

New Partnership Initiative to boost Scottish food and drink sector

Monday, May 18, 2009

Rural Affairs Secretary Richard Lochhead has launched a new initiative encouraging Scottish food and drink businesses to work collaboratively across their supply chains, with the aim of helping them become more efficient, competitive and profitable.

Known as C2 (Cultivating Collaboration), the project - jointly funded through the Scottish Rural Development Programme, by The Scottish Government, the European Union and SAOS - promotes the overall business benefits of effective co-operation between businesses working in all areas of the food and drink sector. The project is delivered as a key strategic activity of Scotland Food & Drink.

The C2 project offers participants an alternative approach to doing business rather than just trading with each other in a more traditional fashion. By working more closely together with others in their supply chain, businesses can gain competitive advantage built on a common commercial aim, by simply communicating more effectively, sharing information with others or, in more advanced relationships, engaging in full scale joint planning and investment decisions. Previous research***shows supply chain collaboration is an effective and modern way of enhancing business performance, with those involved becoming more proficient, cost effective, responsive and ultimately profitable. C2 principles apply to all businesses across the supply chain, from farm to fork.

To see an example of effective collaboration in practice, Mr Lochhead visited a Fife branch of convenience retailer David Sands, which works in close partnership with local firm Stephens Bakers to supply its products across all Sands' stores. Their collaborative relationship has certainly provided a "win-win" for both parties - after 11 years, the relationship now accounts for almost 30 per cent of Stephens' sales and eight per cent of David Sands' turnover.

Commenting on the benefits of C2, Mr Lochhead said: "Food and drink is one of Scotland's key industries, supporting hundreds of thousands of jobs across the country and contributing over £7.5 billion to the nation's economy.

"It's therefore hugely important we do everything possible to enhance and develop the sector and initiatives such as C2, with its emphasis on efficient collaboration, is certainly a prime example of how we can develop a world class collaborative supply chain in Scotland that will contribute to the future growth of our food industry.

"We will shortly unveil the next stages of Scotland's first-ever National Food and Drink Policy. It will aim to boost business, put even more Scottish food on consumers' plates and deliver major health and environmental benefits. Innovative projects such as C2 will play a significant role in securing the future success of this hugely important industry."

Alan Stevenson, SAOS supply chain development director said: "To gain the benefits of working more closely together, you have to change the culture and behaviour within your supply chain. It means building trust and reliability, which is a step by step process and can take time. The expertise within the C2 Team and our partner organisations, will help accelerate this process by encouraging people to look at the way they do business, supporting them to achieve the real commercial gains through closer working partnerships.

"Businesses working collaboratively across supply chains tend to be more market focused and able to respond quicker to market changes and opportunities. They know what is expected of each other, and the strengths that individuals bring to the chain. C2 is all about encouraging that kind of joint working as a means of making businesses stronger, resulting in long term, future success."

Paul McLaughlin, chief executive of Scotland Food & Drink added: Scotland Food & Drink has set challenging targets to grow the industry from £7.5 billion to £10 billion over the next decade. Moving more of the industry from being cost and performance centric to being collaborative and mutually supportive will be challenging, as the industry will need to nurture new levels of trust and transparency to make those step changes that are needed, but we believe this approach will deliver substantial improvements from raw material suppliers through to retailers.

The dedicated C2 project team will offer participating businesses well resourced, practical and candid advice to help them generate fair and sustainable business success through cooperation and collaboration. The advice will be available through workshops, online, and specialist one to one support. Further information about the project, forthcoming events and workshops, details of how to get involved, etc. can all be found on the C2 website at www.ctwo.org.uk.

Cultivating Collaboration

SAOS Ltd

Rural Centre, West Mains

Ingliston, Newbridge

Edinburgh EH28 8NZ

T. 0141 956 7089

E. info@ctwo.org.uk

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Stephen Brown
Development & Distribution Director

David Sands Ltd.

Alligin House
2 Clashburn Close
Kinross
KY13 8GD

www.david-sands.co.uk