

Featured interview

ANDY BROWN, MANAGING DIRECTOR AT TAYLORS



Brewing growth stirs overseas markets

Founded in 1886, C. E. Taylors & Sons, a Yorkshire based tea and coffee merchants, would have faded into history like countless other small regional tea and coffee importers – but for the fact that in 1962 it was purchased by Bettys, the iconic Yorkshire Tea Rooms.

Since then – and renamed as Taylors of Harrogate – it has grown to become a national treasure. With turnover tripling in the last decade, profits increasing and its flagship brand Yorkshire Tea securing a place amongst the UK's best-loved brands, the business continues to prove that doing things 'proper' leads to success. But what does 'proper' mean to the Harrogate headquartered company? Taylors Managing Director, Andy Brown, says it's simple: "A combination of making great products, creating consumer love and doing the right thing for the long term. Through sticking to these principles, our business has gained a reputation for compelling brands and great tasting

products, being a great place to work and for really caring about what we do in relation to people and the planet."

A veteran of the FMCG industry, Andy swapped a 'blue-chip' career following roles at P&G, Mars and Asda to join Bettys & Taylors as Group Finance Director in 2001, becoming Taylors of Harrogate Managing Director in 2009. And it's under Andy's helm that the business has made significant inroads into a UK beverage market for years dominated by iconic staple brands. His priority early on, he recalls, was building a team to create a strategy for growth and to develop best practice:

"I've always been a strong believer in recruiting the best people and building a strong team. From the start, it was a top priority



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for me. I sought to form a team with a mixture of experienced members and some key new appointments – notably new marketing, sales and HR directors. Together we then developed a strategy for Taylors centred on growth across several different platforms, whilst strengthening our business's capability."

Those senior appointments enhanced and, in some cases, brought new skills into the business; introducing better agencies and forming external partnerships along the way. The result, as Andy highlights, was a significant step change in performance: "I believed that getting the right people in place would give us the foundation we needed to deliver our objectives. As we strengthened capability in the business and our brands gained greater prominence, so our results started to improve. And bigger brands with a stronger reputation allowed us to be more influential, accelerate growth and attract even better people. We built confidence and created momentum that allowed

us to do more significant things and deliver even stronger results."

Taylors growth has principally been driven by Yorkshire Tea, which accounts for one in six cups of tea drunk in the UK, making it the joint second black tea brand alongside Tetley, behind market leader, PG Tips. It has also ranked in YouGov's Brand Index of the UK's top 10 most loved brands for the last two years, and is the only FMCG brand to make the cut. Investment has been focused on brand building as Andy explains: "We've produced some engaging and compelling campaigns that have given the brand a strong personality. It's seen as being fun – not taking itself too seriously." He's adamant, however, that while brand affinity is important, the product must taste great and in the case of Yorkshire Tea, the quality has remained the best: "When someone drinks a cup of Yorkshire Tea for the first time, we want them to appreciate how good it tasted and to come back for more. Our advertising and promotions help to make this an easy choice for them the next time they're in the supermarket – even if it means paying a little bit more."

Taylors of Harrogate coffee is also the UK's leading filter & cafetiere ground coffee brand with a third share of the market and best-selling products such as 'Lazy Sunday', 'Rich Italian' and 'Hot Lava Java'.

What's most impressive about the meteoric rise of Taylors is that its core brands have grown in shrinking markets. Consumption of black tea has been declining in the UK for several years. And while coffee consumption is increasing on the high street, growth at home is being driven by new formats like coffee capsules and pods, and not in traditional ground coffee which had been Taylors' mainstay. Andy and his team recognised their main

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markets were offering limited returns and set about investigating in new strands to complement them. Their solution was threefold: launch a range of speciality fruit, herb and green teas in supermarkets; start producing coffee capsules and bags; and grow international sales.

The first two, Andy explained, are UK focused and about delivering Taylors' superior quality to consumers through different formats: "At home, people are experimenting with different flavours of tea, as well as using more equipment, especially when making coffee. Not so long ago, you had a box of black tea in your cupboard and some instant coffee. Now consumers often have an array of speciality teas, coffee capsules and filter coffee too. We need to ensure that we satisfy these changing tastes and avoid being too narrow in our focus." He added that the trend in North America for iced tea and chilled coffee is spreading to the UK and Taylors has recently established an R&D function with a newly appointed Head that will seek to drive high-quality technical innovation across different product formats to meet diverse tastes.

The main opportunity for growth, however, is international. Taylors, Andy explained, has long had a small international export business, but since targeting new markets and creating new distribution agreements for Yorkshire Tea, sales have tripled. In Andy's words: "A breakthrough occurred four years ago when Coles and Woolworths, the biggest grocery retailers in Australia, started to sell Yorkshire Tea." Other markets followed and Taylors now export to over 20 countries. A newly appointed International Director will now focus on growing these markets as well as developing business in new ones.

While growing Taylors brands internationally will be a priority for the next few years, closer to home Taylors is focusing on building greater awareness of the Taylors of Harrogate brand. Although the market leader in the ground coffee category with a presence in speciality tea, the brand is relatively unknown. "We want Taylors of Harrogate to be more widely recognised as a quality brand with a creative portfolio of products developed through our passion for extraordinary flavour" said Andy. "We're currently relaunching new packaging designs, range extensions and advertising to support this."

The family business is also building capacity and infrastructure for the future, with plans in place to invest in IT, new buildings, machinery and facilities – as well as people – over the next two to three years. Investments in new tea blending and packing facilities are planned at Taylors manufacturing base in Harrogate, with work due to start next year. As Andy explains: "One of our aims is to have a manufacturing site beyond compare." A new Operations Director has been brought in to support this development.

Bettys & Taylors Group employs 1,400 people across Yorkshire, 400 of which work for the Taylors business based at its Harrogate factory and nearby distribution warehouse in Knaresborough. As Andy highlighted, having most employees based on one site facilitates a highly collaborative and engaging culture – something that is very important to the family shareholders – the descendants of Bettys founder, Frederick Belmont. And while Taylors uses a limited number of co-manufacturers, there's a long term commitment to the manufacturing base in Harrogate.

Maintaining the sense of 'connection' and building strong relationships is also something which extends to the business's supply chain, where a strategy of working in partnership with farmers and producers has led to recognition by various bodies including the Rainforest Alliance and a prestigious Queen's Award for Enterprise for Sustainable Development. In Andy's words: "We're committed to working collaboratively with farmers and suppliers to promote long-term sustainability of

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supply. Our supply chain embraces 1 million workers and farmers in 24 countries, mostly developing nations facing mounting challenges such as the impact of climate change, decreasing productivity and quality, and rural poverty. Our aim is to establish partnerships with suppliers, underpinned by the belief that 'we're both in this together'. In practice this involves working with them to identify and address sustainability challenges and establishing long-term contracts that provide suppliers with security."

Just one example of the business's impact is its work in Kenya. Here, the family business has worked with suppliers to install rainwater harvesting and filtration systems in 50 schools and community centres, bringing fresh water to 27,000 people, and supported secondary school children with educational bursaries. While many of the projects are funded solely by Taylors, the business also works in partnerships with others, such as an initiative in India with UNICEF and other tea companies to address the issues facing adolescent girls. A significant, long-term project in Rwanda to help rebuild the tea and coffee industry following the 1994 genocide, with funding from the Department for International Development, has allowed Taylors to significantly increase purchases of quality tea and coffee from Rwanda, whilst improving standards and working conditions.

These activities, however, are not restricted to the business's activities overseas, as Andy revealed. "We've been promoting environmental protection and supporting our communities since 1990 when former chairman and CEO,





Jonathan Wild, established our Trees for Life campaign. During the last 25 years, the business has enlisted the support of customers and employees to plant more than three million trees worldwide." A current partnership with Woodland Trust is supporting tree planting in schools and getting children interested in the environment. Andy confirmed Trees for Life is also extended to Kenya, where the business is working to plant a further million trees: "The trees will provide tea smallholders and farming communities with fruit and additional income, as well as deliver environmental benefits such as soil conservation and carbon sequestration."

A strong consumer brand and reputation for high ethical standards, Andy claims, improve your employer brand and makes attracting the best people easier. The business has also worked hard to create a culture which reflects the personality of Yorkshire Tea – open, friendly, warm, informal but professional, where everyone is encouraged to take pride in 'doing things properly' while at the same time enjoying their work, having some fun and 'not taking ourselves too seriously'.

When asked if the Harrogate base was ever an issue for recruiting staff, Andy admitted that attracting city based 'blue-chip' talent can be a problem in some disciplines, though on balance, the location seems to be an advantage for Taylors: "People often want to get away from city life, particularly if they have families. Harrogate is a nice place to live and offers a great quality of life." The scale of the Taylors business, he highlighted, is also attractive to those who want to develop their career away from a big corporate as it's "...small enough for individuals to have real influence and impact on the business, whilst large enough to do meaningful things in the world, with sizeable household brands and international reach."

The most impactful aspect of the Taylors of Harrogate culture, however, is the emphasis on collaborative and cross functional working, something, which Andy noted, is modelled from the top: "We don't have one Group CEO. The job is

shared between myself and four of my executive colleagues, forming what we call our 'Collaborative CEO'". This unique model provides leadership and oversight of the strategy and development of the Group, whilst supporting the businesses in delivering their independent strategies. Leaders at all levels of the business are encouraged to influence decisions across functions rather than 'just because they're the boss' and as Andy explains, this allows people to have a better understanding of how the whole business operates "from bean or leaf to the cup." Team and personal development focuses on individual needs as well as those of the business, with Andy asserting the importance of ensuring employees have "fulfilling roles in which they are able to be themselves and show their full potential." This, he says "is the key to a happy workplace and a successful business."

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