



# Life science network

AN INTERVIEW WITH **MEIERT J. GROOTES**, CEO OF PANADORO GROUP LTD., SPAIN

**+** They strive to become the intellectually leading company within the ingredients market. To achieve this aim, they have created a unique network in which technologists, engineers, scientists and consultants work together. Editor-in-chief Hildegard M. Keil talked to Meiert J. Grootes, CEO of Panadoro Group Ltd., about think tanks and the future.

**+ bbi:** A business consultant, a machine manufacturer and a biotechnologist join forces to succeed in the market for bakery ingredients. This market can hardly be called non-competitive. Do these three have over-inflated egos and what are they doing differently or even better so that you feel confident that you will be successful?

**+ Meiert J. Grootes:** You are right, the market is highly competitive. The focus is not just on bakery ingredients, it is much more. The focus is placed on foods for the future. In particular in this market it is an art to not only come up with visions but to implement them and put them into practice, right from the start, and to show a profit. We three, Veripan (Panadoro is the holding company), Bühler and Natraceutical, we are a bit more than just a business consultant, a machine manufacturer and a biotechnologist.

Veripan AG has years of experience as a think tank for the international food industry. We fulfill the desire of anyone seeking advice: a consultation that includes implementation. We do not just look at possible improvements, we also offer our customers ways to make their visions become reality; from the idea to placing the product on the market. In this respect it is extremely helpful to bring in a worldwide leading technology group as Bühler who are more than just a machine manufacturer. Our partner Bühler enables their customers to achieve even better results by applying sophisticated methods and different technologies. This is the key for a sustainable and profitable production. We have the upper hand in all dimensions in food processing; the ideas delivered by Veripan, the production supported by Bühler's know-how and – this is new- the raw material aspects covered by Natraceutical. Natra is more than just

biotechnology. This company makes a great leap forward by creating new products which fit into the growing field of functional foods. Together we are no megalomaniac David and no inflexible Goliath but a network with the best heads; an expert pool which every customer can access and activate via Veripan.

**+ bbi:** The idea to offer technological solutions instead of just machines and raw materials sounds really exciting. Can you give some examples on how those solutions can be used?

**+ Meiert J. Grootes:** Not that the technological solutions are not important, focus is placed on three dimensions as mentioned earlier: ideas, knowledge, marketing. If a food producer plans to expand his product range for example, he already has the technical expertise to do so with his existing equipment. Marketing, however, requires the uniqueness of the product which sometimes is in conflict with the production on the existing equipment, with its limitations. Here, creativity and comprehensive knowledge come into play, namely how to create a credible product with real added value with only small but specific adjustments. Unfortunately I can not give examples here because we have agreed complete confidentiality with our customers so that they can keep their competitive edge as long as possible.

**+ bbi:** How close is the cooperation with the parent companies? Will there be a joint appearance on the market according to the motto engineering, technology and consultation?

**+ Meiert J. Grootes:** Our goal is to combine our capabilities and our sales forces mutually for all fields, but this is mainly a communication task, just like in any other network. At this moment in time, there is nothing comparable anywhere in the world.

As far as Panatura® is concerned, we have Veripan Ingredients AG (a subsidiary of Panadoro Group LTD, just like Veripan), the joint venture with Bühler AG, whose sole goal is currently the marketing of the natural sponge dough Panatura®. We have a joint market appearance and also use synergies of our distribution network and customers.

+ **bbi:** What size are the companies? Which geographical markets is Panadoro aiming at? Are you the specialist for niche companies, for organic producers or are you intending to serve mass producers?

+ **Meiert J. Grootes:** Let's put it this way: high-quality niche product companies as well as those which are organically orientated will find their solutions with us as long as they produce on an industrial scale. However, we mainly serve the industrial sector because the consumer's requests for quality, freshness and natural products in particular require practicable solutions.

From the geographical point, our market spans the entire world or a specific region, depending on the subject. We are not only consultants and developers; we also provide our own products which will facilitate the work of our industrial customers, for example natural bakery ingredients, ready-to-use filling crèmes or instant mousse. We have an odorless alternative to egg wash or a nut filling that has to do with real nuts. You see, we are more on the conservative side, except for the path we take to achieve traditionally tasting solutions.

This all goes far beyond pure bakery applications. With Bühler's help, milling companies can for example increase their revenues by utilizing by-products. Wheat contains valuable aleuron which is often discarded with the bran. We want these valuable substances to stay in the bread. Sincere pleasure is our goal, if you like.

+ **bbi:** Your first product, Panatura is a fully fermented pasty sponge dough. At first glance this is not much different from dried sponge dough which is already on the market or did we overlook some product properties?

+ **Meiert J. Grootes:** Panatura is different from all other sponge doughs. This is why we have had the production and fermentation processes patented. Panatura is bioactive, contains viable yeast cells and replaces the traditional sponge dough. Panatura is also a convenience product for the user because it can be used directly with the result of achieving the unique flavor which develops in an indirect dough process. In addition, it is possible to make „clean label” baked goods with Panatura which in competition might be a decisive factor with today's nutritionally conscious consumers. No need for enzymes, no need for emulsifiers and no processing aids. Bread made with the natural sponge dough Panatura

tastes unique, just like a product made with traditional sponge dough and long proofing time. This was confirmed by blind taste tests every time.

By the way, Panatura is not the first product of the Panadoro group, but the only product of Veripan Ingredients AG. As I have already stated: Panadoro is a holding company. Panatura the exclusive product marketed and sold by Veripan Ingredients AG worldwide. In fact, Veripan Ingredients AG was founded just for this purpose. Please do not confuse Veripan Ingredients AG with Veripan which is the company doing the real work, the think tank, the „knowing and implementing consultant” if you want to put it like that.

+ **bbi:** Panatura is a product available on the Swiss market. How successful is the product and are there large companies among your customers?

+ **Meiert J. Grootes:** It is even more complicated. Responsible for marketing Panatura in Switzerland is Levura AG, a subsidiary of Hefe Schweiz AG. Since its introduction in 2002, Panatura is being used increasingly in craft as well as in industrial bakeries.

+ **bbi:** Does your product belong more into the range of „baking as grandfather did” or are you aiming more to emotions or are you emphasizing the advanced technology aspects for an intellectual approach?

+ **Meiert J. Grootes:** „Baking as grandfather did” is our philosophy but with advanced technology. The taste is „like home-made” but it is a sophisticated product incorporating a lot of know-how but no chemical twaddle. The user (craft or industrial baker) enjoys the benefits of Panatura which are silky, easy to handle doughs which make it possible to work with more water. Panatura also allows production without the addition of processing aids.

The end user appreciates the freshness and the long shelf-life, the crunchy crust and the natural production (clean label) – all aspects in favor of a bread made with natural sponge dough Panatura.

+ **bbi:** Do you make Panatura yourself or do you have it produced?

+ **Meiert J. Grootes:** We have licensees for Panatura all over the world. However, next year we will start our own production subsidiary so that Veripan and with it the Panadoro group will be able to produce the products that they have developed. This is mainly ►



intended for the highly sophisticated processes which we do not find anywhere else, to be honest. Therefore, we will do it on our own. Then we can also keep our little secrets and not just our customers' secrets (laughing).

+ **bbi:** The ingredients market will undergo serious, if not revolutionary changes in the next few years. Key words are integrated technology, genetic engineering, nanotechnology

etc. What are the possibilities for your company and which are you tackling already?

+ **Meiert J. Grootes:** Genetic engineering is no new subject for us. Integrated technology is precisely what we already do. We are highly future-oriented. The past 20 years were marked by information technology with the effect that a former manufacturer of machines is no longer focusing on hardware but on marketing. In my opinion, the next 20 years will be marked by life science issues which will also change the face of the food industry. In addition to that, there is also the age pyramid and consumers who are more informed and interested in a distinct pleasure- and health-oriented lifestyle.

The technological advances support our visions. For nanotechnology for example, Bühler is the leading partner in research and development. Together, we are just in the process of developing a nano-coated baking tray for frozen dough pieces at bake-off stations. Be confident, we are working intensely on a lot more things. Please understand that I will not talk about these things here, but you can wait in anticipation to see what else will arise from the think tank Veripan in the future.

+ **bbi:** Which benefits is your latest partner, Natraceutical, adding in this context? Will you embark on well being and health issues?

+ **Meiert J. Grootes:** It is our philosophy to interpret traditional recipes with advanced technology and to create convenience as naturally as possible for the user and for the consumer.

To be precise: As the consumers become increasingly more critical and mature, when we develop a new product or improve an existing one, we offer our clients solutions which make it possible to produce as naturally as possible a product that still contains functional ingredients. This will offer the user the advantages of a convenience product and satisfy the consumer's request for naturalness and – yes – nutritional benefits. I will not talk about health as we are not in the pharmaceutical market. Key is that the consumer should be able to enjoy his food without guilt and consciously consume those nutrients that are good for him and the activity that he does. A brain surgeon does not have to eat like a woodcutter, if you know what I mean.

Natraceutical supports our customers in gaining more added value by utilizing many by-products (e.g. fibers) through advanced technologies. We are aware that changing eating habits (fast food and eating in restaurants, shifting of the family meal from lunch to dinner time) and the increasing occurrence of diseases or obesity require more attention to be paid to the food we eat. Whether rich in dietary fiber, all natural or low GI (glycaemic index) – with our network we are offering a broad range of possible solutions to our customers, covering ideas, knowledge and marketing, as already said.

For example, products with low GI pose a problem for the internal development departments because of the time and cost they require in advance. Each step has to be verified by clinical studies. Because at the time of marketing, the product has not been tested, the risk of developing a flop with all the effort involved is high. These problems can be overcome with the cooperation of development, sales/marketing and the comprehensive know-how our network offers.

+ **bbi:** In your opinion, how much potential do these markets have and who do you think will be able to implement this in the baking industry?

+ **Meiert J. Grootes:** We believe everybody who will take advantage of our experience is capable of achieving this. Nobody must invent the wheel again – don't you agree?

+ **bbi:** Do you consider the large baking ingredient companies being your competitors or are you looking to cooperate?

+ **Meiert J. Grootes:** Strategically seen, we are looking more for cooperation. But the problem is that the large baking ingredient companies consider us as their „natural” enemy, trying to fight us based on a fear of a drop in sales or market losses. This is contrary to the networking idea. In our opinion it would make sense to combine forces and create a real win-win situation.

+ **bbi:** Let's talk about your sales force. How large is it, which fields are they covering, what kinds of contact and consultation services for potential customers are already available?

+ **Meiert J. Grootes:** If you mean sales force as being the classical „representative”, then we have none, but our network has many indirectly. Distribution of our area? In such a dynamic environment? No, we are following completely new paths here as well.

+ **bbi:** One peek into the future: where will Panodoro be in 2015?

+ **Meiert J. Grootes:** In 2015 we will be at the head of a revolutionary development of turning the classical food industry into a life science field. Networking and cooperation among the bitterest competitors will be on the agenda because the technological changes you addressed above can be dealt with only in cooperation. It will be a very interesting time and highly profitable for us and our clients.

+ **bbi:** Mr Grootes, thank you for this interview.

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