularly advertise their courses for budding or existing licensees in the trade press. Selected colleges and universities are in the forefront of training for all aspects of the ‘hospitality business’.

Ever more important is the National Licensee’s Certificate, awarded by the British Institute of Innkeeping (BII), described later in this chapter under ‘A fit and proper person’.
Experience

However good the training, there is no substitute for experience. It is difficult for an outsider to understand the various aspects of operating an inn or pub without having spent some time working in one. No training course or manual can adequately convince you of how tired you will be during your first few weeks, how long the day will seem or how it will feel behind your bar or in your kitchen for the first time.

A salaried manager with a brewery company or pub operator will have been through not only a training course of perhaps twelve weeks or more but also a period of many months carrying out relief management in a variety of houses. This is invaluable as it allows him or her to obtain practical experience in all aspects of innkeeping but without a long-term obligation to the particular inn or pub he or she is running while the full-time licensee is on holiday. During these periods, he or she will have been under general supervision but will have had day-to-day responsibility for the operation of the business.

Anyone entering the trade is well advised to devote as much time as possible to obtaining this type of experience. Work in a similar establishment to the one you intend running, not for just a few hours but sufficient to give a real understanding of the future business. It may be necessary to work free for a quality operator to get this experience but this is surely better than investing your capital into a business and then finding that you cannot handle it. Working in that friendly pub may look very different from the inside and may well dispel the cosy dream you had as a customer. Most companies when interviewing prospective tenant licensees will expect the candidate to have some worthwhile practical experience in the trade so it really has to be considered an essential part of your preparation for this new way of life.

Health and stamina

In any business, good health is important. If you are self-employed, it is even more so. If you run a pub, your health is critical. In most establishments, the character and personality
of the landlord are significant not only in setting the style and tone of the business but also in relating directly to the customers.

Market research projects tend to highlight the character of the landlord as a major factor in the customer's decision to visit. It follows that the landlord's presence is essential to the continuing success of the business: they cannot afford too many days off for sickness. The long hours, seven-day opening and physical nature of much of the work is tough. Standing behind the bar or working in the restaurant or kitchen, often at high temperatures, is demanding. Of course, work for the owner or manager is not limited to opening hours; there is much to be done before and after customers leave. A twelve-hour working day is quite usual.

So you just have to be physically healthy!

There is another sort of pressure that is put upon innkeepers, particularly those who run their business in a personal way, who are in their premises most of the time and indeed 'live over the shop'. These are often the people who are the most outgoing and are greatly liked by their customers – the 'mine host' par excellence. The total commitment to the business can become overpowering so that, when off duty, there is no escape. Many licensees will tell you that their greatest wish is to 'have their own front door', to be free and away from the public, even for a few hours.

One cannot leave the subject of health without mentioning the hazards of over-indulgence. Most inns and many pubs have food available much of the time. The temptation for the innkeeper to eat too much or at the wrong time is a potential problem. The temptation to drink to excess is even more obvious. Alcohol is readily available, the inn a sociable place and the licensee is expected to be part of it. Few innkeepers are teetotal but the majority drink sensibly. They have to or it could destroy them and their business.

So you need to be not just physically healthy but mentally tough as well!
Temperament

It is hard to generalize about the temperament needed for success in the licensed trade but it helps to be calm in a crisis, even-tempered with awkward customers or recalcitrant staff, clear-headed when making financial judgements and patient when listening to the same often-told story from a regular. All quite saint-like really! But perhaps you will also need a bit of ego when wishing to be the best, a touch of anger when standards fall below your own high standards and total intolerance of staff who do not, after all your patient coaching, understand the importance of customer care.

The great majority of inns and pubs are run by a man and woman team. The stress on a marriage or other personal relationship is often extreme. The demands of the business, seven days a week, can draw them in different and sometimes conflicting directions. In spite of their parents being in the building most of the time, children can sometimes feel neglected. Their parents are torn between the needs of their family and those of their customers and this causes more friction. The lack of privacy, because of the ‘goldfish bowl’ existence, can add to pressures. Most couples row from time to time but innkeepers have to somehow keep it private because nothing is picked up more quickly than an ‘atmosphere’ and this is certainly bad for trade.

The need for each partner to have at least some of the saintly qualities is essential but, as readers of John Fothergill’s *An Innkeeper’s Diary* will know, there is an exception to every rule!

A fit and proper person

To be a licensee as manager, tenant or owner, you need to hold a justice’s licence. Initially, you are likely to be applying to the Licensing Bench of the local magistrates court for a Protection Order (a form of provisional licence) and then for a full transfer of the ‘licence to sell liquor for consumption on or off the premises’. At either of these stages, you may be quizzed by the magistrates on your ability to run the public house named in your application. The police may visit you at home and will
make computer enquiries regarding your possible criminal record. If they find a blemish on your record, then they may well object to your licence application in court. Alcohol-related offences, handling and receiving stolen goods and crimes of violence during the previous ten years would make a successful application unlikely. If you have a conviction, it is much better to declare it and personally speak to the police and, if possible, the Clerk to the Justices, to see beforehand if your application has any chance of success. Even if you have no conviction but are known to have been associating with undesirables, the police may still object and magistrates normally will take full note of their objection. Magistrates are now going further and will often wish to assure themselves that you have sufficient training and experience to be able to run an ‘orderly house’.

The National Licensee’s Certificate was introduced by the British Institute of Innkeeping (BII) with the aim of raising standards of those already running or intent on running a public house. The Certificate is awarded to those who pass the examination covering basic licensing law and the social responsibilities of licensees. Courses are organized in various parts of the country; to succeed in the examination demands commitment and application but it is not in itself overly difficult.

The important fact is that magistrates in many licensing districts are now looking on the National Licensee’s Certificate as a prime factor in assessing an applicant’s merit and in some cases are reluctant to grant a justice’s licence unless the Certificate, or an approved training qualification, is held.

The assessments by the licensing benches may vary in different parts of the country but they all have the aim of deciding whether the applicant is, in the traditional phrase ‘a fit and proper person’ to hold a justice’s licence.

**Appearing in court**

For some inexperienced applicants, appearing before the licensing magistrates may be a daunting experience. Make sure you are well briefed in advance and understand the procedures. Most licensing committees have a policy document which it would be wise to obtain for your own guidance. You may
choose to use a solicitor or a licensed house broker in court. Be appropriately dressed, observe the etiquette of the court, address individual justices as ‘Sir’ or ‘Madam’, speak clearly and confidently.

It is not only for Protection Orders and Full Transfers that you may need to appear in court. Your Justice’s Licence is subject to renewal at the tri-annual licensing meetings (the Brewster Sessions) in February 2001 and three yearly thereafter.

Existing licensees or licence holders in the previous three years of good repute, may benefit from the streamlining of the system when applying to move to a different pub. Such an application for the transfer of a licence may be granted administratively by the Clerk to the Licensing Justices (the person whom the justices rely on for interpreting the law) and granted outside of licensing sessions, thus bypassing the cumbersome Protection Order procedures.

**Rewards**

There has been much in this chapter about the demands of the licensed trade. What of the rewards?

**Non-material rewards**

To be successful as an innkeeper, you have to enjoy what you are doing. Bad-tempered, gloomy people running pubs and inns are almost certain to fail.

- One of the greatest rewards therefore is in doing the job well and experiencing the immediate pleasure of seeing customers happy, satisfied and becoming regular patrons of your establishment.
- There is the reward of a smoothly, professionally run business where you are the driving force.
- You will get huge satisfaction from seeing the team of hard-working staff that you have gathered around you putting into practice all the customer skills that you have taught them.
You will be providing employment, often in a small rural community, and you may well become the biggest employer in the area.

As a successful businessman or woman operating what has become an important social centre, you will have, quite naturally, a certain standing in the community. In a village, you are likely to be as well known as the doctor and perhaps better known than the vicar. The degree to which you wish to involve yourself in the local community is up to you but it may well be bad business to cut yourself off from your neighbours.

If you are a tenant or an owner, you will have the added satisfaction of being your own boss, running your life and your business in tandem. To an extent, you can organize your business to suit yourself.

Most customers who choose to visit you either to eat or drink will be in a sociable mood. If you provide the ambience that pleases them, you will be in the happy position of working amongst cheerful people — a rare bonus for any businessman or businesswoman.

Most successful innkeepers actually like most of their customers. It is often said that a landlord gathers people similar to himself into his pub. This means that, with luck, you may well be surrounded by people whom you would otherwise consider friends and who will be paying money to visit you. A wonderful concept for the frugal yet sociable business person!

Material rewards

It is not possible to generalize about the amount of money a business will make although this book will, we hope, steer our readers in the right direction. There is no guarantee that any pub or inn will make a profit for its licensee. Indeed, a feature of the early 1990s was the desperate struggle of literally thousands of licensed businesses to survive.

However, given the right pub in a good location and skilled professional management, the business should be profitable. Before allowing for loan repayments or rent, an efficient inn or
pub can make a net profit of well over 20 per cent and even as much as 30 per cent of VAT-exclusive turnover. These ratios do not work well with low-taking houses but tend to get progressively better as takings get higher.

Innkeeping is a profession that demands a great deal; the rewards are most often related not just to the effort but to the high levels of skill and flair exhibited by the real enthusiasts. It is not good enough to 'try your best' if your best is not as good as your competitors.