

Hanke rahoitetaan REACT-EU-väliseen määrärahoista osana Euroopan unionin COVID-19-pandemian johdosta toteuttamia toimia.

Change flexibility (resilience) of local food companies in South Ostrobothnia – summary of survey results

Thank you for your participation in the survey about resilience, cooperation and digitalization of local food companies in South Ostrobothnia. The survey was carried out as part of the EU-funded YDIRE (Towards resilience in short food chains through cooperation between companies and digitization) project. The project is implemented by the University of Vaasa, the University of Helsinki Rural Institute and Seinäjoki University of Applied Sciences (SeAMK). The project is financed by the Federation of Southern Ostrobothnia from the funds of the ERDF-REACT instrument, as part of the measures taken by the European Union in response to the COVID-19 pandemic.

The goal of the project is to promote cooperation and digitization of short food chains in South Ostrobothnia, and thereby increase their resilience in crisis situations. The purpose of the project is to develop an operating model for forms of cooperation and digital solutions, which can be used to develop companies' resilience, and at the same time help companies to develop sustainable operating methods and increase innovation potential.

In the project, a survey was carried out, the purpose of which was to find out the resilience level of local food companies in Southern Ostrobothnia, especially from the perspectives of cooperation and digitalization. The survey was carried out in March-May 2022, and an invitation to the survey was sent to 348 small and medium-sized local food companies in southern Poznan. We received 38 responses to the survey. The age of those who responded to the survey varied between 31 and 74 years, and the average age was 47 years. The educational background of the survey respondents varied, the largest groups of respondents were vocational school graduates (26%), university of applied sciences graduates (24%) and university graduates (21%). The companies that responded to the survey were mainly (85%) small companies in terms of number of employees (1-10 people), and 9% of companies employing more than 20 people. The companies had operated for an average of 13.6 years, and there were 31% of companies operating for more than 20 years in the data. Most of the responding companies were cafes or restaurants (32%) and agricultural companies (36%).

This report presents the most important results of the survey. The figures show the averages of the entire material and, in addition, the average of your company's answers. In this way, you can compare your own company's relationship with other companies in the region and identify your strengths and development areas.

Resilience, i.e. flexibility to change

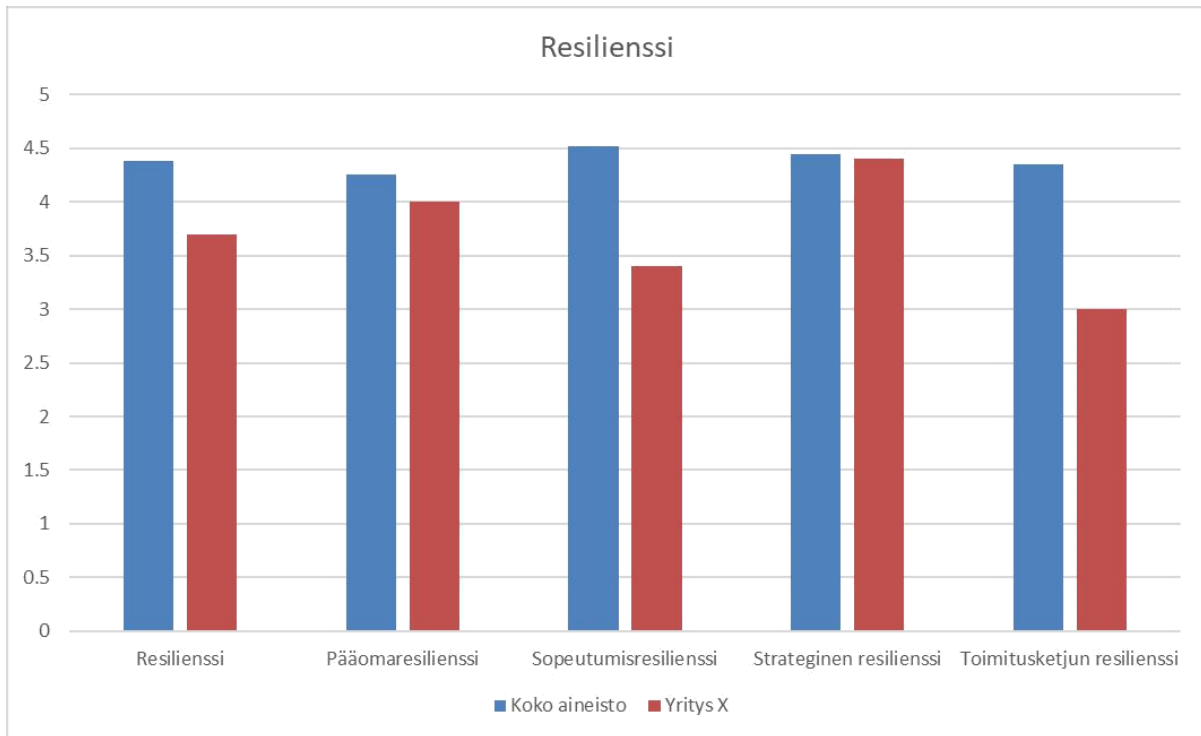
Flexibility to change is often referred to as individual-level resilience, in which case the subject of examination is a person's ability to face crises and adapt to unexpected changes in life. In recent years, the discussion has also turned to company-level resilience, where the focus is on the company's ability to adapt to changes in the supply chain or demand, for example. In a rapidly changing market, a company's high resilience can be seen as one of the most significant factors affecting competitiveness. That is why it is important that local food companies operating in the food industry can map their own level of resilience and receive support for developing their operations and strengthening their flexibility to change.

The survey surveyed the resilience to change of local food companies from four different perspectives. Capital resilience refers to the ability of companies to continue their normal operations and prepare financially for risks and crises, especially from the point of view of a stable capital structure. The local food companies that participated in the survey did not consider profit maximization to be the most important goal of their company. The companies that participated in the study also reported that the capital structure of the companies was at an average level. Capital resilience was at the lowest level of all different types of resilience in the data.

Adaptive resilience refers to companies' preparedness for risks and the ability to react to changing situations. The results of the survey show that local food companies in Southern Ostrobothnia were not prepared for risks much before the start of the corona pandemic. During the pandemic, companies report that they have developed new solutions to challenges and that they have coped with the challenges quite well. However, the results also show that local food companies' preparedness for risks has not significantly changed since the start of the pandemic. It would be good for companies to regularly map risks, for example using the Minirisk method, and thus proactively prepare for them. In addition, local food companies in Southern Ostrobothnia should improve their business operations and proactively consider solutions related to, for example, raw materials, production and sales.

Strategic resilience refers to companies' strategic goals and their achievement in the long term. According to the results, the companies that participated in the survey do not strategically pursue growth and implement a growth plan. The operational activities are also not specifically aimed at strategically defined goals. Willingness to invest in sustainable development or promoting digitization was quite low among the respondents. Overall, based on the results, it can be observed that local food companies should think about their goals and their own market position and create a strategy for the coming years based on these. Continuous monitoring of megatrends, trends and weak signals would be important in order to be able to seize and utilize business opportunities in operations.

Supply chain resilience, on the other hand, describes the company's supply chain's ability to recover from disruptions and crises. The companies that responded to the survey report that the resilience of their supply chains is at an average level, and thus companies should pay attention to how to prepare for various disruptions and crises in order to secure material flows that are critical to operations. Collaborative relationships must be maintained and managed so that their possible benefits can be applied to one's own operations. Regular and open interaction are critical for maintaining relationships. The resilience of the supply chain can and should also be developed together with suppliers.



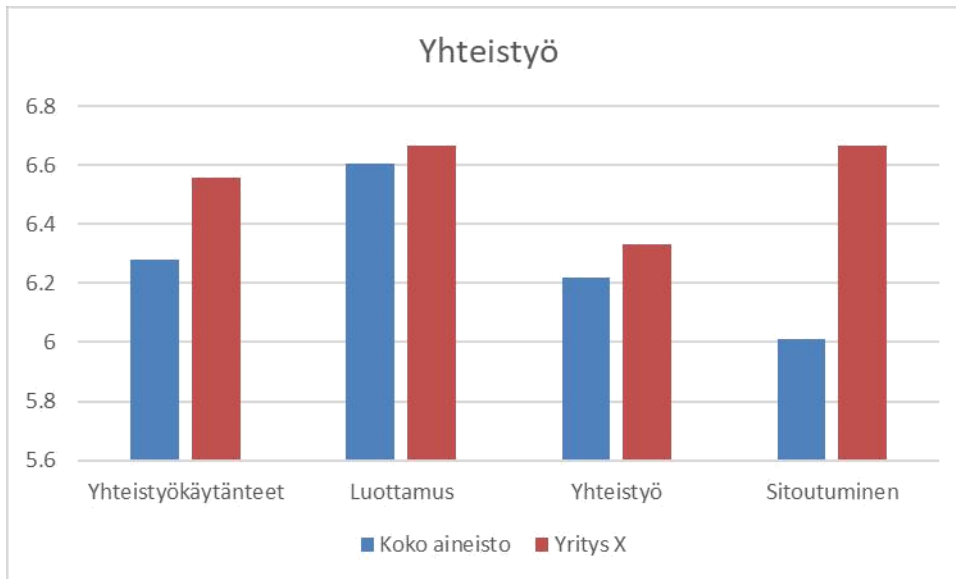
Based on the results, local food companies in Southern Ostrobothnia should pay particular attention to systematic and proactive mapping of the level of resilience and how it can be developed. The level of resilience can be strengthened through cooperative relationships and networks.

Southern Ostrobothnia local food companies are good partners

The survey surveyed the cooperation practices of local food companies with other companies and parties. Cooperation practices were examined from the perspectives of trust, cooperation and commitment. In cooperation between companies, it is always advisable to draw up written contracts and agree on the areas of responsibility and the distribution of possible profits in advance.

Trust and keeping promises between partners was at a high level in the material. Trust is a good starting point for successful cooperation between companies, in this respect the companies from Southern Ostrobothnia appear in the material as potential partners. The cooperation is based on bringing about positive changes and joint problem solving in local food companies in Southern Ostrobothnia. It is also worth looking for partners from, for example, another industry, educational institutions and the public sector in addition to your own industry.

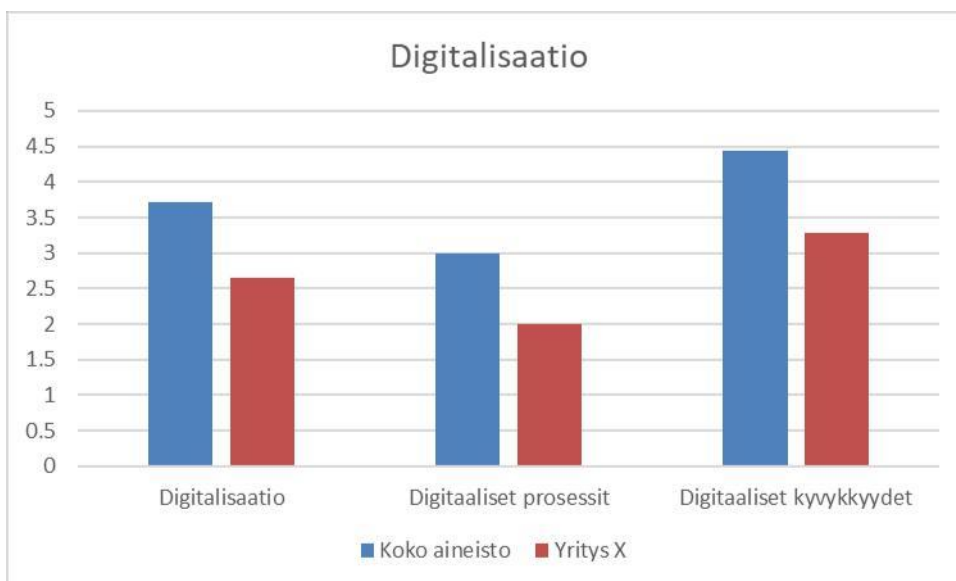
The commitment to the partner and compliance with the jointly agreed conditions was also at a high level. Commitment is particularly important, especially in the early stages of a cooperation relationship, because commitment leads to taking responsibility, implementing things and working together through possible challenges and crises.



Utilization of digitization is a future possibility

The study also measured to what extent the level of digitalization of local food companies in Southern Ostrobothnia. According to the results, digitalization is used very little in company processes. Companies use social media channels to a rather small extent, and digital technology is hardly used to support standard processes or decision-making or to support it.

In order to strengthen digitization, it would be of paramount importance to first develop digital skills and expertise, so that the available tools and platforms can be truly benefited. Effective utilization of digitization starts from a digital strategy that supports the company's strategy and its goals. Creating a digital strategy contributes to the systematic and planned utilization of tools, thus avoiding unnecessary and expensive investments in time and technology.



What next?

Now that you have looked at the results of your own company in relation to other local food companies in southern Poznan, we invite you to think about what thoughts the results evoke in you.

Think about how you can strengthen things/factors related to resilience, where you are already strong. Also think about what kind of development targets are found in your company and what methods you could use to develop them. You can get inspiration for development from the upcoming events of the YDIRE project.

In the spring of 2023, we will organize interesting and useful webinars/seminars related to strengthening the level of resilience in local food companies. If you want to be among the first to know about the project's upcoming events, sign up for our email list [the link](https://link.webropolsurveys.com/S/9CBE4BF55FFE7901) via ([https:// link.webropolsurveys.com/S/9CBE4BF55FFE7901](https://link.webropolsurveys.com/S/9CBE4BF55FFE7901)). The events are free of charge.

Additional information:

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