

## Tate acts over price pressures

TATE & LYLE yesterday said it had increased the price of corn sugar by up to 20% in a move that could mark the beginning of a fresh round of price rises for a range of products from soft drinks to bread.

The ingredients manufacturer said it had been forced to raise the price of corn sugar to maintain its profit margins after a 40% rise in the cost of corn over the past year.

Corn sugar – also known as high fructose corn syrup – is a cheaper alternative to sugar and is used as an ingredient in many types of food and drink, such as carbonated drinks, salad dressings, condiments, bread and cereal bars.

The rising price of corn sugar is the latest in a string of commodity price rises that have squeezed consumers' spending power in recent months, after cotton doubled in price in the past year, and wheat increased by 40%, adding 10p onto the cost of a loaf.

The consumer prices index measure of inflation increased to 3.7% in December and Bank of England governor Mervyn King warned it could hit 5% this year as strong demand from emerging economies drives up the price of commodities, including food.

Updating on the final three months of 2010, Tate, which last year sold its sugar businesses – including its Tate's Golden Syrup brand – said the rising cost of corn would tie up more of its money and slow its debt repayment plans.

The company, which also makes sweetener Splenda, said it has started to increase profit margins in its industrial starch business following last year's poor potato harvest.

Tate reported increased sales at its speciality food ingredients unit, which makes Splenda and other starches. There was also strong demand for liquid sweeteners from Mexico, which helped boost its bulk ingredients division.

Chief executive Javed Ahmed said he expects the group to continue to make progress over the first three months of 2011.

Analysts at Panmure Gordon increased their profits forecast from £495m to £535m for the year.

# Jardine's jumping for joy as trampoline idea is a winner

AN entrepreneur is to share his trade secrets after creating a leading trampoline retailer at a surplus warehouse.

Pembroke Dock-based Atlantic Trampolines which launched in 2005 and achieved an annual turnover of more than £1.2m within three years, supplies thousands of trampolines to households and businesses throughout the UK.

The enterprise sprang from a spare unit becoming available at a cheese maturation warehouse operated by Atlantic Industries and managing director, Andrew Jardine, identifying a niche market that would lead the company onto award-winning success.

Mr Jardine will now be talking about the business at a Chartered Institute of Marketing (CIM) event taking place in Aberystwyth on Wednesday, February 9.

"The spare unit at the warehouse was ideal for housing bulky products, like trampolines, and after conducting

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## BUSINESS WAS BUILT UP AFTER IDENTIFYING NICHE MARKET

market research, we discovered that there was a real thirst for this type of product and an opportunity we wanted to exploit," he said.

With an estimated three to four million trampolines installed in UK gardens and no major UK trampoline presence online, there was a gap in the market for Atlantic to make a sizeable turnover from not only the new products, but through the supply of spare parts and trampoline accessories.

Prior to the launch of Atlantic Trampolines' website in 2006, the business used eBay as a marketing tool to promote its product in the most cost-effective way possible. And, the brand continues to use eBay as one of its sales channels.

Mr Jardine explained: "In a relatively short time Atlantic Trampolines has built a strong brand by concentrating on what the customer requires, providing a quality product at a competitive price, and supported by remarkable customer service."

"From the start we knew we wanted to develop a brand that would be the reference brand for garden trampolines, so there would be no reason for people to buy elsewhere."

"We developed a recognisable and memorable logo and our strap line 'serious about fun', reflective of trampolines being about fun but also about health and exercise."

"We recognised the perceived safety issues but from the beginning our standard product

has been sold with a safety enclosure. We are also members of RoSPA (Royal Society for the Prevention of Accidents) and supporters of the Child Accident Prevention Trust.

"At the end of last year we won a CIM Canmol: Wales Marketing Award, which was a great achievement for us and has helped raise our profile. It was like a rubber stamp from the professionals which means, as far as marketing is concerned, we must be on the right track. I would recommend companies to enter, to enthuse your staff and aim for marketing excellence."

"Our plan for 2011 is to grow our market share. We've just launched our new website and will shortly introduce some new products. We also have a very interesting innovation, which will be revealed in the next couple of months."

"Trampolining is believed to be a great form of exercise, so we're hoping to widen the appeal of trampolines as a very

useful piece of fitness equipment in order to target a range of age groups. We also have plans to introduce a trampoline installation service to other parts of the country, something we only do at the moment in Pembrokeshire."

"The best piece of advice I could give to any aspiring entrepreneurs is to create a happy customer who goes away smiling. Never underestimate the power of word of mouth. Happy customers will tell their friends who will in turn tell other people and your business will snowball – we have nearly 12,000 positive feedbacks on eBay and no negatives, which speaks volumes."

■ "Put the bounce back into your business", a Chartered Institute of Marketing (CIM) event, is taking place from 12.30pm at the MedRus Conference Centre, Aberystwyth University. For more information go to [www.cim.co.uk/38396](http://www.cim.co.uk/38396) or call 01628 427 340



■ Andrew Jardine created a successful business, Atlantic Trampolines, after identifying a niche market. He achieved a turnover of £1.2m within three years

## 'Vital' small firms urged to work more closely with local authorities

SMALL businesses in Wales need to work more closely with unitary authorities to exploit business support as well as better position themselves to win contracts.

The Federation of Small Businesses (FSB) described small businesses as being vital to the

well-being of local areas and councils and councillors need to work with employers to ensure the best for their constituents.

Janet Jones, Wales policy chair of the FSB, said: "As employers of local residents and the driving force behind local companies, small businesses

are integral to the health and vitality of local communities. If local businesses decline, then neighbourhoods degenerate and Welsh GDP suffers."

"Local authorities therefore have a direct incentive to support not only the creation of new enterprises, but existing busi-

nesses too. While a good council helps underpin the process of wealth creation, it is the private sector that creates this wealth."

The FSB said in some areas, local authorities and businesses have close and effective working relationships. However, it added that often small busi-

nesses feel like silent taxpayers: contributing greatly but with little voice in the future of the community."

Simon Evans, spokesman for the FSB in Wales, said: "For many SMEs, the public sector procurement marketplace represents excellent, beneficial and sustain-

able business opportunities. Using SMEs is cost efficient, as they have fewer overheads than a larger business, a quicker turnaround time, and greater flexibility. Procuring with SMEs makes good economic sense, good business sense and fits with regeneration objectives."