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How to stay aloft after the summer

If you are going to survive a long winter with your seasonal business intact, you will have to be creative during the lull

Rachel Bridge Published: 23 May 2010 * Recommend (0)



Soaring: John Randall rents out bouncy castles to keep himself flying high (Julian Andrews)

Go to Wimbledon, to the Reading Festival or even a concert at the O2 arena, and you may see people moving through the crowd, dispensing beer and other drinks through a nozzle from their backpacks.

The backpack dispensers are the brainchild of Joseph Burke, founder of Thirst Solution, which supplies food and drink dispensers at summer events. "Now is our busiest time of the year through to September," said Burke, whose Bristol-based business turns over \pounds 500,000 a year.

Thirst Solution is only one of hundreds of companies preparing for a summer of big events. But seasonal businesses have many challenges.

One of the biggest is how to retain experienced staff when they work for only half the year. According to Andrew Ashley, managing director of Enterprise Plymouth, an enterprise agency, the solution is to find a complementary business that peaks during your company's quiet months.

"Retention of skills in the business is vital," said Ashley. "So, if you can, find something that dovetails with the activity that is variable and keeps the staff on board through the quiet times.

"If you can bombproof your business at all, it is about flattening out the seasonal variations." A business selling ice-cream, for example, might decide to sell cakes and mince pies during the winter.

The other big pitfall of running a seasonal enterprise, Ashley said, is managing your

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cashflow and overheads properly so you have enough left at the end of the year to pay your tax and Vat. He advises keeping any cash surplus generated during the peak times in a separate account.

Whether you can make it work ultimately boils down to your personality. "For some people a seasonal business is the last thing to contemplate because they are just not suited to the downtime and the continual preparation for what might come in a few months' time," said Ashley. "But for other people it suits their mentality and their circumstances really well. Look at your temperament and your circumstances and ask yourself, why this business and why this season?"

For Thirst Solution, the problem of what to do in the quiet months is fast resolving itself. Because 90% of its sales are made over the internet, it is rapidly gaining a foothold in markets overseas, helped considerably by its decision to translate its website into Spanish and German. The company now trades in 45 countries and its sales are growing throughout the year.

However, other seasonal businesses need to take steps to bring in income all year round. John Randall, 20, is all too aware of the fluctuations in activity that can occur when running a seasonal enterprise.

Randall's business, JV Bouncy Castle Hire, based in Basingstoke, Hampshire, sees demand for its bouncy castles soar in the summer — and even more so at weekends.

There are several upsides to running a summer enterprise, he said. "It is really nice because everyone is in a good mood and really happy and welcoming. It is really rewarding."

The turnover of Randall's business during the summer is easily four times that during the winter. To make the most of the van he bought to deliver the castles, he has started to hire out sound and lighting equipment for discos during the winter.

"You have to work out a way of utilising what you have to maximise the opportunities," said Randall, who started the venture, which turns over £30,000, when he was only 16. He runs it while studying for a degree in innovation and enterprise at Oxford Brookes University.

At present, Randall uses the quieter months to update his website and to do administrative tasks such as renewing insurance and keeping his accounts up to date.

It is a quiet time for Gareth Mitchell now. His tree delivery service — Tree2mydoor.com — hits its highs at Christmas, Valentine's Day and Mother's Day. In summer the company, based in Manchester, sees business shrink to a quarter of that in the winter.

"During the times when business is not so crazy we focus on developing the company — developing new product lines and improving the website," said Mitchell, 31, who employs four staff.

"We also analyse the trends in sales volumes and customer feedback and look at acting on any new product suggestions. It means we can continue to be innovative and make sure that our business is one step ahead of anyone else. It is all about preparation and planning."

Nevertheless, Mitchell, who started the firm in 2003 and now has a turnover of \pounds 500,000, admits he does not enjoy the quieter times. Over the past few years he has been promoting the idea of giving a tree as a present for big occasions such as births, weddings or as house-warming gifts.

"We want to make sure we make the most of the strong seasons that we know we have, and we also want to aid the cashflow in the business by aiming to make the most of other life occasions," he said. "I've got to be busy."

What to do during the lull

During the times when

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business is not so

crazy we focus on

new product lines

developing the

Keep all surplus cash generated in the peak months to pay overheads, Vat and tax

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during the quiet months.

Try to find a complementary business that will keep your staff employed during the quieter months.

Analyse your sales figures carefully to work out exactly when your peak seasons occur.

Use the quieter months to catch up on administration and planning for the next season.

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