

TITLE OF THE CASE STUDY: NIKS TEA

Name of the organisation: NIKS TEA

Country and sector of the organisation: IRELAND - TEA AND HERBS / ECOLOGICAL INDUSTRY

Type of organisation:

- **Business company**
- Public organization
- Private organization
- NGO
- Other:

Size of the organisation:

- **small**
- medium
- large

Brief description of the organisation:

Niks Tea started like many Irish family businesses at the kitchen table. We are great tea drinkers but in 2011 when Niks Tea began there was very little quality Irish leaf tea blends available to buy locally or buy tea online. They tested the waters at local farmers markets & food events and were delighted to find really enthusiastic speciality tea drinkers who loved their teas.

From these humble beginnings Niks Tea blends have achieved the highest accolades winning many national food awards, listings in flagship supermarkets, speciality & health food retail stores and since 2016 our catering range is served in many café's, restaurants & hotels throughout the country.

Short description of the case study (500 characters)

Since first entering the Blas na hEireann Irish Food Awards in 2013 NIKs Tea has achieved many Gold Silver & Bronze Awards in recognition of our innovation and creative tea. They transform everyday loose Tea and elevate, creating new flavours like Irish Whiskey Cream Liqueur which won many Gold awards.

Winning awards and gaining recognition from international experts in the business has really boosted their popularity with stocklists & customers who buy tea online that can be confident they are tasting & serving the best.

Surprisingly, most family businesses do not see the value in communicating about their history, their values and their long-term vision as owners of a company. Of course, it is easier not to put the family's reputation on the line. But that also means missing out on the advantages that come with it.

In today's increasing uncertain business environment, more and more organisations have become faceless entities with few authentic role models, inadequate societal and ethical benchmarks, and shorter CEO tenures. Family businesses such as NIKs Tea are in a unique position to differentiate themselves by building their own brands. When owners publicly declare their commitment to support a family business in the long run, the brand gains the credibility and trust that is necessary to build loyalty among both internal and external stakeholders.

Key words:

ONLINE BUSINESS

FAMILY BUSINESS

INNOVATION

RECOGNITION

GOOD COMMUNICATION

BEST PRACTICE PROFILE

DETAILED DESCRIPTION

Owners looking to avoid the mistake of staying in the background often have questions about how to do it effectively. To find answers to these questions we conducted a small research project on family owned and controlled businesses, where the family identity is closely connected to their business. Through our own contacts and friends we came across Niks Tea, a family owned business that is successful in Ireland and that has gained recognition from local and international experts in the business that has really boosted their popularity with stocklists & customers who buy tea online that can be confident they are tasting & serving the best.

The objective of our case study research was to explore when and how positioning the business strategically as family-controlled has a positive impact and helps strengthen the family as well as the business identity. Specifically, we examined Niks Tea, winner of the Blas na hEireann Irish Food Awards in 2013. Niks Tea has achieved many Gold Silver & Bronze Awards in recognition of our innovation and creative tea and annual prizes for distinguished family businesses in Ireland from a variety of sectors, which has led them to be very successful despite the size of the company.

We wanted to focus on examples of how new-generation family business leaders got it right. Niks Tea strengthened support for the company through a massive company-wide dialog with its different stakeholders about the company values and widened its business model based on the family values and goals, which led them to create new products appealing to the Irish and international market for tea drinkers that many have come to love.

One of the strengths of Niks Tea has been the marketing of organic products. Nik's Tea is an award winning supplier of bespoke & speciality teas from around the world. With a passion for tea, they go to the ends of the earth to find the teas they believe customers are going to love. Niks Tea moved to a fully custom fitted facility in Jan 2019. They succeeded in their aim to achieve Bord Bia Organic Green status in mid-2019 commencing our 5 year sustainability plan which they revise & update annually.

RATIONALE

At this point Niks Tea offers services online to both businesses and individual tea lovers. Family businesses are tricky, but they can succeed if family members separate work and personal relationships.

As a long-term business goal, Niks Tea as a family businesses has tended to have defensive rather than offensive organisational strategies.

When it comes to managing a family business, separating work and personal relationships can be admittedly tricky. For Niks Tea this was not impossible, it just added another layer of difficulty. In fact, successful family businesses are a fairly common thing with more than two-thirds of all the companies in

the world being family owned. Not only does this indicate that managing a family business can be done, but that it has a huge impact on the success of the business as well as on the global economy.

What are the secrets of these family businesses? Here are the strategies that Niks Tea followed:

Secret 1: Family businesses practice minimalism

In a world that values innovation, it's tempting to ride along with every trend that takes the industry by storm. But successful family businesses have a common habit of practicing minimalism in running their business – that is, being more mindful of what they invest in and whether or not it adds value to the company in the long run.

The opportunity cost to this philosophy is that family businesses have fewer chances of "winning the jackpot" during good economic times. Hence, a smaller growth rate in the short term for the chance of a higher return on investment in the long term.

Secret 2: Family businesses don't prioritise profit maximisation

Family businesses anticipate that they will stick around longer than the average start-up, so they have a tendency to have a defensive business strategy.

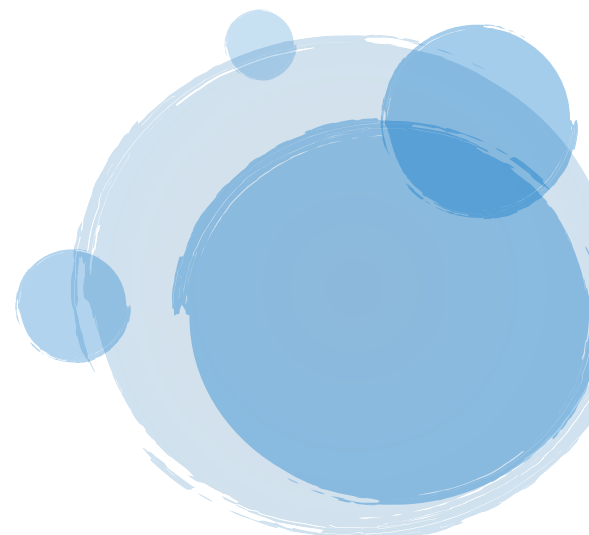
As mentioned, family businesses are wary of joining the trend bandwagon. Hence, you won't see many family businesses participating in business models that are out of the ordinary.

That said, just because family businesses don't focus on maximising profits doesn't mean they don't earn a profit. Some investments may lose money in the short term but prove to be a solid business model in the long run. Family businesses tend to spot these deals and build on them. Instead of earning profit for the sake of it, most family businesses do it the other way around: focusing on their product, their customers, and their employees, which consequentially leads to a higher profit in the long term.

Secret 3: Family businesses draw clear lines to avoid conflict

Unlike nonfamily businesses, one weakness of family-owned businesses is that there is an increased risk of conflicts when the professional and personal worlds collide. But a common secret in overcoming conflict among successful family businesses is the clear definition of roles of every member of the family.

This is how Niks Tea continues to be a successful family business since it was established in 2011. One of the things they did was to establish a simple rule: not to allow conversations about work during family gatherings. They always leave business at the office.



GOALS

While Niks Tea is no different to many different companies, there are common ways in which they have used their family brand to enhance their company's strategic position:

- Align the family:** Involve the whole family to review the mission and big picture strategies.
- Confirm common values:** Explore how core family business values such as integrity, long-term vision and trust that can be infused into the company's business model.
- Leverage the family background:** Integrate the family name and history across the business as it can signal quality and trust, attract capital and bring unique new opportunities to the company.
- Communicate the family's involvement:** Proactively manage the owner's visibility and communicate their values and ideas, champion cohesion and nurture a sense of belonging – inside the business, the family and to the public at large.

Overall, we found that Niks Tea combines a clear sense of shared values with open and honest communication by family members has the power to create an authentic and emotional relationship to stakeholders and at the same time unite the family behind the business.

IMPACT

Niks Tea has been able to combine professionalism with the fact that it is a family run business. This had its challenges from the very start, but applying key concepts like teamwork, family values, good internal communication and decision-making, the company has been able to not only survive the first five years in business, but has also grown considerably.

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Our Mission and vision were important to them from the very beginning. Niks Tea aims to create Organic Herbal teas that are healthy & full of exciting flavours for experimental and experienced tea enthusiasts. We are committed to an ecological production process and packaging plan and strive to create a memorable and enjoyable tea experience that's affordable and convenient for customers to source and prepare.

Niks Tea has made an impact in terms of awards locally in Ireland. Since first entering the Blas na hEireann Irish Food Awards in 2013 Niks Tea has achieved many Gold Silver & Bronze Awards in recognition of our

innovation and creative tea. They transform everyday loose Tea and elevate, creating new flavours like Irish Whiskey Cream Liqueur which won many Gold awards.

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An ambitious expansion move in January 2019 was fulfilled following 5 very happy years in Terenure Enterprise Centre. Niks Tea moved to a fully custom fitted warehouse in Greenogue Business Park, Rathcoole. Our aim to become a sustainable and fully in-house production and packing facility was achieved.

Their 5 Year target led commitment to implement sustainable practices with Bord Bia through the Origin Green program includes a commitment to sourcing and developing organic tea varieties packed in compostable and Biodegradable materials and also supporting sports and community initiatives and events locally. Niks Organic Pantry and Neighbourfood.ie are part of the local involvement to the community.

LESSONS LEARNED

Niks Tea focused mainly on the following skills to develop and sustain their family-run business:

Communication

The first and foremost key to running a small family business is communication. You might assume that your family members understand you so well that you don't have to communicate with them about your expectations and the nature of a particular project.

This is one reason why family businesses fail in the competitive business world. If you want your company to work, it is essential for you to stop assuming everything on your own and start communicating clearly and openly.

Build trust, determine the values of your business, practice transparency, understand the goals and aspirations within and outside the family business by setting up clear and official methods such as meetings. Arrange meetings on a weekly basis to analyse progress, hear out any differences and resolve disputes.

Roles and Responsibilities

While working with the family, clarifying and defining the roles and responsibility of every member is essential. The more you describe the job description to every member, the less room you'll have for workplace conflict.

So, at family business meetings, consider every person's skills, talents, roles, and find the best fit for them. This structuring can help you in professionalising the business entity and improving the accountability of everyone.

Area of Expertise

As soon as you set the management plans for your business entity, the next thing is to allow each partner to be an expert in his or her own category or skills. If one of your family is good at the accounts, then it is better to give them all the financial work and bank records. It will not only save your money for hiring bookkeepers for this, but it will also create a balanced business relationship, and prevent arguments when crucial decisions need to be made.

Family Dynamics

The most common issue in a family-owned business is emphasizing too much on “family” and not enough on “business.” Hence, it leads to the situation where several companies can’t maintain the balance between the professional demands and family dynamics.

In order to get your business off the ground, you need to separate the professional and personal relationships well. Never let family disharmony tempt you into making unjust professional decisions.

You can also set a rule at family gatherings and holidays to not discuss work-related issues. Once you master this, your workplace and home will be happier places.

Conclusion

It is complicated enough for running a business without having the pitfalls and potential baggage of family relationships. But running a family-owned business have some significant advantages over others which that cannot be denied, with a dedicated pool of people ready to stand behind your effort.

If your start-up is a family business, you’ll need to take extra steps to avoid burning out, ensure on-the-job harmony and attract advice from business experts outside the family circle.

MATERIAL



<https://www.nikstea.ie/>

REFERENCES

Website of the organization: <https://www.nikstea.ie/>

Interview with CEO of the company by I & F Education.

Nicola, CEO of Niks Tea speaking about their products: <https://youtu.be/B-mdoSQAvIU>