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3. FIVE O'CLOCK – VALUES IN A FAMILY FIRM CASE STUDY

Genesis of firm

The company Brzezicki & Siess – administrator of the trademark Five O'Clock – commenced business activities in 1994. The company was established by the following: Magdalena and Marek Brzezicki and Bartosz Siess, and was separated from a trading firm of the sector B2B–EIH Marek Brzezicki into one specializing in the importing and distribution of high quality tea and coffee. The experience gained beforehand led to the decision to develop activities in Lublin and Legnica where the first retail stores of the copyright trademark Five O'clock were opened. Since that time, the activity of the organization which is currently operating in the role of a coordinator in the supply chain has concentrated on the following: designing, marketing (including branding activities) and direct sales of products bearing the trademark Five O'Clock. As stated by one of the initiators of the trademark, Bartosz Siess, “Chcieliśmy stworzyć miejsce, gdzie z herbatą harmonizuje atmosfera. Znane do tej pory koncepty były, w moim odczuciu, niewystarczające. Brakowało w nich syntezy i prostoty (We wanted to create a place where the atmosphere is harmonized with tea. The well-known concepts up to that point had been, in my opinion, insufficient. There was no synthesis or simplicity in them).”

In designing the identity of the trademark Five O'Clock, it was decided to go with a minimalistic, yet elegant and rather nostalgic image by evoking the once cultivated custom of tea-time of Great Britain – afternoon meetings with a cup of good tea.

Domain, competition and market position

The development of the trademark based on the network of authorized sales and exclusive distribution accelerated following the signing of several long-term agreements for renting premises in shopping malls. The retail stores of

Five O'Clock which were formed in chronological order are as follows: M1, Poznań (1998), Janki, Warszawa (1999), Galeria Dominikańska, Wrocław (2001), Galeria Łódzka (2003), M1, Kraków (2001), Blue City, Warszawa (2005), Galeria Krakowska (2006), Złote Tarasy, Warszawa (2007), Galeria Bałtycka, Gdańsk (2007), Port, Łódź (2010), Galeria, Rzeszów (2012), Galeria Katowicka (2013), Stary Browar, Poznań (2014). The portfolio of the company includes a second trademark with a similar assumption to Five O'Clock, but aimed at the sale of coffee - Skład Kawy. This firm was founded in the City Centre (Poznań) in 2013, while the further expansion of the network of retail stores is being planned. In addition, there are three licenced stores of Five O'Clock: in Kołobrzeg, Szczecin and Poole (UK). Granting the licence to Five O'Clock comes with the obligation of close ties and respect for the policy of the image of the trademark. Prestigious outlets located in the largest and popular shopping malls, painstaking and exclusive image, while also the specialist and well-thought out assortment in terms of the gourmet category have all embedded the strong position of Five O'Clock in the premium segment –luxury goods of wide availability. By analysing the share of sales of classic tea against the background of the assortment as a whole, it is possible to observe the steady upward trend that is illustrated in Chart 1.

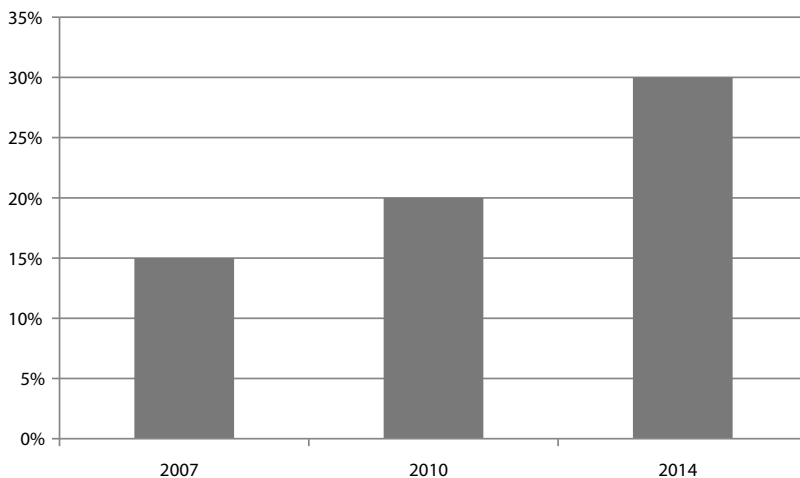


Chart 1. Percentage of sales of classic tea

Source: Internal materials of firm.

In 2007, the afore-mentioned indicators of share in combined sales reached the level of 15%, while 20% in 2010 and 30% in 2014.

High quality tea is gaining a wider group of connoisseurs. Classic tea such as black, green and special flavours (luxurious types) are natural, rare and limited types of tea. They are rigorously classified and provided with a special stamp specifying the precise gradation of the leaves. It is possible to purchase these products only in specialist shops and they are not available in distribution channels of mass markets. An example of the interesting types of classic tea that are available in Five O'Clock are as follows: Japanese Shincha Kirisakura, Yunnan White Silk, Darjeeling White Happy Valley WFTGFOP1, Thai Jing Shuan Oolong, Yunnan Golden Bud, DJ 15 Darjeeling Namring Lot. FF FTGFOP1. The combined collection enumerates approximately 81 varieties.

In Poland, apart from Five O'Clock there is also a trademark of Austrian origin – Demmers Tea House on the market of high quality premium tea. It possesses four franchising shops in Warsaw, Wrocław and Cracow. Demmers Tea House in comparison with Five O'Clock offers a poorer range of natural classic tea. The price level of both trademarks is similar, thus the quality of products in both cases is placed under rigorous certification.

In gauging the range of the networks on the local market, Five O'Clock possesses thirteen retail shops and may count on wider recognition, the more so as the shops of the trademark Demmer Tea House belong to several owners, which may hinder the cohesive strategy within the framework of the network as a whole.

In the segment of high quality tea the premium trademark is Mariage Freres, a chain of French teahouses of over 300 years of tradition. In Poland, their products may be purchased in the multi-brand boutique called Horn & More (Warsaw) in limited quantities (12 varieties). Despite the great popularity of the trademark among connoisseurs (traditionalists, experts), it is still not well-recognised in Poland. The barrier is most certainly the high prices, while also the market for luxury tea food articles which is not mature. In Mariage Freres, it is necessary to pay approximately 65–75 PLN for 100 g of aromatic tea (with additional aroma) in an elegant tin. In Five O'Clock, the analogical product costs between 24 and 30 PLN.

Specifics of behaviour of clients of high quality food products

The specialized and frequently luxurious food products belong to the relatively new category of luxury goods, the so-called **luxury experience**. This emerges with the need to experience unique feelings and emotional states such as: joy, happiness and pride. Products of the premium food sector help to compensate for the sphere of “being” by satisfying the sophisticated **emo-**

tional needs of a client such as: aesthetics, prestige, tradition and ecology. The segmentation of clients takes account of the broad psychological motivations that match the systems of value, approach to life and lifestyles.

The purchasing motivations of consumers may be divided into two groups. The first one is the so-called external motivation – a set of behaviour types of conspicuous consumption, in which the purchaser chooses renowned products that constitute symbols of status. Their choices fall on prestigious trademarks or specialized and frequently well-recognised products. An example of tea that enjoys respecting the aforesaid purchasing group is Japanese tea, which is promoted thanks to the trend of sushi bars or coffee that is to be found high on the rankings, e.g. Kopi Luwak.

In accordance with the technique of segmentation VALS, the purchasers with external motivation are termed **Achievers** and **Strivers**. This is a significant, dynamic and developmental group in Poland and in 2013 it encompassed approximately 2 m people (KPMG 2013). At the opposite extreme, there are purchasers who are guided by internal needs such as: ideals, principles and sensitivity. It is possible to distinguish the **Thinkers** among them – experts and traditionalists, conscious and educated buyers who appreciate the values of specialized products. Their choices fall on trademarks with a sense of history and tradition. The internal motivations also include hedonistic pursuits that are appropriate for seekers of **experiences**. In the case of a client of these preferences, a product constitutes a way of expressing personality. During the course of making a choice, they are guided by novelty, innovation, yet they are an unstable purchasing group that yields to varying consumer trends. An important group of consumers of qualitative food products is the so-called **Dreamers**. These are occasional trippers to the world of luxury and who spend money on luxury food products sporadically. The act of consuming good tea is for them a moment of discreet luxury which they can afford festively. A large percentage of these occasional purchasers may be observed around Christmas time, while also to a lesser degree on other festive occasions. Then the increased activity of *purchasing as a present* may be noted.

Portfolio and strategy of development of a product

Five O'Clock offers a rich and varied collection of tea and coffee of the highest class of quality, which are frequently types that were previously unknown in Poland. The company has cooperated with only tried and trusted business partners since the outset, such as a tea-tasting distributor from Hamburg as the direct importer. It takes responsibility for the tests, certification, technol-

ogy of production by issuing a certificate of guarantee of quality. Due to the safety and protection of quality, the firm avoids short-term agreements with other producers, while also rejecting offers of direct distribution from plantations. The stage of inspections on behalf of the firm are tests on tea based on the assessment of the taster. Apart from ensuring high quality perceived as formal adherence to the norm and certificate, the source of customer satisfaction is the emotional and symbolic benefit of availing of the product. In marketing communiques, there are frequent references to history, as well as the cultural heritage of tea. The advertising campaigns are strengthened by the creative assumptions that facilitate the building of a message of an educational and informative nature.

The selection of the product portfolio of the trademark of Five O'Clock and its systematic expansion with new product lines and elements that are complementary with regard to tea and coffee is possible thanks to the cooperation with other administrators of trademarks on the principles of individually established marketing alliances, frequently of a very wide scope of cooperation. The criteria of selecting a business partner assumes the compatibility of the mutual assumptions of the mission and vision and convergent priorities which facilitates the penetration of the core competences of trademarks. In practice, it is the case whereby the trading partner is a family firm similar to Five O'Clock which is favourable to both mutual understanding, as well as displaying the personality and pursuits of the founders. Thus, it is of cultural significance and is favourable to the development of conflict-free and long-term cooperation. The marketing cooperation assumes the following: enrichment of the assortment with interesting niche and unique products, while also broadening the associations with the trademark, as well as strengthening the quality of the product. Thanks to these activities, the very high quality of the products offered becomes credible within the framework of the whole assortment line. It is possible to distinguish the following joint activities: creating a limited series of products such as chocolates for special occasions or unrepeatable compositions of festive tea launched during for instance, the Christmas period, short variable series of tea and coffee whose implementation into the offer is part of the policy of “managing unavailability” and an important element in surprising the client with novelties. The history of the cooperation with the acclaimed leaders of the market and delicatessen products displays that the partners acquired added value via among other aspects, in the form of image transfer, which realistically translates to the increase in the competitiveness and strong market position. Cooperation at the level of building intangible values is an important part of the strategy of Five O'Clock. By way of demonstrating mutual agreement, which frequently transgresses the priorities of pure business, the significance of maintaining good relations is communicated while remaining above mutual competition.

In the desire to indicate the values that are important and appreciated by the firm, it is essential to underline the priority of sustaining the symbolic placement of the trademark of Five O'Clock. All the internal processes of the organization – administrator of the trademark of Five O'Clock are dominated by marketing and have a real impact on the perceived external image. The current result and reputation of the trademark is the effect of many years of the processes of creating values, science and drawing conclusions, as well as shaping the culture of the organization, which is decisively influenced by the individual motivations of the direct creators of the trademark who since the very beginning of the existence of Five O'Clock on the market right up to today have maintained direct contact with the employees and clients. The advantage of branding activities and the expansion of them into the various areas of activities of the organization such as personnel management, planning services and procedures, internal communication assumes the goal of sustaining the set of desired associations with the trademark in the eyes of the purchasers. The strength of the trademark of Five O'Clock has always been its asset of intangible values: identity, culture, reputation and the distinctive image.

Mission and vision

The mission of the trademark of Five O'Clock is that of building the custom of tasting good tea. Providing a product of distinctive quality is also developing the contexts associated with the “tea style of life”, which may be summed up as the aestheticization of the short everyday moments connected with the dinner table, celebration of moments of relaxation and providing frameworks of rituals for mutual encounters. „Miejsce w którym zatrzymał się czas” (places where time has stopped) is the motto of the trademark. This inspires a client towards the “aesthetic experience”. This is an added value that emerges during the course of availing of products. A significant role in the process of “experiencing”, which coincides with the perception of the reality of the trademark is played by the employees who are bearers of key values similar to the tangible testimony of the trademark such as the following: characteristic design, colours used and compositions. The common principle of the firm is the fact that everyone: the owners, the management staff, creative employees and others responsible for customer service are obliged to be ambassadors of the trademark. It strives towards a situation whereby the employees testify to the values that are important to the trademark. This relates to the working style, behaviour, the norms of outward appearance (discreet elegance). The

employees are to give the impression that they are in love with brewing tea and this is not to be false pretences.

The tea style of being is perfectly reflected in the Japanese philosophy of tea cult. This is an approach towards discovering beauty in the surrounding reality and raising awareness to a triviality. In Five O'Clock, the tea cult has served as an inspiration, in order to display the British ritual of serving tea.

The nostalgia for the times from which the custom of Five O'Clock is derived from and in which it experienced its heyday also has a Polish connection. Despite the fact that Poland did not have any overseas colonies between the wars, *colonial shops* were very popular. Likewise, firms emerged that made the tea and coffee branch the main profile of activities. One of the more innovative in terms of the approach to the product, while also “the modern view” of business was a firm called Pluton – a coffee roasting plant and chain of shops prior to the outbreak of the Second World War that had a nationwide chain of as many as 30 shops in Warsaw, Lwów, Łódź, Poznań, Gdynia and Lublin. Pluton, the leader on the Polish market, had written in its mission the propagation of the culture of drinking tea and coffee and decisively led to their spread in Poland between the wars. Great popularity was enjoyed then by the afternoon *invitations to tea (fives)*. The display of not only the “dream of power”, but also personal ambitions associated with good coffee and tea, as well as the accompanying culture was possessed by certain aristocratic families who had their own plantations of tea and coffee (e.g. Sapięha family had one in Congo).

2. Values important to Five O'Clock

The activities of the whole company are regulated by the four most important principles that shape the culture of the company and style of management. These principles have not been registered or formalized yet. Due to the jointly prepared agreement and insightful training, they have however created and are still creating the division of work since the beginning of the existence of this trademark. Nevertheless, with relation to the dynamic development of the network with the number of showrooms increasing from year to year, the necessity to describe and operationalize the culture of the company (commencing from 2015), as well as ethical issues and procedures that are associated with taking on employees, their development and first and foremost, maintaining the high standards of work.

With regard to the specifics of the domain, thus products, markets in which the company operates and the clients for whom the products are de-

signed for, the **cultural and humanistic values** come to the fore, which are in particular as follows:

beauty and aesthetics; good tea, the skill of brewing and serving indicate a certain affinity towards art; it is no wonder that this is the subject of several years of studies in Japan;

- being together, here and now; making and strengthening interpersonal and personal ties;
- restraint, silence, mindfulness – to use the Buddhist terms to which the ritual of the preparation and consumption of good brands of tea and coffee lead to;
- respect, trust.

Nowadays, tea is an everyday product, however the mission of Five O'Clock is the promotion of the custom of tasting of good tea and inspiring the savouring of tea tasting in the atmosphere of silence.

Employees at sales outlets should express a sense of style and class, composure and a balanced way of behaviour. To a large extent, clients that visit a teashop possess such features, thus similar attitudes are required from the employees in order for communication during the process of sales and after-sales stages to be run smoothly (to which special attention is paid), in an atmosphere of trust, understanding and empathy.

The activities of the team are concentrated on the arrangement of the surroundings and atmosphere of sales in order to favour the perception of the preferences of a client that may bear fruition in the future by means of the desire to develop the element of tea and further tea adventure. A more business aim of such activities may be termed as the building of long term ties with a client that are based on trust. However, in order for the interaction along the lines of employee-client to run in an appropriate manner, the sellers must pay attention to the good and harmonious ties between them. Potential conflicts, disagreements and deconcentration of the team push the realization of the aims associated with an exceptional service to the background. The same relates to the style of management and relations between managers, employees of sales and other people of further levels of regional and central organization-coordination.

Further values and principles that directly result from the ideals and motivations of the creators of the trademark and relate to key competences are those of **passion and involvement**. The unique experience of the trademark is among other aspects, the wide knowledge referring to the specialized sphere of tea and coffee. The genesis of the formation of the trademark is directly connected with among other aspects, the personal involvement of Mr. Bartosz Siess, who is personally an expert and connoisseur of tea. The natural ambition of the creators of the trademark was the desire to select co-workers who indicated a similar level of interests. By no means does this refer to the

recruitment of a fully qualified employee with a background of the necessary knowledge, nor the selection of people who are susceptible to becoming infected by this passion. Observation reveals that clients make purchasing decisions relating to niche and new brands of tea (previously unknown) as they perceive the actual and unforced attitude of the seller who recommends them in a suggestive and discreet manner, yet full of passion. If the employees like what they do, broadening their knowledge brings them personal satisfaction. This very fast attitude translates to the quantitative results of sales and has an impact on the product differentiation of the trademark on the market.

Another value and principle that is associated with passion and involvement is that of the **pursuit of perfection**. In the case of the employees of Five O'Clock, the achievement of perfection is the constant process of improvement in terms of gaining the competences of a taster. The use of the “tea language” in the descriptions of expressions of sensory brews, the skill of the correct brewing of tea and the selection of mixtures for the times of the day and dishes consumed.

The perfect execution of the everyday duties is the basis of the openness to the broadening of knowledge, maximum concentration on what is here and now, while also the concentration on the elements and rejection of routine.

In Far Eastern descriptions of the tea ceremonies, the description of a guru frequently appears, who alters the seemingly simple action of selecting and preparation of a brew into an artistic performance by transporting the participants into a world of beauty. The arrangement of the shops of Five O'Clock is toned down and aesthetic, while also referring to the classic canons of beauty. The sellers, by playing the role of guides around the tea arcans discussing tea with the utilization of sophisticated vocabulary, frequently very poetic in fact, thus strengthening the experience of beauty for the client. There is an artism in itself in terms of these activities that provides more added value for the products at hand.

The afore-mentioned outlined values/principles serve the following key values: **high quality** products, processes, qualifications, relations and cooperation. Each employee is personally responsible for the high quality of execution in terms of the duties entrusted. The notion of management that is close to the philosophy of TQM (Total Quality Management) has illuminated the gesture of the trademark since the beginning of the activities of the network as the priority of building a strong trademark assumes the process of constant development in every area of the activities of the firm. This is a demanding process that is calculated over years and it is not possible to “take shortcuts” here by focusing on interim effects. Thanks to the basis of the complex management by means of quality, the trademark of Five O'Clock has registered a high level in terms of the level of innovation of their products.

This is exemplified by the high quality tea of the limited series of “Prestige” that is packed in convenient pyramid-shaped bags for brewing.

In the name of the principles of constant improvement, the employees illustrate great activity and desire in order to relay their suggestions and frequently very valuable observations. In Five O’Clock, the observations of the *front line employees* are particularly appreciated (coordinators, managers, sellers). They have the possibility of regular contact with decision-makers, namely the owners and their closest co-workers, while first and foremost with clients. Regular programs have been implemented where sales teams carry out thorough analysis of the previously painstakingly selected issues. Each employee should have and most frequently has in fact, the awareness that the decisions taken also depend on him/her, including those of strategic significance, as well as the prosperity of the firm and his/her own.

The structure of the firm is of a horizontal and matrix nature, which has been illustrated in Figure 1.

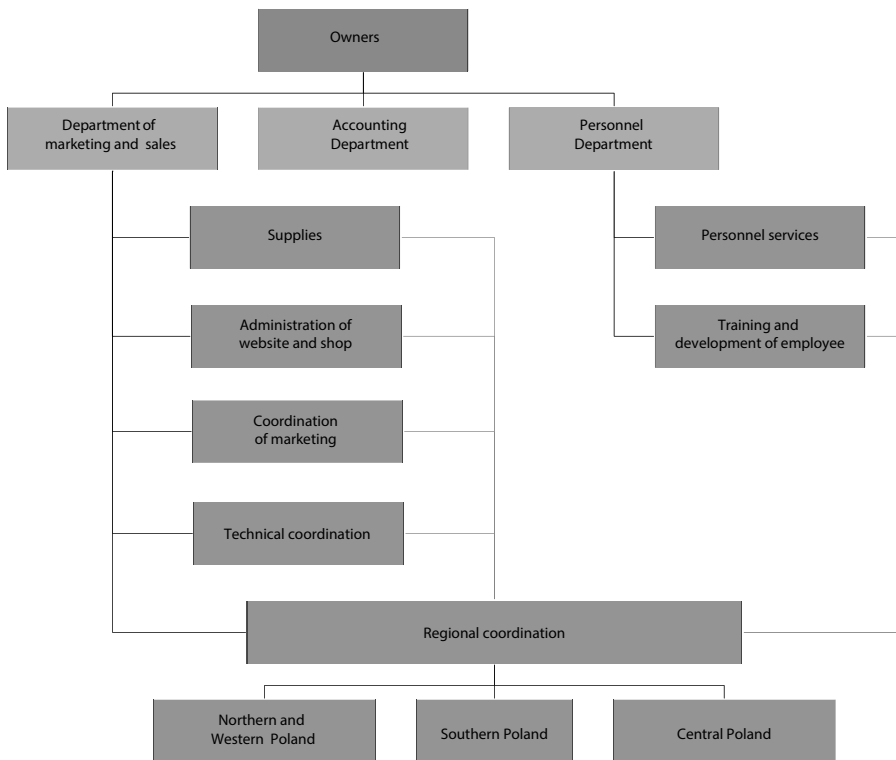


Figure 1. Organizational scheme of Five O’Clock firm

Source: Materials of company.

This is not entirely a reproduction of the organizational structure. The employees of independent entities cooperate closely with each other, thus supporting the work of direct sales. Relations are not dominated by hierarchy and both sides are gauged by the same criteria as the quality of cooperation. The sales outlets remain autonomous to a significant degree with regard to the units of the central organization.

The managers are directly responsible for the work of the team and have a great degree of independence in their activities, while also adjust the way and method of realizing these aims. The majority of these authorizations are delegated to the sales outlets. Cooperation is based on partnership, respect for the law and dignity. The model of partnership culture is binding.

A wider range of duties has been defined with regard to managers and are stipulated in the so-called frameworks of positions. These are also prepared layouts for monitoring the results of their work. Detailed activities relating to merchandising are encompassed within the so-called checklists. There is the possibility of modifying the instructions, as it is possible to implement the suggested solutions following prior agreement. The assessment of the quality of services is sometimes analysed by means of the tool termed Secret Shoppers.

The high level of culture of work in sales outlets is the effect of both the proper selection of people, as well as the impact of the management team and the care paid to having a good atmosphere. Disciplinary factors are of an auxiliary significance and are somewhat in the background.

Thanks to such a formulated style of management, Five O'Clock has acquired and maintains a multitude of talented employees. This is exemplified by students who after graduation decided to remain in the structures of Five O'Clock. During the course of the breakthrough moments, e.g. the opening of a new premises, they took on the function of a manager or coordinator in the rebuilding of the structures. Likewise, they also had an impact on the strategy of professional development, including plans for training, while also marketing strategies and plans.

Designing and realizing the individual career development paths that are adjusted to the skills and talents is so much easier and more realistic that taking on more advanced roles in the structures of Five O'Clock only takes place by means of internal recruitment.

An indirect link between the manager, the central coordination and the owners is that of the employees, namely regional coordination. They hold managerial functions in the sales outlets and know the specifics of the work in the area of direct sales very well. Due to the long work experience, they have a rich and wide-ranging knowledge with reference to products. The nominations for the position of coordinators are decided by the following factors:

- degree of identification with the assumptions of the mission and vision;
- distinctive perception of and skilful promotion of the philosophy of the trademark;
- creativity;
- experience;
- hitherto professional success in the firm;
- trust of the owners.

It is a frequent occurrence that the managers of the flagship products register high levels of sales, together with their teams of understudies. Moreover, they are featured by the skill of testing and implementing innovations and improvements in the system of work. All these advantages are decisive in terms of expanding the duties within the framework of the positions held.

The main tasks of the employees of regional coordination is to support the activities of managers in difficult situations, as well as crisis and conflict situations, while also the function of training. Employees of the coordination personally participate in creating the sales team of a newly opened shop by placing it under its direct guardianship. It happens that this is associated with the exclusion of the current roles and temporary allocation. The range of competences of a coordinator include routine visits, which constitute an important part of the final assessment of the employee and the team. A significant component of the evaluation is the impression of the general atmosphere and the vibe that prevails in the team. This evaluation is equally important as the effectiveness of sales and other business factors (costs, analysis of the market, predicted profits). These elements are served by surveys that are completed by the employees several times per year, among others following the period of Christmas (the season for the tea sector) and marketing campaigns launched.

In the history of the development of Five O'Clock, it has happened that a young team achieved success in terms of sales, however they did not respect the assumptions with relation to image, which was sufficient for the implementation of corrective programs. The range of the activities of coordination is set out by the territorial units, albeit when the situation requires decisiveness and the undertaking of decisive reaction, or when it is excessively intricate, then the team of coordinators searches for the appropriate solutions collectively and always with the participation of all the interested parties.

Processor recruiting and selecting staff, introduction to work

Building the trademark and the quality of customer service is the fundamental factor in building customer loyalty. Recruitment, selection, development and maintenance of employees are of particular significance here. They possess a nationwide network of authorized sales that is essential for running the joint personnel policy and coordinating activities on the scale of the whole organization. There are approximately 70 people employed in the sales outlets (together with the managers and coordinators working in the field), as well as approximately 14 at headquarters (Lubin).

The selection of employees for the sales positions in Five O'Clock is multi-staged and is associated with a long process of adaptation for a new employee. The candidates are faced with a range of requirements due to combining the function of a salesman with that of a specialist of a sphere that is more distant than it seems, namely the problematic issues of products. The predisposition of a taster is also significant. The fact that the common view of the position in the area of direct sales does not enjoy a good reputation on the labour market hinders the acquisition of the appropriate candidates.

By availing of the will to undertake paid work on the part of students, they are drafted in as part of the sales teams. Due to the restricted availability in terms of time, students seldom take on full time work and their working time is agreed on individually with the managers or coordinators of teams in terms of monthly or annual cycles. The availability of students is varied – the amount of hours increases in the summer period, while it happens that students go away on trips and come back to work in the autumn, thus are excluded from working during this period. The proportion between employees in sales outlets amounts to as follows: 45% full-time employment (work contracts), while 55% working on temporary contracts. This model has been functioning for many years.

The structure of sales teams depends on the results of the sales outlets. In the profitable outlets, there are 3 people employed on work contracts, including the manager and 2–3 students. In the remaining entities these teams are 1–2 people fewer. In 2015, the firm is planning to separate the position of the tea taster, who shall be a leading person in the sphere of running tests on tea, training in the field of tea tasting, while also creating descriptions of taste profiles.

The obligation of recruiting new employees for the position of sellers lies with the team managers who receive substantive support from the coordinators. External firms are not availed of. The preliminary evaluation of the candidate concentrates on the recognition of whether he/she would be capable of combining the values that are important for the brand with his/her

own personal goals. From a practical point of view, the attempt to convince a candidate to respect principles if he/she does not identify with them is troublesome and over a long-term perspective increases the risk of rejecting the work. The selection of the appropriate tools, schemes or procedures that would objectively check the degree of identification of the convergent priorities is very difficult.

During the first stage of recruitment, the evaluation of the substantive skills is secondary. Multiple interviews are applied here by the representatives of the firm (the owners included) with the candidate, as well as sensory tests for the assessment of the tea tasting predisposition. The decision to accept a candidate is based to a large extent on the individual experiences, knowledge and astuteness of the recruiters. Additional training is organized for the permanent employees that is connected with an integration trip.

It is worth emphasizing that the process of forming the desired attitudes in an employee is frequently easier if he/she has no sales experience. On the other hand, this is associated with vast outlays on training. If the applicant displays personal predisposition – a high level of personal culture, curiosity, optimism, while also paying attention to aesthetics and has clear aspirations that are in accordance with the philosophy of the brand, then he/she qualifies for the training process.

At the training stage the firm has a multitude of tools that facilitate this process. The first aid tool is training material that is formulated as a compendium. This defines the framework and range of topics, as well as grouping the most important information in a substantive and legible manner. Tips relating to segmentation accruing from the systems of values of clients are attached to the information of a theoretical nature. Sets of exercises for the purpose of testing tea are also run that develop the sensitivity and essential skills in this field. Thanks to this fact, an apprentice is prepared for the sales process as early as at the stage of becoming familiar with the theory that is based on the individual identification of the needs of a client.

The first stage lasts approximately 2 weeks which is run by a manager independently or with the support of a coordinator. The process of becoming familiar with the knowledge is also about gaining a command of the specialized vocabulary and becoming familiar with the everyday duties. This is served by a detailed illustration of the routine activities that are stipulated in the form of a checklist, while also instructions explaining the assumptions of marketing campaigns that are enriched with detailed technical hints, e.g. the arrangements of the decor of the shop.

The complete process of adaptation of an employee lasts for approximately 3 months and is organized in the sales team, which facilitates the process of integration by means of sharing knowledge and common work. The employees that the firm plans to associate with in terms of cooperation are directed

to the training centre that is located in one of the showrooms representing Five O'Clock company. This additional course fulfils the complementary function with regard to the complete preparatory process and accelerates the process of becoming familiar with the key people of the firm, including the owners, while also enabling the familiarity of the culture of the organization.

Education, system of training

Five O'Clock specializes in the sale of classic brands of tea. They have a particular impact on the image of the brand that is shaped and associated with the assumptions of the mission. The employees are required to display proficiency in the utilization of the context of knowledge in the procedures of sales. Taking the necessity of ensuring the high quality of the product into account, among other aspects, the freshness, the collection of brands of tea must be replaced several times a year. This is an opportunity to vary the assortment with new interesting types.

From the perspective of twenty years of existence of the trademark Five O'Clock on the market, it is possible to observe that it has come a long way in terms of its development. At the very beginning, bold attempts were made to launch very basic variations of mainly black tea. With the passing of time, an increasing number of more interesting and niche variations were made available for sale. At the beginning of the 21st century, when knowledge about tea in Poland was still not sufficiently propagated, a line of green tea was developed in Five O'Clock. Nowadays however, collectors' items of tea brand collections are formulated that are preciously unique on a worldwide scale.

The presence of rare tea brands provides the pretext to synchronize the marketing action with the seasonal access to some of them. These activities reinforce the position of Five O'Clock as a leader and expert on the market that has a large impact on the preferences and tastes of its clients, as it creates them to a large extent. Likewise, these activities give rise to a wide group of trusting and loyal clients that have an opportunity to develop and mature together with the brand.

The dynamics of change and turnover of tea are forcing the constant process of learning. The delicate sphere of the art of tea tasting, which is filled with nuances requires both experience and expertise. This is difficult to translate to a simple training scheme. The best specialists of this branch are people with many years of experience. In order to inspire employees to increase their qualifications and hone their competences, it has implemented a range of various innovations associated with training programs. One of the tools of activation are the so-called theme panels (personal or online). A range of

issues are described here, from the participation of randomly selected people from various positions, empirical experience to tests of tea brands. These trainings are not restricted to the verification of knowledge alone, but are also of assistance for the enrichment and expansion of horizons and arousing creativity.

Brand managers also put in a lot of effort in order to ensure that the conditions for the development of their employees are provided. Every seller has the duty to test the tea brands systematically, which are frequently luxury and very expensive, to which a useful description is created with the aid of auxiliary materials that are useful in the sales process, which are sent as a report for the attention of the owners. If within the firm there is a unit that is more capable and involved, it is invited to the marketing project or training. A similar principle of the organized *cup-tasting* is binding for the coordinating employees, who on an everyday basis do not have direct contact with a client. They reserve at least one hour of their working time in order to jointly taste the brew. This custom then enables the building of mutual understanding, while also integrating employees of various organizational cells and sales outlets, as well as reminding us that the market success of Five O'Clock is based on the useful knowledge of tea.

Reports on the casting process run serve to prepare training scripts. These are prepared by a team of highly involved and educated specialists, whose materials are also applied in the edition of high quality marketing communiques, topical leaflets and descriptions of taste profiles of flavoured tea published in the company shop window. These are issues that are difficult to describe, thus require specific knowledge and creativity.

Rituals

The most mobilizing and integrating custom of the enterprises is that of the meeting of the employees with one of the owners – Mr. Bartosz Siess. He organizes the aforesaid meetings several times per year, or if they are to take on a more ceremonial form in an appropriate place away from the shop. For instance, jubilees of the firm are celebrated in this fashion, where cards and presents are awarded.

During the course of chamber-style visits in a group of an individual sales team, the employees may find out about the following: about the plans and successes of the firm, while also having the possibility of personal talks and joint work. These meetings are not formal visits and do not have an established schedule or plan. In general terms, the manager hosts the main boss as a partner and friend, while paying attention to a friendly atmosphere.

Once a year the managers of the brand Five O'Clock travel to the regions of tea cultivation with the aim of expanding knowledge and experience and becoming familiar with the production processes applied at the plantations. It is very frequent that trips are organized to the tea garden from which the tea was imported to the shops. This exclusive tea reconnaissance is organized by a tea distributor that cooperates with Five O'Clock, thus honouring its strategic business partners. These trips serve to make personal ties with the plantation owners, the employees of the plantation, while also other owners of European tea shops. Up to now, trips have been organized to China, Malaysia, Indonesia, India, Japan. In the edition of 2014, a tea shop expedition was organized to Sri Lanka and Taiwan, in which apart from Five O'Clock, the owners of the Spanish teashop Te Sans & Sans also took part.

Following the subsequent trip, meetings are organized with employees who taste the imported tea, while also watching video recordings, interviews and photos.

Policy of sustainable growth

The company Brzezicki & Siess is a Polish family firm, in which the owners take an active part in the processes of management by providing a wide basis of traditional values. The firm is not subject to external audits and certificates that monitor the implementation of the policy of sustainable growth, or corporate social responsibility (CSR). The creation of the image of the brand, for instance, the model of *before profit obligation* involves the significance of some elements of the concept of CSR which are key and respected in the sphere of building heritage and reinforcing the attributes of the image of the brand as follows: firm with class, while respecting and satisfying clients and being friendly towards employees.

Ethical responsibility lies at the basis of the individual decisions of the managerial staff, while the family-based origins of the firm takes account of the social aspect which shapes the ethical business behaviour, which in turn translates to the relations with the closest stakeholders of the brand: the suppliers, clients and employees. The most important principles include transparency in passing on feedback with relation to the assortment: the labels and direction of the product.

Notifications and requests received from clients are dealt with as priority, while in the case of doubt quality control is resumed immediately. Thanks to the symmetric communication that is binding in the firm, it is possible to provide a client with comprehensive answers and comments in the sales outlets.

Five O'Clock has enjoyed an impeccable reputation and prestige for many years. Recently the firm has been awarded with the certificate „Dobra Marka – jakość, zaufanie, renoma” (Good Brand – quality, trust and renown) in the editions of 2013 and 2014.

The enterprise has developed good relations with the employees, which has borne fruit in terms of the long-term harmonious cooperation. The level of employment is stable, as people seldom resign from work. Unforeseen resignations sometimes occur following the opening of a showroom and are a natural risk that is associated with the expansion of the network.

Rewarding employees

The personnel policy of the firm assumes the building of long-terms relations with the employees. Due to the large requirements, it strives to establish an attractive remuneration system. The firm is of the assumption that by setting high expectations, it must ensure an adequate level of remuneration. Employees that are employed on work contracts may count on higher levels of remuneration with relation to the competition.

The system is simple and is mainly based on the basic salary that is relatively high, which is dependent on the profitability and location of the sales outlets. The effectiveness and norms of work do not constitute the main criteria of evaluation. The application of varying elements of remuneration is avoided as it is acknowledged that a regular salary, by taking account of all the previously generated level of results, builds the feeling of security, while simultaneously implementing harmonious relations in the sales teams. An active salary policy particularly takes the relatively frequent pay rises into consideration, only when there is an objective basis for this.

The remuneration in the case of students is established on an individual basis by the managers and this depends on their level of involvement, creativity, general assessment in terms of cooperation and disposition. The flexibility of procedures enables the establishment of satisfying and fair remuneration.

Apart from the basic remuneration, individually awarded prizes are practiced. Up to now, they have been awarded in the following situations:

- preparation of a training module on a chosen theme (coffee, tea group);
- edition of professional articles, image promotion articles, granting interviews in the media (topic of high level tea and coffee brands is popular, hence the employees are asked for expert opinions);
- representing the firm at meetings with business partners;
- rewarding distinctive attitudes acquired by means of the analysis of secret shopper;
- winning internal competitions.

Awarding such prizes is associated with expressing acknowledgement and distinction for an employee on the part of the superior, thus in essence it is not only of a tangible nature, but an intangible one too.

Some of the employees receive premiums that are dependent on the level of sales. This stimulus is applied in the newly opened and “developing” shops.

There is also the practice of material prizes, which are frequently exclusive brands of tea that the employees receive for, e.g. occasions of a jubilee. The non-financial stimuli are of a supplementary nature, yet are important as they build a tie with the employer. These particularly include the following: a congratulatory letter, a public expression of acknowledgement, allocating ambitious tasks that are frequently individually tailored to the abilities and expectations of the employees, while also a display of respect. In the case of students, there is an arrangement of the work shifts, so as not to disrupt college studies.

Granting people trust and independence at work is motivating, as well as good relations with the superiors.

Good practices

If an employee decides to leave his/her workplace, notification must be made sooner than the statutory period of notice, which provides the superiors with time to prepare the process of recruitment and become involved in its execution. If the decision to resign has been caused by a change in the place of residence, there have been cases of internal transfer in which the firm created the possibility of reconciling individual pursuits and work by helping with the relocation to and equipping of the new place of residence.

The necessary changes accruing from the reorganization (generally speaking rather seldom), the relocation is run in such a way as for the employee not to lose any privileges, including the reduction of remuneration. In fact, it usually remains at least at the hitherto level. Similarly, when a weaker period of time is noted by low results in terms of sales, if there are objective reasons that justify this downward trend and if it is temporary, then the level of the basic remuneration for employees remains the same.

In the case whereby the failure to execute duties is observed, or recurring conflicts, the corrective programs are always initiated if the need arises, which is sometimes preceded by external training assistance (i.e. in the sphere of management or communication). Dismissals are very seldom in terms of action taken by the employer.

Guiding the employees through change (implementation of organizational change, new systems of work) is preceded by long talks and meetings.

Discussions or mediations are continued to the moment of gaining an agreement. Solutions are not imposed top-down, if the employees neither accept them, nor understand them.

The sales teams have their own stabilized and set work tempo in the arrangement of shift work. Periods requiring greater efforts and overtime (e.g. months of the high season) are known in advance. Decisions relating to the need for additional support are left to the discretion of each employee and he/she most frequently declare such a need.

In the periods requiring more intensive work, while also the implementation of overtime, for instance before Christmas, employees are asked to present their possibilities and preferences two months previously (number of hours, preferred shifts, etc.). following thorough analysis that is carried out jointly, it is usually possible to solve the problem together. Thanks to this, work is run in an atmosphere that is undisrupted by conflict.

In the face of the challenges of the future

“A brand is built slowly, over many years” – is a saying by Bernard Arnault²⁹ which is an accurate reflection of the motto that is illuminated by the tasters of the brand of Five O’Clock. The development of the firm is determined to a significant extent by very competent and creative people who build the “*brand personality*”. Such people have been and shall continue to be supported as they exert a great impact on the market position and sales.

A certain challenge is that of the style of management. In the preliminary and early phase of the development of the firm, the owners had a dominating impact on the management, integration of people, trust, culture and vibe of the working environment. Everything, particularly the success of the firm indicates that they did this well. In terms of the growth of the firm Five O’Clock, by transforming from a small enterprise to a medium-sized one, by the nature of things this influence should be on the wane. It should be reducing as the amount of work, tasks, problems, etc. are becoming excessively large given the possibilities of even the most capable and most hardworking owners and management. It should also be reducing due to the fact that adult people have been employed by them and have been professionally prepared (at least some) for more ambitious tasks with greater creativity and independence;

²⁹ A French businessman, who was born in 1945 and whose career started in family firms. Since 1984, he has been running the LVMH group, while possessing shares in the company Christian Dior S.A. According to “Time” magazine, he is listed among the Top 100 Most Influential People in the world.

whereas if they do not display such competences they shall be frustrated, while some may resign or at least stagnate in terms of development.

In every organization that transforms from a small enterprise to a medium-sized enterprise and later to a large one, there are the so-called crises of growth which occur that are frequently caused by the difficulty of the owners and managers to refrain from the tactic of deciding about everything and controlling all the details to the gradual empowerment of the best and most reliable people. This may signify the gradual restriction of self-involvement in strategic issues and those of neuralgic significance, but not all issues as there may be people in the organization who could do it better, if not now, then perhaps in the near future. If such people appear, this is obviously a real reason to be proud in the case of the founder/owner, as it is to his/her merit. Nevertheless, now is the time to be consistent and move forward. This does not mean that the hitherto pillar of the firm may rest on his/her laurels. This may signify that he / she deserves to work less, following the change in the division of work, competences and responsibilities.

In no firm do all the changes become implemented in an entirely smooth manner. In Five O'Clock, the example of implementation that reveals certain (natural) tensions against the background of professional ambitions and the division of competences was the policy in the sphere of standardizing the *visual merchandising*. For several years, the arrangement of the decor of the shops has been regulated by written guidelines, while their correctness in terms of execution and the final results have been thoroughly analysed. The aim was the cohesive identification of the brand in the physical environment. Nevertheless, these directives were perceived by several employees as being a restriction on creative freedom. Convincing them towards the new principles required time and a multitude of compromises.

In the face of the intricacy of the processes of management, it became a necessity to reorganize the professional roles in the organization, as well as the optimization of the coordination of the sales network and further professionalization of management. This process is still continuing. However, the decision to appoint managers and specialists from the external environment was not taken, but rather the closest co-workers were promoted to the key positions (outside of the family), who are familiar with the niche domain of the firm by investing in their education (studies, workshops, training).

In the development of the network, the policy of *small steps* was applied, while each opening was associated with the efforts of the entire organization and a high level of uncertainty. In the new sales teams resignations from work occurred more frequently than in the implemented sales outlets. Likewise, it was also observed that the new employees find the perception of culture and acceptance of the binding customs particularly difficult.

Due to the further plans of expansion for the network, it is planned to implement a code of ethics that shall sum up all the issues that have been elaborated on and which are significant for the brand up to now. Its implementation is planned for the current year of 2015.

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