Food and Drink Fellowship Review Stage 2

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Contents

1. Introduction

This report summarises the findings of Stage 2 of the review of Food & Drink (F&D) Fellowship. This involved an Industry Survey and a review of those responses against options developed in Stage 1.

1.1 Background

F&D is a key industry for Scotland's economy, and improving the supply of appropriate technical and leadership skills has been identified as one of the key elements of the Scottish Food and Drink Strategy.

In September 2010 The Fellowship was launched in response to the perceived demand for this type of formal accredited training for future highly skilled leaders in the F&D sector. Its overall objectives were to:

- Fast track future leaders of the industry;

- Provide the individual and the business with the skills to pursue and manage growth; and

- Realise business improvement (through a project).

The take up of the programme was lower than had been anticipated (only 4 participants, 3 of whom completed), and no second round of recruitment has yet been initiated.

Stage 1 of the study involved desk analysis of documentation, an overview of Leadership and Management provision, consultations with stakeholders and partners, and a limited number of interviews with both participating and non participating companies. This resulted in a number of options (not all discrete) for further consideration.

This second stage of the study has explored some of the key issues in a survey with a range of F&D companies, identifying the most important factors in selecting Leadership and Management training, and testing demand for these services.

The result of the survey has then fed into conclusions and recommendations.

1.2 Structure

The remainder of this report is structured as follows:

- **Chapter 2** highlights key findings from the online survey; and

- **Chapter 3** compares this feedback against the options established in Stage 1 of the study and puts forward recommendations.

The company survey can be found in Appendix A.

2. Company Survey

Company Leaders/Managers and Potential Participants in Leadership and Management Training were sent the online survey through a range of networks, newsletters and events, via channels and contacts from members of the Steering Group. This included the following organisations and networks:

- Scotland Food and Drink Members

- 12 Food Forum Groups

- Scottish Food & Drink Federation

- Scottish Bakers

- Quality Meat Scotland

- Scotch Whisky Association

- SDS

N.B. As such we are unable to accurately report the overall numbers to whom it was sent, but we believe it would have been distributed to up to 300 network members.

Within the survey it was important to understand whether the respondent was a Potential Participant or a company Leader/Senior Manager who had decision making responsibilities (and therefore presumably budgetary control on this type of spend).

There were a total of 27 responses; 70% of those who responded self-classified as Leaders/Senior Managers with the remaining 30% being Potential Participants. Although this is a lower than hoped for response rate, this was a risk that was discussed with the steering board previously. Whereas the lower than hoped for response rate brings with it some caution as to how the subsequent information can be used to inform future policy and action areas, the steering board were aware that this may be the case.

It is already known that many food and drink companies do not undertake training beyond legistative requirements (e.g. Health and safety etc.). Research has shown

that investment in Leadership and Management is low, and therefore it was anticipated that many companies receiving this would self select out of the survey.

The fact that 27 companies did respond and show a very positive interest, alongside the more in-depth telephone interview carried out with pipeline companies in Phase 1 of the study, gives some basis for investing further in this area. However, there has to be a level of caution given that the numbers are low, and processes need to be put in place to encourage that interest to be converted into action.
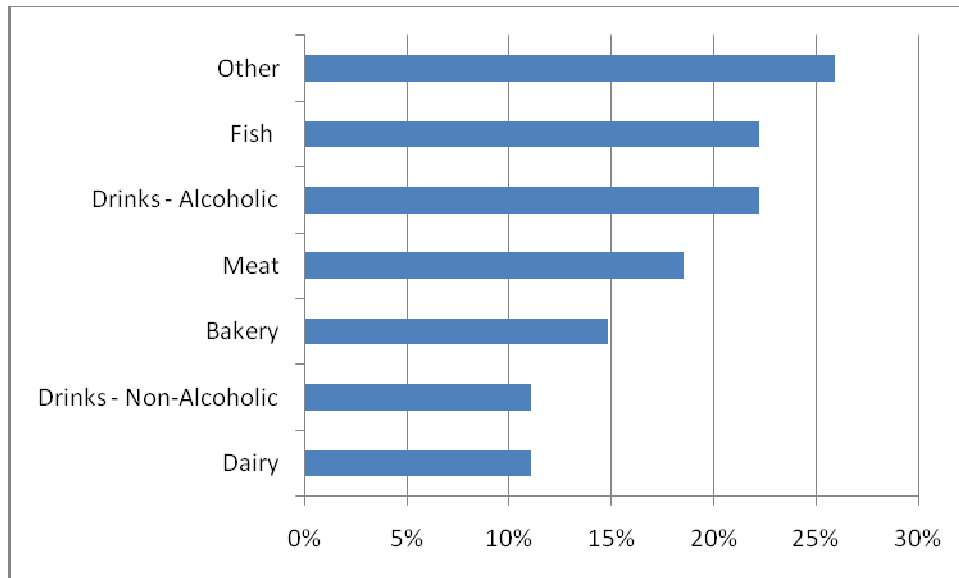
2.1 Company Information

2.1.1 Company Activity/Sector

Of the 27 online respondents, 67% were in manufacturing or processing, 21% were in distribution or retail and 17% were primary producers. Some companies fell into more than one category.

The main activities/subsectors are indicated overleaf and give a reasonable spread across the sector:

**Figure 2.1: Activities/Subsector**

N=27

Of the 26% that reported "other" responses included training provider, hospitality, food production, organic food, and chilled food.

2.1.2 Company Size and Turnover

Twenty six respondents provided employment information for their company. Total employment within the 26 companies was 9,545, split as follows:

Figure 2.2: Employees (FTE Scotland)
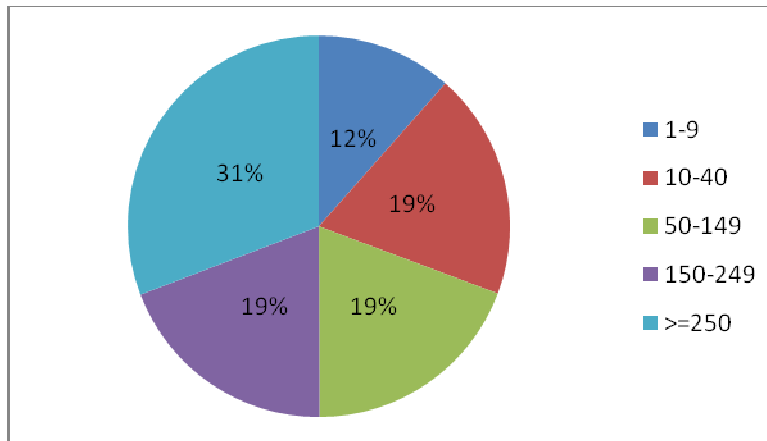
N=26

Of those who responded:

- Micro businesses account for 12%;

- SMEs account for 68%; and

- Large Enterprises account for 31%.

The total number of staff employed at supervisor/manager level and above was 1,559 with the majority of respondents (54%) advising that this accounted for between 11-20% of the total employed. One company had a single employee who did not consider themselves to be a supervisor/manager, **Figure 2.3**.

Figure 2.3: Workforce Employed as Supervisors/Managers (FTE Scotland)
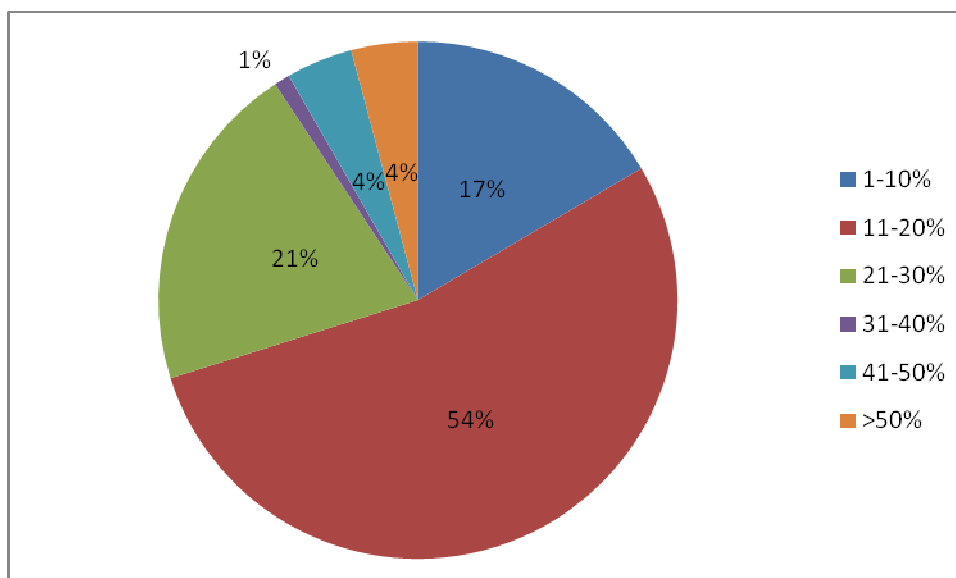
N=25

Half of respondents reported their annual turnover to be more than £10 million followed by just less than one quarter of respondents (23%) earning between £5-£10 million, 18% reported an annual turnover to be between £1-£5 million, and just 9% earned les than £1million.

Of these sales (N=24), one third of companies did not export. Of the 66% that do expect; 42% export between 1-20% outwith the UK, a further 8% export between 21-40% of their sales, and the remaining 17% export more than 40%.

2.2 Leaders/Senior Managers

Leaders/Senior Managers were questioned about leadership/management training, the importance of this training to succession planning and growth, gaps and/or barriers to investing in training.

2.2.1 Training Needs

Leaders/Senior Managers were asked about training needs and how often these are assessed across the company. The majority of respondents (63%) indicated that they analyse training needs annually. The full results are shown below, **Figure 2.4**.

Figure 2.4: Training Needs Analysis
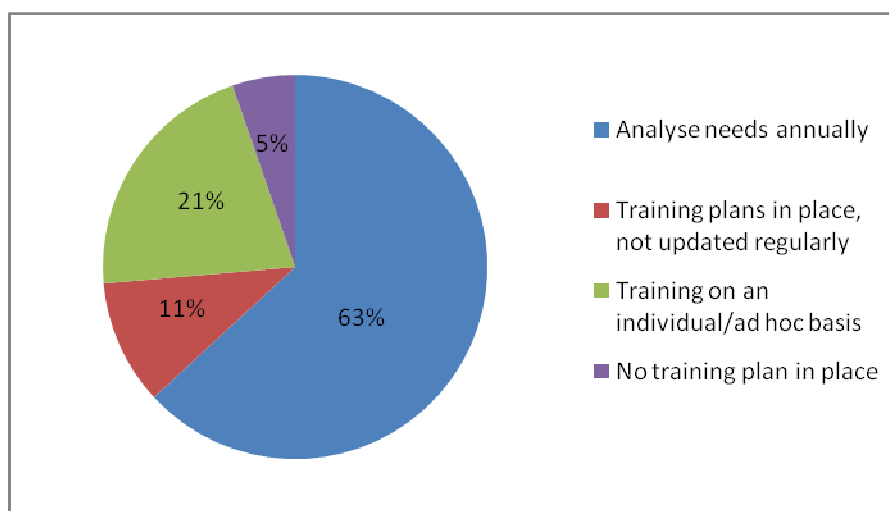
N=27

2.2.2 Growth Ambitions/Succession Planning

Leaders/Senior Managers were asked about the importance of investment in training to the company's growth ambitions. The majority of respondents, 89%, considered that investment in training was either *very important* (53%) or *important* (37%) to the company's growth ambitions.

When asked why, reasons given included:

- Good leadership and management is essential to driving forward business performance;

- Performance of supervisors and managers is key to the future of the business; and

- As the company grows we need managers and leaders who can take on the additional challenges this brings.

In achieving these growth ambitions, the importance of identifying future leaders and planning for succession was considered by the majority of respondents (95%) as either *very important* or *important*.

Reasons for this included:

- Identifying tomorrows leaders is vital in long term planning and development;

- Succession planning is key as part of an organisations business continuity; and

- Workforce is aging and need new blood coming through.

Leaders/Senior Managers identified various skills which would be required in order to achieve these growth ambitions, the most commonly quoted being *supervisory skills* and *managing change,* as well as operational management and HR/communications skills. There was less demand for market development and finance skills.

Figure 2.5: Skill Requirement
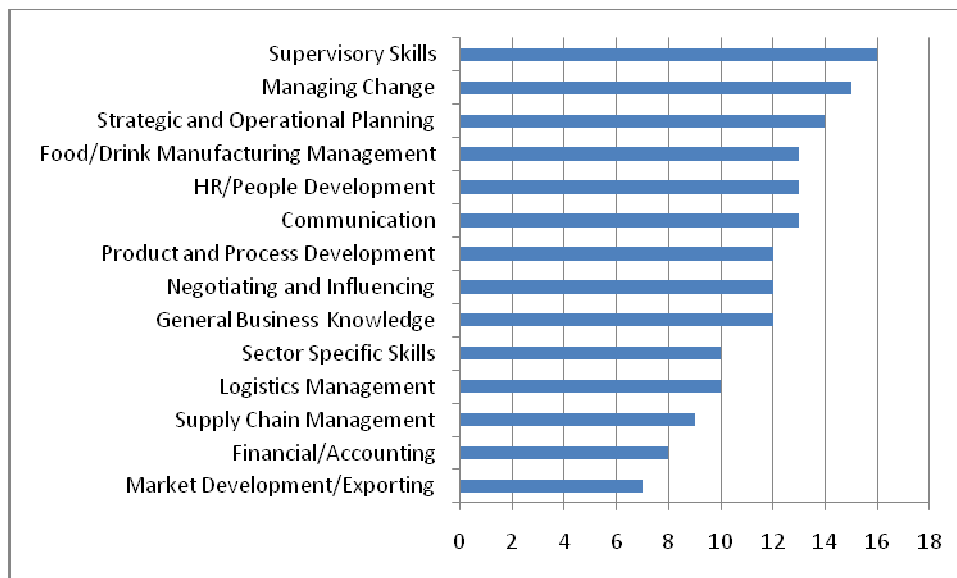
N=19

2.2.3 Training Participation, Methods and Current Providers

In an attempt to increase leadership/management skills, 94% of respondent companies are using a mix of training methods/type at present (both internal and external) with the majority favouring *Industry Specific Training*, *In-house Training* and *Networking with Peers*. Only 5% of companies have no participation in any training.

The reasons given for favouring in house approaches were pressures of cost, and the ability to tailor to company needs, **Figure 2.6.**
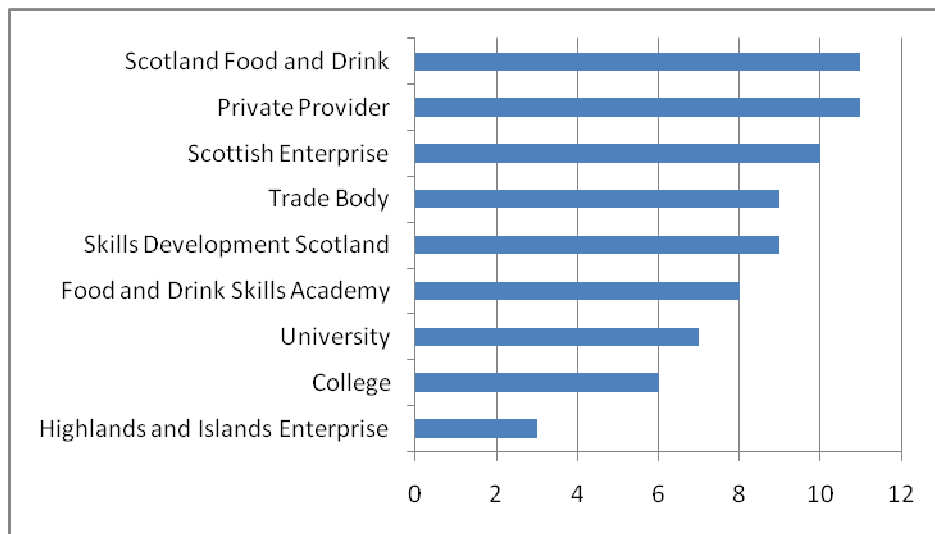
Figure 2.6: Training Methods

Figure 2.6: Training Methods

N=19

Leaders/Senior Managers were asked to identify if the company has a relationship with certain organisations for training purposes. The results are detailed overleaf, **Figure 2.7**.

**Figure 2.7: Existing Relationships for Training**

N=18

Scotland Food and Drink and *Private Providers* are the common relationships reported. The Food and Drink Skills Academy is only currently used by 8 of the 19 Leaders/Senior Managers (i.e. less than half) even though responses to the previous question indicate that *Industry Specific* training was the highest scoring preferred method of training. This may be due to the fact that 68% of these companies reported that they have annually updated training plans, and so are showing signs of being self sufficient for this kind of service, and indeed this survey focused on Leadership and Management training, which is only a proportion of overall training. However, it is worth noting that the demand for Industry Specific training appears high, and this may be an opportunity to explore further.

2.2.4 Cost of Training and Public Sector Support

Leaders/Senior Managers were asked to provide current annual spend per participant in leadership/management development.

The majority of companies (61%) spend less than £1,000 per head, with a further 17% spending up to £2000/head. One company spent over £10,000 per head on leadership/management development, with another spending zero.

Figure 2.8: Spend per Head on Leadership/Management Development
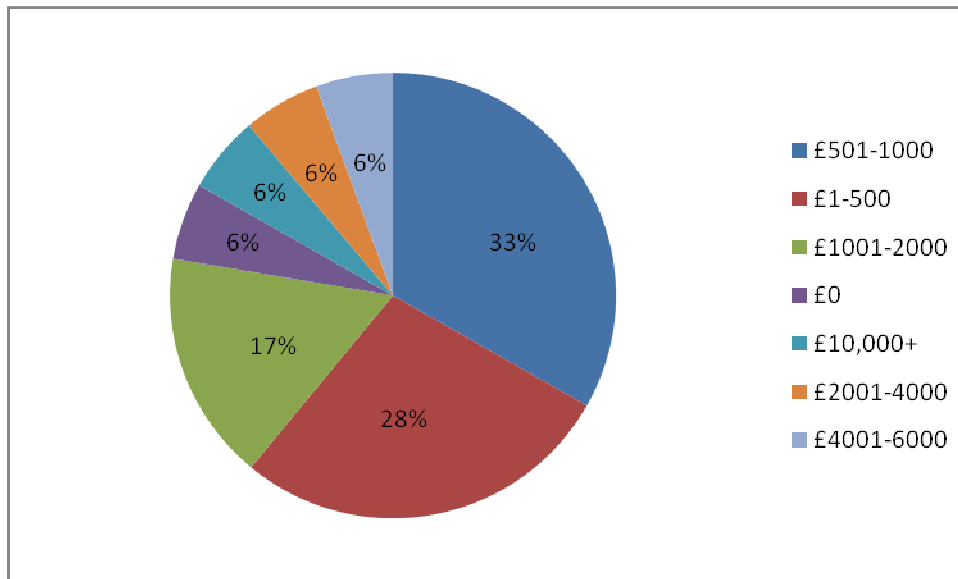
N=18

When asked about the level of public sector support available to pay for leadership/management development, only 29% had received public sector support with the majority (71%) receiving no public sector support (N=17).

Funding support was received by five companies. This support was received from Skills Development Scotland (2 instances), Scottish Enterprise (1 instance), SDS and SE jointly (1 instance), and Highlands and Islands Enterprise (1 instance). Respondents were not specific about which training courses support would part-fund, but only indicated Training Plan, Training and SVQ.

2.3 All Respondents

2.3.1 Selecting Leadership/Management Development

All respondents were asked about the importance of various elements in selecting leadership/management development. A total of 89% responded that the *Reputation of the Provider Delivering the Training, Learning from Peers and Being Able to Fit Round Normal Work* was either *very important* or *important.*

Gaining a qualification, having a class-based or on-line element and having a food and drink focus were seen as least importance overall, **Table 2.1**.

Table 2.1: Leadership/Management Development – Important/Very Important

	Number	%
Reputation of provider delivering the training	27	89%
Learning from peers	27	89%
Being able to fit around normal work	27	89%
Opportunity to experience how other companies/industries operate (through visits, etc)	26	82%
Learning from other parts of supply chain	27	78%
Being able to release staff for appropriate length of time to focus on studies	27	77%
Flexibility to select modules	26	74%
Cost	27	67%
Including a project based on a current business need	27	56%
Learning form outside food and drink industry	27	56%
Having a food and drink focus	27	52%
Having online learning element	27	42%
Gaining a qualification	26	41%
Having class based learning element	27	23%

However when the Potential Participants' and Leaders/Senior Managers' data were analysed in isolation, different elements were seen as being more important. Potential participants and Leaders/Senior Managers scored the differing elements as follows, **Table 2.1a**.

Table 2.1a: Leadership/Management Development – Important/Very Important Potential Participants and Leaders/Senior Managers Data

	Potential Participants	Leaders/Senior Managers
Having a food and drink focus	100%	42%
Being able to release staff for appropriate length of time to focus on studies	100%	69%
Opportunity to experience how other companies/industries operate (through visits, etc)	100%	74%
Learning from peers	100%	84%
Learning from other parts of supply chain	100%	69%
Flexibility to select modules	88%	68%
Learning form outside food and drink industry	88%	42%
Being able to fit around normal work	86%	89%
Having online learning element	86%	26%
Gaining a qualification	75%	26%
Cost	75%	63%
Reputation of provider delivering the training	75%	95%
Including a project based on a current business need	50%	58%
Having class based learning element	38%	32%

Analysis of the individual elements shows the disparate nature of the importance placed on certain elements by Leaders/Senior Managers and Potential Participants, in particular the importance of *Having an Online Learning Element, Having a Food and Drink Focus,* and *Learning from Outside the Food and Drink Industry* by Potential Participants.

Leaders/Senior Managers placed more emphasis on the *Reputation of the provider* and *Being able to fit around normal work* and rated *Having a food and drink focus* as significantly lower than the Potential Participants.

Neither group rated *having a class base element* as important.

2.3.2 Need for Industry Specific Tailored Leadership/Management Development

Overall 74% of respondents (N=26) agreed that there was a need for leadership/ management provision tailored specifically to the food and drink industry however when comparing Potential Participant data to Leaders/Senior Managers, the percentiles are 86 and 68 respectively.

The reasons given for these answers were split between those who felt that Leadership and Management principles and challenges were common to all sectors, and those who remarked that there were specific F&D sector needs including Fast Moving Consumer Goods (FMCG) understanding, managing customers and controlling peaks and troughs.

2.3.3 Companies Commitment to Participating in Leadership/ Management Development

A total of 78% of all respondents (N=27) advise that their company would consider participating in leadership/management development in the next three years, with 90% of Leaders/Senior Managers advising their company would participate. However when Potential Participants were asked the same question, only 50% indicated that their company would be willing to participate, the remaining 50% did not know.

When asked the length of time that companies would be willing to release staff to participate in personal development, there was a greater perception by Potential Participants that companies would be more willing to release staff for *Ad Hoc Attendance at Events/Seminars* (43%) compared to Leaders/Senior Managers who in the majority did not favour this (6%). Leaders/Senior Managers were more willing to release staff for *1-2 days*, rather than on an *Ad Hoc* basis.

Figure 2.9: Time Staff Released to Participate in Personal Development
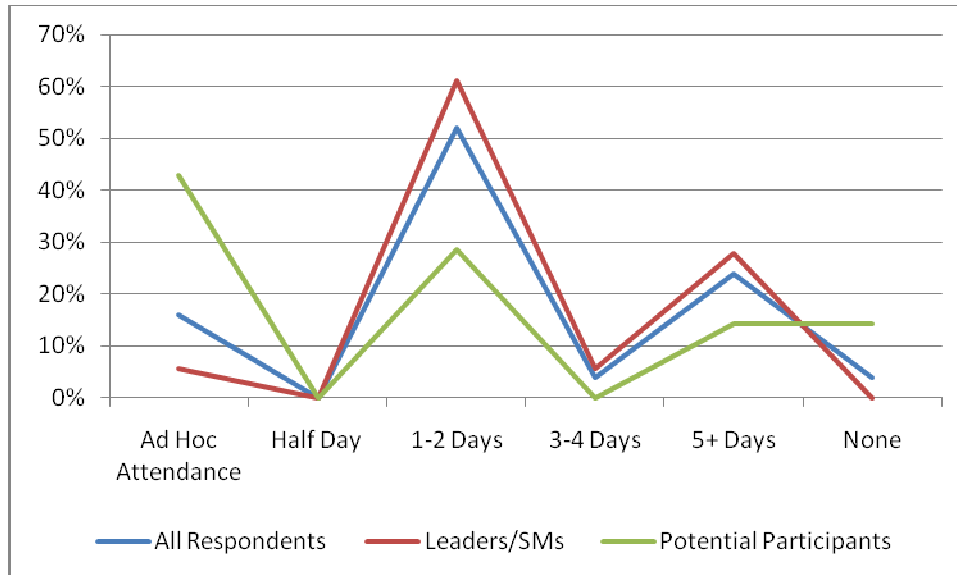
N=25

Additional information given in response to this question included:

- Highlighting the challenges in releasing staff when the organisation itself is small;

- The requirement that the training would need to be high quality and at a sufficiently high level to justify staff release; and

- The difficulty in factoring travel alongside staff release time.

All respondents were asked to give an indication of what they thought their company would be willing to spend on Food and Drink Leadership/Management Development. The majority of both groups indicated that their companies would be willing to spend up to £2,000 per annum per participant (although it should be noted that some respondents selected values lower than this). Only two Leaders/Senior Managers and two Potential Participants indicated their companies would be willing to spend more than this.

Figure 2.10: Company Spend Per Participant on Food and Drink Leadership/Management Development
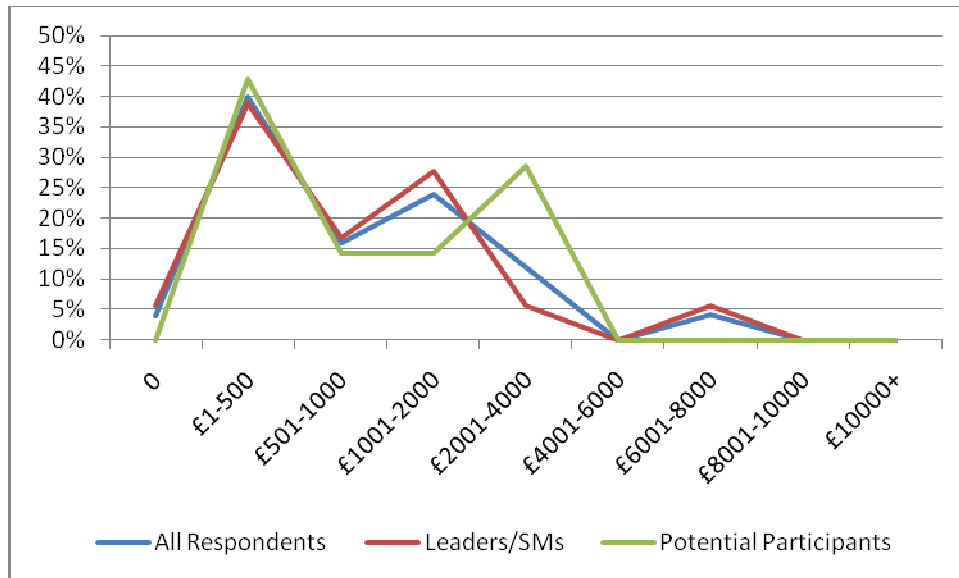
N=25

2.4   Follow Up

Participants were asked if they would be willing to be contacted for further discussion in relation to the development of management/leadership training provision and needs.

A total of 73% indicated that they were amenable to further contact regarding training provision, with 58% agreeing to further contact regarding training needs.

3. Conclusions and Recommendations

3.1 Previous Options development

The earlier stage of the study identified a number of options, which are not mutually exclusive, for taking forward the Food and Drink Fellowship (or not).

The options were as follows:

Option 1 – Run again

Run the programme largely as is, but taking cognisance of the improvements in delivery highlighted through this analysis.

This would include:

- Establishing a Fellowship owner and appointing a project manager;

- Building a robust marketing and recruitment campaign;

- Working in partnership across the stakeholders to input to design and delivery as well as recruitment; and

- Resolve qualification accreditation /certification.

Option 2 – Close

A further option is to decide that there is sufficient provision available for those companies that wish to take forward investment in Leadership and Management. The partners' roles would be focused on signposting, linking company needs to adequate provision.

Option 3 – Tailor Other Provision

Given that much provision is generic, one approach would be to tailor certain offering for the specific needs of the Food and Drink sector, for example public sector or university current provision.

SE is already piloting this approach with another sector, Forestry, which has some of the same issues. This has involved twilight sessions to meet the needs of the individuals' other commitments, and tailored case studies and examples.

Option 4 – Modular approach

Developing a more flexible programme where participants could take one module at a time, tapping into the most relevant areas of training for them individually. This could build to an overall accreditation / qualification. It may be that within this design there are core elements (fundamentals of Leadership within F&D) and then optional modules which can be selected. A more selective approach bears particular risks, however, in relation to financial viability.

Option 5 – Experiential Learning

A key element of embedding learning is to show that it has been embedded and implemented by the individual. Focussing the programme on project based experiential learning (supported by mentoring) will not only help the participant to put into practice the learning, but also should benefit the company through improvements implemented. This would ensure the programme was bespoke, project led and business focused.

As part of this, and to be as flexible as possible, on-line theoretical learning would be built into the design, such that the participant can learn at the their own pace and at a time convenient to themselves (especially for example if they are working shift hours), and then, with support from the programme mentor, apply that learning to real life practical situations.

Option 6 – Fill the F&D Gap

Given that the research has shown a plethora of Leadership and Management provision, the only case for further investment in the Fellowship is the need for a F&D specific element to the training. This final option focuses on this element and proposes that generic provision is largely used (signposted by partners) and the investment focuses on filling the F&D gap. This could be through a combination of supply chain management, best practice visits, learning journeys, sharing experience across subsectors (and sectors outside F&D), networking for future leaders, etc.

3.2 Key findings from the survey

The key findings from the industry survey can be summarised as follows:

- Leadership and Management (L&M) is viewed as important;

- Most companies spend less than £1000 per head annually on such training;

- The most important elements when selecting L&M training were:

    o The reputation of the training provider (especially for company leaders)

    o Learning from peers;

- The least important elements were:

    o Gaining and qualification (although potential participants rated this higher 75%)

    o Having a class based element

    o Having a food and drink focus (although this was rated as much more important by Potential Participants - 100%);

- Most companies would prefer to release staff for 1-2 days (although there was a significant proportion of Potential Participants who felt that their companies would opt for ad hoc attendance) and would invest up to £2000 per annum (although many selected less than this);

- Despite the low rating of the importance of a food and drink focus in selecting L&M training (51%), when asked if there was a need for industry specific training 74% replied in the affirmative (although only 68% of Leaders/Senior Managers); and

- As well as a need, the survey also identified a level of demand with 78% responding that they would be interested in participating in leadership and management development over the next three years (and 90% of company leaders).

3.3 Reviewing the options

Reviewing the options in the light of these responses we would put forward the following against each.

Option 1 – Run again

The evidence does not suggest that running the current programme, even with modifications would be fruitful. The need for time away from work, and the cost would suggest that this would not be an attractive option for companies. As such we would propose not to take this option forward. Recommendation : **NO**

Option 2 – Close

Equally just leaving this space to be filled by other provision without any intervention is also probably not the best solution. There appears to be a demand for this provision, but with major modifications from the current design.

There is a need recognised by the companies as essential for growth and, with the right provision, this does appear to be able to be translated into demand from evidence gathered by the survey.

Recommendation :

Partial

Option 3 – Tailor Other Provision

One of the most important elements identified by the survey was the reputation of the provider, so if a reputable provider could work with the F&D sector to tailor current provision this may help to tackle this need.

It is also likely to be more cost effective if design and delivery costs can be amortised across existing provision.

The request for peer learning suggests that a group approach would be beneficial, which many current L&M delivery options have as an integral part of their learning platform. Recommendation : **Possible**

Option 4 – Modular approach

Although fitting around daily work was a priority there was little demand for longer term investment and no interest shown in gaining a qualification.

The additional difficulties in trying to manage a modular approach make this option less attractive.   Recommendation : **NO**

Option 5 – Experiential Learning

Including a project based element was a low priority for Potential Participants, and mid ranking for Leaders/Senior Managers.

However feedback from more in-depth telephone interviews and consultations in Stage 1 of the study emphasised that this was an important element in putting learning into practice.

The option of an on-line element was not seen as attractive in its own right, but may be a useful addition to delivery mechanisms that allow flexibility around work commitments.   Recommendation : **Partial**

Option 6 – Fill the F&D Gap

Although having a food a drink focus was a low priority for survey respondents when selecting L&M training (especially for Leaders/Senior Managers), when asked the direct question is there a need for F&D specific training in this area 74% responded positively.

This potentially could be because despite the acknowledgement that many L&M skills and capability are common across many sectors, there are some specific issues that need to be managed within a F&D industry role. This was also reflected in the split of additional written comments alongside the survey response.

This may suggest that a suitable route forward is to allow more generic L&M training to fill much of the demand, but to focus investment in those areas where F&D specific understanding needs to be factored in, for example supply chain management (especially with perishables), FMCG understanding, dealing with variability, and understanding and managing customers, consumers and suppliers.

Recommendation : **Possible**

3.4 Recommendations

As discussed earlier there was a low level of responses to the survey given the size of the industry. Whereas this is perhaps to be expected given what is known about the level of engagement and investment in L&M training, *it does suggest a note of caution should be applied when using the survey results to inform the way forward.*

From the study outputs there does seem to be both a need and also a demand for this type of training. Companies see investment in L&M training as important, with over 78% of survey respondents (and 90% of Leaders/Senior Managers) reporting that they would be interested in engaging in such training over the next three years.

When reviewing the options in the light of the industry survey and other study elements it is apparent that there is no one option that is the perfect solution. This is to be anticipated, as the options were designed to showcase different approaches rather than single solutions, and it was always expected that a combination of several options would give the optimum solution.

From the analysis there are several options that are worth progressing, at least in part, specifically Options 3, 5 and 6. A combination of elements from these options would seem to form the best solution, namely:

- Run the F&D Fellowship again, but in a modified format, (and with closer Project Management and agreed ownership and clearer lines of accountability). In addition this should be effectively marketed with the F&D exec group promoting it within each of their subsectors;

- Partner with a suitable provider who can bring L&M expertise to the training, but then look to tailor to F&D. This does not necessarily need to be a university but could be a private deliverer;

- Factor in design demands such as only 1-2 days out of the office, optimum costs of circa £1000 investment from company[1], running as a group to ensure peer learning, and no requirement to progress to qualification.

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[1] N.B. the cost of provision needs to be carefully budgeted. If the company investment is likely to be in the region of only £1000 before this becomes prohibitive, if the costs of delivery are higher this suggests the need for subsidising the programme, which may not be the route preferred by public sector partners.

Essentially the investment from the company must be seen as value for money; and

- Look to fill any additional F&D specific training needs for leaders/manager, such managing as FMCG, supply chain, variability etc.

This recommendation should be discussed by the steering board and partners to agree the best approach for the next round of F&D fellowship.

Appendix A – Company Survey

Food and Drink Leadership/Management Development
Industry Survey of Demand

Company Background

Name of Company	
Your Name	
Position	
Tel No	
Location of main Scottish base	

About You

1. Which statement best describes your interest in Leadership and Management development?	
	√
I am a company leader/senior manager with investment decisions on training priorities	
I am a potential participant in Leadership and Management training **(go to question 9)**	

Leadership/Management Skills and Training in Your Company

2. Do you regularly assess the training needs across the company?	
	√
Comprehensive training needs are analysed annually	
Training plan in place but not regularly updated	
Training needs identified on individual ad hoc basis	
No training plan in place	

3. How important is investment in leadership and management to your company's business/ growth ambitions? (1=not important; 5= very important)				
1	2	3	4	5

Please give reasons for your response.

4. How important is identifying future leaders and planning for succession to your company? (1=not important; 5= very important)				
1	2	3	4	5

Please give reasons for your response.

5. What leadership/management skills does the company need to develop to achieve its ambitions?	
	Tick all that apply
General business knowledge	
Strategic and operational planning	
Managing change	
Negotiating and influencing	
Communication	
Financial/accounting	
Supervisory skills	
HR and people development	
Supply Chain Management	
Product and process development	
Market development / exporting	
Logistics management	
Food/drink manufacturing management	
Skills specific to your sector (e.g. Meat Processing, Bakery, etc.)	
Other (please specify)	
Nothing at the moment	
Please specify.	

6. What is being done to increase leadership/management skills in the company?	
	Tick all that apply
Company provides in-house training	
Staff take part in non-industry specific training (e.g. MBA)	
Staff take part in industry-specific training	
Attending masterclasses/best practice events	
Opportunities for networking with peers through industry events/conferences	
In house shadowing/mentoring	
Nothing at the moment	
Please provide details. What attracted you to this option? Which of these is the most important? Please explain why?	

7. What is your annual **spend per participant** in leadership/management development?	
	£/head
£0	
£1-£500	
£501-£1,000	
£1,001-£2,000	
£2,001-£4,000	
£4,001-£6,000	
£6,001-£8,000	
£8,001-£10,000	
£10,000+	

8. What proportion of this spend is supported by public sector funding?				
0%	25%	50%	75%	100%

Please give details of funding support

9. How important are the following in selecting leadership/management development? (1= not important; 5=very important)						
	1	2	3	4	5	n/a
Having a food and drink focus						
Flexibility to select modules						
Being able to fit around normal work						
Being able to release staff for appropriate length of time to focus on studies						
Having class based learning element						
Having online learning element						
Including a project based on a current business need						
Opportunity to experience how other companies/industries operate (through visits, etc)						
Learning from peers						
Learning from other parts of supply chain						
Learning from outside food and drink industry						
Gaining a qualification						
Cost						
Reputation of provider delivering the training						
Please give any reasons for your answers?						

Food and Drink Specific Leadership/Management Development

10. Do you agree that there is a need for leadership/management provision that is tailored specifically to the food and drink industry?	
	√
Yes	
No (Go to **Q11**)	
Don't know	
Please give reasons for your response.	

11. Would your company consider participating in food and drink tailored leadership/management development in the next three years?	
	√
Yes	
No (Go to **Q11**)	
Don't know	

12. What length of time would your company be willing to release staff to participate in personal development (i.e. sequential time away from work)?	
	√
Ad hoc attendance at events/seminars	
Half day	
1-2 days	
3-4 days	
5 days+	
None (staff would have to train in own time)	
Please give reasons for your response.	

13. Do you currently have a relationship with any of the following organisations for training?	
	√
Skills Development Scotland	
Scottish Enterprise	
Scotland Food & Drink	
Food & Drink Skills Academy	
University	
College	
Private provider	
Trade Body	

14. Do you have any other comments you would like to raise about food and drink leadership/management issues in general?

Company Information

Main activities/subsector	
Number of employees (Scotland)	
Number of staff at supervisor/ manager level and above (Scotland)	
Annual turnover	
% sales outside UK	

Thank you for your participation in this survey.

I would be willing to be contacted for further discussion in relation to the development of management/ leadership training provision. ☐

I would like to be contacted for further discussion in relation to my Management/Leadership training needs. ☐