

Collaborative Relationships – Finding the Right Partner



Improving Scotland's food and drink businesses through collaboration

SCOTLAND
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For any partnership to be successful, it is important that it is based on trust, shared goals and mutual understanding. These don't come instantly. You and your partners need to prove to each other, over time, that: you do deliver on your promises; you are committed to a long term, sustainable relationship and will not sell each other out for short term gain; you are willing to share information of mutual interest, and are working towards the same shared goals (i.e. ultimately satisfying the consumer).

Three Scottish transport companies - **Highland Thermo Logistics (HTL)**, **Waltons of Oban** and **Long Lane Deliveries (LLD)** – have developed collaborative relationships which have improved their customer offering and helped build their businesses. The three companies collaborate where it makes most commercial sense, but remain very competitive on other routes.



HTL and **LLD** got things underway following a phone call from David Myles of **LLD** to David Henderson at **HTL**. Keen to grow the business, David Myles is always looking for partners who are willing to share information and who

are also looking for ways to extend their areas of operation.

LLD now also works with **Waltons of Oban**, through **HTL**, to cover some smaller scale deliveries to the West Coast. **HTL's** relationship with **Waltons** was started by the company's owner, Eric Walton.

He learned that **HTL** was operating on the Inverness to Oban route. He realised it didn't make economic sense for both companies to be competing on this route and he contacted David Henderson.

Each collaborative relationship within the group is fairly informal – as each company is a separate entity, they see no need to engage in joint strategy and planning.

They don't set targets, but they have been open and fair with each other on pricing in order to build up trust. **HTL** and **LLD** have service level agreements and have exchanged price cards. **HTL** has set most of the prices for the Highland deliveries which **LLD** accepts as fair. For **Waltons** and **HTL**, the arrangement is very informal - business is offered and shared as it comes up.

Key point from this case study:

- Partnerships can be informal as long as there is a clear understanding that benefits are shared by all

The **David Sands** retail business has gone through two decades of expansion, growing from its original store in Kinross to 27 shops in Fife and Perthshire.

For **David Sands**, research which demonstrated that customers wanted more local produce set him on the road to seeking out new suppliers. He sees this as a way to differentiate his stores from both multiple retailers and convenience stores.

He worked with Scottish Enterprise and Scotland Food & Drink to run Meet the Buyer events to find new producers, and increased his PR and publicity to ensure that producers and potential suppliers were aware of the David Sands group.



The company uses local suppliers if it can, and it also takes a partnership approach to working with them. The aim is to have long-lasting, mutually beneficial relationships. The company does not dictate terms to suppliers, but negotiates prices, margins and sales potential.

The relationship with **Stephens Bakers** is an excellent example of this philosophy at work. Stephens has worked with Sands now for around 11 years. They started trialling one in-store bakery in the David Sands' Kelty store in 1997 and now

Stephens has a bakery inside every David Sands store. The Sands' in-store bakeries are

run by Sands staff - all of whom are trained by Stephens.

For **Stephens Bakers**, the most refreshing thing about the relationship was David Sands' willingness to listen to advice on how the bakery goods should be marketed. The companies don't have formal targets or goals, though they have regular planning meetings and they also have quarterly reviews to look ahead on a five year timescale.

Key point from this case study:

- **A similar pedigree and values can be very important to a collaborative relationship and both parties must be able to see a clear opportunity for growth.**

Further information is available from:

www.david-sands.co.uk

Wm. Stephen (Bakers) Ltd

www.steakbridie.com

Highland Thermo Logistics Ltd

Email: Freeze.htl@virgin.net

Long Lane Deliveries:

www.longlanedeliveries.co.uk

Waltons of

www.waltonsofoban.co.uk

For further information about the C2 project, visit www.ctwo.org.uk.

