

2003
Family Business Honours

Bettys & Taylors Group Ltd

2003 Social Responsibility Exemplar

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Social Responsibility Exemplar

"As for our award, we are so proud and will endeavour to live up to it."

Jonathan Wild, Chairman of Bettys & Taylors Group Ltd.



Introduction

First Impressions

You get your first contact with Bettys and Taylors if you walk through the centre of the elegant Yorkshire spa town of Harrogate – the sight of one of their elegant period Bettys teashops. These retain an air of Victorian elegance and courtesy, and through the windows you can see the fine array of homemade cakes and pastries that the business was built around.

The other part of the business you don't need to travel to Harrogate to see is on the shelves of the tea and coffee section of your local supermarket. Here you will find an array of their famous Taylor's Yorkshire Tea and speciality coffees. Look more closely you will see that these are sold and sourced on a fair pricing basis to the producers. This practice is maintained even when there is a worldwide collapse in the price of the commodity, for their ethical stance as a business is second to none. It is notable that it is more quietly expressed than shouted from the rooftops. One senses that here is a business driven by a desire to do good, not a need to be seen to do good.

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History

Charles Taylors founded Taylors of Harrogate, a family tea and coffee merchant in Yorkshire in 1886. Bettys, a Swiss Confectionery, Bakery and Tea Room was founded in 1919 by a Swiss confectioner called Frederick Belmont. The two companies joined forces in the 1960s, and the business is now in the third generation with Jonathan Wild, Frederick Belmont's great nephew, as Chairman. Bettys & Taylors as we know it today is a Yorkshire-based leading supplier of coffee and tea to the UK retail market, and a chain of upmarket teashops and restaurants. Bettys is the “spiritual home” of the business. The company remains true to its Swiss roots, but these are set deep in the fertile Yorkshire soil.

Bettys
&
TAYLORS
of
HARROGATE

Leadership

The Role of the Chairman

The most striking feature about the leadership at Bettys & Taylors is the degree to which it is personal. The Chairman Jonathan Wild knows all employees by their first name, and spends an induction day with all new employees. His hands-on approach makes him accessible as a leader, or in the words of one employee: “Jonathan is Jonathan, not some hierarchy guy on the 10th floor.” There is a genuine interest and ability to care for others. Like his father before him, Jonathan Wild is the business, as is affirmed by employees and managers alike. The company carries the Wild insignia proudly, and justly so, because of his efforts to lead the company through darker times with sustained energy, enthusiasm and vision. His leadership legacy is one of major and sustained change, that over time has been transformed into a model that aims to “keep things moving without changing” – in other words, to develop but remain the same at heart.

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Teams

The sense of cohesion and community spirit that is characteristic of Bettys & Taylors is reinforced by an intimate team structure that echoes a family model, where the team leader is described as a parent. Operational plans are made at this level, thus creating a bottom-up approach that enjoys commitment from the top – it is not a “tell and do” culture. Teams function as self-regulating entities, based on togetherness, creativity and support. Bettys & Taylors is thus “100% family driven” in more than one sense, since each team as a family unit represents the driving force of the entire organisation. It is no accident that the majority of top executives in the business are women.

“The vision orbits around quality and being the very best”

Vision and Challenges

In line with the competitive spirit of the company, the top management team formulates a theme that describes the vision for each year. The vision orbits around quality and being the very best. The capacity to think big (“we want to achieve excellence”) and act small (attention to the individual) have been the parameters of Bettys & Taylors’ success in implementing its vision.

In the words of the Chairman “Family problems inevitably arise in family business because of a heady cocktail of power, money and confused relationships.” Other areas of challenges faced by the company reside in its rapid growth, and in finding “intuitive people” for its leadership, as described by one of its directors.

Culture

The very core of the culture at Bettys & Taylors is summed up by the following comment made by one of the directors: "We are a drink and food company. Let's sit down and have some drink and food." There is always an occasion to celebrate at Bettys & Taylors – be it the graduation of an employee's daughter or the financial success of the company. Awareness of the culture and the need for culture to be actively managed is very acute in this company – the role of the HR department is described as "100% culture management... culture being the 101 little things that cannot be written down".

Ideology and Beliefs

Bettys & Taylors operate on "belief and ownership", where loyalty and quality means "don't unsettle, don't disrupt, don't disappoint." Giving something back to the community and thus presenting a model that is sustainable and inspires respect is also paramount to this ideology. An example of this practice is their "Cause Related Marketing", promoting ethical trading and social responsibility.

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Communication and Language

As one manager put it, there is so much communication at Bettys & Taylors that one must be wary of keeping the balance with the actual front-line work. For example, there are regular appraisals, team meetings with the directors on a rotating basis and a much-used feedback system. Employees are kept well informed of what is happening and what the management has in store for the future of the business.

Bettys & Taylors does not warm to the impersonality of corporate language, and deploys its own terms to describe management practices. "Teams" and "champions" are preferred to "supervisory board" and "executives". Instead of "performance management" people talk about "raising hope" or "managing expectations".

People

Bettys & Taylors is a place where “every pair of hands” counts, when seasonal peaks occur the directors put their overalls on and set to work making pastries alongside the regulars. Training and development is seen as an essential part of the business, but it is typical of the firms inward and outward orientation that Bettys Cookery School works not only serves as a training ground for staff but also as an interface with the local community, running evening and weekend courses for the public.

“When seasonal peaks occur the directors put their overalls on and set to work making pastries alongside the regulars”

It is said that people tend to stay at Bettys & Taylors for one or twenty years. People either love the place and want to stay or quickly realise it is not somewhere they will feel they can fit it. This recruitment of a new person is described as a “natural process”. Adjectives used to describe successful recruits are adaptable without being brain-washable, and intuitive.

The family spirit is symbolised by the photo album that is added to at each memorable occasion. There is a childlike creative spirit to the culture, one example being the enormous teapot clock on the tea warehouse building that is set to tip according to the timetable of the trains that pass by.

Ownership and Governance

Family Governance

There are currently two family members who are active in the day-to-day running of the business, the Chairman Jonathan Wild and his wife Lesley Wild, who is deputy Chairman. Their involvement is very active, or as one director describes it, they are by no means “golf-course owners”.

The business is led by a Group Board, currently consisting of the two family executives, two non-family executives and two non-family non-executive directors. Their leadership is supported by an all non-family Trading Board of Directors, responsible for day-to-day operations. Family shareholders hold an annual Family Assembly at which they elect a Family Council of five members to represent them.

The Family Constitution, unusually, places responsibility for shareholder matters (dividends, share transactions, family working in the business) in the hands of a “Constitution Committee” which acts as a “neutral” bridge between the Family Council and the Group Board. As a result, the Group Board never has to discuss family and shareholder issues, and the Family Council is able to provide a positive forum for the family without having to make potentially divisive decisions.

Both the Chairman of the Group Board and the Chairman of the Family Council (currently Victor Wild, Jonathan's father) serve on the Constitution Committee alongside two non-family members.

“Their leadership is supported by an all non-family Trading Board of Directors”

Ownership

Bettys & Taylors is fully family owned. Shares come into possession of family members when they reach the age of 18, and can only be sold once they have reached the age of 30. The implicit rule is that you will not be branded “a black sheep” if you wish to exit as a shareholder. Where there is a wish to cash in shares, an auditor sets a fair price. The dividend policy is to keep payments low, and there are no premiums for family members who work in the business.

Succession

A non-family member is envisaged to succeed as Chairman when the time comes. Whilst letting go has been a challenge in the past, the current Chairman does not wish to be a “figurehead beyond the sell by date”. The next generation is under no pressure or obligation to join the firm.

Use of Advisors

Bettys & Taylors have used family business advisors at the Institute for Management Development to overcome transitional difficulties. The general approach is to learn from other companies in a peer-to-peer fashion. Advisors are used for social auditing, and as a part of their commitment to ethical trading in developing countries. They do not use consultants in PR or marketing, but instead prefer to be instinctive and intuitive to implement “fast new ideas, with freedom and speed.”

Social Responsibility

In the case of Bettys & Taylors, social responsibility and financial strategy represent two sides of the same coin. It encompasses a risk-averse policy with cash buffers, and follows a sustainable route that is not based on pure philanthropy, but on the idea that by doing good you will also get something back in both tangible and intangible value. Each shareholding member of the family has to sign a constitution that binds them to the company values and the purpose of the business. An annual family assembly collegially decides on how to invest a certain percentage of the company’s social programme budget into various projects.

“Their ‘Trees for Life’ consumer promotion is an enduring example of applying a socially responsible approach to marketing”

These values are not charitable activities *per se*, but rather stated aims to build a sustainable enterprise to which charitable efforts are integral. For example, the firm has not just engaged in easy charity work, but built long-term relationships on an egalitarian footing, working with social auditors, guaranteeing minimum coffee prices and practising profit sharing with suppliers in South America, Africa and Asia. In the last year the company has paid over £0.4 million above current market prices for that quality to South American and African farmers. Their “Trees for Life” consumer promotion is an enduring example of applying a socially responsible approach to marketing. Since 1990, the company has planted well over 2 million trees in areas of the world where the company buys tea or coffee. They work “single-mindedly and systematically” to involve all employees in their social programme.

Conclusion

“So how can you tell that this is a family firm? How does “familiness” build success and how has it contributed to the profiles of excellence achieved?”

You know it's a family firm because the prevailing business emotions are pure family. As the Chairman puts it: “Huge amounts of loyalty, trust, solidarity and intuition wrapped up in a sometimes confused and even unfathomable relationship”. Such is the strength of the culture that sometimes non-family behave more like family than family.

“Such is the strength of the culture that sometimes non-family behave more like family than family”

The people who work at Bettys & Taylors present an overwhelmingly positive view of the family firm. For them, “familiness” comes from being able to talk “upwards” to accessible leaders, the absence of withheld or hard to understand information, and the warm interest in the creative and challenging ideas that come off the shop floor. A family mindset is evident in the long-term planning, and the determination to “do it right and keep people happy”.

For the employees at Bettys & Taylors, working there is “a breath of fresh air”.

