

# The courage to change

THE WIESHEU GMBH, AFFALTERBACH, GERMANY, WILL CELEBRATE ITS FORTIETH BIRTHDAY THIS YEAR. EXECUTIVE DIRECTOR **VOLKER GROOS** EXPLAINS IN AN INTERVIEW HOW THE COMPANY IS ADJUSTING TO THE CHANGES IN THE BAKING INDUSTRY, AND WHAT EFFECTS THESE WILL HAVE ON WIESHEU'S FUTURE



**++ Volker Groos (53)**  
Wiesheu Executive Director

**+ bbi:** We are currently seeing structural changes in the baking industry throughout the world. What effects has this had on Wiesheu as a manufacturer of baking ovens?

**+ Groos:** 2012 was a very satisfying year for us despite the changes in the market. Sales increased markedly by almost 22 % compared to the previous year. We had to increase our workforce by almost 100 employees due to the increase in sales, with the result that we now employ more than 500 staff. We are proud of the fact that we are growing internally and not by acquisitions, and that we are creating jobs in Germany.

**+ bbi:** And where are the new employees being accommodated?

**+ Groos:** We have invested continuously in people and machines at the Wolfen and Affalterbach sites over the past few years. Wolfen will be expanded by an area of 3,000 m<sup>2</sup> this year and the headquarters in Affalterbach will also be enlarged. In addition to the logistics, we are building more office and production space.

**+ bbi:** Wiesheu earns around 50 % of its turnover abroad. Which countries made particular contributions to the growth in 2012?

**+ Groos:** The export business is growing continuously. In addition to Russia, countries such as Poland, Austria, the Benelux countries and France are growth markets. This is due firstly to the bread culture in these countries and secondly to the high purchasing power of the consumers, who are willing to spend money on premium baked goods.

**+ bbi:** Machine builders constantly mention China and the Near East as growth markets. Is there a demand for German ovens in these countries?

**+ Groos:** We are looking closely at the markets in China and in the Near East. At the moment, however, we see more growth opportunities for us in South and North America.

**+ bbi:** Wiesheu celebrates the 40<sup>th</sup> anniversary of its foundation this year and is growing continuously. Does this growth have a large effect on the company?

**+ Groos:** In my opinion the key to healthy growth and a good corporate culture lies in creating structures for growth without changing the company's DNA. Karlheinz and Marga Wiesheu founded and shaped the business and implanted the DNA. We want to retain it.

**+ bbi:** Wiesheu generates 50 % of its sales in Germany. Has there been any change in the demand for in-store baking ovens here?

**+ Groos:** We were able to achieve sharp rises in turnover mainly as a result of new players in the market, i.e. in addition to the baking industry, the major customers nowadays include the retail and above all the discounters. However, in the bakeries area we were also able to grow by 8 % in 2012 compared to the previous year.

## Wiesheu GmbH

Compared to the previous year, the turnover of the Wiesheu GmbH, Affalterbach, Germany, grew in 2012 by 21.75 % to a total of EUR 89m. This was the oven constructor's best result in its 40-year history. The proportion exported was stated as 50 %. The company created almost 100 new jobs in 2012, and employs more than 500 staff at the Affalterbach and Wolfen sites. Further investments into expanding the sites are planned for 2013. **+++**

++ figure 1



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++ figure 1

The semi-automatic loading system TrayMotion

**+ bbi:** Is a change occurring in the demand from the baking industry due to the massive entry of retail into baked goods marketing?

**+ Groos:** Yes. The in-store deck oven is a clear trend in the baking industry. Customers increasingly want to use such ovens to differentiate themselves from the food retail, which is why they are changing over from hot air to deck ovens. The subject of baking on stone is also agitating the baking industry. The thinking is always: how can I offer even higher quality baked goods and set myself apart from supermarket baked goods and/or from their baking stations?

**+ bbi:** How do you assess the development or future of the discounters?

**+ Groos:** We see an end at least to the growth of the discounters. The industry's big players have by now all developed their own concepts and are now competing with one another. In my opinion it is more likely that the discounters will now put pressure on the classical food retail. A few discounters are now deploying very high-quality shop-fittings, or are no longer using any part-baked baked goods, for example. I am happy to say that the market will find its own way, and of course permanent changes will also occur; but the good bakers will emerge from the situation ►

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Industrie Rex III - AW



**++ figure 2**  
The Dibas Blue in the development process

strengthened. Predatory competition is also taking place internationally as it is in Germany: the same applies to us; there is no country on earth that is waiting for Wiesheu ovens. Here again we must convince our customers through innovative products.

**+ bbi:** How have the requirements applying to an in-store baking oven changed as a result of this?

**+ Groos:** In addition to the “high quality baking processes” already mentioned, which includes baking on stone, the topics of “energy saving” and “automatic control” play an important part. A team responsible for innovations and technology, which today employs a total of 40 staff members, is working with new ideas and product development within our company.

**+ bbi:** Have you achieved a head start relative to other suppliers through consistent expansion in the research and development area?

**+ Groos:** We think the answer is yes. In addition to other innovations, we presented the TrayMotion and Dibas Blue systems at the iba last year, and the feedback was positive. In that way we offer our customers solutions and competitive advantages.

**+ bbi:** What exactly are the advantages?

**+ Groos:** The Dibas Blue is an in-store oven that automatically detects how many baked goods are fed into the oven and in what thermal state they are input, and automatically adjusts to all the necessary baking parameters for a perfect baking outcome. This increases the energy efficiency significantly at the same time, thus saving energy.



**++ figure 3**  
Representative daily utilization profile of a quality baker

**+ bbi:** Could you please be slightly more specific?

**+ Groos:** With a full load, i.e. with ten baking trays, the Dibas Blue saves energy in the single figure region compared to other in-store ovens. The smaller the loading, the greater is the energy saving, because the program controls and monitors the use of temperature and steam in a targeted way.

**+ bbi:** What exactly is behind the term TrayMotion?

**+ Groos:** The TrayMotion semi-automatic loading system makes the user’s daily work routine easier and gives him more freedom as a result of its automated processes, as well as ensuring consistent baked goods quality. Human error is excluded because the oven practically loads and unloads itself, and this all for an investment total of less than EUR 10,000.

**+ bbi:** Can we venture another look into the future? What other plans do you have in addition to expanding the two sites?

**+ Groos:** We showed a new in-store oven for baguettes to visitors to the iba. The oven is designed for 40 x 80 cm baking trays, and we are particularly interested in the French market; this is why we are considering setting up a subsidiary company in France.

**+ bbi:** Could you say a few more words about the economic situation?

**+ Groos:** The first quarter of 2013 looks good at present, and the order books are full. Looking further into the year is difficult. We have many tasks: our motto for 2013 is “Courage to change” and I look to the future with optimism.

**+ bbi:** Mr. Groos, thank you very much for the interview. +++

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