

KOLJANDER: THE STORY OF SUCCESS IN A SOUTH AFRICAN ENTREPRENEURIAL HOME INDUSTRY BUSINESS

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ABSTRACT

Success, let alone survival, is far from guaranteed in any entrepreneurial business. This challenge is exacerbated when the context of the business is that of a 45 member co-operative in a fast evolving macro-economy. The owners of Koljander, such a business, have seen the business grow and thrive over 30 years. Pondering over their success raises the question of whether they have discovered the secret in entrepreneurship to succeed in the South African Home Industry. What is the secret of success in a South African Home Industry Business? The case incorporates management theory and actual practice.

Keywords: Entrepreneurship, Home Industry, Innovation, Management and Leadership

INTRODUCTION:

On the 7th of July, 2010 the wonderful women that own Koljander celebrated 30 years of success in the South African home industry business. The definition of the home industry in South Africa is not to be confused with that in other countries referring to the industry for real estate. In South Africa, it is one in which the production of goods takes place at the producer's home in opposition to production in a factory and, otherwise or, other organised environments. Reflections on the beginnings of the business in comparison to where the business is by the owners of Koljander brought with it elation, a sense of pride and yet still a challenge. After successfully running the business for 30 years, what is the future of the business? What have they been doing so well that needs to be continued? What threats to the business need to be minimised and managed?

Among, the identified possible reasons for success have been Koljander's reputation for strict quality control. A member of Koljander has been quoted as saying, "Koljander's secret to success I think is as well with a very strict quality control. Quality is very important to us. It is our recipe to success because clients know when they buy something it is still fresh and they will be able to use it for a week after they have bought it." A manager in a separate interview commented that if anything must be constant it should be quality at a 100% level.

Another possible attribute of success is commitment to the business. In the words of a member of the shop, "Koljander works well because the members are more involved in the shop. Every member has got to play a big part in the shop otherwise Koljander will not be a success." The question then is what are the bases for ensuring quality control and commitment to the business? Control is a management function through which managers endeavour to make sure that organisation activities do not negatively deviate from the business plan (Tripathi & Reddy, 2008). Control is the process through which remedial action can take place (Tripathi & Reddy, 2008). In a study conducted by Bass and Riggio (2006), commitment to an organisation was found to be positively affected by the level of leadership.

It therefore can be said that the quality control and commitment to the organisation that are necessary for the success of a South African home industry business emanate from management and leadership. The question still remains though; what needs to be managed and led and how can it be done?

HUMBLE BEGINNINGS:

In 1980, 25 women bearing a multitude of talents decided to come together in order to fully exploit their collective talents. The driving force behind these women was the prospective scope for both creativity and profitability in the home based industry business. It was this collective vision that resulted in the birth of a co-operative business named Koljander, synonymous with the herb coriander. During this era, Johannesburg, where Koljander is situated was moving towards de-industrialisation. The importance of the service industry was growing and so this set a perfect stage for Koljander to sow its seed.

Elize Lamprecht, one of Koljander's founders and managers has this to say about Koljander's beginnings, "We were all friends in Johannesburg, young, married, with kids and we were all talking about working and getting an income from somewhere. We did not want to leave our children at home and go out to work so we decided to start something where we could work from home. With that, I contacted a few of my friends and had a talk at a women's club at the Rand Afrikaans University in order to recruit members for the formation of a co-operative." Elize adds, "I see Koljander as a collective of entrepreneurs using the same shop to sell their goods through."

The first premises that Koljander used as its shop was a former pet shop. Converting a pet

shop to a cake shop was no mean feat. Elize recalls the difficulties in having to scrub every inch of the former pet shop's floor especially difficult because she was 6 months pregnant at the time. In addition to the physical challenge of having to make the shop suitable for the sale of food on the premises, the legal challenge of forming a co-operative home industry business presented itself. Home industries did not fit into the existing regulations of the time. No regulations allowed business owners to bake from their homes and bring the produce for sale at a specific point. It was either one bakes on the premises of sale or has their home rezoned as a business location, both options defeating the purpose for which the women of Koljander decided to start their own enterprise.

Against these odds, a long fight ensued with the municipality resulting in Koljander eventually being granted permission to operate as it had envisioned to. Koljander is now a cosy and homely shop that is gracious and inviting.

With the collapse of apartheid in the 1990s, competition intensified in the industry as access to finance and opportunities to own businesses increased. The country's newfound exposure to worldwide trends presents both an opportunity and a threat to Koljander's success.

Members believe that innovation is a means of developing a home industry organisation as well as expanding its capabilities. They feel that having wonderful ideas is meaningless without being able to make those ideas meaningful to someone that can either develop them (like a fellow member) or someone that will benefit from the idea (the customer). The humble beginnings of members in this industry may have something to do with this notion. Many members learned to do what they do from someone who was willing to take the time to share their talent.

BEING A CO-OPERATIVE HOME INDUSTRY BUSINESS IN SOUTH AFRICA:

The Small and Medium Sized Enterprises Toolkit (2010) describes a co-operative as an independent collective of individuals that have mutual eco-social and cultural needs met through a jointly owned and democratic enterprise controlled by agreed on principles. Koljander fits this description point for point. Membership is voluntary and open, and educational training and information are a prerogative. In Koljander, this is especially necessary with its continuous innovation imperative. The open membership is a source of business pride in Koljander because it was based on racial openness at its inception in the 1980s, the apartheid era of South Africa.

Co-operatives are formal entities that have to be legally registered in terms of the Co-operatives Act of the Republic of South Africa. The Act recognises a need for a legal environment that is supportive in developing and meeting the needs of the co-operative. The establishment of co-operatives as distinct legal entities only came into effect with the 2005 Act. Initially, legislation only accommodated agricultural co-operatives which posed a threat to the conduct of business by Koljander.

Prior to 2005, co-operatives were expected to have a minimum of 25 members. The challenges of communicating a vision to such a large group of individuals can be imagined. The amendment to the requirement, now a minimum of 5 members, has had a substantial impact on the extent to which co-operatives can encourage members to buy into innovative goals. Membership contribution is the means by which a co-operative is financed and this may pose a challenge when an innovative endeavour requires a collective substantial financial outlay.

There is a need for members that use the services of a co-operative to accept the responsibilities of membership. The statute of Koljander outlines the importance of keeping the shop 'fresh' and 'youthful', only achievable through a commitment to innovation.

Co-operatives often start off by prioritising member needs but this state is not static and adaptation is possible. Such is the situation with Koljander, having originated with a view of providing an income for members while working from home and simultaneously prioritising the

purpose of its existence to providing unique products to South Africans with a taste for home-made products.

It is evident that considerable progress has been made in clarifying the legal aspects of co-operatives in South Africa. However, the same cannot be said for progress in creating a formal framework within which home industry businesses are to operate. This causes challenges in terms of the manner of innovation that is open to individuals in this business. This may be attributed to the continued classification of home-based industries as a sector of the informal economy and not the formal economy in South Africa.

WHAT KOLJANDER DOES:

Koljander produces both edible and non-edible products. It serves both individual and corporate clients. Its edible products are in 14 categories ranging in taste from sweet to savoury and including cool drinks. Its non-edible products consist of handcrafted gifts in 9 categories catering men, women, children, domestic and other gifting articles. A separate pantry section offers to the public a variety of goods from across the country and hampers designed to suit the client's taste and budget.

With over 200 unique products to choose from, clients are spoiled for choice and enjoy the flexibility of the co-operative in making the products available in various quantities and sizes. Clients are able to buy from the shop directly as well as place orders and make reservations. A delivery service is available from the shop. Koljander offers a catering service for weddings, birthdays and other functions.

Koljander benefits by investing resources in providing home industry products unique to Koljander. The two major principles are to make everything available and to help people find what they are looking for. In this light, Koljander has formed strategic alliances with businesses around its location. By advertising the products or services of unrelated businesses, Koljander in turn has its products advertised in the businesses. This gives Koljander access to markets it may not otherwise have had.

“We have what we like to call the ‘house of comments’, we have got our comment forms next to that and we ask for comments, good or bad or new ideas or whatever so that we can give the customers exactly what they want,” says Elize. “You get some of your best ideas sometimes from customers needing something that you have not thought of,” she adds.

KOLJANDER TODAY:

Over 30 years, Koljander has built a reputation for itself as a provider of unique products of the home industry nature in baking, cooking and handcrafted gifts. Following the South African slogan ‘local is lekker’ meaning ‘local is best’, the co-operative has offered the South African market the best goods that are traditionally South African. Doing this successfully has earned Koljander numerous awards including ‘The Best Home Industry in Johannesburg’ for the last 14 years.

Koljander's competitors have leaned towards specialisation in narrow product ranges and factory bases rather than home bases. Larger international economic forces in the advanced economies of the world such as improved technology and flexible production methods may be the cause (Engel & Olsen, 2005). Koljander however has not followed this trend in specialisation in a quest to maintain its unique edge. It continues to provide a wide variety of both consumables and handicrafts whilst its competitors have specialised in one or the other.

AT THE CORE OF THE BUSINESS:

Koljander is an innovative, colourful business with a focus on people. The owners believe that the business has survived in the industry through a focus on quality, renewal, uniqueness, sensitivity to price and a service orientation. All these facets are attributes of innovation. According to Elize, innovation lies at the core of this business. The level of innovation in Koljander sets it apart from its competitors supplied by mass production from factories. Koljander's products originate from the innovative thinking of individual people. The innovative ideas of the members of Koljander must be managed and the commitment to see these innovative ideas to completion must be led.

MANAGEMENT IN KOLJANDER:

To the owners and members of Koljander, management is the ability to strengthen innovative thinking among members. Strengthening innovative thinking among members is particularly important because members get caught up in their large production cycles and lose perspective of the importance of innovation and renewal of products. This loss of perspective leads to stagnation in product lines. An inability to think enough about the changing nature of the market also encourages the production of the same goods in the same way year in and year out. Changes in the market can only be responded to by innovation and this necessitates the disruption of any well organised production routine.

In managing innovation, ideas must be sought and existing ideas be given an individualistic and innovative twist. Koljander seeks to sustain the competitive advantage it enjoys by continuously innovating. An organisational culture that is supportive of innovation is necessary to ensure that the activities of members and management are aligned with overall objectives.

Koljander manages its inputs as one of its innovation management processes. By ensuring that inputs come from the best available source at the best possible price, Koljander can exercise greater control over the quality of its output and the extent to which it can exercise price sensitivity.

Managing knowledge is very important to Koljander for successful innovation management. By retaining members for as long as possible and encouraging the sharing of ideas, a lot of information pertinent to innovation has been retained in the business's organisational memory.

LEADERSHIP IN KOLJANDER:

To the owners and members of Koljander, leadership means stimulating, motivating and supporting members to be more resourceful and brave in experimenting with new ideas. Sometimes, members can become machine-like operations at home, working with staff who they train to assist them in their production. It is troublesome to have to retrain staff in changing products or adding new products to the line. This can lead to stagnation in the shop. In addition, some members view the introduction of new members as threatening to their own income and they often lack the vision to see that the shop needs the new ideas and new products. Many members desire to secure monopoly in their product lines. If this is allowed without sufficient qualifications stagnation results.

In order to lead members in innovation the management need to motivate members to think about the bigger picture. This will only happen if they develop a sense of pride in the business and if the importance of renewal and regeneration of the business is understood and supported by all. More importantly, valuable potential among the members must be given an opportunity to be discovered. To unleash this hidden potential, the monopoly enjoyed by members must be questioned from time to time. The reaction to limiting exclusivity is normally negative and so good persuasive skills of leaders are needed to convince members of the greater good.

Leadership has had an important role to play here because member retention is directly related to member satisfaction - something over which management has a degree of influence. By ensuring that members feel valued in the business and share in its success, Koljander has earned the loyalty of many of its members.

Koljander's leadership style has been identified as being that of a venture capitalist. The organisation is always on the lookout for new winning ideas. At the same time, it seeks to empower the members that own the ideas by providing them entrepreneurial freedom while encouraging innovation. The shop's expansion plans are not quantified in terms of output, but rather by the variety in ranges they are able to offer customers. Koljander has successfully created sub-units within itself with a baking unit, crafting unit, freezer unit and pantry unit. This identification is from the works of Kieran Patel as cited by Russell-Walling in annex 1.

MANAGEMENT AND LEADERSHIP IN PRACTICE AT KOLJANDER:

Having a strategy for innovation has been critical in managing innovation in Koljander. This strategy has included a platform through which members present their new products, new products are tested, suggestions are made for improvement on new products by management, new products are presented to the clients on a test basis, feedback from clients is incorporated in product improvement and finally the product is launched as a unique product from Koljander to market. Products that are launched but do not perform as well as desired are reviewed and innovations in the product and marketing of the product are employed to give the product a boost. In the event that the product remains unsuccessful, it is pulled out of the product line and room is created for something new. Existing products that begin to reach stagnation are given the same treatment.

Knowing when to stop a product or service is as essential as having knowledge on what new product or service to embark. Koljander attempted to have a coffee shop on its premises. After analysis, management decided to abandon this as it proved a time- and space-occupying idea that was not remitting justifiable profits. What that culminated in was the expansion of the pantry section of the store, which has continued to boom as an amazing success. Having pride in the success of the shop is more important than having pride in a single product or service. This makes it easy to let go of products and services that hinder the shop from maximising its potential.

Koljander has worked hard to create a culture that encourages innovation. By keeping its message of the value of innovation consistent, innovation is a concept that has become to members synonymous with what Koljander is all about. Important is that many steps have been taken to enact this value rather than merely espouse it.

With Koljander not being specialised in a narrow range of products, the business has found it necessary to engage in portfolio management. What this has implied for Koljander is that all its products are classified in broad portfolios which each fall under a designated manager. This has kept managers close enough to the products to monitor their success and recommend directions for innovation without any product lines being neglected by Koljander as a whole.

The element of routine which may sometimes prevail in a business like Koljander, and jeopardise the culture of innovation, is greatly minimised by the business being actively involved in running projects. Koljander stays current with occurrences in the macro-environment by designing the shop and the shop's products around themes such as Valentine's Day, Easter, Mother's Day, Father's Day, Spring Promotion and Christmas. Koljander did not miss out on the festivities of the 2010 World Cup hosted in South Africa, the first time on the African continent. The shop was abuzz with products focused on South Africa and existing products were given a new twist.

In keeping up with what is main stream, it is important to remain aware of trends in the market by keeping abreast of the activities of competitors and non-competitors alike. The best innovative

ideas tend to emanate from unlikely sources and therefore ‘keeping their eyes peeled’ comes as part of the survival description for management and members in Koljander.

Koljander proposes an offensive approach to innovation, rather than a defensive one. Waiting for trends to follow is passive and uncompetitive. Koljander seeks to set trends in the industry by continuously embarking on new projects. In doing so, a balance is maintained between exploiting and exploring innovation. Whereas exploiting innovation is reaping the maximum benefit out of current projects, exploring innovation is seeking avenues for improvement.

THE CUSTOMER APPROACH:

Each stakeholder of the business is treated as a customer. Koljander itself is a customer buying into innovation. Innovation serves to satisfy the needs of Koljander in the sense of enabling it to provide goods and services that are relevant to the ultimate consumer. In buying into innovation, the management of Koljander has to consider fundamental issues such as technology.

The second group of key customers are the members that use Koljander as an agent through which to sell their goods. Koljander exists to cater to the needs of the members in terms of ensuring that the innovation needs of Koljander are adequately communicated to the members and that the vision of sustaining innovation is bought into by all members. Members have a need for support, motivation, assistance in facing risks, addressing resistance and deterring specialisation.

The third customer is the ultimate consumer, who must be borne in mind by all other customers. The challenge is to consistently provide the customer with a high level of quality of and familiarity with products while simultaneously incorporating novel ideas that keep Koljander current, in line with the ultimate consumer’s taste. Cottage issues for the ultimate consumer are up-to-date products, maintaining youthfulness and novelty, as well as quality control - goals sometimes difficult to achieve simultaneously and requiring a trade-off in order to please the consumer.

The goal of innovation should be customer satisfaction. Satisfying the customer means that if you have an inkling of what a customer might like and you are not in a position to deliver it, you must share that with someone who can. Sometimes this means that the incentive for innovation must go beyond money to a general interest in the welfare of a customer as evident in free demonstrations provided by some members.

Elize comments, “You have to care for your customers. That is a difficult thing because you have to insist on your people working in the shop to give excellent service, not only good service but outstanding service and that is not always understood by everybody well enough.”

CHANGE AND LEARNING IN KOLJANDER:

Innovation is about motivating change. Motivation needs to be both intrinsic and extrinsic, implying a role for both the leaders of the organisation and the individuals in whom change is desired. It is natural for members to feel threatened by innovations that they do not quickly adapt to, particularly when they are set in their ways. It is considered easier to stay doing what you do rather than take on something unknown.

A manager in charge of the craft section had this to say, ‘Where the difficulty perhaps comes in is where they are set in their ways. Especially the big bakers. They have a few things that they do and their staff are trained to do. So for them to bring in a new product, there is need for retraining. So they find it much easier to stay doing what they do, you know, being able to do things with your eyes closed. The difficulty is in motivating them to try new things.’

Elize, in support, added, “They feel threatened. As soon as you get a new product in which is sort of in competition with theirs, they feel threatened. They do not see the bigger picture, they do not

see the need for the shop to have those new products and to have variety in a line. They talk about 'exclusivity of a line'. I hate that term. I hate that term because it means stagnation. The moment that you tell someone that 'only you are going to be approved to make milk tarts' this person relaxes and you have a hop in which members have no competition."

Part of the motivation to change may come from the fact that members in Koljander pay the lowest known commission in the South African home industry. The sense of innovating for themselves rather than for the shop must be greater.

Change has been said to be the only constant. Although uncomfortable, members need to face change for as long as the customer changes. In a world of no guarantees, new management ideas will continue to emerge to ensure organisation survival.

Customers often become comfortable with trusted products and may be apathetic to new products. Providing the customer with an experience of a new product without a financial risk on the part of the customer may encourage customers to explore other tastes. Similarly, the producer is given feedback on the possible success of the product prior to formally introducing it as part of the product offering.

The learning organisation is one that learns and keeps learning over and above its individuals, putting it in a position to train its people well. The condensed idea is that learning is the capital of the future. Elize is in pursuit of a higher degree in industrial psychology as she believes that understanding the members that make up Koljander and the dynamics they create is essential to the continued success of the business.

TECHNOLOGY USE IN KOLJANDER:

Technology has been useful in innovation in the South African home industry. Koljander has particularly benefitted from technology through its website which has increased its visibility and emails through which it receives many orders and inquiries. Technology has its limitations in the home industry though. Elize observes, "You cannot do A to Z e-business in a shop like this. It is not in the style of our type of business. This is a personal sort of business."

The personal touch in the home industry is what makes it particularly unique and highly innovative. For this reason, the use of technology cannot be used to its full potential. A typical example of the limitations of technology can be illustrated in the difficulty of effectively adopting a product scanning system within Koljander. A scanning system seeks to capture the prices of items and place them on the website.

The difficulty comes in that home industry products, not being factory made, may not be available every day and this would mean the inputs in the scanning system would have to be changed as often as the stock changes. Even when the products remain the same, the inputs may change and so too the prices, which would then have to be changed in the system. The system is very expensive given the mere 20% commission that Koljander takes on the sales of members, the lowest commission known to be charged in the South African home industry. Every day someone would have to be able to make the necessary changes in the system and that is neither practical nor efficient. Adopting new technologies may add complexity so it is necessary to consistently weigh the benefits against the costs.

THE BALANCING ACT:

For innovation to be successful there is a need for a balance between challenges presented and the skills held by individuals. In as much as challenges are necessary to stimulate innovative thinking, the skills set of individuals needs to be sufficient to overcome them. Balance is also required in introducing the new versus improving the existing. It is necessary for members not to neglect

successful lines while trying to introduce new ones. Part of the balancing act is in bringing in something new, yet with the same or exceeding quality that the customer is familiar with.

“Everything in this business is about balance. You have to keep balance the whole time. You have to have variety and exclusivity. It is difficult to explain,” comments Elize. One tends to wonder then, it is agreed that balance is fundamental but how does one go about managing it when it is difficult to explain what it means with precision? What limits does one set on the extent of variety and the amounts of exclusivity awarded to members while still satisfying the customer’s needs?

Improvements need not be radical in order to be considered innovations; activities as simple as adapting the packaging to suit the emerging needs of the consumer are equally considered innovations. Elize adds, “You have to see even just a bit of innovation in a line; new size, new packaging, whatever.”

THE HEART OF KOLJANDER:

The lifeblood of innovation in Koljander is pumped by its owners. Owners provide leadership, manage new entrants and facilitate teamwork. The role of the leaders in Koljander is to inspire belief in the shop and what it can achieve, encourage members to share in the vision of continuous innovation, allow performance of members and provide motivation.

The leaders of Koljander have enthusiasm and energy. They put passion into everything and genuinely care about the members and their success. They are people-oriented and believe that success comes through commitment. The leaders are involved in continually changing themselves so that they remain flexible and adaptable to change as necessary. On the enthusiasm imparted in members one member describes her passion for innovation as follows, “I get butterflies in my tummy whenever I get a new idea. I am always looking for new ideas, constantly on the search for things that are not in Koljander. I get a lot of pleasure in building up Koljander even more and passing on ideas to members.”

The leadership focus is not on power and authority but rather on influence. The leaders provide great encouragement to learn as they strongly identify with the need for change. They inspire members’ confidence in the shop and a sense of pride in what the shop is achieving, has achieved and is capable of achieving. Koljander’s leaders demonstrate compassion, appreciation and responsiveness to members. One member said this about support from Koljander, “My husband passed away. I do not know what I would have done without Koljander. Koljander helped me through by enabling me carry on with the baking and earn an income as well as from the friendship I found in the members. I can only speak really well of Koljander. Really, it is my second home. They have kept me on the go, I have also kept them on the go.”

Innovation has long been associated with competition by management researchers (Lundvall, 2010:9). Competition in turn has been associated with advancing oneself. This connotation of rivalry and opposition is not held by members of Koljander; rather, they believe that innovation is about being able to share what one knows with fellow members and with the customer. It appears as though the sense of personal development gained from the principle of sharing is fundamental to spurring on the spirit of innovation within the individual that is doing the sharing. Kristiansen et al. (2005) observe that for the home industry in African countries, business partners (like the members in Koljander) are among the most important sources of business information in enabling innovation.

THE TENETS OF KOLJANDER:

Koljander has demonstrated its commitment to innovation and the success of its members. New products can be submitted for tasting weekly. It has a policy of appointing new members or,

otherwise and, doing something to raise a falling line.

Members cite support from management, leadership and a sense of belonging as necessary requirements for them to be motivated to innovate. It appears that whenever management puts forward its expectations of members in the shop, expectations are generally welcomed as the members identify with the shop and do not see themselves as a separate entity. This is essential because they view the development of the shop as synonymous with their own.

Koljander has earned the loyalty of its members by offering support to them in the spheres of life that may not be related to their business. This is congruent with the co-operative approach to doing business. Although it may seem that supporting members in areas outside the business is not consequential to innovation in Koljander, the contrary is actually true. Creativity is optimal when the only concern an individual has is the product and not elements in their personal life, fully optimised when there are no distractions. As a mark of loyalty, members given opportunities in their individual capacity find it necessary to affiliate themselves with the shop and associate their success with the success of the shop.

In order to stimulate innovation successfully, management must be able to stimulate pride in members about the shop without being blasé about past accomplishments. Not being blasé translates into encouraging continuous hard work.

Organisational flexibility is particularly important as creativity is not bound to specific environments. Structure has an impact on how innovative an organisation can be. Analysis reveals that Koljander may be leaning towards an adhocracy structure characterised by dynamism and complexity from an entrepreneurial start-up characterised by dynamism and simplicity. In entrepreneurial start-ups owners have the most control and so wield the most influence. With flexibility and informality, such organisations inspire loyalty as has been the case in Koljander. An adhocracy, whilst having a semblance of an entrepreneurial start-up in terms of flexibility and informality, has innovation and creativity central to its business. The importance of innovation in Koljander squarely fits Koljander in the structure of an adhocracy. The mutual adjustment characteristic of an adhocracy affects the roles of management and members in response to customer preferences. The types of organisation structure, according to Henry Mintzberg as cited by Russell-Walling are summarised in the annex 2.

The approach to innovation taken by Koljander is to take the offensive rather than the defensive. This is because Koljander tends to benchmark itself beyond its market. Going beyond the boundaries of the home industry in which Koljander operates for inspiration may well be what keeps it unique compared to its competitors. Although copying the best practices within an industry may increase efficiency, it also reduces the differentiation between a business and its competitors.

About being a part of Koljander, Elize says, “It is hard work. It is like working on a marriage. If you let it slip, it goes bad. You have to work on this kind of business all the time. You have to work and put in the effort and the passion in the shop to keep it the best.”

TENETS OF KOLJANDER’S MEMBERS:

Effective innovation is only possible where the personal motivation to innovate exists. The ability to perform is essential. Whether this ability is formally learned, a natural talent or believed to be a blessing, it must be present. Members must be interested in using this ability to make products that they themselves will be interested in and furthermore interested in producing not only for themselves but for the benefit of others. If you believe in what you feel and in what you are doing, and have a passion for it, you can communicate that to other people, and success is inevitably the result.

A member that has been with Koljander for the last 28 years answered the question as to what

has made her stay so long in the home industry, particularly with Koljander as follows, “Naturally, I have the talent. I have stayed so long in the home industry because I love doing this type of work. I am really blessed. It is not as if I have gone for lessons. Very importantly, I have stayed with Koljander because of Koljander itself. I am just a member of Koljander.” A second member responded, “I like baking and that is the only reason I chose the home industry. I like that you can stay at home and work from home. That for me is quite important. I chose Koljander because they are very well known. They were prepared to take me on then and are always willing to take on new members.”

Individuals need to be amply involved in their areas of work to reach the limits and be able to extend them further. Deep-level involvement leads to inquiry and this results in new outlooks. Critical here is being able to understand who you are and your limitations. A degree of specialisation is welcome but not to the extent that it results in rigidity.

Money has long been an incentive for entrepreneurship. The testimonies of members interviewed reveal that the opportunity to earn money is one of the main things that attracted them to the home industry. A member commented, “After I got divorced, I wanted to make extra money.” Another member said, “I love it because you can decide on your income.” Still another said, “I make good profit here.” For that reason, if innovation brings in the money, it is only a reasonable expectation that members of Koljander will be willing to innovate.

Quality control is not only a management prerogative. Quality must exist at all levels of operation, beginning in the kitchen. Management can only oversee quality control, so it is up to members to sustain quality by being actively engaged in the production process.

Members need to be open to the multiple sources of inspiration, be they recipe books, flea markets, parks or the customer. Even where other home industries are not willing to take on any additional contributors, Koljander has been reputed to be an open door for as long as a contributor has something new to offer. A member commented, “I introduce new things nearly every month because I am the kind of person that easily becomes tired of my own stuff. I would not like to get stuck doing the same thing and try to always picture something new to keep the customer surprised while still offering the best. It has been inspiring producing the unique products that Koljander has. the most important thing is to enjoy your work.”

Koljander’s members and staff are trained to listen to customers, especially when customers ask for items that are not made by the shop. This is an aspect of customer relationship management strategic in improving the value to shareholders through developing suitable relationships with key customers and their segments.

Inspiration need not be associated with mere imitation; originality is also hailed as key. Koljander’s open doors have exposed it to the creativity of contributors who are not only South African, and this has been particularly important as consumer tastes broaden with the advent of globalisation.

KOLJANDER’S FUTURE:

Turning 30 years old is a milestone age that has been associated with a great deal of fear as the reality of aging sets in. The willingness to take risks subsides and missed opportunities are regretted. However, as Koljander marks 30 years of existence, it appears to have a rejuvenated spirit of renewal in its celebration of past successes and anticipation of an innovative future. The mistakes too are celebrated as they lay the foundation for learning and learning in turn feeds the culture of innovation in this South African home industry.

In the home industry, innovation has to be continuous. Continuous work, effort and passion are required to keep the shop at its best. Perseverance is essential to success. Innovative ideas are not

always instant successes. Koljander once attempted to have a coffee shop on its premises. The coffee shop proved to not be much of an income generator and rather took away much of the space from the shop. Koljander’s management responded by closing it and this boosted the sales performance of the shop’s products. The feedback system in place through Koljander’s ‘house of comments’ is an example of how Koljander tries to learn from its mistakes. Operating as a suggestion box of sorts, Koljander is able to learn what is or is not working for the shop and for the customers. Members must be willing to go the extra mile to serve the customer. Keeping existing customers is not easy but much better than seeking out new ones because loyal customers actually attract new customers.

However, the home industry is not without its challenges. One member cited, “One real challenge is time. You always run out of time because it is time consuming. Sometimes the products are not what the customer wants so another challenge is finding the right product.”

ANNEXES:

Annex 1:

LEADERSHIP STYLES:

<p>The Missionary</p> <ul style="list-style-type: none"> - Driven by a higher purpose about the right way to do business or make the world a better place - Preaches and inspires faith - Expects new employees to convert 	<p>The Venture Capitalist</p> <ul style="list-style-type: none"> - Looks for winners in the new environment - Entrepreneurial, on the lookout for innovation and favouring acquisition-led strategies - Often believes small is beautiful - Creates self-contained enterprises within the organisation 	<p>The Revolutionary</p> <ul style="list-style-type: none"> - Seeks to break the rules, destroy the existing model and change the game - Has a small group of believers who see him or her as the saviour
<p>The Investment Banker</p> <ul style="list-style-type: none"> - Dealmaker operating through acquisition and disposal - Self-styled managers of a portfolio of businesses, competencies, relationships or products and services 	<p>The General</p> <ul style="list-style-type: none"> - Wants to control the game, seeing business as conquering enemy territory through superior strategy and tactics - Huge importance attached to detailed planning 	<p>The President</p> <ul style="list-style-type: none"> - Manages the game as policy maker and ambassador - Remote from the front line - Throngs of advisors both connect and insulate a president from the rest of the company

Source: Adapted from Russell-Walling (2007)

Annex 2

MINTZBERG’S ORGANISATION AND CO-ORDINATION MECHANISMS:

	SIMPLE	COMPLEX
STABLE	<p>Machine Bureaucracy Standardised work, processes and outputs</p>	<p>Professional Bureaucracy Standardised skills and norms</p>
DYNAMIC	<p>Entrepreneurial Start-up Direct supervision</p>	<p>Adhocracy Mutual adjustment</p>

Source: Russell-Walling (2007)

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