

An inspiration for success

As Leeds-based Arc Inspirations begins expanding across the Pennines, **John Porter** talks to managing director **Martin Wolstencroft** about how he's built up the company and what the future holds

The irony is far from lost on Martin Wolstencroft that he started his career in the hospitality industry mainly because he found it difficult to get excited about furniture. "The daft thing is I'm now passionate about the bloody furniture," he laughs, patting one of the large wooden tables at the newly-opened Banyan bar in Manchester's redeveloped Corn Exchange.

The new venue is the 13th for Arc Inspirations, the bar and restaurant company founded by Wolstencroft 15 years ago, and marks a move across the border into Lancashire for a business whose heartland is in Leeds. With Banyan's neighbours at the Corn Exchange including casual dining royalty such as Zizzi, Wahaca and Byron, managing director Wolstencroft is focused on what gives Arc Inspirations its edge in such company. "I like to think we're a bar serving food, and at the Corn Exchange all the others are casual dining concepts," he says. "That's our big point of difference."

However, rewind about 25 years to when Wolstencroft was a recent graduate. He says: "I got a job as a sales and marketing executive for an office furniture company. I was bored, I didn't see eye-to-eye with the boss, and I agreed to leave. The landlady at my local pub was short-staffed, so I began working there part-time."

The pub in question was the Skyrack in Headingley, owned at the time by Whitbread and enjoying the dubious reputation of being one of the roughest pubs in a city where that commodity has never been in short supply. The fact that Wolstencroft had played rugby league for the England student team while at Leeds Polytechnic undoubtedly helped his job prospects, and by the age of 22 he was the youngest general manager in the Whitbread business, tasked with turning the Skyrack around.

Having banned the problem clientele, he boosted the pub's appeal to the student community, and to sports teams in particular, "and there came a point at which I realised there hadn't been a fight in pub for a month", he says. The short summation doesn't do justice to what was one of the most successful pub turnarounds ever. "We doubled trade and turned it from an intimidating place into a much more fun, enjoyable place," he adds.



The Skyrack won a range of industry awards, and Wolstencroft was given the chance to earn his operational spurs within Whitbread. He says: "I became a trainee area manager, then an area manager. Back in the day, they started you off as an area manager with the tough pubs. These were community pubs in Leeds, Sheffield and Hull, and the main challenge was getting managers to take them. If they felt safe, you kept the doors open."

Wolstencroft went on to work on the development of wet-led Whitbread brands such as Hogshead, Casa and RSVP, and it was while prospecting potential locations he met property developer Chris Ure, who was lining up possible tenants for a site he owned in Headingley, which had planning permission for a bar and restaurant. The short version of the story is that the two formed a business and opened their first venue, the Arc, on the site in September 2000.

The slightly longer version is that Wolstencroft remortgaged his house and borrowed money from family members to get the venture off the ground. He says: "Never mind the bank, try having to articulate to your parents what a cafe/bar is. We'd be up against the Skyrack, then still Whitbread's biggest turnover pub, as well as Bass Taverns' Headingley Tap and the Original Oak. These were huge, successful pubs."

"However, because those pubs had been so successful over the years with the students, they had become tired and run down. Student pubs tended to get taken for granted by the brewers. I was confident that we could put something different together for the market, and do a good job."

Strong appeal

The Arc was developed with an appeal to higher-spending students as well as young professionals, with a high quality drinks range and a menu that had echoes of brands such as PizzaExpress and Ask, "which was where the casual dining market was 15 years ago", along with upmarket sandwiches. The design was glass-fronted and open, with a strong appeal to female customers.

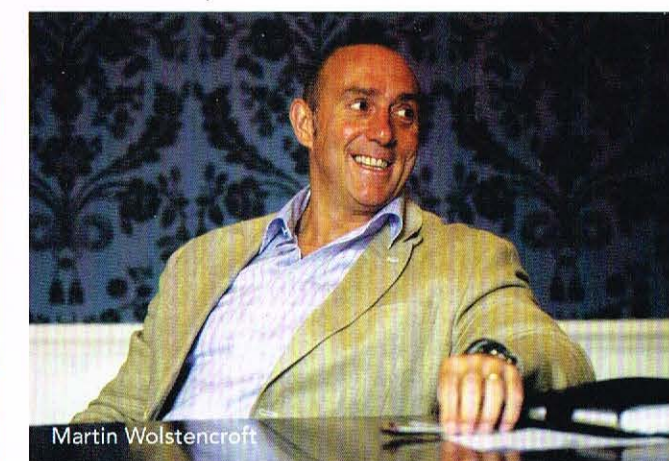
"I knew I could recruit and motivate a fantastic group of people, and give customers something that was different for Leeds, and also put a design together that was totally different for the area, clean and attractive and not just for students," adds Wolstencroft.

"We took Headingley and north Leeds by storm. The Arc took £70,000 in the first week, then £80,000 the next. This was before licensing extensions, when pubs closed at 11pm. We used to take over £10,000 on a Sunday night. It was overwhelmingly wet trade, about 18% food, but that was still a take of £12,000-£13,000 a week on food. We didn't do any discounting or offers, and it was a superb success."

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The history for Arc Inspirations from there looks smooth, on paper at least. New venues opened more or less annually, with the reach extending across Leeds and on to Harrogate and York, with multiple concepts such as cafe/bar Banyan and barbecue brand The Pit alongside standalone venues.

Inevitably though, it wasn't all plain sailing. Arc Inspirations' second venture, a development in a former job centre site in Headingley, fell foul of a well-organised campaign by a vocal group of local residents. Arc eventually won a licensing appeal in the crown court – and somewhat controversially asked the judge to award costs against its opponents. "We were in the crown court for four days and it got very personal and quite



aggressive," he says. "We bought in a QC and we won. It was putting a marker down."

That venture opened as the Box in 2002 and went on to win several awards, as did Arc Inspirations as a company. Expansion continued until the economic downturn, when the focus switched to supporting the existing businesses. "Sales started to calm down, and we also reinvested massively back in the Arc, spending £80,000," adds Wolstencroft. "As well as opening new places, you need to keep your core sites up to the same standards."

With expansion now firmly back on track, Wolstencroft says: "I think licensing and planning are easier, but the competition for sites is now unbelievable. We'd been working on coming to Manchester for some time, and were just waiting for the right opportunity in the right building. The Corn Exchange is a superb location, and we beat a lot of other operators to get the site and location."

Wolstencroft jokes that having been born in Saddleworth, north of Manchester, "it's a beautiful story of a local lad, moved to Yorkshire, done good, moved back home, and opened a bar". More realistically, he acknowledges that Arc Inspirations' reputation in its home county doesn't give it a free pass across the Pennines, but believes being a bar operator among restaurants helped swing the deal.

"There aren't many places here you can just have a beer," he says. "With us, you can have a coffee, gin and tonic, glass of wine, cocktail and, of course, a pint." Alongside craft beers from Thornbridge, Sharps and Manchester's own TicketyBrew, the draught choice includes the more mainstream Coors. "It's important you don't intimidate your customers, and there are a lot of people out there who just want a lager, nothing too challenging," he adds.

As with most of the group's sites, Banyan in Manchester opens at 9.30am for breakfast, and reflects current customer expectations with options such as superberry granola alongside more traditional choices. "People are a lot more health conscious generally, and the young professional market is very conscious of their health and welfare," says Wolstencroft. ◻

Menu exercise

With menu development undertaken in-house, Wolstencroft admits to doing some of his research amongst members of his gym, which has seen options such as sweet potato wedges, quinoa salad and bulgar wheat added as a result. "In each section of our menu there are a couple of healthy choices," he says. "It appeals a lot more at the female market, which of course is where we first stole a march on the competition 15 years ago."

More generally, food is sourced locally. Wolstencroft adds: "We've added some new suppliers in Manchester, but our butcher and fruit and veg supplier have been with us almost from the start, and have grown with us. They're as competitive on pricing as the mainstream catering suppliers."

"The industry needs to work together to get younger people away from their social media and Xboxes, to come out and enjoy what we've got to offer"

With a target gross profit of 70% on food, food sales are 22% of sales across the business, "but we've got some very strong wet sites within that", he says. In Manchester, "I expect food sales to push towards 35-40%", he adds.

The main challenge he sees in expanding the trading area "is investing such a large amount into a new team who aren't yet part of our culture". Arc Inspirations works with training provider Half Full, which is run by Julia Hill, a former colleague of Wolstencroft at Whitbread.

He says: "Whitbread put so much trust in me, and trained me so well. It's very much about the customers and team; if you deliver great service to your customers, everything else looks after itself. The challenge at a new site is getting everyone else



on board, but we've got a good reputation and have recruited some good people."

Other challenges for the business will be familiar to every operator targeting the younger market, and students in particular. "The biggest change we've seen is social media," he adds. "When students finished their college day, they used to come out and have a drink. If you had to meet someone, you met them in the bar or pub. Now, they know where everyone is, because they're all on social media."

"We want people to get out, go to bars and restaurants, and enjoy themselves. The industry needs to work together to get younger people away from their social media and Xboxes, to come out and enjoy what we've got to offer."

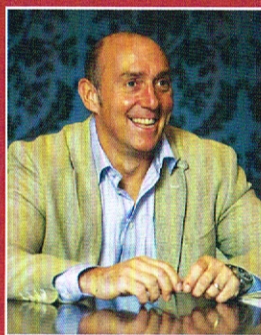
For Arc Inspirations, the next phase of expansion should see the business trading at 20 sites by 2018, including a Banyan "on a flagship site in the centre of Leeds", along with a £300,000 refurbishment of Banyan in Harrogate. Wolstencroft adds: "Beyond that, we're looking for sites across the north. Operationally, it would make sense to look at another couple of sites in and around Manchester."

As well as checking the tables at Banyan in Manchester, when I meet him during the soft launch of the bar, Wolstencroft takes time out to greet me from the job of rejecting a four foot high pot plant being delivered by a supplier, on the grounds that the leaves could be too scratchy for customers. Few industry managing directors are quite so hands-on.

"The success of our business is down to the fact that we intensively manage our sites, we obsess about the detail," he says. "All the staff love their job and every customer has a fantastic experience. You only get that if you've got the right people in place, you stick very close to the business, and you're right on top of it." ■

Martin Wolstencroft, managing director, Arc Inspirations

■ **Favourite Book:** No White Flag – Jamie Peacock's autobiography, an inspirational story of a skinny lad being told he'd never be good enough, culminating in him leading the Great Britain rugby league team to a historic series whitewash against New Zealand and winning every honour in the game



■ **Favourite Film:** The Great Escape – brings back so many fond memories of watching it with my son curled up on the settee when he was young

■ **Favourite beer:** Thornbridge Tzara – a great beer brewed by great people

■ **Favourite place to eat:** La Soucoupe – on the slopes above Courchevel, sitting in the sun on the terrace with magnificent views of the mountains, enjoying a nice long lunch with a bottle of Gevrey or two, laughing about the morning's skiing and the previous night's antics with the ones I love

Arc Inspirations

Founded: 2000

Trading areas: Leeds, Harrogate, York, Manchester

Brands: The Pit, Banyan, plus standalone concepts

Staff: 400

Turnover:

2013/14 – £14.4m

2014/15 – £16.7m – this is projected as rising to £19m and 500 team members in 2015/16

2015/16 – £19m (projected)