

GUIDANCE TO HOME NEWS DELIVERY RETAILERS AND ROUNDSMEN



Introduction

Home (and Business) News Delivery (HND) is a way that retailers can expand the sales and profit potential of their business, without having to increase the physical size of their premises. Not only does HND provide the opportunity to achieve higher sales, across a much wider area than might be possible through counter sales only, but a pre-ordered home delivered copy is also a guaranteed sale. There are no unsold return copies to manage (and seek credit for) and very little volatility in terms of managing an ever-changing standing order that typifies counter sales.

However, a Home (and Business) Delivery Service does not come without a price, both in terms of effort and cost. For instance, HND normally involves work during unsocial hours from very early in the morning. It may mean having to employ additional staff and, invariably, there will be a few problem customers who may take their time in paying your bill.

It is absolutely vital, therefore, that you operate your HND business on a commercial and professional footing. Whilst it is nice to claim that you are providing a valuable service to your local community (and, no doubt, you are), ultimately you are in business to make money to provide a living for you and your family. No one expects you to run HND as a charity.

This Best Practice Guide contains everything you need to ensure your home news delivery service is as profitable as it can be. Alternatively if you are considering starting a news delivery service this guide has information on managing delivery charges, canvassing for new customers, recruiting delivery staff and how best to control your cashflow.

The Guide also explains NFRN Homelink and how it can provide vital help in providing you with additional delivery customers – all at no cost to you! NFRN Homelink, not only provides a vital service to HND retailers, it comprises leading experts in the field of home delivery and can provide you with the best possible advice on making the most out of your HND business.

We hope that you find this guide to be both helpful and informative. Home News Delivery is something that benefits the entire news industry (as well as consumers) and provides a very valuable opportunity for all sides of the industry to discuss supply chain issues. Through working together, with regular contact and feedback from HND retailers, we can continue to ensure that home news delivery remains a profitable part of your businesses.

GUIDANCE TO HOME NEWS DELIVERY RETAILERS AND ROUNDSMEN

Table of Contents

Introduction

Getting More Profit from your Home News Delivery Business

Terminology

Home News Delivery Calculator – How much can it be worth?

How many deliveries are made to that customer on a weekly basis?

What titles are delivered to each address?

Distance from your shop.

How often does the customer settle their account?

Staff

Service Charge Review

Don't be afraid to increase your charges.

Managing Bad Debts

Promoting Your Home News Delivery Service

Third Party Advertising Inserts Scheme

Why You Should be Registered with NFRN Homelink

Recruitment of Delivery Staff

Advertise in your shop window

Leaflet Door Drops

Advertising Using your Existing Staff

Youth Organisations/Youth Clubs/Local Senior Schools

Local, Regional & Free Press

How to get the most from your News Deliverers

A Few Important Legal Things You Need to Know (and comply with)

At what age can children work?

What is "light work"?

Employment permits

Hours of work for children aged 13 and 14 years

Hours of work for children aged 15 years until they are no longer of compulsory school age

Recruitment of Adult Labour

Supermarket Notice Boards

Job Centres

SHOP SAVE GUIDELINES

What are Shop Saves?

Why should you consider Shop Saves?

How to start a Shop Save service

DELIVERING SAFETY

Getting More Profit from your Home News Delivery Business

For a Home News Delivery Service to operate professionally and profitably, a realistic Service Charge is essential. Your Service Charge should cover all of the costs you have in order to deliver to your customers. It should also allow you to operate an efficient and reliable delivery business that has potential for future growth.

Terminology

The term 'Delivery Charge' is still the most common when retailers talk to their customers. However try using the term 'Service Charge'. This has a much wider meaning and will help make consumers to be more aware of all of the costs that you have.

Remember you know how much work and costs are involved but your customers probably do not. When setting your Service Charge you should consider the following costs:

- Delivery Staff Wages
- Accounts Ledgers (Your Huggler System)
- Delivery Bags and Trolleys
- Deliverer Safety Equipment
- Computer Systems
- Customer Bad Debts
- Fuel and/or Transport Costs

Home News Delivery Calculator – How much can it be worth?

To help you calculate your service charge the NFRN Homelink website (www.nfrnonline.co.uk) has a hyperlink to the Daily Mail's electronic Home News Delivery Charge calculator. It is simple to use for those with internet access.

For those without internet access, the simple calculator below will calculate the annual cost of running your delivery service and then calculates what your average Service Charge per customer should be.

The calculator below is only a guide to what your customers should pay. Ideally you should set an individual charge for each customer. When doing this you may want to consider the following points.

	Weekly	Yearly
Deliverer Wages		
Fuel/Transport		
Huggler System		

Computer System		
Newsbags, Trolleys		
Other		
Total Annual Cost		(To work out your annual cost, simply multiply your weekly cost by 52)
Total Weekly Cost		(Your total weekly cost is your total annual cost divided by 52.)
Your Number of Home News Delivered Customers		
Your Average Weekly Service Charge per Customer		(Your total weekly cost divided by your number of Home News Delivered customers.)

How many deliveries are made to that customer on a weekly basis?

You could charge each individual for every delivery made to their address each week. Some retailers set a minimum Service Charge, even if only one delivery is made per week.

What titles are delivered to each address?

With the increased weight of newspapers, especially at weekends it is becoming more common for retailers to charge a premium delivery weight for titles such as The Saturday Daily Telegraph and The Sunday Times.

Distance from your shop.

Some retailers set different rates for delivery based upon distance from their shop. This is especially relevant if you drop the round off at the deliverer's home by car. Remember this is an extra fuel cost for you.

How often does the customer settle their account?

Some retailers charge a surcharge for accounts that are overdue by 4 weeks or more to cover their costs. This should encourage your customers and prompt regular payments. You may want to offer customers a discount if they pay weekly or by standing order/direct debit.

Staff

It is a good idea to make sure all of your counter staff and your delivery staff knows your Service Charge and the reasons for any increases. They can then inform your customers effectively if the customer raises any queries.

Service Charge Review

In order to maintain the best possible service we recommend that you review your Service Charge every six months. At a minimum you should review it annually.

Don't be afraid to increase your charges.

It can be a difficult decision. However you must make sure that your delivery service is profitable and a benefit to your business. Most customers are prepared to pay more for a professional and reliable service. Some customers may decide to stop but in the long term you will gain more new customers through an improved service. You will also be able to offer delivery staff an improved wage, they will become more reliable and again your service will be improved.

A Retailer's View

“When I brought my shop I was paying for the delivery service, something had to be done. I increased my service charge to £1.10 from 55p. This not only covers the cost of delivery but I can also pay my staff a better wage. This keeps the staff motivated, which in turn means a better service - all of which leads to more happy customers”.

Managing Bad Debts

Unfortunately, bad debts are a fact of life for any business that supplies goods or services to consumers on credit. Whilst, as already mentioned above, bad debts can be minimized through incentives for early payment and penalties for late payment, your regular attention is needed to ensure that bad debts do not get out of hand. In general, the longer you allow a debt to accumulate the more difficult it will be to recover without an unpleasant dispute with your customer, or even having to resort to Small Claims Court action.

Though not a legal requirement, you may find it beneficial to draw up a simple *Terms and Conditions of Business* document that you provide to new HND customers that can act as a positive advertisement for your business (Explaining the Goods and Services that you provide) but including the Terms and Conditions of Business (including payment requirements) where Home News Delivery is provided.

There are no hard and fast rules on how long customer debt should be allowed to extend as this will be affected by the type of area in which you operate and the nature of the customers you serve.

Ideally, you should aim to encourage your customers to pay their bill frequently, ideally, weekly. Not only will this minimize the impact on your cash flow/bad debts, but by encouraging customers to frequently visit your shop they may be encouraged to make other purchases whilst paying their bill.

Conversely, your HND customers may be mainly business professionals in a suburban area who pay monthly by cheque. If this is the case, ensure that your delivery charges reflect this adverse impact on your cash flow. Send out monthly accounts on time,

chase outstanding accounts that have not been paid within 7 days and do not be afraid to stop the delivery if the account is still outstanding 7 days after the reminder.

Promoting Your Home News Delivery Business

A key feature of a profitable Home News Delivery Service is “density”. In other words, whilst it can be expensive to deliver to just one or two houses in a street that service becomes less expensive if you can persuade more customers in the same area to sign up to your delivery service. As mentioned later in this document, all Home News Delivery Retailers are encouraged to register with NFRN Homelink to take advantage of their telephone canvassing service, but NFRN Homelink can also provide free letter box canvassing leaflets that you can use to advertise your Home News Delivery Service to those households who do not currently take your service.

Initially, you may wish to incentivise your HND staff to deliver the leaflets to letter boxes on their delivery rounds, perhaps on their return journey at weekends where time may be not quite so critical. Leaflet canvassing should then be followed up personal visit from you. Mention the leaflet that was delivered a few days earlier and ask customers if they would like to take advantage of their delivery service. Don’t forget to mention that you can add magazines to their delivery as well as newspapers, but ensure that you leave sufficient time before commencing the order to allow you time to order additional copies from your wholesaler.

Don’t forget to use your shop window and a prominent in-store advertisement (ideally close to your newspaper display rack and/or near the till) to advertise the fact that you provide a Home Delivery Service for newspapers and magazines.

Third-Party Advertising Inserts

Following representations made by the NFRN, all national newspaper publishers have entered into a scheme that makes a payment contribution to registered retailers who home deliver Third-Party Advertising Inserts. This scheme recognizes that additional Third-Party Advertising inserts add weight to newspapers that then requires additional resources to home deliver at greater cost. Mail Newspapers’ scheme is based on the cumulative weight of inserts whose total weight exceeds 69g. Other newspaper publishers’ schemes pay on individual inserts exceeding 69g. In all cases a weight-based table then determines the amount of payment. Payments are made automatically to registered retailers through wholesale accounts quarterly in arrears.

To receive payments for delivering third-party advertising inserts, retailers must register with their newspaper wholesaler(s).

The third-party advertising scheme includes an annual inflationary review element, including such issues as increases in the National Minimum Wage.

Why You Should be Registered with NFRN Homelink

NFRN Homelink is an initiative that has been devised by the National Federation of Retail Newsagents in co-operation with Distribution Verification Systems (DVS) Ltd

and financially supported by all the national newspaper publishers and a growing number of regional publishers.

NFRN Homelink started by a telephone calling operation to every news retailer in the UK to find out those that operated a home delivery service. Those that confirmed that they provided HND were invited to register with the scheme and provided details of the physical area that they were prepared to do home delivery. Each retailer's details and the precise street-level geography of their delivery territory have been electronically mapped and, currently NFRN Homelink has a database of 13,500 HND retailers and roundsmen.

Phase 2 of the NFRN Homelink initiative was to trial and then roll out a programme of telecanvassing to consumers by post-code territories. Over time, the scale of outbound canvassing has been stepped up considerably, delivering well over 2,000 new Home delivery orders from consumers each week.

In addition to Outbound telecanvassing, individual publishers are also advertising HND within their newspapers and websites, thereby generating useful additional inbound orders.

NFRN Homelink can (and already has) also provide valuable assistance to retailers looking to start up a home delivery service for the first time. As well as this useful guide, NFRN Homelink will provide canvassing leaflets, free of charge to the retailer, for the retailer to distribute to consumers and businesses in their local territory. By following up this leaflet drop by a personal visit to each household, a number of new HND businesses have been created and are expanding rapidly.

Although still in an early trial phase, NFRN Homelink is also looking to expand into HND for magazines. A number of key magazine publishers have shown key interest and early trial results are showing encouraging numbers.

Consumers requesting home delivery are advised of the available Homelink Retailers in their area and are free to choose which retailer fulfils the supply. Similarly, whilst we hope that Homelink retailers will accept most, if not all of the orders, offered to them, they are not obliged to grant supply to any individual consumer if they have compelling reasons not to do so. The consumer is simply passed on to another retailer, if available.

Inbound activity is also being expanded through an NFRN Homelink website, together with individual websites for each newspaper publisher, all managed by DVS Ltd. On-line ordering for Home News Delivery (supported by publisher advertising) will gain increasing popularity in the future. NFRN Homelink has the capability and the technology to manage this **now**, ensuring that, whatever way consumers want to order home delivery for newspapers (and magazines) in the future, NFRN Homelink will be at the forefront of capturing this business on behalf of NFRN Homelink retailers and roundsmen. To register with NFRN Homelink, or simply to find out more, Telephone 0870 160 8552.

Recruitment of Delivery Staff

There are many issues facing retailers when it comes to recruitment of home news delivery staff. An appropriate Service Charge is essential to ensure you can fund and attract reliable, professional delivery staff. Remember it is your business that they are representing and the service they provide reflects on you. Traditionally boys and girls have always delivered paper rounds before they go to school. Recently with changes to legislation and with children having more pocket money to spend recruiting reliable staff has been more difficult. However there are still many children who want to work and earn some money. The following are some suggestions for recruitment:

Advertise in your shop window

Any poster or display needs to be bright and eye catching, but should not depict the job as just being a bit of fun. Make sure it invites prospective applicants to apply in the shop. Some retailers don't like to mention rates of pay, but if you state only the minimum rates then none of your existing staff will be offended. The people you are trying to attract may show no interest unless they are given some idea of what they could expect to earn.

Leaflet Door Drops

Another method of recruitment is to distribute a flyer in the delivery area where the vacancy exists. This could be a smaller version of the window poster. Why not use your existing delivery staff and put a leaflet through each house where you currently deliver a newspaper.

Advertising Using your Existing Staff

Your existing delivery staff is often one of the best methods of recruitment. They often know of school friends that may be interested in earning some extra money. You may want to offer your existing staff an incentive or bonus for successfully recruiting a new member of staff.

Youth Organisations/Youth Clubs/Local Senior Schools

It is often a good idea to approach the leaders of local youth clubs and organisations, or even the manager of your local leisure centre or Headmaster of local Senior Schools and ask them if you can put up posters on their notice boards.

Local, Regional & Free Press

Some regional and local newspapers offer to advertise for news deliverers on behalf of newsagents. This service is often without any charge to the newsagent. Check whether those in your area do.

How to get the most from your News Deliverers

Teenagers may have a mixed reputation, but if you treat them with care and attention and talk to them as adults they are more likely to behave like adults and become a valuable asset to your business. With only a little effort on your part, you can demonstrate to your news deliverers that you care about them if:

- You don't talk down to them – but treat them with the same respect as you would an adult.

- Try to make sure that working for you is as easy as possible – if possible, prepare the rounds sheets the previous evening, listing the number of papers to be delivered and the rounds addresses in order. Explain any changes to the news round to the deliverer in the morning – this will minimize any mistakes.
- Encourage your deliverers to be socially aware – closing gates after them, respecting your customers and the customers' property and reporting any concerns they may have about the welfare of any elderly customers.
- Encourage your news deliverers to understand that the people they deliver to are not just your customers, but THEIR customers too. The reputation of your business can be made or ruined by your news deliverers.
- Ensuring your deliverers' health & safety – regularly check their bikes for road worthiness, encourage cycling proficiency, insist on their use of helmets and reflective clothing. Do risk assessments on their rounds to minimize road crossing and avoiding back entrances and dark passages. Give advice on speaking to strangers and dealing with dogs, and give personal attack alarms to any female deliverers. Advise against accepting cash from customers at the doorstep.
- Do not over-burden your news deliverers with heavy bags that could cause injury or longer term health problems. No more than 15kg is recommended for adults and this may have to be reduced to 9kg for juveniles, depending on their age and physical stature. Supply them with trolleys or cycle panniers if applicable.
- Ensure that you charge sufficient HND charges to your customers so that you can reward your news deliverers with a decent wage that reflects their efforts and their value to your business.
- Make sure that all of your news deliverers are properly registered with the local Authority.

A Few Important Legal Things You Need to Know (and comply with)

As an employer, you are responsible for the Health & Safety of the Staff you employ and you will need to be familiar with the appropriate legislation and, where applicable, Local Byelaws. NFRN Homelink is, in particular, keen to safeguard the well-being of juveniles employed as news deliverers. The following is a brief summary of your legal obligations as an employer of juveniles. Further guidance on News Deliverers' Safety is included at the end of this document. These are the key points that you need to be familiar with to stay on the right side of the law:

At what age can children work?

Children may do light work from the age of 13 years until they are no longer of compulsory school age.

What is "light work"?

Light work means work which is not likely to be harmful to the safety, health or development of children and is not harmful to their attendance at school or participation in work experience.

Employment permits

Employers are required by law to register any children who work for them (whether paid or unpaid).

They must complete an application for employment form (which the parent of the child must also sign) and send it to the Education Office of the Local Authority. An employment permit may then be issued for the child to carry whilst working.

An employer can be prosecuted for employing a child illegally. In addition, the insurance which the employer must have for his employees may not be valid.

Employment may only take place between 7am and 7pm.

Hours of work for children aged 13 and 14 years

- 2 hours on Sundays
- 2 hours on school days (either one hour before and one hour after school, or two hours after school)
- 5 hours on Saturdays
- Maximum 12 hours per week during term time
- 5 hours daily during school holidays but not to exceed 25 hours per week

Hours of work for children aged 15 years until they are no longer of compulsory school age

- 2 hours on Sundays
- 2 hours on school days (either one hour before and one hour after school, or two hours after school)
- 8 hours on Saturdays
- Maximum 12 hours per week during term time
- Eight hours daily during school holidays but not to exceed 35 hours per week

Any child employed must have a rest break of not less than one hour following four hours of continuous employment and during the year have at least two consecutive weeks in the school holidays which are free from work

Recruitment of Adult Labour

The recruitment of adults for delivery staff positions has become increasingly popular with many newsagents. Using adults can help to overcome many of the restrictions and legislation that applies to the employment of young people. However adult labour is more expensive. You can help finance this by ensuring you set a realistic service charge to your Home Delivery customers. However your advertising needs to be designed to attract adults and make sure they have all the information they need. Applicants will want to know full details of what the job involves the rate of pay and any other conditions. Remember that if you are employing adults there may be National Insurance and Tax implications as well.

In addition to the many ways of advertising we have already suggested when advertising for adult deliverers you may want to consider:

Supermarket Notice Boards

Place a postcard advert on the notice board of local supermarkets. There is always someone reading the postcards when you visit a supermarket.

Job Centres

It is worth letting the local job centre know if you have an adult vacancy. The position may be of interest to retired adults, ex milkmen, postmen, shift workers, students and pensioners.

We hope you found our guide useful and informative. This contains only a selection of the Home News Delivery support and services Mail newspapers can offer. To find out what else we can do to help you develop your Home News Delivery business please call our BLUEPRINT retailer helpline to arrange a visit from your Mail Newspapers Area Sales Manager: **08000 154 155**

SHOP SAVE GUIDELINES



Is There an Alternative to HND without Losing Guaranteed Sales?

In a word, yes. It is recognized that in some areas it is simply impossible to recruit delivery staff, or there may be other reasons why HND is not a viable option in some locations.

The next best alternative to HND is “Shop Save”, or, these days, sometimes known as “Just Ask!”

What are Shop Saves?

Shop Saves is what we call a retailer's customer ordering service. You can't stock every newspaper and magazine title that is published in the UK, but you can access over 3,000 titles for your customers. Why not offer your customers the chance to place a regular order with you through Shop Saves?

It's simple. Find out what newspapers and magazines they want, order them from your wholesaler and the customer comes to collect them.

Why should you consider Shop Saves?

Offer great customer service.

Supermarkets and large retailers may not stock the range of magazines you can, or offer an ordering service. Make the most of being independent and offer this service to your customers.

Cater for a wide range of customers.

Specialist titles can be difficult for customers to find. Make it easy for your customers to get the magazines they want.

Help your customers keep their partwork collections going.

When partworks go firm sale, they can be more difficult to get hold of. It will help your customers if they can easily order future issues from you.

Get customers into your shop.

Remember – if a title ordered is weekly, the customer will visit your shop a minimum of 52 times a year! If the Shop Save is for a daily newspaper, think of all the impulse and additional purchases that could generate

Make a great profit.

The profit margin on magazines is 25%. That's better than other categories such as food, cigarettes and confectionery.

How to start a Shop Save service

Advertise!

Put up posters, point of sale and shelf talkers, telling your customers you offer this service. We've even designed two posters for you and a simple shelf talker.

Advertise in the local paper or do a local leaflet drop. Save money by designing a

simple flyer on your PC. If you run Home News Delivery, include a leaflet or flyer with deliveries.

Take orders

Set up a simple system for you and your staff to take orders from customers – this can be a simple order form for your customer to fill in and hand back to you. You can download one from the ‘Downloads’ section below, or design and print your own.

Include your own **Terms & Conditions**, which you should get every customer to agree to and sign so you don't lose out through uncollected copies.

Take customer details

You'll need name, address, and telephone contact numbers and details of the title the customer wants to order. Give the customer a copy of your Terms & Conditions, and explain how to collect their order.

Details for each title can be found in a magazine directory if you have one, or by looking up titles on Connect2U or the National Title File (www.nationaltitlefile.co.uk). You can also get title information from your local customer services team.

When a customer has placed an order, order the magazine from your wholesaler as soon as possible.

Managing collection and payment

Decide whether to collect a deposit from each customer or collect a certain number of payments in advance. This will protect you from potential losses if the customer does not collect the magazine

Let customers know that if they don't collect the magazines from you, you will only keep a certain number before cancelling the order e.g. 2 issues and include these rules in your Terms & Conditions

Ask customers to notify you if they will be on holiday, or if they can't collect their order

Think about where to keep Shop Save orders. If you only have a small number, you could keep them behind the counter or in the back office. If you have a lot, you will need somewhere accessible to all your staff where you can keep orders.

Keep a track of customer details, orders and payments in a book or filing system.

Acknowledgement

This NFRN Homelink Guidance to Home News Delivery Retailers and Roundsmen, is derived in large part from original materials produced by W H Smith News, to whom grateful thanks are extended

Ensuring Your News Delivery Staff are Safe in their Work

Delivering Safety

The Health and Safety at Work Act 1974 and the Management of Health and Safety at Work Regulations

1992 require you to have a risk assessment for newspaper deliverers in place before you employ them and seek to ensure their safety whilst in your employment.

All news deliverers must be registered with the local authorities and when required an official employment permit must be obtained by the newsagent.

Ensure all news deliverers read and understand the N.F.R.N. 'Delivering Safety' leaflet. Get parent to sign a copy and return to you.

Issue a Statement of Employment to each news deliverer and ask parent to countersign.

Encourage news deliverers to take a cycle training course (contact local authority).

Make it a condition of employment that if news deliverers are using bicycles, the following requirements are met:-

- Always use front and rear lights when it is dark.
- Always wear high visibility conspicuous clothing whilst doing deliveries.
- Always wear a cycle helmet approved to BSEN 1078 1997, BS 6863 1989, Snell B95.
- Keep their bicycle in good working order.

Institute a simple periodical bicycle check list and test/examine; tyre pressure, tread depth, lights (front and rear), brakes (front and rear), batteries.

Ensure news deliverers never wear a Walkman or rollerblades whilst on rounds.

Provide delivery bags and waistcoats/jackets with fluorescent and reflective strips.

Provide personal attack alarm or whistle.

Install a numbered bag system with list of parent contact numbers.

Encourage news deliverers to return to shop to 'sign off' or institute a safe return system.

Reduce weight of paper bags to 15kg (35lbs) or less.

Advise news deliverers to avoid accidents by; not sliding fingers along edges of newspaper/magazine bundles, when cutting bundles open beware of binding strip springing open, always use scissors to open but never allow news deliverers to carry with them on rounds.

Draw up safe routes and arrange rounds to avoid:- zigzagging across main roads, badly lit areas, busy roads and junctions, shortcuts through woods and wasteland. Review routes frequently.

Make your news deliverers aware of dangerous situations on their rounds; vicious dogs that may be loose in gardens, or could bite a hand entering the letter box, highly sprung letter boxes, springs on gates.

Contact your local crime prevention and road safety officer for further safety advice.

Any major injury incurred by the news deliverer must be immediately reported to the Environmental Health Officer at your local council and recorded in your shop accident book.

Finally, a reminder that should an accident occur, then the authorities may undertake a full enquiry to determine the actual cause and if the employer is found to be at fault, s/he could be prosecuted.

.
. .
. . .
. . . .
..

**SAFETY GUIDELINES FOR NEWSDELIVERERS
NEWSAGENT GUIDANCE NOTES**

PLEASE PHOTOCOPY THIS LEAFLET FOR FURTHER COPIES