

The SOSE Spotlight podcast

Series 3, Episode 2 transcription – Alan Baxter, Rowan Glen

Host – Kenny Paterson

Hello and welcome to Series 3 of The SOSE Spotlight Podcast.

Wherever you are, in Dumfries and Galloway, the Scottish Borders or beyond. If you're a business, entrepreneur, community enterprise or aspiring to be one, this is for you.

We're South of Scotland Enterprise and we're all about helping people in the South of Scotland to thrive, grow and fulfil your best potential.

This series is all about putting the spotlight on the inspiring businesses we have supported and highlighting our hidden heroes.

I'm Kenny Paterson and this week I am at Rowan Glen with their Managing director Alan Baxter.

Rowan Glen is yoghurt producer located in Palnure on the edge of Galloway Forest. They've been producing yoghurt for over 30 years in the region, making it one of the longest established yoghurt manufacturing sites in Scotland.

After an uncertain period in 2022, the company is now going from strength to strength. Which we'll hear about very soon.

Alan, thanks for joining us today.

Guest – Alan Baxter

Hi Kenny

Host

So we'll just start off. Can you just give us a bit of background about Rowan Glen's history and also your time with the company?

Guest

The factory was built here back in 1993 for by a company called Coupon Dairy Products who had a farm next door.

And it was officially opened in 1997 by Her Royal Highness Princess Royal.

The factory was purpose built to make yoghurt and fermented dairy products, which is pretty important because a lot of factories over the years make some products and then sometimes they change to other product.

And I would say Coupon seem to be very proactive in product development, amongst other things, they launched probiotic drinks with Tesco back in the 1990s.

And round about 2003 the factory was then sold on to Dale Farm, a group based in Northern Ireland, and I joined Dale Farm/Rowan

Glen in 2005 and at that point the factory had been extended and there was a rapid growth in sales. So it was quite chaotic, but it was good fun and you learned a lot during those kind of difficult times.

I would say the focus was on branded sales in addition to Rowan Glen, there was a brand called Speller which was sold over in Ireland.

However, as you know Dale Farm took a strategic review in 2022 and decided to close the Rowan Glen site alongside another site in Kendal and this was a very difficult period for all the staff involved at the time.

As we all know, a lot of small dairies have closed and disappeared completely in this area and in other areas across Scotland but the Rowan Glen team had some other ideas.

So with some private investment and some grant funding and support from South Scotland Enterprise the factory and Glen Brand were bought from Dale Farm shortly after the site closed.

Buying the business and keeping things going proved too difficult, although it did try. We tried quite hard and but that just proved a step too far.

So the factory and the brand were bought over and a new business was formed and a team of volunteers from the previous team stepped in and helped to build the business from the ground up, and that was to get customers and suppliers back on board.

Host

Looking back on 2022, you talked about how difficult that was and the number of jobs lost but you led successful negotiations to purchase the factory.

Can you tell us why you felt it was so important to keep the factory open and the brand alive?

Guest

Basically. the people and the place deserved the chance to reach their full potential.

I think being part of a big group has many advantages, but sometimes you can get a wee bit lost.

So we were probably a small part of the large group and maybe we weren't always given the chance to reach our full potential. So that was pretty important.

The business, like many, did struggle a bit in 2022. There was energy cost increases, ingredients were at record high levels.

However, with a bit of TLC and some tough negotiations on the start of the new business meant that we managed to ensure that the quality of the product and the

service that we supply was matched with the price that we were getting paid and that's pretty key to having a successful business.

Personally, I would have liked to have done something like this in the past but startup businesses are not an easy thing to do.

And here we've got a product range, a brand, a purpose built factory and some fantastic people. So all the ingredients are here to make this successful.

It's a lot of hard work and the hard work never ends, but it's definitely worthwhile and I think I think that chance to reach the potential was a key driver.

Host

Looking back when you purchased the factory, there was obviously so much work you have to do, but what was your immediate priorities?

Guest

The key thing for any business is selling. You've got to get the sales going.

I did a lot of homework on this before we bought the factory and started the new business. Otherwise I might not have done it.

So I had to know that there were some sort of sales to come.

But we had to be quick, cause as factories can close and disappear, brands can stop and disappear as well. We've seen it in the past too.

We have a lot of support and we had a good support at the time from a lot of the Scottish retail buyers across Scotland and food service buyers as well.

We had to get back on the supermarket shelf quickly. And it was quick, but at the time it seemed it seemed like an eternity.

Looking back, it was only a few months, but it seemed a lot longer.

So we had to be quick. We had the contacts for supply of ingredients and packaging and we had a lot of contacts for selling the products.

So we just had to be quick to establish all that and get the business turning over and selling.

And so that really is the main priority.

Host

When the previous owners closed the factory there was a loss of 45 jobs which was terrible for the local community.

But you have been slowly building up the number of workers here. How many do you have now and how good is the team you have here?

Guest

We were very fortunate that we could retain or re-employ some of the core team that were here when Dale Farm had the business and we've added to that some other staff coming back and some new staff coming in.

So at the moment we're sitting at 22 staff and we're recruiting for more and we employ three or four in the holiday periods just to cover for holidays and with another three working for another company that are based permanently on this site.

So I suppose we've got 29 to 30 staff earning as a result of the new business which is really good.

Host

That's great. And one of the achievements was becoming an living wage employer in 2023 and you were also nominated for a national award.

Can you tell us why a fair wage and secure work are so important to provide your employees at the company?

Guest

If you're expecting people to come to work and do a good job, the least you can do is try and pay them reasonably for doing that.

And I think as well it helps that you've got people looking to come here rather than people looking to get away from here. And that sounds really simple, but it does help to motivate our staff.

And as well as living wage, we do the living hours, which is really important because I think you need to know what you're going to earn.

How can you get to the end of the month or going to the next month and not be sure what your pay is going to be your bills?

We guarantee ours and some of our staff are part time, but they're on set hours and some of them are full time and full time. Its 40 hours per week, every week.

Host

Another key aspect, since you came in - you've been busy - is becoming more sustainable. Can you tell us a bit more bit more about what you've done in?

Guest

Yeah, we've looked at a lot of different things.

I think the main thing that we've done is probably installing the milk separator. And what that's allowed us to do is to use more locally produced milk from neighbouring farms to produce cream which we use in our high fat products and skimmed milk for low fat products. We've increased our milk usage locally and that's saved us buying creaming from further afield.

So there's less transport, there's less packaging involved with that. Previous to the skimmed milk, we had skim milk powder which again was produced outwith the region and then had to be shipped in and there was a lot of energy and transport going into that.

Host

And then if you're using milk locally, it's not just environmentally more beneficial and reducing mileage, but it's better for the local supply chain and local community as a result.

Guest

Yeah, definitely. I mean, we're using about 2million litres of milk per year at the minute.

And again, as we grow, that'll increase. So that that's really good to put that money back into the local area rather than it disappearing somewhere else.

Other things on the environmental, we're working alongside Business Energy Scotland looking at a range of improvements in efficiency across the factory and even in the office area of the of the business as well, that can help to reduce our impact on the environment.

And we're working with suppliers a lot behind the scenes. The packaging format that our ingredients come in, the way that they transport the goods, we can work on all of those things in the background to try and reduce our impact as well.

Host

And then finally, it's obviously been a busy two-and-a-half years, but if you can look to what's on the horizon, what do you want to achieve next at Rowan Glen and what do the team want to do?

Guest

I think the main thing is to keep looking forward to grow the business to ensure that there's a buffer here so that the future is secure.

We're at a decent size now, we're probably about 50% of the sales prior to the site being closed down and obviously we would look to get that back up to a similar level and that just allows a wee bit of comfort.

I think if there's ever comfort in business, I don't know, I've not found it yet, but hopefully that can come.

But we've got a site that's strategically placed in the middle of a large milk pool.

And we're adding value to that milk before it leaves the region.

You know a lot of milk leaves this region as milk and we're trying to do something with it before it leaves.

So, there's plenty of opportunity and we're just looking for steady controlled growth rather than, you know, going too quick and losing control.

Host

Great. Thanks very much, Alan, for allowing us to visit you here at Rowan Glen and hear more about the ongoing success of the business.

And if you are looking for support with a business idea or community project, 1-2-1 coaching, practical learning, or you're interested in networking events across the South of Scotland, then please get in touch, and come and meet us.

Our website: southofscotlandenterprise.com

Our email address: clienthub@sose.scot

Or call us on 0300 304 8888. That's 0300 304 8888.

We'd love your feedback, and please subscribe so you don't miss our next episode.

Next week we'll be joined by another business ready to share their inspiring story with you all.

I'm Kenny Paterson. Thanks for listening to The SOSE Spotlight and do join us again next week for more inspiring business stories from around the South of Scotland.