

Frensham Village Shop by Mayonne Coldicott

I want to speak this evening about how the business model for the shop has been turned upside down.

Within FVS we have two totally distinct businesses; the Post Office, and the retail offering. That helps to explain why volunteers are not allowed to handle any Post Office transactions. However, all the staff are employed by Frensham Village Shop.

In 1996, we had 1½ employees. Nothing to do with the Post Office is simple, but essentially, the PO paid a sum which covered the costs of our Post Office Manager, who worked in the mornings, and for half of our Shop Manager's time, as she worked in the PO in the afternoons. The retail side of the business had to create enough profit to pay for the Shop Manager's retail work in the mornings. If it hadn't been for the money coming from the PO, the shop wouldn't have been viable.

This worked well for some years; then with changes in the market, the PO had to introduce serious cost-cutting measures. You may recall a large number of rural post offices were closed, including Sandrock Hill, Churt and Tilford, and over time the PO contribution to salary was reduced relative to the costs of running it. The money given per transaction was trimmed back.

At the same time, FVS retail activity was increasing, and we were under pressure from customers to increase the PO opening hours, especially Wednesday afternoons.

What we now have is the reverse of the initial business model. The Post Office costs are buoyed up by the shop's profits. Increasing the contribution from the Post Office involves increasing significantly the number of transactions we handle – hence our call for all our residents to buy their stamps, return parcels, buy foreign currency, use our counter as an ATM etc. All this will help.

But the value of each individual Post Office transaction is minimal, so what we also need is for everyone who has an interest in the continued good health of the service we offer to support the retail side of the business too.

Next time you come in, please spend a few minutes reminding yourselves of the variety of goods we stock. Look out for the blue labels where Paul is highlighting how we're undercutting supermarket prices. Buy our eggs – always good value. Be tempted by Anne Johnson's delicious home bakes. And look out for our new Loyalty Cards which will be available early next week. Everything you buy will help to ensure the survival of the Post Office in Frensham.

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