

# Continuation of purposeful growth

**ROBERT ROHRER**, CEO OF RONDO BURGDORF AG, IS HANDING OVER OPERATIONAL MANAGEMENT TO DR. MICHAEL PAUL WITZAK. BAKING+BISCUIT INTERNATIONAL TALKED TO HIM ABOUT THE GROUP'S DEVELOPMENT



++ figure 1

++ figure 1

RONDO's outgoing CEO Robert Rohrer (r.) and new Executive Director for the RONDO group, Dr. Michael P. Witzak (l.)

**+** **bbi:** Mr. Rohrer, you recently announced your withdrawal from the operational management of RONDO. You have worked for the company for more than 40 years and for more than 10 of them as CEO. What were Rondo's most important development steps during these years?

**+** **Rohrer:** From the strategic business development point of view, the most important development step was the merger of Doge (now Rondo Schio) and Seewer (now Rondo Burgdorf) more than ten years ago. In addition there are the various innovations we were able to introduce successfully, both in the area of medium-sized companies and also in the industry. In this respect I first think of the MLC, our Modular Laminating Concept. With this modular laminating plant we enabled medium-sized enterprises to gain access to the continuous manufacture of laminated dough. The advantages of this concept are: a higher level of automation, greater efficiency and not least an increase in quality. We have almost created a new market segment with the MLC. Secondly, our Curl & More croissant machine and our ASTec concept for the industry also come to my mind. I am certain that the ASTec concept, with which we are ahead not only of the competition but also to some extent of the industry's needs, will achieve groundbreaking importance.

**+** **bbi:** Where does Rondo stand in the market today, and which aims will you hand on to your successor, Dr. Witzak?

**+** **Rohrer:** The Rondo group concentrates on the laminating technology and baked goods make-up segments and on lines to manufacture pizzas and special breads. Today Rondo

occupies first, second or third place internationally in this area, depending on how you define the markets and customer segments. One of Dr. Witzak's tasks will be to expand further our leading position, mainly in the growing markets and for new product applications.

**+** **bbi:** Rondo was once a Swiss company that also served the neighboring countries. How globally must a bakery machine builder be positioned nowadays to be able to survive?

**+** **Rohrer:** Not only do we want to survive, we want to grow even more. That's why we have taken an international, indeed a worldwide position. This means, we do not only have a presence with a competent sales organization in the most important markets, but also that we offer

services extending beyond the normal customer service. These services are located strongly in the technological area. We call it Dough-how & more.

**+** **bbi:** Which are currently your most important export markets, and what proportion of your sales are still accounted for today by Austria, Germany and Switzerland?

**+** **Rohrer:** Our most important export markets are Germany, the USA, France and Russia. We are present with own subsidiary companies in all of those countries. The growing markets in Africa, the Middle East and Asia are becoming increasingly important to us. In the past few years our Swiss domestic market together with Germany and Austria have contributed approx. 15 % of our turnover.

**+** **bbi:** Mecatherm, Kaak, WP – the big conglomerates have all incorporated sheeting technology into their portfolio, mainly to enable them to offer turnkey contracts from a single supplier. At the same time there are cooperations between Rondo and Mecatherm as well as with Kaak. How does that fit together?

**+** **Rohrer:** It fits together very well. Firstly sheeting technique is not laminating technique, still less is it the production of pastry products. We at Rondo would prefer to call these solutions bread lines based on sheeting technology, because they are used mainly in bread manufacture. Therefore there is only a small region in which our portfolios overlap, so we can get on well together. Last but not least, the client decides the contractor to whom he gives the order. That gives each

company the opportunity, above all with all-inclusive projects, to have a fair crack of the whip with their core competence. The aim of our cooperation with Kaak is to be able to offer all-inclusive projects from a single supplier. This cooperation is subordinated to the client's wishes, with the result that Rondo, as well as Kaak, also offers and executes all-inclusive projects in conjunction with other companies.

**+ bbi:** Rondo specializes in one segment of bakery technology – how long can you survive in that kind of niche, or is the CODEX mixer the first strategic expansion, and if yes, where is it intended to lead to?

**+ Rohrer:** The CODEX extruder and the associated C1, C2 and C3 Processes present a strategic enlargement of our portfolio. We had decided to shift the system boundary of our plants forwards towards dough preparation. The aim was to be able to influence the properties of the dough fed into our lines in such a way that it has a beneficial effect on the downstream process steps, namely “sheeting” and “laminating”. We succeeded in this with the development of the CODEX extruder and associated processes. It is well known that good strategies have a long-term design. We have set ourselves our objectives, and whether or not we achieve them to their full extent remains to be seen. Today our technology is still in the starting phase, so it would be premature or presumptuous to say anything about the next steps. We are convinced that our CODEX technology displays very attractive potential for a variety of applications.

**+ bbi:** When you look back over the past decades, which change in the baked goods market was the most serious for Rondo?

**+ Rohrer:** One of the most serious changes is certainly the decrease of the artisanal sector and the consolidation in the industry. Also discounters are entering the baked goods market as producers, and “threaten” large-scale artisan manufacturing and chain stores. We have experienced an expansion, stagnation and consolidation of the market in Eastern Europe and Russia. Furthermore, new markets have emerged in Asia, the Middle East and Africa, and have developed rapidly. However, these markets also brought with them new requirements concerning services and product range, and these offered and continue to offer numerous opportunities for an innovative company like Rondo.

**+ bbi:** What significance do artisan plants have in the Rondo program today? And how big is your business with the industry nowadays?

**+ Rohrer:** It is relatively difficult for us to draw a clear differentiation, as you mention, between artisan and industry. The reason is that there is no clear definition of what is still artisan manufacture and what is already industry. Only the two opposite extremes are clear, but a large grey area extends between them. Really artisan plants account for about 20 % of our turnover, and purely industrial ones about 30 %. The remaining 50% is in the above-mentioned grey area between artisan and industry.

**+ bbi:** How important for the stronger industrial orientation was the takeover of Doge?

**+ Rohrer:** The takeover of Doge was extremely important for us. Through this takeover we were able for the first time to enter the market for industrial plants. Since then we have been able to continuously expand our reputation and our market position in the industrial segment.

**+ bbi:** Rondo is not regarded as an aggressive supplier in the market. Would you recommend to your successor that he should stoke the flames somewhat more in this respect, or does that go against the Swiss image?

**+ Rohrer:** Well, our sector is not the only one in which Swiss businesses are noted for somewhat understating their case. People like to say that we Swiss have a slight lack of self-confidence. Mainly in comparison with our big neighbors. If Dr. Witzak succeeds in making Rondo adopt a slightly more self-confident, slightly more aggressive position, that would certainly not damage our image. However, Rondo's other characteristics such as sustainability, a healthy organization and sound finances also remain important.

**+ bbi:** You will not withdraw completely from the company, but will be Chairman of the Board of Directors. Will you take on other duties?

**+ Rohrer:** If everything goes as planned and intended, I will continue to accompany Rondo as an “active” board member for a further period of time. In this position I am primarily responsible for strategic questions, and will also carry out one or two special duties. However, I have no intention of involving myself in the operational business.

**+ bbi:** One last question: What was the biggest financially measurable success for you personally during your career, and what has given you the greatest pleasure?

**+ Rohrer:** Rondo was able to celebrate many very pleasant successes in the past 40 years. We are proud of the fact that in all these years, even in difficult times, we were always able to present positive results to our owners. The biggest measurable success in my career is probably coping with the massive increase in the value of the Swiss franc due to the Euro crisis. Only through great efforts throughout all the divisions of the company were we able to ensure sustained profitability. I would also include the market launch of the MLC among the biggest financial successes. We have created a new market segment and are able to support customers from artisan to industrial manufacturing with our solutions.

The excellent collaboration with colleagues in the company management and the entire management team's identification with the business have and always will give me the greatest pleasure. Only in this way has it been possible to bring Rondo to the position in which Rondo now stands. Today Rondo is a successful, healthy company, consequently it offers my successor, Dr. Witzak, the basis for a continuation of the single-minded growth course.

**+ bbi:** Many thanks for the interview, Mr. Rohrer. +++