

Business Support Systems and Cultural Diversity: A Knowledge Transfer Partnership with a Manufacturer of South Asian Spicy Foods

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Abstract

This paper illustrates a successful Knowledge Transfer Partnership [KTP] carried out between Queen Margaret University College and Mrs Unis Spicy Foods, a manufacturer of South Asian Spicy foods based in Edinburgh. The project is believed to be one of the first of its kind to be carried out with a South Asian owned company and the unique cultural influences on project development and management. This paper highlights both the theoretical and practical processes of knowledge transfer and will illustrate the importance of business solutions that can be tailored to the culture within an individual company.

Mrs Unis Spicy Foods is a company that manufactures samosas, pakoras, nan and curries which are distributed throughout Scotland. The products sell mainly to corner shops, cash and carries, delicatessens, hospitals and universities. In addition, food for local exhibitions and conferences and Indian party food for the general public are also supplied. The potential market size for Asian foods is difficult to estimate, due to the differing modes of supply. The restaurant trade is currently estimated to be worth over £2 billion per annum in the UK, but this market is currently lacking in growth opportunities. The pre-packaged convenience food sector, however, is seeing strong levels of growth and the increased demand for convenience foods across all sectors is predicted to continue. The increase in the amount of shelf-space now given to convenience foods of ethnic origin in food retailers is clearly visible and the continuing market for the development of new products for this market is acknowledged. The primary aim of the project was to facilitate long-term knowledge transfer of business expertise from the University to the company and to encourage academics to increase their practical business experience. The development of new fusion products that blended South Asian and Scottish cuisine was a part of this project, designed to facilitate company and sales development and the targeting of new market sectors [Seaman et al, 2005].

Much that is already apparent within the literature regarding business culture and the development of appropriate business support systems is born out by the experiences of this team, with the key role played by cultural aspects emphasised by the South Asian culture apparent within the company. In addition, whilst developing and managing projects and production in an environment where English is not the first language is well documented, a business where a variety of languages are spoken, far fewer are written and some employees cannot communicate directly with the business owner is a challenging proposition. In practice, the programme heralded important changes in the structure and development of the company providing a model for the future and raising important questions about change-management and decision making. The importance of this project is threefold: to businesses it illustrates the advantages of engaging in such projects; to academics it illustrates both the importance of the cultural dimension and the potential for success and for those engaged in the development of business support systems it emphasises the importance of the individually tailored response for diverse companies.

Keywords:

Business Support, Ethnicity, Minority Groups, Culture, Food Manufacturing

1 Introduction

The links between culture, ethnicity and the provision of support in the manufacturing sector are an area that has not been fully explored by current researchers; indeed, given the wealth of academic research published in areas surrounding racial tension, it is surprising that this impact on positive business action is so under-explored. Current, published research in the area of ethnicity and business draws heavily on theories of diversity and mixed embeddedness, frequently focussing on improving the levels of 'take-up' of business support services within different minority groups. A parallel debate also exists surrounding the extent to which such issues are directly related to ethnicity, as opposed to being associated with small and medium sized businesses in a more general sense. What is clear from the existing research literature and from the opinions of those charged with policy development in the general area of business support, however, is that encouraging successful take-up of business support is a factor vital to the continued development of industry and that there exists some concern about the level and type of support currently being offered and accepted. To build on our existing successes in this field, it is vital to expand our understanding of the factors that make such projects work. (Scottish Executive report 2001) That company culture is a factor is not in doubt, but the relationship between ethnicity, family cultures and the development/support of small and medium sized enterprises in Scotland is an area where more research is needed to underpin future development work.

Definitions of the term 'ethnicity' vary widely and are the subject of much ongoing debate,

"At the moment, most organisations use the ethnic categories from the 2001 Census but some people are concerned about these categories and do not think they are the best way to collect this information." (One Scotland – Scottish Executive Website)

and many of the definitions come from areas within sociology and anthropology. Some of this debate centres surrounds the three primary criteria for the definition of 'ethnicity', namely Country of Origin, Culture and those boundaries perceived to surround a social group [Sanders, 2002]. In addition the 2001 Scottish Executive's Race Equality Advisory Forum (REAF) expresses concern that the categories used to define ethnicity were ' inconsistent and problematic' with the main issues surrounding race, ethnicity and geography'. At a practical level there is general acceptance that within certain minority groups, business is conducted in line with a set of culturally distinct principles or rules which dictate the basis of some business decisions and which tend to vary between different generations of the same family [Giddoomal, 1997; Ram, 1997; Deakins et al, 1997; Bent et al, 1999; Masurel et al, 2001; Smith, 2001; Ram and Jones, 1998].

It is perhaps worth pausing at this juncture to illustrate a conflict that can often occur when a business is identified as that of a minority ethnic owner. This is the attempt to find a box or indeed identify a suitable category from which to place and/or select the business in a business support context. Indeed in the case of Mrs Unis we were struck by the enthusiasm and personal drive to succeed and develop. Yet the important role of identifying a person or a businesses ethnicity under the terms of say the Race Relations (Amendment) Act 2000 in order to;

- Eliminate unlawful discrimination, and
- Promote equality of opportunity and good race relations between different racial groups.

may sometimes stand in the way of recognising that a business, like all businesses have issues and challenges. The level of ethnicity influencing this is an area for debate and will have many factors that can and cannot be easily quantified. For example, educational attainment, language, family, macro, task and micro environmental influences.

Similarly, whilst the appropriate conditions for - and indeed the definition of - appropriate business support mechanisms vary widely between different types of industry, Governmental and individual perceptions on such programmes also differ widely. Knowledge Transfer Partnerships (KTP) are a mechanism for business support with a long and well-established track record. KTP has existed under a number of headings – notably the ‘Teaching Company Scheme’ and ‘TCS’ – and started primarily in engineering. In principal, a Knowledge Transfer Project is designed by a company in conjunction with a team of University academics and centres around the employment of a top-quality graduate, usually for two years who is tasked with working on a specific and focused project with clear and visible outcomes to the company. In short it is a scheme that is designed to have tripartite benefits, with an outcome for a company that includes the skills of a good graduate, a university facilities and dedicated academic support. Conversely the graduate and the University are able to develop links and immerse themselves in a real commercial scenario thereby creating a genuine knowledge transfer opportunity.

Knowledge Transfer Projects are highly structured, with substantial project management built in and provide a mechanism for clarifying the expectations that the company partner, the academic partner and the graduate have of the project. As such, there success rate is extremely high, whether measured in terms of company profits, the continued employment of the graduate within the company after the completion of the project or in terms of benefits to the individual academics and the University partner.

This formalised structure of a Knowledge Transfer Partnership was a major factor of the success of the project between Mrs Unis Spicy Foods and Queen Margaret University College, encouraging a clarity of expectations which did not belong in any of the ethnic cultures from which participants originated but rather being an external set of ‘cultural expectations’ to which the project team had to conform.

2 Mrs Unis Spicy Foods: The Company, the Products and the Project

2.1 Overview

Mrs. Unis Spicy Foods is one of the few minority ethnic, family owned manufacturers of ethnic foods remaining in the East of Scotland. Following some initial contacts regarding factory layout and marketing support a KTP project idea was proposed. As with many small businesses, access to markets, marketing knowledge and product development may be crucial but they are often areas where time or resources are lacking. In this case the KTP project was designed around a strategic review and competitor/market analysis. The project saw the branding together with product packaging being reviewed and re-launched giving a coherent corporate image. In addition potential new markets and new product ideas were identified. The KTP position was taken by a QMUC graduate who gained a first class honours degree with a dissertation related to marketing mix utilisation within ethnic owned convenience stores.

2.2 Company History

Shaheen Unis was born in Pakistan in 1949. She married at sixteen and left Pakistan for Britain, with her husband who had already lived in the UK for some time [Edensor and Kelly, 1980]. Leaving London for Glasgow, with a young family, to join her brother-in-law in his restaurant business, the family moved to Edinburgh to work in the first family restaurant in that City. Their first independent business, Nadia’s, was a restaurant opened in Edinburgh’s Dalry Road, which was successful for eight years [Edensor and Kelly, 1981]. A changing marketplace and increasing levels of competition in the restaurant sector lead to the closure of Nadia’s and the

suggestion from Mr Unis that there was a market for pakoras sold directly to local, primarily South-Asian owned, convenience stores. At a stage in business development where the South-Asian owned convenience stores had a clear advantage in a changing market – the shops were the only stores open late – the pakoras were an immediate success and led to the development of an expanded range of products.

Originally manufactured at home [Edensor and Kelly, 1980], the pakoras were the initial product and remain a major line for the company. Production was moved to facilities in Dalry Road in [date], facilitating the development of a wider range of products and later to a purpose-built factory unit on the Peffermill Industrial Estate on the outskirts of Edinburgh. The first contact between Mrs Unis Spicy Foods and Queen Margaret University College came about as a result of the move to the Peffermill Industrial Estate, when Queen Margaret were asked to assist with the development of a coherent production line within the factory and, later, with the development of hygiene training for all staff. This coincided with the Company coming into contact with a number of official bodies, including those concerned with food hygiene and an increasing understanding within the company that official procedures were becoming essential to the continued growth, survival and development of the Company.

2.3 The Knowledge Transfer Partnership

The Knowledge Transfer Partnership idea developed from an initial realisation that the company was selling products into a rapidly-changing marketplace. Queen Margaret University College were researching the independent convenience stores in Edinburgh. The traditional, South Asian run convenience store filled a niche in the market for family run, hard working local stores that tended to open for longer hours [Cromie et al, 1995; Deakins et al, 1995]. The market place, however, has changed dramatically, with higher competition levels, changes in regulations and a shift in consumer needs and wants [Bent et al, 1999; 2006]. Asian retailers are finding it increasingly difficult to cope with these alterations and to maintain market share [Bent et al, 1999; 2006] and hence Mrs Unis Spicy Foods were selling into a changing market and a market where the proportion of food being sold through their customers was shrinking.

To combat this, a fundamental review of company structure, products and new product development was devised [Seaman et al, 2005.], triggering an immediate 'professionalisation' of the company and a formalisation of the structures, procedures and working practices. The initial KTP project was, in reality, designed to carry out a fundamental review of the company, the competition, the current products and the system for new product development and the marketing and branding of those products. Feedback from this review was used as part of project to assist in the development of new ideas and to encourage the development of a more strategic approach to company development. It is perhaps of note that this project was developed and implemented around the time that the Company came into increasing contact with a number of official agencies concerned with aspects of food production as diverse as hygiene, health and safety and trading standards. The increasingly professional working practices that were implemented and the more formal company structures that were developed as part of this review allowed growth and development to occur in an appropriate environment and with support and advice from a range of departments and areas of academic expertise within Queen Margaret University College.

The outcomes from the project were diverse and can be split into two distinct challenges, namely those that were external to the company and those that were an inherent internal challenge within the company itself.

2.3.1 External Factors

An analysis of the highly competitive retail market in which Mrs Unis Spicy Foods operates highlighted the need to consolidate the core business of the company and the need for the company to produce products which are both innovative and distinctive. To stand out, the

products required a degree of 'distinctiveness' which was partially addressed by an immediate move to institute the packaging and branding of all the products.

As part of this process, the need for new products was highlighted, leading to substantial discussion within both the company and the university about how this might best be effected. Queen Margaret University College held a 'brainstorming' session, which identified a number of product ideas, notably including the development of a 'Scottish' samosa, filled with haggis, turnip and potato. A number of ideas were worked up into trial products, with consumer testing being carried out through the sensory analysis laboratories at Queen Margaret University College. Product refinement followed, after which the haggis samosas were licensed from the University College to the company for a percentage of sales. Manufacture commenced thereafter [Seaman et al , 2005A].

2.3.2 Internal Factors

In many respects, the internal factors identified here provided the major challenge of this project. The process of change management is often a contentious area within any company; at its simplest, it is relatively straightforward to work out a system but often much more difficult to achieve management buy-in and effective implementation.

Mrs Unis Spicy Foods manufactures a range of products and it was the proposed changes to this product range that triggered most discussion and serve here to highlight the challenges encountered. Changes to the product range fell into five categories; the development of new product ideas, the costs of implementing those ideas, changes to the existing manufacturing processes, the need for some system of product testing and the processes by which the product was sold.

Interestingly, whilst there are financial considerations within any and every company, neither new product ideas nor the costs of implementing change proved to be the key barriers.

There were major challenges, however, where changes in the manufacturing process were implemented, commonly centring on language/communication skills, the management of the change process but also perhaps around the innate ability to understand the need for change. The standardisation of recipes provides a useful example: when the company sold their products unpackaged to local, individual corner shops, minor changes in recipe formulation were relatively unimportant as long as the overall product quality was good enough and consistent enough to ensure repeat custom. Once that product became a packaged, labelled foodstuff it becomes imperative that a more standardised approach be adopted. Ability to absorb new information and to learn the rules of a slightly different commercial environment is both key and difficult to assess in advance.

A similar issue arose with a discussion of the need to test products and assess consumer needs, wants and expectations in a changing market. Traditional recipes were the basis on which the company was founded and were ascribed a near-mythical role by some senior personnel; the difficulty was that while those recipes were very good and had formed a solid basis for the foundation of the company, increasing sales of 'Westernised' recipes may have changed consumer expectations of foods *or the major companies may have more accurately interpreted British tastes to start with*. The need for some system to compare products manufactured by Mrs Unis Spicy Foods with their major competitors was apparent very early in the project and lead to the direct involvement of the Food Industry Foundation at Queen Margaret University College, which is an independent unit specialising in the mechanical and sensory testing of food products and the interpretation of the resulting data. The concept that anyone outwith the company might have a valid opinion on the product – or that the company might adapt recipes in line with the changing tastes of British consumers – was an unfamiliar and difficult concept, on which partial success can be reported.

Finally, the need to address the manner in which the product was sold was an intriguing and largely unexpected barrier to change. Within the company, there was little history of shopping for the types of product they manufactured and a lack of broader vision about the changing products and markets that exist within current retailing. This proved a major barrier amongst those charged with selling the products as there was considerable difficulty in convincing the individual personnel that anyone might ever want the product even if they were offered it at no charge. Motivating a professional sales team is a well-researched area, but the distinction between a professional sales team and a system of family members who deliver the product to outlets with whom they have close personal connections but who are largely unaware of other retail markets is key to an understanding of this dilemma.

Within Mrs Unis Spicy Foods, successful implementation depended upon a number of factors, including the willingness of the owners to make changes, their *ability* to make changes and indeed the identification of the owners. The identification of key areas where change was vital for long-term survival and growth formed a relatively straightforward part of the review process and left the project with a list of identified, agreed changes to implement. Understanding and ability to make those changes happen was somewhat less straightforward, highlighting the funding implications of change but also highlighting issues as diverse as language barriers, literacy skills, understanding of concepts such as target marketing and the complex tacit and explicit power-structures that exist within any company but which are often of greater importance and lesser clarity when that company is also a family.

3 The Development of the East of Scotland KTP Centre and Knowledge Transfer Partnerships at Queen Margaret University College

In March 1998, a consortium from the University of Edinburgh, Heriot Watt University, Napier University and Queen Margaret University College were awarded funds to set up a KTP centre for the East of Scotland. The aim of the centre was to act as a focus for KTP within the SME community and the academic institutions, to facilitate greater access to KTP and to encourage broader academic participation. In 2002, Stirling University and the University of St Andrews elected to join the East of Scotland KTP Centre.

The involvement of Queen Margaret University College in this approach to knowledge-transfer was, in many ways, a significant gamble for the Institution – not only had QMUC never hosted a KT partnership, three previous attempts to start up partnerships had failed and had left a residue of ill-feeling amongst staff [Seaman et al, 2005B]. QMUC has a long history of work carried out in the area of food and nutrition and the proposed work with companies seemed initially to be particularly relevant to the food industry. This initial KTP programme was set up as part of an on-going programme of research into SME's owned by members of Edinburgh's ethnic minority communities.

4 Conclusions

It is perhaps worth reviewing at this stage the context and indeed the purpose of the analysis and outcomes contained within this project. They are by design highly qualitative in nature. This may interest or indeed pause for a sharp intake of breath amongst some researchers who feel more comfortable with a more qualitative approach to research. However, it is perhaps within this methodological debate that some of the successes and longevity of the KTP scheme can be attributed. In larger studies the use of well analysed quantitative data has extensive value for many different purposes and in the business context can, for example, highlight trends, correlations, and generalisable similarities or differences. However one of the specific attributes of the KTP scheme is the tailoring, planning and programming of the projects to a specific company. In addition, within most SME businesses (e.g. Mrs Unis Spicy Foods) the operation is very personal to the owners or perhaps as in this case, the extended family. The use and

advantages of external or even specific qualitative more generalisable data/research is seen both internally and externally as being too remote to be fully understood or indeed on this more micro scale applicable. It could be argued, that the more generalisable the quantitative data becomes, it can conversely begin to lose the applicability required/intended, in this case, by a specific company. This need for understanding and development through focused applicability was evident in both the early planning stage and even more so as the issues and project evolved. Therefore, this project has been specifically designed to utilise the main recognised benefits of a qualitative methodological approach, both in the actual design and delivery of the project and in the presentation of findings.

The methodological design and debate underpinning this project was outlined in the earlier methodological section. This highlighted the primarily qualitative nature of the project design, the implementation and the reporting methods. The authors believe that this approach has yielded an extensive degree of insight both for the researchers and the owners, into the challenges, possible strategies and project management skills required to be used and developed within a diverse business environment.

Governmental and individual perceptions of the most appropriate environment and mechanisms for business support inevitably vary and will continue to be the subject of substantial debate within business, academia and those public sector bodies charged with the design and delivery of individual support programmes.

A key issue remains, however, the degree to which company culture influences the development and management of successful Knowledge Transfer Partnerships. The degree to which company culture affects the work that can be carried out and the implications for further projects are clear and highlight the diverse nature of company culture, the different demands made of academics within those cultures and the long-term implications for the food industry.

A close spirit of cooperation was developed and continues to this day. A new product developed at QMUC ' the vegetarian haggis samosa ' was launched and QMUC continues to receive a royalty payment. In addition, it is worth noting that this project assisted in developing and promoting further work amongst a range of ethnic related businesses. This has culminated in the launch of The Scottish Centre for Enterprise and Ethnic Business Research. This new centre commenced in September 2004 with substantial European funding and will for the first time identify the scope of ethnic owned businesses in Scotland whilst analysing key issues affecting those businesses. This new project clearly highlights the possibilities and diversity of the KTP model.

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