

## Industry Insight

# Inside a Marriage of Complementary Expertise

An increasing number of flavor and fragrance companies are working within the partnership model, each company exploiting its respective strengths to boost the collective's capabilities. One of these instances is the pairing of Treatt plc and Endeavour Speciality Chemicals. The companies' arrangement provides Treatt exclusive global distribution to the flavor and fragrance market for Endeavour's aroma chemical range, while providing Endeavour the benefit of Treatt's marketing and distribution resources. How did this relationship form? What ties bind the companies? What does each company bring to the partnership? *Perfumer & Flavorist* recently put these and other questions to Richard Hooper, managing director of Endeavour.

**P&F:** Please describe your range of expertise.

**Hooper:** Endeavour specializes in the synthesis of high impact aroma chemicals for the flavor and fragrance industries. We utilize a wide range of synthetic chemistry to produce a broad variety of products, with particular emphasis on heterocyclic and sulfur-containing molecules. In addition to a range of well-known aroma chemicals, we continually introduce new products that are not readily available in the market. We are particularly interested in further developing our growing custom synthesis service by building close working relationships with key customers. Some aroma chemical manufacturers, many of whom are also major manufacturers of flavors and fragrances, have focused on their core materials and outsourced the

manufacture of some chemicals to Endeavour (where volumes are relatively small, i.e. <100 kg).

**P&F:** You have recently moved — where is Endeavour's new home and explain the motivation behind relocation.



*Endeavour Speciality Chemicals' Daventry, UK, headquarters.*

**Hooper:** Endeavour was formed in 1991 in a small industrial unit in Daventry, UK, and grew into a number of adjoining units. In 2001, we decided to purchase premises of a suitable size to accommodate current and future requirements. The driving forces of this move included locating all functions on a single site,

retention of key personnel, and upgrading the manufacturing facilities and odor control systems to meet new, stricter environmental legislation. In 2002, we purchased a facility in Daventry, refurbished the buildings, constructed new laboratories and developed manufacturing areas. The administration function relocated in 2002 and manufacturing moved in two phases (April and July 2003).

**P&F:** How does the new facility add to Endeavour's production capabilities?

In a competitive market, companies are wise to concentrate on their competencies.

**Hooper:** The new facility consists of 24,000 ft<sup>2</sup> of factory space (compared with 10,500 ft<sup>2</sup> at the old site), with further room for expansion. We have significantly increased the size of the production and R&D laboratories, and have 150 m of fume cupboards. These cupboards consist of a combination of traditional bench height and “walk-in” models, which feature increased working height. The manufacturing area contains reactors and vessels from 50 to 200 l, used for manufacturing on a scale of tens of k.

The new facility also includes a \$0.4 million odor abatement system specifically designed for our needs. The system fully meets the stringent requirements of UK environmental legislation and enables us to manufacture and handle high-odor materials. In addition to this, we have acquired pilot plant equipment ranging from 45 to 600 l, which will be installed when required, and will enable a significant increase in manufacturing capacity.

**P&F:** How did the relationship with Treatt come about?

**Hooper:** Endeavour was founded and run by people with a technical background (synthetic organic chemists) with moderate business experience. On a commercial visit to Treatt, Hugo Bovill (Treatt’s managing director) suggested that Treatt distribute Endeavour’s products. Treatt has experienced sales people and agents across the world and established contacts with flavor and fragrance ingredients users. It was an ideal opportunity for Endeavour to tap into this resource and, therefore, focus on the technical functions of manufacture and product development. In return, Treatt has direct

access to a source of specialty aroma chemicals to expand and augment its range of flavor and fragrance ingredients.

**P&F:** Outline for us, briefly, your partnership ties with Treatt.

**Hooper:** In the early days of the partnership, there was a “gentlemen’s agreement” to work together. This proved very successful and both parties benefited from this success. In 2001, we decided to cement the relationship with a formal distribution agreement, giving both parties added security to plan future growth. This arrangement gave Treatt exclusive global distribution to the flavor and fragrance market for Endeavour’s aroma chemical range. Endeavour continues to sell directly to other specialty chemical sectors.

**P&F:** What is the value of partnerships in the flavour and fragrance industry?

**Hooper:** The Endeavour-Treatt partnership is a marriage of complementary expertise: the technical and production skills and facilities of Endeavour; and the sales, marketing and distribution resources of Treatt.

**P&F:** What does Treatt bring to the table?

**Hooper:** Treatt is a leading supplier of flavor and fragrance ingredients with a global network of experienced salespeople, agents and established relationships with numerous ingredient users, including the key flavor and fragrance companies. Treatt also has other

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supply partnerships contributing to the extensive range of synthetic ingredients supplied to the flavor and fragrance market and regularly distributes more than 1,000 synthetic ingredients. The company also manufactures natural ingredients — essential oils and their derivatives — which are supplied to the same customer base. In addition, Treatt actively participates in trade associations to monitor and counsel on the regulation of the use of flavor and fragrance ingredients

**P&F:** What does Endeavour bring to the table?

**Hooper:** Endeavour has a wealth of experience and expertise in the manufacture and quality control

of synthetic specialty aroma chemicals. With a wide range of products, including both established and rare molecules, Endeavour has in-house capability for R&D and process development of new products. We also offer custom synthesis of hard-to-find chemicals and provide an outsourcing service.

**P&F:** How has the industry responded to the partnership?

**Hooper:** Positively — customers in the flavor and fragrance sector appreciate such partnerships. They are able to consolidate substantially with a reliable and versatile source, making economies in administrative and freight costs. The partnership between Treatt and Endeavour has undoubtedly assisted us in achieving and maintaining core supplier status with a number of major flavor and fragrance companies worldwide.

**P&F:** Is this type of arrangement common, and do you see similar partnerships forming throughout the industry?

**Hooper:** In a competitive market, companies are wise to concentrate on their competencies. Distributorships are common: some official and, more often, unofficial. Treatt is not simply a reseller of Endeavour materials; together, Endeavour and Treatt work as a bona-fide manufacturing source and supply of specialty chemicals.

**P&F:** What are the biggest challenges facing you in the next 12 months?

**Hooper:** The immediate challenge is to consolidate operations at the new facility. This is currently progressing extremely well. In-house, we need to maximize the use of our expanded assets and focus on our core strengths and capabilities. In the wider market, there is continuing consolidation of flavor and fragrance companies and growing competition from developing countries. In response to this, we are strengthening our relationships with the major companies by continuing to offer a flexible and prompt response particularly for newer molecules. We guarantee confidentiality for outsourcing. The challenge from low cost manufacturing bases is increasing. Their pricing can be very competitive; however, quality, both physical but more particularly organoleptic properties, is often inconsistent. We believe that by offering a high level of service through a dedicated exclusive partner and delivering consistently high quality products at competitive prices, coupled with continued product innovation, we can successfully meet the challenges that lie ahead. ■