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Middle East Food

مأكولات الشرق الأوسط

June 2010 / Vol. XXVI - Issue 6
حزيران (يونيو) ٢٠١٠ / مجلد ٢٦ - عدد رقم ٦

Serving the Food, Beverage, Ingredients & Packaging Sectors in the Middle East & North Africa - Since 1985
تخدم قطاعات المأكولات والمشروبات الخفيفة والمكونات والتعبئة في الشرق الأوسط وشمال أفريقيا - منذ ١٩٨٥

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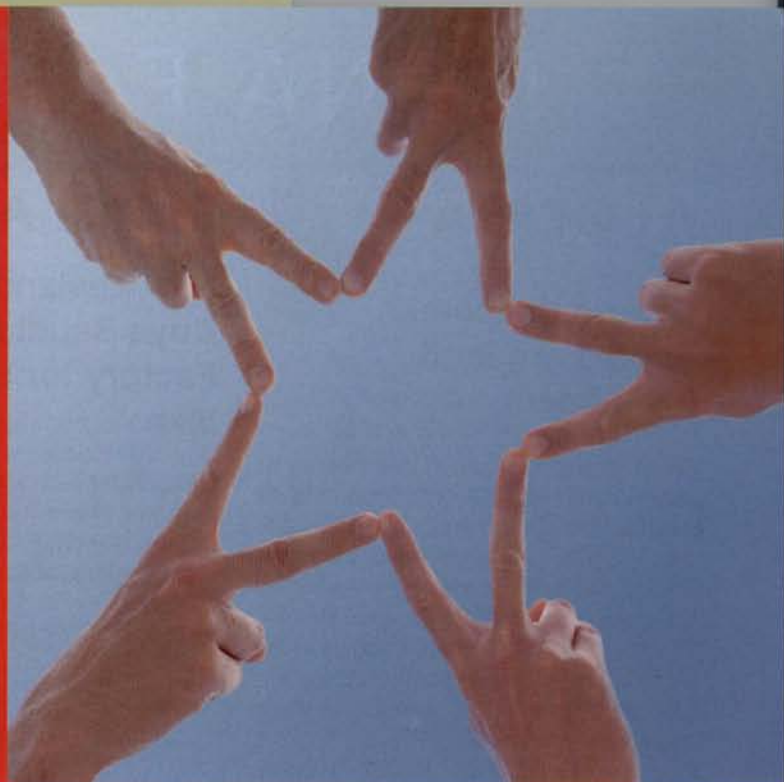


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30 Years



Happy Birthday, Stern-Wywiol Gruppe!

Founded by Volkmar Wywiol in 1980 as a sole proprietorship, today the independent, owner-operated Stern-Wywiol Gruppe markets food & feed ingredients around the world, and is the international leader in many categories. Our specialized development facilities produce a wide variety of functional systems for food and animal nutrition.

Now, on our 30th birthday, our thanks go out to all of our 550 employees, whose enthusiasm and creativity have made such a difference in our growth. We also want to thank our customers and suppliers, whose challenges and loyalty have helped us become what we are today – a strong group of ingredient companies, with extensive application technologies that meet customer needs every day.

Come see us at www.stern-wywiol-gruppe.de to find out more.



30th Anniversary of the Stern-Wywiol Gruppe

For 30 years the independent, owner-managed group of companies with its headquarters in Hamburg has been a successful enterprise operating internationally in the world of Food and Feed Ingredients. Interview for Middle East Food conducted with the group's founder, Volkmar Wywiol, and his son Torsten Wywiol, the co-directors of the group.

Mr. Wywiol, you started as a one-man business 30 years ago, and now you employ a staff of 560 around the world. Can you tell us the secret of your success?

Volkmar Wywiol: There isn't any secret to it, really. You just have to work harder than the rest, be more creative and convinced of your function in the market. Then, of course, there is our corporate philosophy that emphasizes partnership; it inspires our employees, and our customers and suppliers greatly appreciate it too. I see my position in the enterprise as "the first among equals".

What are your core products in the food industry?

Torsten Wywiol: We develop and produce functional ingredients that fall into five categories: baking, stabilizing, texturizing, emulsifying, and fortification. As far as products are concerned, we focus on enzymes, hydrocolloids, emulsifiers, lecithins, proteins, vitamins and chocolate; we have a comprehensive knowledge of applications in these fields. Our experience in their many different properties and possible applications makes it easier for us to develop creative solutions for individual customers.

You surprise the market time and again by entering new business fields. Six years ago you established SternVitamin, and now you are all set to succeed in flavorings. Does all that fit together?

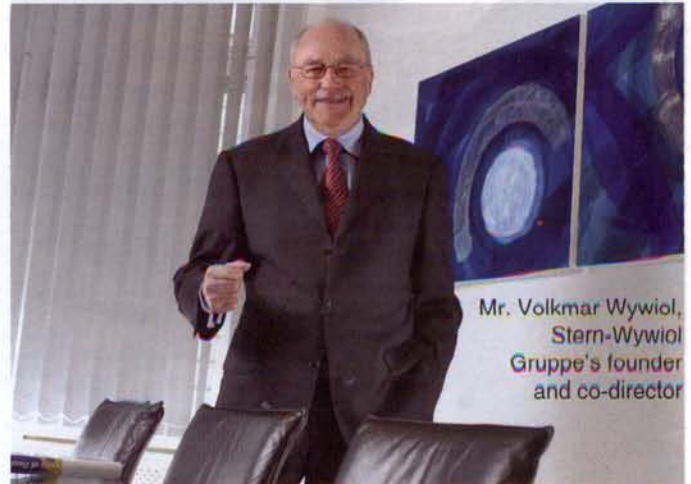
Volkmar Wywiol: It certainly does! Customers are increasingly looking for full-service suppliers. We tried to offer that service through cooperation with other firms, but we found we were not getting very far with this strategy because corporate philosophies and the people involved are often so different. So we prefer to go our own way, by taking over or establishing small separate units. By the way: SternVitamin has already built up a good international reputation in vitamin and mineral premixes in this short time.

Your food and feed ingredients are now marketed by eleven German companies. Why this diversity? Why don't you operate under one umbrella, with a joint logo?

Torsten Wywiol: We are specialists in tailor-made ingredients. To my mind this specialization must be clearly visible, both within the group and to the outside world. Each of the companies is independent, with its own applications technology and sales team. In our dealings with customers this individualization signalizes a high level of competence and identification with the industry.

Can you give us an example?

Torsten Wywiol: One of our oldest companies is Müh-



Mr. Volkmar Wywiol,
Stern-Wywiol
Gruppe's founder
and co-director



Mr. Torsten Wywiol,
managing partner of
Herza-Schokolade in
Norderstedt and one of the
managing partners of the
Stern-Wywiol Gruppe hold-
ing company

lenchemie; it was established in 1923. The name stands for ingredients for flour improvement (such as enzymes) and flour fortification (for example vitamins) for the milling industry. And that applies throughout the world. The company is now one of the world's biggest suppliers and exports to over 100 countries. Similarly, Hydrosol stands for stabilizing systems, SternVitamin for vitamins, and so on.

Where do you see your unique features, and how do you differ from your competitors?

Volkmar Wywiol: One of our key features is doubtless our comprehensive applications technology. At our Technology Centre in Ahrensburg we have set up various laboratories and technical trials departments on a total area of 2,000 square meters: a trial bakery; a laboratory for dairy products and ice cream; a laboratory for delicatessen foods and meat; a lipids and emulsion laboratory with spraying plant; an enzyme and vitamin laboratory. Each of these is staffed with food technologists from the relevant industry.



How large is your Research & Development budget, and what are your objectives in this field?

Torsten Wywiol: One in seven of our 410 employees in Germany is engaged in applications research, product development or quality assurance. Our R&D budget is around three percent of the turnover, and it increases continuously as our foreign affiliates develop. Our research & development work is not restricted to Germany now; we are stepping up our applications research through regional food laboratories in Russia, Mexico, China and India, and in the feed sector we have activities in Malaysia and India.

Isn't that an enormous investment for a medium-sized company, with ongoing costs for employing food technologists and research scientists?

Torsten Wywiol: That's true. It's an expensive course to take. But qualified advice and assistance with applications, backed up by your own laboratories, is essential nowadays if you are to negotiate on equal terms with the food industry and be taken seriously as a partner. We attach great importance to innovative products, and without continuous investment in manpower and technology it's impossible to achieve above-average performance in that field. We are already planning to enlarge the Technology Centre.

What importance does Germany still have for your business?

Volkmar Wywiol: Most of our income is from foreign business. In 2009 the share of exports in the food sector was 72 percent, and in feed it was as much as 83 percent. Our enthusiasm for the big wide world is evident from our affiliates, too. We have offices of our own in Singapore, Malaysia, China, India, Mexico, Russia and Poland, and in some cases we have our own production facilities and applications technology too. Our work in Europe is more in the shape of home offices, with local staff on the spot.

You have established your production plant in Wittenburg, between Hamburg and Berlin. What role does this factory play in the group?

Torsten Wywiol: In 1998 we laid the foundation stone of what was then the most modern compounding plant for food ingredients, premixes and food supplements. Since then we have enlarged the plant continuously nearly every two years in response to customers' requirements. The factory now has a total capacity of 40,000 tons of compounds, and about 5,000 tons of this can be blended to pharmaceutical standards. We also have several lines for filling small quantities. All in all we have invested over EUR 25 million (USD 32.5 million).

You have grown as a result of your own development but through takeovers as well. What is your acquisition strategy?

Volkmar Wywiol: We have bought about 50 percent of our companies. All of these acquisitions have been very small units which we have made what they are today through good management and a clear corporate strategy. We shall continue to grow mainly through our own efforts, but we shall keep an open mind about buying up small firms or taking over unprofitable parts of big ones. Our main objective is always to complement our portfolio.

How have you organized your succession?

Volkmar Wywiol: That has been prepared already. My son Torsten, now aged 44, has been in the enterprise for ten years and is the managing partner of **Herza-Schokolade** in Norderstedt. He is also one of the managing partners of the Stern-Wywiol Gruppe holding company. We have defined our spheres of responsibility and complemented each other excellently with our different abilities. That is an ideal basis for managing the group of companies successfully in the future. We have agreed within the family that we intend to continue the enterprise as a family business in the long term.

What personal experiences have had the greatest effect on you during the 30 years of the company's history and in the market environment?

Volkmar Wywiol: It's a joy to build up a business of your own, in spite of the many ups and downs. To be a successful entrepreneur you need the following qualities: the courage to try things out; the imagination and creativity to find pragmatic ways of meeting the many day-to-day challenges and problems; enjoyment of hard work, and perseverance.

How do you view the near future of your group with regard to its companies?

Torsten Wywiol: We achieve more than 75 percent of our turnover through exports to over 100 countries around the world. We try to strengthen our presence on the spot, our closeness to our customers, by establishing branches abroad. We currently have ten affiliates abroad, and we intend to increase the number to 20 in the next seven to ten years. The food ingredients industry has a total volume of about 30 billion dollars worldwide, and the market is growing by an average of 2.5 percent a year as the industrial production of food becomes more widespread.

What tasks and problems is the group faced with at present, and how are they being tackled?

Volkmar Wywiol: The management and development of the foreign subsidiaries takes up a lot of time and manpower. In all the branches, most of which are run by local managers, we try to employ young German staff who are familiar with our philosophy and – hopefully – pass it on. As a dynamically growing enterprise we have the task of maintaining the corporate philosophy of "scope and freedom" and developing it further. ■

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