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A global success story



Exclusive interview:
Kennedy's Confection talks to
Kenneth P. Manning, Chairman
and CEO of Sensient Technologies

GELATINE ALTERNATIVES

Lorna Macfadyen, confectionery category manager at Cargill Texturizing Solutions, updates us on advances in gelatine substitutes for use in confectionery



LOLLIPOP PRODUCTION, WRAPPING & PACKING

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We report on some of the most important developments from suppliers of coating and enrobing equipment

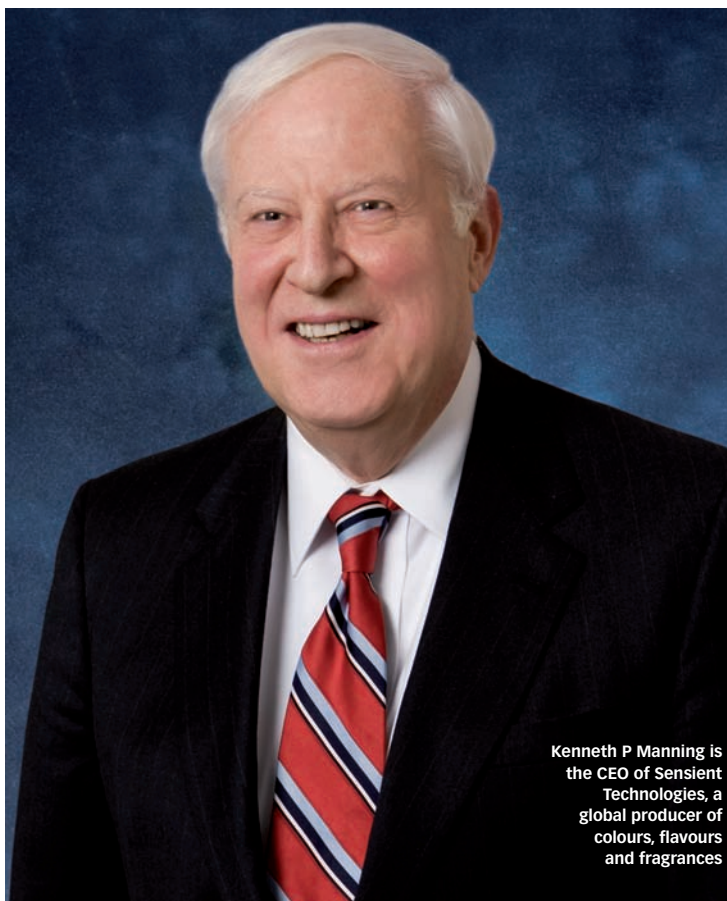
A *(colourful)* global success story

Kennedy's Confection talked to *Kenneth P Manning*, Chairman and CEO of Sensient Technologies, to find out the secret of his successes in the global colours, fragrances and flavours market

Kenneth P. Manning is bullish about the future of his business, and the resilience of the confectionery sector in general, in these difficult economic times. With company profits soaring, and armed with a refreshingly positive outlook on the industry, Manning has a right to feel confident about his past decisions and how they have influenced the success the company.

With its headquarters in Milwaukee, USA, Sensient Technologies Corporation is a leading global producer of colours, flavours, and fragrances – employing over 3,600 people across the globe in 70 locations, selling into 150 countries. In 2007, revenue was at a record \$1.2 billion US dollars.

When asked how the company has achieved the strong position it holds today, Manning told us: "I am a great believer in sticking to a vision and never giving up on it. I became the CEO of the company in 1996. At that time many of our businesses were in the commodities sector, including products such as yeast, frozen potatoes and bulk cheese... I quickly identified that there was no future in these low-growth businesses, so they were sold off and I started to refocus the company's efforts on more technology driven



Kenneth P Manning is the CEO of Sensient Technologies, a global producer of colours, flavours and fragrances

businesses. This has led us to acquire more than 20 companies over the years, and it has been these acquisitions that have been integral in building Sensient into the successful global company that we now have. Today, Sensient is a completely new company from what it was in years gone by. We now emphasise high-growth, technology-oriented specialty businesses with an international flavour."

A global company

Manning joined the company, which was then called Universal Foods Corporation, in 1987 as group vice president. He was promoted to executive vice president and elected to the board of directors in 1989. In 1992 he became president of the company, was elected CEO in 1996, and was appointed chairman of the board in 1997.

The name Sensient came into being in 2000. It was chosen because it translates well into all languages and



because it incorporates three words that sum up the company today – Sensory, Ingredients and Science.

Manning said, “The Sensient name has become a rallying point for the company. It has facilitated creating one corporate culture from all the acquisitions we have made.”

“When I became CEO, about 95% of our workforce comprised US citizens. Today, 60% of our employees are nationals of countries other than the US and over half of our revenue comes from non US-businesses. Many of our US executives are foreign born and have extensive worldwide experience.”

Sensient’s focus on technology has moved it into several fast-growing market areas, with the business benefiting from advanced proprietary technologies. Some of the products offered by the company, for the bakery and confectionery segment include

- Natural flavour and colour portfolio
- Fusion™ natural colour systems
- Sweet and savoury flavours

- Templar® botanical extracts
- Colours and colouring extracts
- Organic flavours
- Specialty inclusions

Talking about the trends in the colour and flavour markets around the world, Manning told us: “The market for natural

colours and flavours continues to grow, driven by consumer demands. The use of fortification, enrichment and functional ingredients in mainstream products is also predicted to grow.”

He says that natural colours continue to be in demand, particularly in Europe. Sensient’s natural colours are growing at 15% per annum compared to synthetic colours at 2-3%. But there is still a place for synthetic colours when more stable colours are needed.



Sensient developments

One exciting development from Sensient for the global confectionery market is the introduction of the ‘Fusion™ precise natural color system’ for food and beverages. This will allow it to offer the confectionery industry a wide array of natural colours to meet the increasing consumer demand for high purity natural colourants.

Colour is a very important consideration in confectionery. However, natural colour usage currently offers fewer shades and vibrance options. The Fusion™ Precise Natural Color System looks set to change this. The system will offer a wide array of natural colours that can be developed to exact shade specifications which are sustainable. The company claims that the sustainability of its natural colours in applications is between three and 20 times that of the industry average, depending on the shade. For example, Fusion™ Red tests have proved that its colour stability over typical natural red colours, as found in the current marketplace, is three-fold.

Fusion™ opens up many new opportunities and solutions to the marketplace, delivering clean, consumer-friendly label declarations coupled with vibrant and consistent natural colour options that food processors have been seeking. With this new system a salesman



can now deliver the exact colour the customer wants. Manning is intent on transferring technology between locations and product lines. For example, emulsion technology for beverages, developed in Germany, is now being transferred to the US, Italy and eventually Australia.

Another recent development from the company is the expansion of its Sensipearl™ line of pearlescent pigments, which were originally designed for use in cosmetics. They can now be used in confectionery and other food products, too.

In the area of natural flavours, the company has developed an extensive range of flavours and botanical extracts. "Sensient is at the forefront of natural flavour development," said Manning. "We are also introducing organic flavours in the confectionery area, such as in candy bars."

Economic conditions

Moving onto the subject of difficult global economic conditions and how Sensient is coping, Manning told us: "Our company and our market are generally not significantly affected by weaker economic conditions. In fact, we find that consumers will treat themselves to higher-end food and beverage products to compensate for being unable to buy more expensive items. For example, consumers will reward

themselves with premium ice cream when they forgo more expensive purchases.

"It is important to look for new opportunities and to take trends and products from one market to another, such as the transfer of beverage flavour trends into confectionery."

From a business perspective the company is also making sure it stays ahead of the game by transferring state-of-the-art technology between its groups. "We are continuing to fortify our distribution system, and we are implementing strategic expansions by broadening our markets geographically. Our strategy includes extending our distribution further into countries such as the Baltics. As a result, I expect 2008 to be another record year for us," concludes Manning.

Manning's predictions certainly look set to become reality. So far this year, there has been a 22% increase in recently commercialised products and new products in development. Currently it has 30 research and development centres around the world, and is continuing to add more, and is certainly showing no signs of encountering a slow-down in its success.

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