

VIEW FROM THE TOP



TORSTEN WYWIOL

CEO, Stern-Wywiol Gruppe

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For over 30 years, the independent, owner-managed Stern-Wywiol Gruppe based in Hamburg, has been among the most successful enterprises operating internationally in the world of food and feed ingredients, with 11 specialist firms in Germany and 13 affiliates abroad. With over €365 million in 2012, it achieved the highest turnover in its 33-year history.

- The group of companies has established itself as one of the major specialists in the global ingredients market and now employs a staff of 800 worldwide.
- Investments amounted to over €22 million last year alone, mainly for the facilities in Ahrensburg and Wittenburg.
- In the food sector, the focus is on enzymes, stabilizing systems, flour improvers, baking ingredients, lecithins, MCT oils, vitamin and mineral premixes, chocolate pieces and natural flavorings.

What trends do you expect to drive new product development in 2013?

A major topic in the Western world is sustainability. This aspect concerns the whole industry. Food manufacturers are paying more attention to environmentally sound and resource-sparing production and seeking to use raw materials grown according to ecologically and socially acceptable standards. The ingredients themselves must be produced sustainably and thus contribute to the sustainable production of the food – through carbon reduction and the resource-efficient use of materials. From this regard, enzymes, for example, are very attractive. In Western countries, the increasing health awareness of consumers and demographic change also play an important role. The aim is to stay fit into old age, and that can only be achieved through a healthy lifestyle with health-conscious nutrition. Against this background, functional food is gaining significance, and the demand for it is growing. Another strong trend is towards convenience; that is because of the change in our lifestyle and working habits. The emerging countries are rapidly following the same road. Because of the growing global population and rising incomes in emerging countries, purchasing power is increasing in the international markets. More and more people are willing to pay for convenience products.

Do you expect the natural/clean label trend to continue, and how are you responding?

The clean label trend is becoming more and more apparent internationally. But not all additives can simply be left out of the recipe. Industrially produced foods have to meet certain requirements in order to ensure the necessary processing characteristics, texture, enjoyment value and other factors. So the challenge is to develop clean-label alternatives that have the same processing and product characteristics as conventional ingredients. For some time one of our member companies, Hydrosol, has been developing clean label products as an alternative to conventional stabilizers and emulsifiers. In sunflower lecithin, Sternchemie offers a label-friendly alternative to IP soy. And DeutscheBack has developed clean-label or lean-label products for a number of applications in cooperation with SternEnzym. Additionally, DeutscheBack offers raw materials and other ingredients for baking which enable customers to create recipes without E numbers.

How optimistic are you in terms of the market outlook? What about acquisitions?

We are very optimistic. Thanks to our wide range of activities, with eleven industry-specific companies and 13 foreign affiliates, we are in a very good position to take up changing trends in the markets and offer every customer tailor-made solutions with personal service on the spot. Of course we are always on the lookout for opportunities to take over further small specialist units that fit into our portfolio, with synergistic effects. But they do have to fit; our objective is systematic growth.

How are you coping with regulatory challenges in the EU, such as health claims? Is there still a future for functional foods in Europe?

Yes, there certainly is. Over 200 health claims are still approved. That allows endless combinations of claims and ingredients. And it still permits a large number of very interesting new products.

There has been very noticeable consolidation in the ingredients market in recent years. Do you expect this to continue?

We regard the increasing concentration in large-scale industry as an opportunity. As an owner-managed family business, we are able to respond quickly and individually to our customers' specific needs, with the flexibility of a medium-sized enterprise, and develop tailor-made solutions. That is especially true in view of the rising cost, shortage and increasing price volatility of raw materials, which demand alternative recipes and formulations. At the same time we offer an international network like that of a major corporation. And another important advantage is undoubtedly our network of excellence. So we are very confident that we shall be able to maintain and strengthen our market position. Our continuous two-digit growth rates are the best confirmation of this.