

LIONS CLUBS INTERNATIONAL DISTRICT 410E DISTRICT CHAIR REPORT

REPORT FOR CABINET MEETING: 21 April 2024

PORTFOLIO: Christmas Cakes

BY: Kim van Wyk



PORTFOLIO ACTIVITY:- (Newsletters, Strategy, Targets vs. Actuals, Progress on SMART goals set)

2023/24 Christmas Cake Project

1582 cases of cakes were ordered from the baker by Multiple District 410 in the 2023/24 Lionistic year, 1059 caes to District 410E and 523 to District 410W. This is a total of 18984 cakes. 75 clubs ordered cakes this year.

Online Ordering and Deliveries

The online ordering system used this year appears to have worked very well. I received a few support queries, which are always welcome. A few clubs did not appear to be aware that deliveries would be to central locations and requested direct delivery either on the form or by contacting me. In all these cases I advised the club that the desire to keep the price as low as possible necessitated central deliveries.

I manually sorted the various orders into weeks and central locations and confirmed these with the baker. This process did unfortunately introduce issues for a few clubs across the MD where I got delivery dates wrong. For the next year I will ensure the sorted orders are double-checked by a second set of eyes before submitting to the baker.

Complaints

Only 1 complaint was received across the Multiple District, where a piece of plastic was embedded in a cake the club received. The club followed the complaints procedure and the baker made immediate arrangements to collect the cake and reimburse the club.

Box Design

The redesigned box Lion Donovan Henri designed has been extremely well received and greatly complimented.

Rebate

The agreement the baker has with the MD is to pay rebates to qualifying clubs once all payments have been made for the year's project. As unfortunately happens every year, a few payments remained outstanding into 2024. The baker received all payments in early March and after about 2 weeks to confirm details and make arrangements, paid the total rebate amount for District E's and W's clubs to the respective Districts. The Districts will be making the rebate payments to the clubs.

I would remind clubs to please carefully note the terms of the rebate:

To qualify for the R5.00 per cake settlement rebate, all invoices must be settled within 35 days from the invoice, or before 31 December, whichever is sooner.

*In other words, If the invoice is dated 6 September, the amount owed must be paid on or before 10 October. In order to qualify for the settlement rebate, payment must reflect in the baker's account before the due date. **Payments made on the due date will not qualify.***

2024/25 Christmas Cake Project

The baker has indicated his cost price will increase by 10% for the 2024/25 project, which could have ended up considerably higher, given the increases in the costs of fruit, nuts, flour, sugar and eggs, some of which have close to doubled in cost. The transport costs will also increase by 15%, driven by the costs of fuel.

The exact final cost price from the baker will be advised before the project kicks off for 2024/25 - for the MD Convention I have rounded the cost to R115/cake to the baker from R104.84/cake, which includes the R5 rebate discussed above. The final figure seems extremely likely to be within R0.50 – R1 of the values used here.

The total cost per cake is broken down as the below plus any levy the District applies:

Baker's charge per cake	R115
MD Levy	R0.50
Brightlight Levy	R1
LCIF License	R5.16
TOTAL	R121.66 + District Levy

The MD410 Council of Governors has suggested a selling price of R170, representing a 6.25% increase in the selling price from 2023/24. As usual the selling price will be set by vote at the MD410 Convention. This gives a profit of R47.33 per cake, which increases to R52.33 if the rebate is qualified for, minus any District levy per cake.

It is important to note that clubs are always free and welcome to sell their cakes for less than the MD selling price.

If clubs choose to do so though they are strongly requested to ensure their public and customers are told that the club is selling the cakes at a discount. This prevents members of the public from perceiving unfairness if they come across other clubs selling the cakes at the MD selling price.

Smaller Cakes

The baker has indicated the prospect of producing a smaller cake from the same recipe used for the 1kg cake. This cake would end up approximately 500-600g and would be wrapped in cellophane with an attractive label instead of being in a cardboard box. At the time of writing the baker is experimenting with baking these cakes – I will have exact sizes and prospective costs available at the Convention. I will also have several of the smaller cakes available at the convention to examine. The reduction in size and packaging will result in a cheaper option. The prospect of including such a cake as an option for the 2024/25 project will be discussed by the MD Convention. The smaller cake would not be intended to replace the current 1kg cake, only to complement it as an option where sales of the 1kg cake are challenging.

If the smaller cake is approved, the baker will ship the smaller cake to the same schedule as orders for the current 1kg cake and orders for the smaller cake will be done online in the same manner as the 1kg cake. A minimum order of 5000 smaller cakes will be required across the MD to make the option viable – if the minimum order isn't met clubs that ordered smaller cakes would be informed that the smaller cake can't be made.

Biscuits

The baker also produces a range of tasty, well-regarded biscuits – the MD has been engaging with him on branding these biscuits in Lions packaging to provide a product clubs can sell through the year. Two flavours are in consideration - shortbread biscuits and crunchies. The biscuits are packaged in 200g skillets, which give 10-12 biscuits per skillet depending on the flavour and have a 6 month shelf life. Lion Donovan Henri has designed eye-catching labels for both flavours. If the MD Convention approves the biscuit option, the biscuits will be sold in cases

of 16 skillets, as either 16 of one of the flavours or 8 of each flavour. The biscuits are priced at R20/skillet – the baker is confident from market experience that the skillets could be sold for R30.

In the interest of shipping costs cases of biscuits will be shipped to central locations on a quarterly basis (the same kind of central locations used for cake deliveries). Orders will be done online. Given that order sizes are likely to be considerably smaller than for Christmas cakes, at least as the project gets off the ground, the baker will not be able to offer the 60 day terms he offers on Christmas cakes. The baker's standard payment terms are 14 days from shipment.

Samples of the biscuits, packaging and shipping case will be to hand for the MD Convention.

Online Sales

The baker is in a position to supply cakes and biscuits to online retailers should Districts or MD be able to make arrangements to sell online. Possible options will continue to be explored with the baker.

Baker's Commitment

I remain very taken with John Bratos' passion for the work of Lions and this project and the efforts he goes to to support all of the Multiple District's clubs in their charitable work. John and his staff have been a pleasure to work with during this year's project and will no doubt continue to be so.