

Title: Enterprise Cultural Heritage Management: in search of inspiration for innovation and sustainability

Objectives: Identifying a truly unique source for innovation and differentiation in order to sustain competitive advantage is a major challenge for managers of enterprise when designing and developing their product/service range. The objectives of this paper are to a) explore the concept of Enterprise Cultural Heritage (ECH) Management as a source of competitive advantage and b) illustrate how it can be utilised using three examples of ECH use in Small and Medium-sized Enterprise (SME).

Data and Methods: Through an international and multidisciplinary research team from five European countries (the Czech Republic, Finland, Greece, Italy and the UK) an action research study was conducted. The target sample was craft sector enterprises, which have been in existence for over 40 years. At the diagnostic stage of action research, training needs analysis of 60 Small and Medium-sized Enterprises (SMEs) based in the five countries was conducted. At the therapeutic stage of research, the survey results were translated into SME training needs and free online training material was developed and tested with targeted SMEs.

Results: The results of the diagnostic stage of our action research indicate a strong need for training towards utilisation of enterprise cultural heritage within SMEs in order to innovate and differentiate. Several exemplars of good practice were highlighted and a strong correlation between a high level of heritage management and the competitiveness of an enterprise was identified. As part of the therapeutic stage of research, a management method has been proposed and used for the development of online training material in the areas of brand management, change management, heritage management and Intellectual Property (IP) management.

Conclusions: Enterprise Cultural Heritage management is recognised as an important practice for enterprises that wish to sustain their competitive advantage based on their heritage. Enterprise Cultural Heritage comprises both tangible and intangible cultural assets, these offer an emotional connection with customers and hence require preservation and optimisation in order to gain commercial as well as historic benefits for the enterprise. There is a need for both management as well as heritage disciplines to recognise the need to work together and educate enterprises about the opportunities and options of innovations.

Keywords: Enterprise cultural heritage, Cultural heritage management, Change management training, Brand management training, IPR management training, Management courses online.

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Introduction

How can an enterprise innovate and at the same time preserve the core historic values that the brand has accumulated over the years? This is the key challenge addressed by our paper which advances our understanding of Enterprise Cultural Heritage (ECH) Management.

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The aim of this paper is to help enterprises to adopt an Enterprise Cultural Heritage Methodology and integrate it in their day-to-day management.

The following is the structure of the paper: First of all we will review literature on Enterprise Memory and existing work on Enterprise Cultural Heritage needs. The four areas of management – brand, change, heritage and intellectual property rights (IPR) are then discussed in highlighting their importance in relation to ECH. The method of primary data collection is then presented highlighting the way that the case studies were collected in the three different countries. This is then followed by the individual case studies of UK – as illustrated by J. Atkinson & Co, Italy – illustrated by Lanificio Leo and Greece – using Haitoglou Bros SA as an example. The discussion section links the findings from the Enterprise Cultural Heritage Management of areas such as brand, change, heritage and IPR management to the three case studies and discusses the individual cases from this perspective. This is followed by conclusions which propose recommendations for the use of ECH Methodology in future studies.

Existing literature

AA: What is ECH – blah – cultural Organisational Memory

AH: Leads to the four subject areas of management based on previous paper (brand management, change management, heritage management and IPR management) needed to incorporate ECH – reference to the old paper.

Method

The current paper uses comparative case studies analysis which compares three rich enterprise cultural heritage laden enterprises of enterprises in the UK, Greece and Italy. These are from different backgrounds and offer a good insight into the qualitative ways in which Enterprise Cultural Heritage was utilised. All were in existence over 40 years and are in the craft sector.

Data was gathered about these companies based on interviews any other company related literature such as brochures and interviews with key stakeholders. For example, in the case of J. Atkinson the owners of the company were interviewed and observed during their day-to-day activities of coffee roasting.

Case studies.

J. Atkinson & Co

Set in the historic city of Lancaster and hugged by a freshly roasted coffee aroma sits J. Atkinson & Co; who have been roasting some of the world's best coffees and blending the finest teas since 1837.

In the 173 years since the original "Grasshopper Tea Warehouse" was started by Thomas Atkinson, a number of things changed; the physical location as well as the trading name have changed. However, a passionate commitment to coffee roasting and tea remains at the heart of the business.

The original ownership of the business only lasted for two generations, and now it is run by the current owners, Ian and Sue Steel who took over six years ago. J. Atkinson and Co has always been a family run business and continues to be one, run as it is by this husband and wife team.

Ian and Sue have learnt to appreciate the tools and machinery which are part of the brand. One of the coffee roasters (pictured on the left being operated by Ian Steel, Master Roaster & Proprietor of J. Atkinson & Co.) was installed over 80 years ago and is still used by the company. The only recent improvement to this machine is the heat re-use mechanism that in winter allows the re-use of the hot air generated by the roaster to heat the office and the main building. The visitors coming for their lunchtime coffee hear the reassuring noise of the vintage coffee roaster rumbling in the background and get the added benefit of the aroma that infuses the atmosphere. What could be more seductive than being enveloped by the freshly roasted aroma of coffee beans? This aroma is created by recipes that are based on modifications of the original blends updated and developed to meet current tastes. Ian describes the process where by he creates his coffee blends:

"I have taken the principles that I learnt from the old recipes, about how they are put together, and used contemporary thinking about what goes together."

The business model has not changed much over the 170 years. The original offers as illustrated by the early advert shown above included "coffee, refined sugar and spices". The current owners found the notice which dates back to October 1837 in the archive of the Lancaster Guardian. Although the spices have been replaced by offers of Professional Espresso machines to satisfy the needs of today's customers, the original vision and mission carries on in the enthusiastic hands of the owners and loyal customers.

The décor of the main room is little changed with Victorian dark green walls, dark mahogany shelving and tea & coffee containers still holding the precious content as they did decades ago. The owners recognise the importance of preserving the heritage of the business, always trying to mend existing tools, which create the artisan atmosphere. Not only does this mean that the operations of the business are sustainable by reducing wastage, it also supports other local artisans who provide spare parts or services to

mend the equipment. Ian illustrated an example of this; when his scoop/measuring tool got damaged he approached a local craftsman to restore the existing tool. It was not an easy argument when the craftsman pointed to a new tool which would have been much cheaper, but it was important to restore the original which would carry on as one piece of the jigsaw of heritage which is kept alive here.

The owners are aware that the heritage element carries a number of benefits for their business. One of their main strategic decisions to preserve and promote this was to actively get involved in heritage marketing. Lancaster, being a historic city as it is, offers a great potential with tourists visiting the Lancaster castle or the surrounding museums who would benefit from having a coffee break in the nearby vicinity.

One of the key lessons that we can learn from Ian and Sue is that its cultural heritage offers this business a unique selling point that no Starbucks could imitate. By enjoying J. Atkinson & Co coffee the customers are buying into a local brand that supports local people as well as those suppliers who have sustained this business for generations. The use of new technology such as Twitter and blogs blends nicely with a vintage coffee roaster creating a special atmosphere for visitors whether they are browsing online and purchasing from around the world www.thecoffeehopper.com or just happen to be in the vicinity and need afternoon refreshment.

Lanificio Leo

A factory of the past moves into the future Established in 1873, today Lanificio Leo is one of the most significant examples of an enterprise-museum, in which design-oriented production and Enterprise Cultural Heritage (ECH) values are integrated into a management model mixing enterprise business processes with cultural heritage. This original approach led the company, in 2001, to be among the finalists for the Guggenheim Prize for Business and Culture and to win the Management Culture Price. The company has a history of more than 135 years transforming raw wool to finished fabric; spinning wool into yarn, weaving both with heddle and jacquard looms, finishing, knitting and packing. Machines built between 1890 and 1965 operate in a 1000 sq. meter factory. Lanificio Leo maintains a prized archive consisting of 200 blocks dating from the 19th century, hand carved in pear wood, still used in the hand printing process. In 2008 a production unit providing state of the art technologies was installed. The factory has two product lines: one line experiments with traditional textile products and the other is design oriented providing a contemporary look rooted in traditional production processes.

The wool mill has always been managed by the Leo family operating in Soveria Mannelli among the Sila Mountains in Calabria, South Italy since the 1930s. It moved there from Carlopoli and Bianchi, in order to make use of the electricity available. Previously power was supplied by mules and later by water. Today Emilio S. Leo represents the fourth generation of family owners, and leads a project that is developing a new future for the family business. Emilio says *"After the 60s when the textile market in Italy had a significant breakdown. When the old workers retired, the previous management of the factory discussed changing processes by building a new factory to provide continuity of production. This option risked losing both the material and intangible assets of the old factory. My father decided to keep the old factory alive and to maintain the vintage machinery. We had the factory, we had the machineries operating, but we had no market network, no workers"*.

In 1997 a complex cultural project was developed, Emilio had the idea of aggregating a number of cultural stakeholders around the factory concept. With the help of architects, designers, and other experts he started a think-tank with the objective of reconfiguring obsolete production processes to create a contemporary vision (a European cultural festival, local traditional exhibitions, installations with music) for the future. Emilio explains that managing this process of change has been continuous and complex; over the years *“the issue that drove the change has been the quality of transformation rather than preserving the tradition at any cost. However in a small company owned by a family, emotional attachment affects strategies. Decisions are often taken informally. We worked a lot on generational conflicts with the new, “open” use of the factory (traditionally a restricted zone with timetables and rules for security and the protection of (intellectual) property) coming up against “we can’t do it”.*

Finally the older owner acknowledged that the new concept led to results making the wheels turn and production start again. The younger owner learned to push forward experimentation through the use of vintage technology as well as the continuity of the product itself. The project had been too focused on cultural management at first and was revised to take greater account of production processes. Production has been extended to sewing and knitting, in order to reach retail customers.

Today Lanificio Leo has a new development strategy, based on a ‘work in progress’ approach, through small investments and tailored objectives. Emilio has revised production processes and integrated a small unit with state of the art technologies into the factory. There is now a market network and a niche shop in Lamezia Terme (SUF) international airport. The company built the SHEEP brand that is woven in the jacquard textures produced in the factory.

The old woollen mill is a live operating factory and an enterprise museum visited by students, professionals, tourists, and a think-tank for new product development ideas. The plain front door of the factory introduces the visitor to a high design showroom with a shop and shelves piled with the colours of the season’s collections. These that can be browsed online through the company website www.lanificioleo.it and soon an e-commerce section will allow products to be purchased by customers from all over the world. From the showroom another door allows to access the factory floor.

Emilio’s father Peppino Leo, 88 years old, is the former owner of the factory and is a repository of the memory of vintage production process. Peppino starts up the machines and shows us the archive of wooden blocks, hand-carved and still used after 200 years; the factory comes alive in front of our eyes, the vintage process creates textiles with the textures and colours demanded by the contemporary market. The authenticity and quality of Lanificio Leo is symbolised by the textiles woven on vintage machinery that through long usage and wear adds a subtle extra to the texture of the fabric.

Emilio says that it is important to create a connection between the family owners and the employees. “We have invested on our workers, hiring them after a training and assessment project carried out with the help of vocational training paths offered by a regional institute. However quality of production does not come from machinery but

from the sensitivity of people, in the way that they relate to each other and feel that they contribute to the success of the company in the international context". To this end the management is starting a corporate identity project aimed at the factory workers to make them aware of the success unfolding thanks to their competences and effort. One lesson learned by Lanificio Leo is that Enterprise Cultural Heritage used effectively and creatively helped the company to establish its brand in international niche markets proving that a sustainable management model based on enterprise cultural assets and oriented through tailored objectives is more effective and even cheaper than any marketing campaign in this market sector. As long as the business continues Lanificio Leo will invest further to enhance its museum within a factory, hiring external expertise to develop and manage the enterprise museum.

Halva

HAITOGLOU BROS. SA - Fusion of Craft and Technology since 1924.

During the third MNEMOS meeting in October 2010, partners had the opportunity to make a study visit to Haitoglou Bros.; an enterprise demonstrating best practice in cultural heritage management in Greece. The visit was organized by the company's staff members Mrs. Tsiara and Mr. Chatzichristodoulou. Haitoglou Bros SA is a family business currently managed by the 3rd generation of the Haitoglou family. Since the founding of the business, "Macedonian Halva" has been a strong brand name and a synonym for superior quality, leading the sector nationally while continuously expanding its activity in international markets. The precious cultural heritage of the craft of halva making has been deliberately passed from successive halva masters to their apprentices thus preserving the skills and resulting in a product of unique quality and character.

During our visit we were given a presentation on the Enterprise Cultural Heritage values that underlie the strategic position of Haitoglou Bros. over its years of evolution. There are five key values that guide production in Haitoglou Bros., as stated by Mr. Chatzichristodoulou: " Preservation of craftsmanship and incorporation into modern production systems. "The craft of halva making has been preserved through generations. The fusion of modern technology and craftsmanship results in a product of unique quality and complying with the strictest hygiene and safety standards. The same care is devoted to all products carrying the Haitoglou brand name. " Respect for consumers. Commitment to quality. "Our company has grown taking small calculated steps. The ability to continuously deliver high quality products is a competitive advantage that will sooner or later bear fruits. Quality is the only insurance policy that is definitely worth its cost." Production according to EU food legislation and adaptation of best practices.

"Food safety and hygiene are prerequisites for all products and second to nothing."
Constant innovation.

"To anticipate and keep an eye on advances and

developments is the safest way to preserve any achievement. Even in a well established system there is always space for improvement, innovation and an opportunity to realise new ideas.”

□ *Production of nutritious products within the notion of the Mediterranean diet.*

“A business can be rewarding in many ways. We are proud to offer products with a beneficial contribution to a balanced diet”

Another equally important ECH management value for Haitoglou Bros is the people that share and pursue this vision. In the business every employee has a role and every role contributes to the end result.

Continuous training and skills improvement as well as effective communication of the common vision is the only way to keep this effort organized and effectively focused. Mr. Chatzichristodoulou stated that, “marketing has significant ECH elements, which are reflected in the branding strategy and trademark recognition”.

Approximately 50% of the products are exported and distributed in all major markets in almost every continent. Traditional products such as halva were the first to be exported, mainly targeted at parts of the world with active Greek communities.

Haitoglou Bros feels privileged to serve a part of the food business with products carrying a precious cultural heritage. Many of its products have strong bonds with social aspects of everyday life. Knowing this creates responsibility. Haitoglou Bros believe strongly that the combination of modern technology, know-how and the preservation of product identity and character create a unique synergy for growth and development.

Data discussion

Brand Management in Atkinsons and how they used it

Change Management

Heritage Management

IPR Management

Conclusions

The results of the project indicate that Enterprise Cultural Heritage is being used by several organisations without their explicit awareness. However, others that realise the value of cultural heritage in their enterprise maximise it their best use.