

THE SUSTAINABLE BUSINESS

Interview with Mike Bagshaw, Founder
International Taste Solutions



Extract from book commissioned by
Brevity Marketing

Introduction

A relatively new addition to the business vocabulary, but mission-critical if a company is going to be looking long-term.

But what does 'sustainable' really mean?

With 'sustainability' it has become locked in the crosshairs of the pursuit of environmental best practice, which arguably is the commercial equivalent of cart before horse.

The very *modus operandi* of a sustainable business means that one of the outputs will be environmental responsibility, though a company delivering environmental sustainability won't necessarily be a sustainable business.

Arguably 'sustainable' is kind of a business definition of holistic, with everything it does interconnected by its culture.

In other words its about sense of purpose, values, behaviours, active brand, internal/external engagement with all of the stakeholders, relationship optimisation, consistency, resilience, a mindset which sees challenges as opportunities, a desire to develop a circular economy, all of which combines to deliver sustainability, all rooted in responsible practices that will serve to preserve our planet.

For a series of papers and subsequent book commissioned by Brevity Marketing and to be published by DECISION magazine, business owners and directors from across generations and market sectors share their thoughts about how they would define the characteristics of a sustainable business, and what the journey might hold.

This is one of the interviews to be included.

Working out how to build an amazing business

It was during a visit to a distillery as a tourist that something was said which helped shape Mike Bagshaw's thinking about his own company. "I asked their guide about the impact of the pandemic on their business and they shrugged and told me what's in those barrels won't see the light of day in our generation," recalls the founder of International Taste Solutions, creators of natural flavours in liquid and powder form.

"That requirement for long-term thinking really struck me. So let's put the association of 'sustainability' and 'environment' to one side for the moment. I believe the basis of a sustainable company is having a clear purpose and an ethos of looking after the stakeholders – its people, customers, suppliers, and the community – who will enable it to achieve its goals."

"Honesty," he says, "should come from having that perspective. If we were in the motor trade, to use an analogy, we wouldn't try to sell a customer a Rolls-Royce when they really need a Mini. Trust takes a long time to build with a customer but it can be lost in a moment."



Mike Bagshaw

The flavour industry is worth some £10billion globally, and according to Bagshaw there are four companies which have probably seventy per cent of the market. What then drove him to set up International Taste Solutions (ITS)? He explains: “It was an experience when I was an employee at a company which had to hold an internal meeting to decide whether it could help out a customer which needed an urgent extra delivery because it didn’t have enough of a particular flavour in stock.

“Holding a meeting to see whether we could help them? Here we just do it. We have a saying at ITS – ‘by the time we have a meeting about whether to do it or not, we could have done it’. A sustainable business will have long-term relationships and they are built on being easy to work with.”

There’s a quotation from entrepreneur Duncan Ballantyne, which Bagshaw says comes to mind. You don’t need an amazing idea;

you just need to do one thing better than the competition, and then you have an amazing business.

“What can happen though when a business scales is that staff can become numbers, and clever people end up being treated like mushrooms,” Bagshaw suggests. “I was influenced by John Timpson’s books and ‘Maverick!’ ‘by Ricardo Semler and the importance they put on treating people like adults and trusting them. It’s about having an inclusive team.

“We hold open forum quarterly meetings attended by our five heads of functions when we go through everything with our staff, including the P&L. There isn’t a formal podium and lectern for the presentations. A manager will give their input from wherever they happen to be in the room.

“I come back to the point that sometimes a business can lose its way as it grows and becomes more corporate. I would say simplicity scales, complexity fails. Our sense of purpose has always remained the same, which is to help the food industry to make its products even better.

“To deliver that sense of purpose, a sustainable business will have defined what it is good at. When one of our larger customers asked us to look at producing a savoury flavour I explained that our specialism is that we’re on the sweet side because that’s where we add value. It’s liberating when you are honest with people, and it keeps you focused on the purpose of your business.

“And what’s infectious is that the customer wants an honest conversation, and that isn’t going to damage your relationship with them.

“A sustainable business will have defined what customers are right for them, which won’t be those that buy primarily on price. Great service, high-quality product, and cheap price – a company can’t provide all three. Consistent value for money has to be the proposition.

“So the number one rule is that you need to be brave if that means turning down a new potential customer if you know they don’t subscribe to that. It’s better to say this is where your business is, this is where we are; we’re not really right for each other.”

In addition to falling to the temptation to grab whatever new business is available, Bagshaw suggests that ironically, having formal management qualifications could be likely to result in being less able to deliver a sustainable company.

“The way business is taught is that as a company scales it introduces tiers of management and reporting procedures,” he points out, “But I think that only works if people are able to take personal responsibility, because then they become engaged with the business. That can’t happen if every little decision has to go up the chain or to the head office mothership.

“Adding more process and layers doesn’t enable a business to be sustainable, because the moment the directors lose contact with



Inside one of the ITS laboratories

their constituents, they are only listening and taking their lead from senior management.”

A sustainable company will also have to engage in some fresh thinking about career progression, Bagshaw believes, such as identifying an alternative to promoting its top sales person to a managerial position when actually the star performer really wants recognition rather than having to spend time away from the front line on other duties. “That means finding the means of providing salary and status which is not dependent on being saddled with a management role,” he muses.

And Bagshaw says a sustainable company will look for any excuse to get its people together in ways which sustain engagement.

“When we hold a pub quiz at our offices, each team has to be made up of people from different functions of the business,” he explains. “I want people to look back on their time here and say it was a great experience. That matters to me because when I was growing up, I remember my dad working at places he hated.

“When it comes to engagement, it’s also meaningful when visitors to our building are inspired to post on social media they had a great day at ITS, the equivalent of a spontaneous testimonial.”

But Bagshaw is a realist when it comes to what really attracts an outside investor or a company enquiring about a trade sale. “You’ve come to their attention because of your product and your customer base,” he says, “but I would argue that it’s your culture which underpins what you have been able to achieve.

“It’s a reason why I believe a sustainable company will have a wider remit about its role in society. There is a pressing need to end illiteracy in this country, so we’re setting up a charity to support initiatives which we involve our business.”

www.itstaste.com

About Brevity Marketing



Kaia Vincent

The interview with Mike Bagshaw was undertaken with Brevity Marketing founder and managing director Kaia Vincent FCIM.

Brevity Marketing is on a mission to empower business leaders and teams to succeed in today's competitive market while at the same time considering their impact on people and planet, providing tailored strategic and tactical marketing that tell a company's story and drive results – helping business to be seen, heard, and chosen above the noise.

Brevity achieved B Corporation status in 2023.

Kaia Vincent began her career in the beverage industry as an editor at Canadean (now Global Data), a leading analysis firm in that sector. After earning a master's in marketing (CIM Level 7 Diploma), she transitioned into the corporate marketing department and was responsible for leading high-profile events across Europe for c-suite executives.

Seeking new challenges, Kaia left Canadean to pursue a career in the fast-paced tech sector as marketing manager for a Novell and VMWare platinum partner. Then following a stint in the agency world, she founded her own consultancy, Brevity Marketing in 2010. With over twenty-five years of experience and a chartered marketer and marketing fellow designations, Kaia has worked with more than one hundred SME leaders throughout her career. She practices continuous professional development (CPD) including more recent studies in artificial intelligence and neuroscience.

Contact information

brevity.marketing
01256 536000
hello@brevity.marketing

About DECISION magazine

First published in 1988, DECISION magazine reflects the business lifestyle, the trials and tribulations, the hopes and aspirations of business owners and directors responsible for businesses with a turnover of £5million and above.

www.decisionmagazine.co.uk
mail@decisionmagazine.co.uk
07737 308371