The Next Generation: Noving Business On Stephens Bakery Talia Sarafilovic & Sean Sarafilovic



Presentation Overview



1. Business Overview

- 2. Our role within Stephens
- 3. COVID-19
- 4. Current challenges
- 5. Plans for the future

6. Q&A

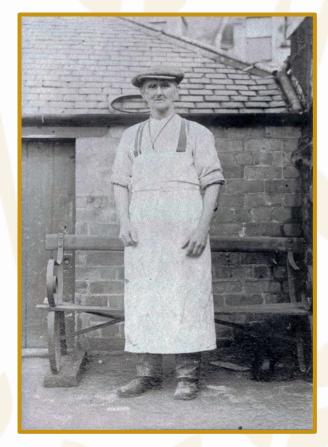
Section 1: Business Overview





Stephens was established in 1873 with our 150th anniversary next year





Stephens is a forward-thinking bakery with a rich history



We are a 4th generation family bakers that invest in the long term





We are very proud of everyone in the Stephens' family with a team of over 240 employees





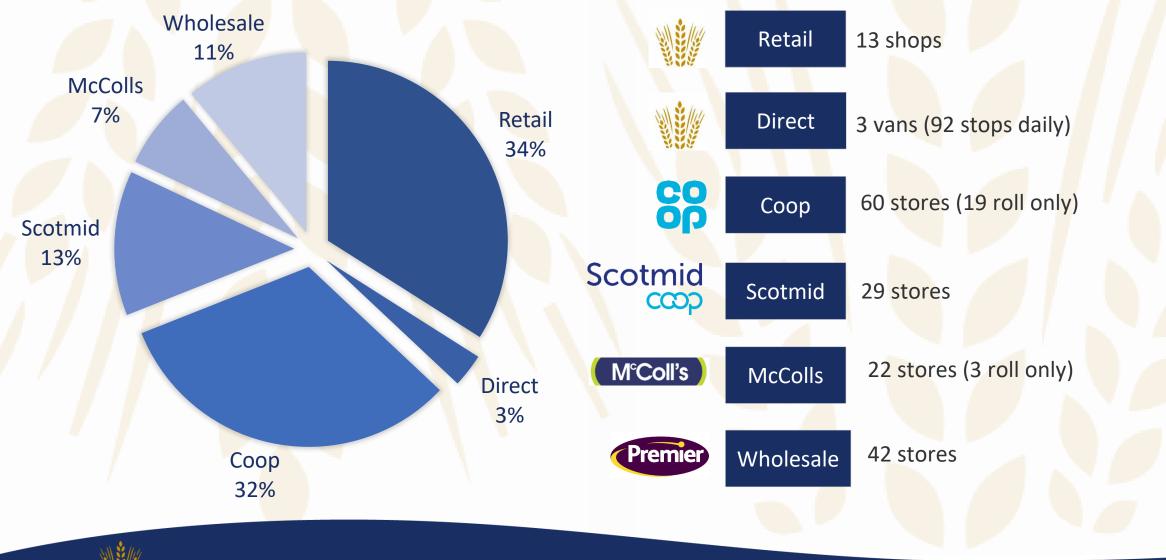
Our two main routes to market are our own retail stores and partnerships with convenience outlets





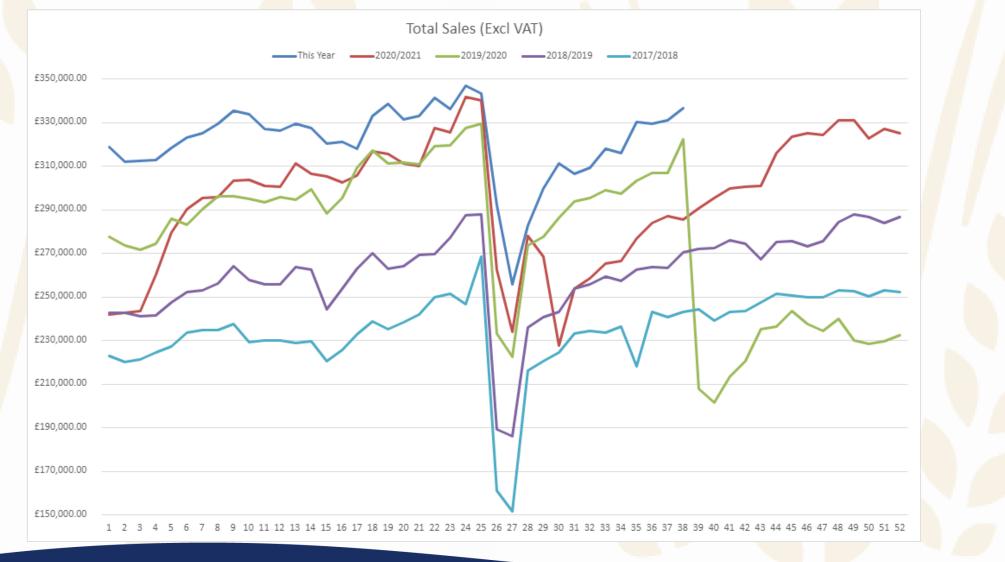


This financial year is on track to be our best yet at over £16.5m



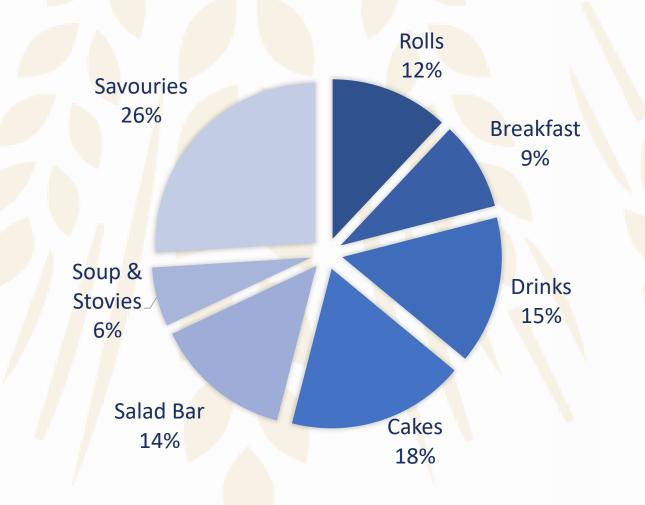


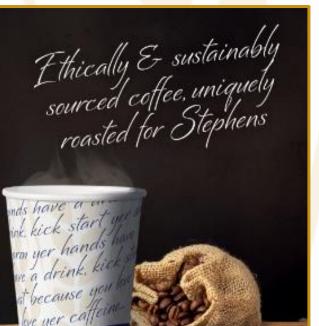
We have had 35% growth from 5 years ago





Our retail product mix by value

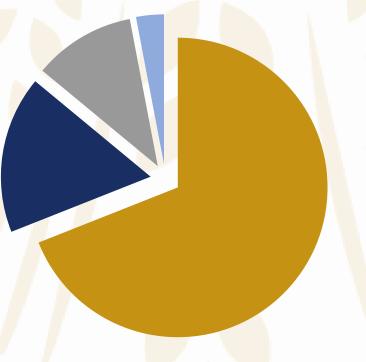








The Bakery production mix is mostly skewed towards fermentation and our bread rolls



69% Bread rolls; predominantly being our scotch morning roll

17% <mark>S</mark>

11%

3%

Savoury products; such as our famous steak bridie

Confectionery lines; including all morning goods and keeper cakes

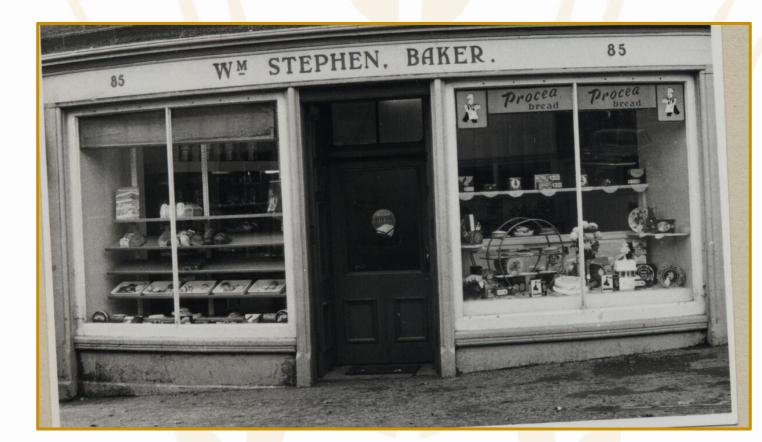
Soup & stovies; both very traditional Scottish products Voted the best morning roll in Scotland a STEPHENS

Bread Rolls Savouries Confectionery Soup



Section 2: Our role within Stephens







Sean: My journey into the family business





Talia: My journey into the family business





We have been passed down a set of business principles that we believe are central to our success





Section 3: COVID-19 and the impact this had on our business



Like many businesses COVID-19 has been incredibly challenging, and we have had to constantly adapt to survive

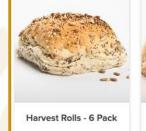






Home delivery offered the company a life-line during 'Lockdown 1' in particular





£2.40



Brown Rolls - 6 Pack

£2.40



£2.40







Lentil Soup - 2 Litre Stovies - 2 Litre Bag (Bag (6 portions) 6 portions) £5.50

£6.70

Steak Bridies - 2 Pack £3.30





We focused heavily on our staff through Covid and implemented several different initiaves to support them

- Daily email and update Stephens Lockdown Lowdown
- Food parcels delivered to any staff under financial pressure
- Over £35,000 of Covid bonuses given staff
- 24/7 Mental health support



Hey Stephens Team,

I'm going be starting a Monday to Friday daily email (AKA The Stephens Lockdown Lowdown) to share various things with you all, firstly to keep us all connected, and secondly to hopefully bring a small bit of fun into your inbox.

If you don't want to receive these emails, you are more than welcome to 'opt out' at the bottom of the page.

So the sun is shining, you've probably got the most organised home you've ever had, and hopefully getting some time to try something new in your life (any new professional gardeners or bakers out there?)! Silver linings indeed. But also:

I have no clue what day it is anymore.



strange ten years.





The last two weeks have been a

I will be sharing recipes/recommendations/puzzles/anything! I'd also love to hear of your recommendations which I will then share with everyone in following amails. If you've found a back to keep yourself entertained, then I'm





£150 Thank You Bonus

Everyone who is currently working will receive a £150 bonus in this week's pay (w/c 15th June).

Thank you for your continued hard work and flexibility with new processes during this challenging time. It is because of you that we have been able to provide our local communities with delicious fresh products, every single day. Your ongoing support as we continue to adapt to new working ways is hugely appreciated.



We tried to support the local community as much as possible and had huge success with Food Banks

- Over 120,000 products donated to Foodbanks through Covid
- Hospitals supplied with products for NHS workers
- Stephens Foundation focused solely on COVID-19 grants









We tried to make the most from opportunities that arose in production from COVID-19







BIA Craft Bakery Business Award





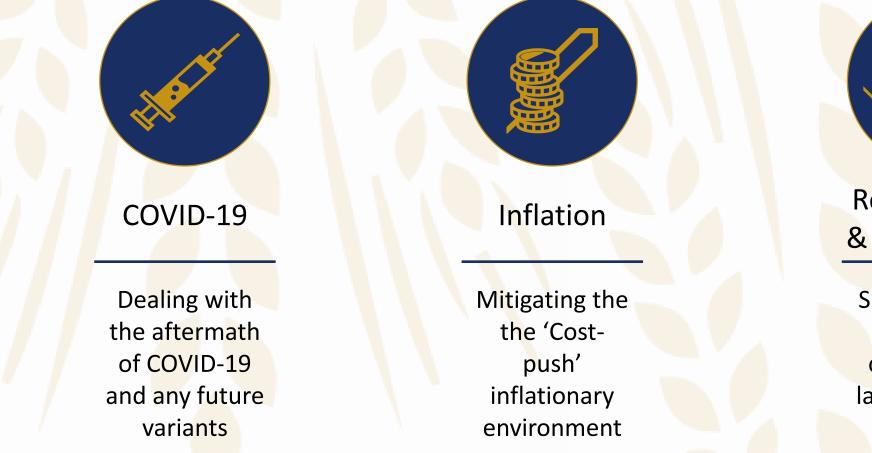


Section 4: Current Challenges





Current challenges facing the business



Recruitment & attainment

Succeeding in a highly competitive labour market



Recognition awards are an example of something we implemented to help improve retain our best staff







We have personal challenges to overcome to succeed in the business

Talia's challenges

- 1. Building the team
- 2. Stepping out of 'day to day'
- 3. Lack of experience elsewhere



Sean's challenges

1. Playing catch up

- 2. Technical knowledge and bakery background
- 3. Winning over the team



Section 5: Plans for the future



Stephenis BAKERS

We have 5 key focus areas for maintaining and growing the business





Focus Area 1 of 5 – Automation Increased automation will enhance product quality whilst mitigating the impact of the competitive labour market





Focus Area 2 of 5 – Lean Production Principles Utilising best manufacturing practices helps to facilitate communication and drive continuous improvement

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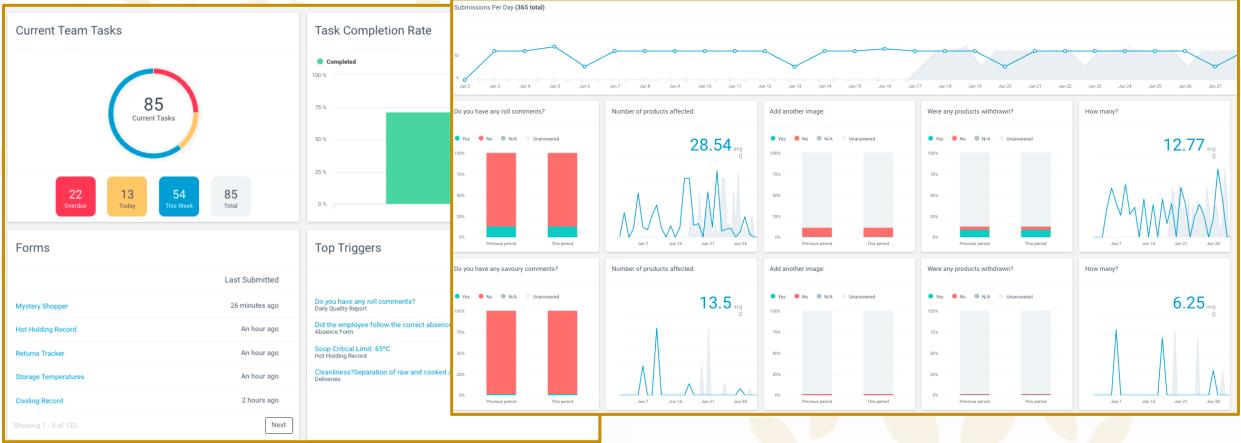
Focus Area 3 of 5 – Expand our retail estate A greater focus on Drive-Thru and Drive-To sites allows us to better control our future and minimise risk







Focus Area 4 of 5 – Digital & Tech Solutions Converting paper-based tasks into tech- based solutions allows for increased accountability and efficiency savings





Focus Area 5 of 5 – Supporting the local community Giving back and sustainability projects is going to be a key part of doing business in the future

- £50,000 donated by Stephens Bakery to Stephens Foundation to future fund
- Given away over £100,000 since 2018
- Funding 33 Breakfast Clubs within local schools
- Partnered with Children's Clothing Bank Dunfermline







Section 6: Q&A







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