



## Case Study



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Betty's and Taylors is a traditional family company based in the heart of North Yorkshire. This unique business is devoted to many of life's pleasures; handmade cakes, mouth watering chocolates, beautiful Café Tea Rooms, rare and exclusive coffees and fine teas.

However, being successful to Betty's and Taylors means more than just great sales. This is a business that believes in trading fairly, supporting the local community, preserving traditional craft skills - and being a good place to work for its staff. Stakeholder looks at the business behind the famous brands - Betty's Café Tea Rooms, Yorkshire Tea and Taylors of Harrogate Coffee.

No trip to Yorkshire would be complete without a visit to Betty's. For residents and visitors alike the lure of these elegant tearooms is hard to resist. Saunter past

the attractive shop front and the aroma of Taylors of Harrogate freshly ground coffee and the tantalising glimpse of Betty's hand made cakes, breads and chocolates is guaranteed to seduce. And seduce it does. Last year, Betty's in Harrogate (one of six Betty's Café Tea Rooms), welcomed a staggering half a million visitors through its doors.

However, as the order and calm of the busy tearooms suggest, the success of Betty's is no lucky accident. Behind the sophisticated décor lies a comprehensive and coherent business strategy that has earned numerous awards and accolades including the 'Oscar' of the tea world - 'Top Tea Place of the Year' on three occasions.

Betty's, as the name might suggest, is only part of the Betty's and Taylors business. Equally acclaimed and awarded is Taylors of Harrogate, the tea and coffee importing

and blending side. And then there is Yorkshire Tea, another award winner, of which over 9 million cups a day are drunk. Each range of products is an example of excellence in its market.

But, it is not just the customers that are happy at Betty's and Taylors. Employee satisfaction surveys reveal that nearly 74% of staff "love" working for the company and 80% feel proud to work there. No mean achievement when there are just under 1000 employees on the books. The business has been named Best Employer in Yorkshire and recognised for five years running as one of the country's 100 Best Companies to Work For by the Sunday Times. The reward is a staff turnover 'that is so low, we don't even bother to measure it' and annual sales of over £50m.

So, what is it the secret of Betty's and Taylors success with its employees?



### A family business with family values

Bettys and Taylors is still very much a family business with defined family values. This is evident to staff from their very first day and echoed in the unique culture and day-to-day running of the business.

This company has a competitive spirit and every annual objective revolves around quality and being the very best.

In true textbook management style, employees see that there is visible support and encouragement from 'the top'. On their first day at Bettys and Taylors, or very soon afterwards, all new staff spend time with Jonathan Wild, Chairman, and great nephew of Bettys founder Frederick Belmont, and his wife Lesley, Deputy Chairman.

That is just the start of their Bettys and Taylors experience. When an employee celebrates a special occasion, the event will be marked with a personally signed card from Jonathan. When a member of staff has a child or grandchild a tree is planted with the Yorkshire Millennium Trust.

These are not empty gestures, designed to impress. This treatment is indicative of the way in which employees at Bettys and Taylors are treated like family - and made to feel valued. There is no 'them and us' here. Jonathan knows all staff by their first name and is proud to be a hands-on, accessible leader - who insists that his managers are hands-on and accessible too.

Jonathan is a regular in the bakery, the director for tearooms spends at least 50% of her time on the shop floor and the director for manufacturing spends at least 40% of her time in the production areas. When the need arises, at busy times of year, directors willingly work on the 'shop floor'. It is this sort of participation that builds team spirit and a 'can do' attitude amongst employees.

This is a family business in more ways than one. Bettys and Taylors operate a team structure, where the team leader is

described as the 'parent'. It is at this level that operational plans are developed, with each team functioning as self-regulating 'family'. The aim is to create a fired enthusiasm in all staff through involvement - and it works. The teams are small, an average size of seven, reflecting Jonathan's wish to work with small groups 'and a leader who has time for you'. Each 'parent' reports to a departmental manager, who in turn reports to a general manager. The directors are the next level up.

### Rewards and recognition

Employees at Bettys and Taylors know they are cared for. It is part of the culture. They are actively encouraged to participate and contribute to the running of the business. Much use is made of the employee 'feedback' system and a number of schemes have been introduced to recognise and reward staff involvement, such as:

- o Profit related awards - four times a year
- o Bottles of champagne as the reward for going above and beyond in assisting customers
- o Awards such as 'team player of the month'
- o Recognition for long service
- o Prizes awarded to employees whose ideas improve the company

Bettys craft bakery, (where all the bread, cakes and chocolate is made for the cafes) creates around 600 different products. The ideas have to come from somewhere, and it is the company's staff that generate a fair number of them. Their innovations include Old Peculier Fruit Cake, marzipan beetles and praline ladybirds. What could be more exciting and motivating to staff than knowing 3 million visitors could see their idea in a Bettys Café Tea Room?

### Work-life balance

Bettys and Taylors understand the short and long-term benefits of helping staff to achieve a work-life balance that suits their particular needs. They see it as one of the keys to retaining a satisfied workforce



whilst giving the business an advantage in the recruitment market by becoming an employer of choice. In a drive to create loyal, committed staff, measures have been introduced based on discussions with staff. It is recognised that individual employees have different requirements, it is possible to achieve work options that are good for both the individual and the business.

For example, as a result of listening to staff and to help attract more women to the Taylors manufacturing site, consideration was given to introducing a mid-day shift (10.00am - 2.00pm) that would fit in better with childcare.

To accommodate the variation in working patterns between different parts of the business, an overall work-life balance policy was established and then tailored for each location. Managers are given the authority to use their discretion when it comes to requests for additional time-off etc. based on the employees' performance.

To help employees achieve a more satisfactory work-life balance, the following policies have been introduced:

- o Flexible paternity and maternity leave
- o Parental leave
- o Leave for emergencies
- o Work-time flexibility - variable shift patterns
- o Diverse range of (free) training opportunities
- o Sabbaticals



An annual confidential staff questionnaire gives employees the opportunity to raise issues for consideration. This includes a question on ethics that includes questions on whether employees enjoy being at work and whether they feel the company pays enough attention to their opinions and accommodates their needs.

### Social responsibility

Bettys and Taylors don't just take care of their staff - they look after suppliers too. In the UK wherever possible, they try to use small companies - as long as it doesn't compromise on quality. Overseas, the business has its own sustainable sourcing programme and an 'ethical champion' to help co-ordinate work with the tea and coffee growing communities.

"Our buying philosophy is simple. We aim to buy the very best teas and coffees in the world... for us quality is everything".

"Quality goes much further than the great flavour in our cups though: we believe that quality should encompass the quality of life for those who are growing our teas and coffees, so we aim to pay sustainable prices for all our teas and coffees. That's a price that covers the cost of production plus the profits that farmers need to look after their land and provide for their families. Furthermore, all our buyers are qualified as social auditors; they check the living and working conditions of the people on the farms to make sure they are treated with respect".

"We know most of the farmers we buy from well, and regard many of them as friends and we are committed to long-term relationships so that our tea and coffee suppliers know that we're not here today and gone tomorrow. Thanks to our buying policy, the farms we work with continue to thrive and produce the excellent quality that we require".

### Trees for Life

In 1990, as part of their plan to 'give something back' to the communities they rely on, Bettys and Taylors made a



pledge, working in partnership with recognised charities such as Oxfam, to plant one million trees around the world. (Trees were chosen as they are one of the world's most valuable resources and vital to man's existence).

Today, nearly three million trees have been planted in Ethiopia, Kenya, India, Indonesia, Brazil, Guatemala, Ecuador... and many more countries besides. Trees for Life tokens appear on all Bettys and Taylors products.

### Closer to home

As well as planting trees in countries that grow tea and coffee, Bettys and Taylors have also worked with leading charities to support conservation work closer to home.

With the support of customers they have replanted native woodland, repaired footpaths and dry-stone walls in the Yorkshire Moors and Dales with the National Trust; worked with the Woodland Trust to plant 10,000 trees and preserve some of Britain's ancient woodland; and supported fellow tree-planters and local conservation groups with 'Trees for Life' bursaries and awards.

Bettys and Taylors have a long history of working with local communities, from schools to local charities and clubs supporting school children through Bettys



Cookery School and mentoring initiatives. And, in another move designed to involve employees and benefit the community, each year staff vote for the charity they would like to support for 12 months. In the past The Multiple Sclerosis Society, The Starlight Children's Foundation, and local hospitals and hospices are some of the good causes that have benefited. Donations usually amount to £30k a year. Staff are also allowed to do charitable work within company time. This is an offer taken up by more than 10% of employees.

Although the rewards are intangible, this is the sort of behaviour that instils a feel-good factor in staff and creates a general sense of pride and satisfaction.

In a recent Sunday Times survey, Bettys and Taylors achieved one of the highest

ten scores for putting something back in the community. Four in five employees at Bettys and Taylors believe that the business is run on sound moral principles.

**Future**

Running a family business brings its own unique problems and challenges. Bettys and Taylors have managed to combine the best of both worlds to create a management structure that clearly works at every level. Family and non-family are involved in the decision-making process with a Constitution Committee acting as a neutral bridge between Family Council and the Group Board.

Bettys and Taylors is currently fully family owned. The thought of any family company falling out of family hands must be difficult to face, However, Jonathan

envisages that a non-family members will succeed 'when the time comes'.

Whenever the time does come, one thing is certain, the successor will 'inherit' a business where paying meticulous attention to detail and the desire to achieve excellence has paid off. A business that everyone is proud to be part of.

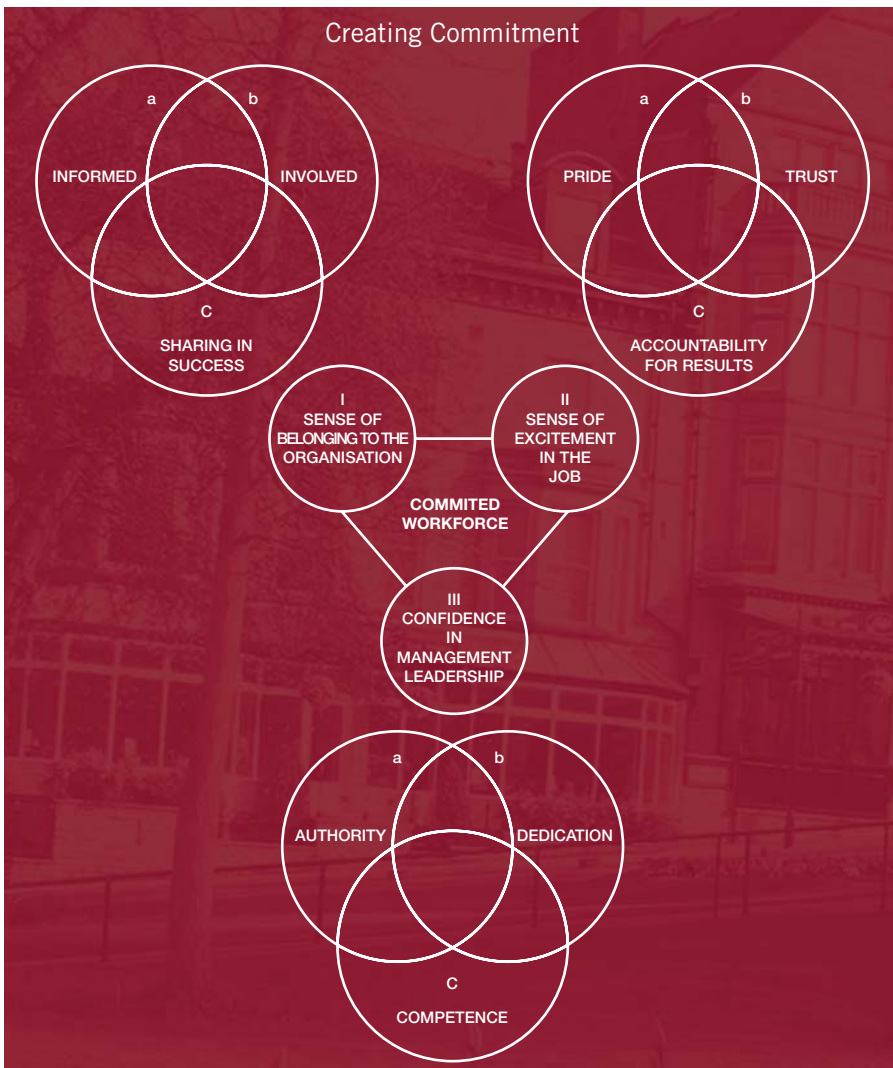
Bettys and Taylors awards include: Best Employer in Yorkshire, Queen's Award for Enterprise for Sustainable Development, Business in the Community Cause Related Marketing Award for Excellence, Customer First Award, Top Tea Place of the Year, and they have been recognised for five years running as one of the country's 100 Best Companies to Work For by the Sunday Times.

**Creating a committed workforce**

Jonathan Wild has succeeded in creating a committed workforce at Betty and Taylors by following the principles outlined in Martin & Nicholls 1987 'Model of Commitment'.

Based on their research in 14 British companies, Martin and Nicholls identified three major pillars of commitment:

1. **A sense of belonging to the organisation.** The workforce felt they were involved, informed, and shared in the organisation's success. This sense of belonging avoided the 'them and us' culture prevalent in some organisations.
2. **A sense of excitement in the job.** The workforce was proud of what they were achieving, trusted by management, and accountable for results thus creating an excitement that was motivating.
3. **Confidence in management.** Management had authority, dedication, and competence and thereby created a climate in which commitment flourished.






### Useful facts about the UK Family Business Economy:

1. The family business sector in the United Kingdom is estimated to account for over two thirds of all companies. The sector represents approximately half of the UK's private economic activity and employment.
2. Family firms represent over a third of the UK's leading private firms listed in the Sunday Times Top Track 100 survey.  
(Source: Sunday Times Top Track 100 survey 2004)
3. In the quoted sector 7% of the companies in the FTSE All Share Index are family businesses. The UK stands out in terms of international comparison with the smallest number of quoted family companies relative to the quoted sector overall in developed market economies  
(Source: IFB sponsored study by Manchester Business School, 2005. Dr Panikkos Poutziouris)
4. The majority of family firms are still operating in a "closed circle" with less than 40% employing any non-executive directors on their boards.  
(Source: Leadership, culture and change in UK family firms. London Business School research in partnership with IFB, sponsored by BDO Centre for Family Business, 2003.)
5. Regarding ownership there remains a strong commitment within well established firms to retain family controlled status with nearly 4 out of 5 companies polled in 2004 saying that they want to retain the shares in the family.  
(Source: IFB National Forum Conference Survey sponsored by JPMorgan Private Bank, May 2004)
6. In a large survey it was found that there is disillusionment amongst owners of family firms. 46% of owners of second or later generation firms were prepared to dissuade their children from setting

up in business.

(Source: The Sage Business Heartbeat Survey, conducted by YouGov, July 2004)

7. Regarding succession family firms are not prepared as well as they could be with 57% having no defined plan although 39% expect the CEO to retire/leave within the coming five years.  
(Source: Leadership, culture and change in UK family firms. London Business School research in partnership with IFB, sponsored by BDO Centre for Family Business, 2003)
8. Estimates suggest that the majority of intergenerational business transfers fail particularly in earlier stage family companies. Problems in the succession process often result in the company either being sold or not surviving.
9. The primary constituency where family firms are represented is in the small business sector. Three out of five firms with turnover of £5m or less are owned or managed by related family members.  
(Source: Barclays Bank survey, 'A Family Affair', February 2002)
10. In a survey of the UK franchising industry it found that 81% of firms involved married partners. Many franchises are now being run as family businesses and many next generation family members see the franchise business as a good opportunity to gain practical work experience.  
(Source: NatWest/British Franchise Association Franchise Survey.)
11. There is more likely to be a woman at the head of the family business compared with the general trend in firms. (Source: Barclays Bank survey, 'A Family Affair', February 2002)

(Source for fact: Institute for Family Business) 



**Rachel Allen**

Rachel joined The Leadership Factor in 2005 after twelve years with Dalesman Publishing. In various account management roles she worked with a diverse range of large organisations including WH Smith, ASDA, Tesco, Sainsbury's, Telegraph Group Newspapers, Waterstones, Borders and many others. At The Leadership Factor, she is currently working with clients such as Direct Line, Sainsbury's Convenience, Royal Bank of Scotland, Shop Direct, seals and sealant manufacturer James Walker, publisher William Reed and domain name company Nominet.

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