



C V JACOB

Turmeric is a humble spice. Unlike others, it demands very little attention from the farmer. It can fight its diseases on its own. In fact, it helps us fight ours.

Thanks to its therapeutic qualities (which we are yet to discover fully), the demand for turmeric is growing all over the world. More than 95 per cent of curcumin, extracted from turmeric, goes into the making of nutraceuticals (dietary supplements).

The demand grows, but there is no matching increase in its production. Oleoresin companies in Kerala alone require about 15,000 tonne of turmeric of specific varieties such as Alleppy finger turmeric a year. But the total annual production of this variety in India is between 2,000 and 3,000 tonne. We scout all over the world, and source it from countries such as Brazil, Nigeria, Myanmar and Vietnam.

The higher demand, coupled with the general increase in prices for all agricultural produces in recent times, ensures remunerative price and stable market.

The farmers in Kerala should grab this unique opportunity and cultivate this crop in Kerala.

The average yield of turmeric per acre is about 750 quintals and it would require about 18,000 acres to cultivate turmeric which can meet the demand from companies in Kerala. With rubber price reaching all-time high, there is little land left for turmeric cultivation.

However, we can convert this situation into an opportunity by introducing turmeric as an intercrop in the first three years of rubber plantations. At

GO FOR GOLD

Turmeric presents a golden opportunity for Kerala farmers, writes Chairman of Synthite Industries

Strengthening our bonds

I am happy to note that *Synthesis* is entering second year of publication. The newsletter has evolved as an important tool for communication among the various divisions and units of our organisation. I appreciate the efforts of the HR department for bringing it out in a professional and time-bound manner.

Synthite Industries Limited is a truly global company now. We have operations in several countries. We work and compete with global giants in their respective fields. Our management and IT practices can match the

best. We have charted out an aggressive growth plan, which includes inorganic growth as well.

But we want to ensure that the growth does not come at the cost of our relations. Instead, it should give us more reasons to think and stay together. We need to be proud of our achievements. We must share information for the common good. We must communicate better. *Synthesis* attempts to do it.

Till now, we used to be a B2B company, and hence our concentration was on serving our customers well. The

quality of our products was our brand ambassador. Now, we are transforming ourselves into a B2C company, seeking to serve the end customer as well. It asks for better branding efforts. I am sure *Synthesis* will play its role in the efforts to reposition ourselves.

Synthesis owes its success to the cooperation you have extended to it. I request you all to continue to associate with *Synthesis*. I would welcome new ideas so that *Synthesis* becomes more innovative, and a brand in itself that we are all proud of.

George Paul
Chief Editor

present, most farmers raise pineapple as the intercrop. However, turmeric has several advantages over pineapple.

As per the records of the Rubber Board, more than 10,000 acres come under replantation or new plantation of rubber every year. (See box) Since turmeric grows on all tropical conditions, it will be an ideal crop for all these plantations.

What if we replace pineapple with turmeric as intercrop:

It is remunerative. With the current prices, profit from turmeric plantation will be more than that from pineapple.

It has an assured market.

There are many oleoresin manufacturers in Kerala itself. The worldwide demand for turmeric is steadily increasing over the years.

It is less labour intensive. Pineapple needs constant monitoring, which includes irrigation. Given the present day labour availability, Kerala cannot afford sticking to labour intensive farming practices.

It is environment-friendly: Pineapple needs heavy doses of pesticides. It requires chemical fertiliz-

Government must encourage farmers to replace pineapple with turmeric as intercrop in rubber replantations. It will benefit the farmers, the spice processing industry and above all, the soil

ers also for a good crop. As a result, the soil quality would have been severely damaged after three years of pineapple cultivation. Cultivation of pineapple also leads to soil erosion.

I understand that severe unavailability of labour has forced many farmers to use weedicide in plantations. In certain places, farmers take to hormone therapy to ensure that all pineapple is ready for harvest at the same time.

With turmeric, it is the opposite on all these counts. Given its phyto-chemical qualities, turmeric requires no pesticide. Age-old farming practices convince us that save for cow dung and ash, turmeric needs

no manure, leave alone chemical fertilisers. The soil will be a lot more nourished after turmeric cultivation than it was previously.

As a representative of a spice processing industry, I should not hide my interest: we shall get the required quantity of raw material without scouring all over the world and subjecting ourselves to uncertainties on availability and prices.

The farmer needs to be encour-

aged to go in for the switch over. Perhaps the government and bodies such as the Spices Board and the Rubber Board may step in and incentivise the process. Once it is proved that the shift in crop pattern is beneficial and profitable, more farmers will follow suit.

Synthite Industries is planning to launch a pilot project on turmeric as intercrop. We have already commissioned a farmer for this. We have assured him to pay the differential, if his profits fall short of the profits he would have got with pineapple.

As a private entity, we have our limitations to push such reforms on a massive scale. I request the government and agricultural scientists to examine the idea and take the necessary steps. It would be a win-win proposal for us all.

Rubber replantation and new plantation

Year	Area (hectares)
2007-08	9581
2008-09	9042
2009-10	6000

INTERCROPPING

Intercrops should be planted at least 1.5 metres away from plant bases. The cultivation of intercrops has to be restricted to level lands and gentle slopes. The common intercrops cultivated in rubber plantations are banana, pineapple, ginger and turmeric, vegetables, medicinal plants and tuber crops.

(Courtesy: The Rubber Board)



Synthite Calicut plant. (Inset) Administrative block

Truly global

The first acquired unit adds variety to Synthite's product portfolio

To procure raw materials from the source that is cheapest, process it at a location that has lowest manufacturing cost and sell it in a market that gives the highest price: the mantra for success in a globalised world could not be simpler. Synthite Calicut, the exclusive export oriented unit of Synthite, does just this.

Synthite Calicut specialises in herbal products such as rosemary extracts, spray dried products, and nature identical allyl isothiocyanate (AITC). It imports raw materials from all over the world: from countries such as Madagascar, Russia, Iran, Mexico to name a few. After processing it at the plant located at Kakkanchery, near Calicut, on NH-17, the products are exported, mainly to the European markets.

But things weren't as simple and smooth till a few years ago. The unit has gone through its share of pains before it came into the Synthite fold. It

was established as Sijmak Oils Pvt Ltd in 1978 with cashew kernel oil as the main product. Synthite took over the unit after it went into losses and was shut in early 1990's.

On acquisition, Synthite changed the product line completely and made it an extraction unit for spices and herbs. The unit returned to profitable ways shortly thereafter. It was fully integrated with Synthite, and the name changed to Synthite Calicut with the roll out of SAP, the ERP solution.

Unlike other divisions, Synthite Calicut is situated far away from the major spice growing areas in the

State. "With Synthite launching the Natural Specialties range, we hope to be a platform for specialty products," said Mr Bobby Davis, General Manager, Synthite Calicut.

Synthite Calicut currently employs around 100 people and has a yearly turnover of around ₹30 crore. It has a pre-processing facility, a purification facility, a basic extraction plant, spray driers, boilers, a mixing and blending facility and a quality control lab.

The unit received the safety award from the Factories and Boilers Department Kerala for the last three consecutive years.



SAPping tech power

Synthite crosses a major milestone in its growth path when SAP is rolled out in the HR department in April 2011.

With this, all major departments in the company will function on the leading ERP software

The beginning of the new financial year marks a major milestone in the growth of Synthite Industries Limited as a global company. As the Human Resources division also joins the SAP system of ERP on that day, every major division in the company is now running on this globally recognised performance enhancing software.

The SAP implementation has resulted in process standardisation and automation across the Human Resource functions. While Deloitte, a leading HR consulting and SAP implementation organisation, is partnering with Synthite in implementing SAP in human resources, IBM Global Business Services was involved in other functions.

Mr. Aju Jacob, Director at Synthite Industries, says, "A few years back, we decided to accelerate our growth rate. We were looking at new markets, capturing more market share and we wanted better control over pricing and inventory. We wanted to be able to forecast demand. So we wanted a unified and integrated IT solution to align and optimise our business processes to our strategic goals."

SAP ERP applications were first introduced in financials, controlling, materials management, sales & distribution, production planning and quality management.

The company started SAP implementation process in 2008 as it found the existing back-office procedures and systems struggling to support its ambitious growth plans. The legacy systems could not integrate separate

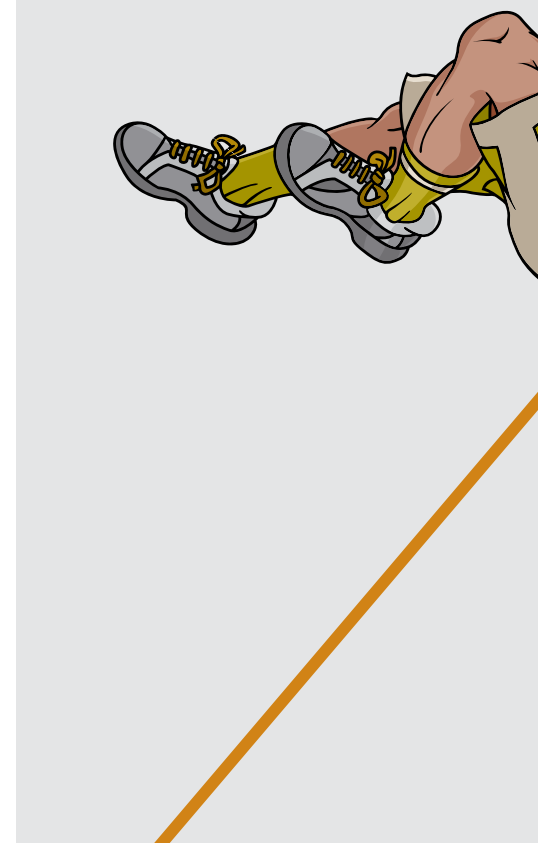
purchasing, manufacturing and documentation processes. This, in turn, prevented the management from gaining a whole-company view of order status and manufacturing efficiency. Delays in the collection and analysis information even led to missed opportunities for consolidating procurement and production. Lack of detailed raw materials data and product costing prevented accurate estimates of final prices, particularly for new products, which had an impact on profitability.

The process began with a fit-gap analysis to see where existing processes could be enhanced by re-

placing legacy systems with SAP ERP. A suite of SAP applications was implemented and new capabilities such as active ingredient-based costing and departmental key performance indicators were introduced. The result was a fully integrated sales order, manufacturing, quality control and product delivery solution with business analytics capabilities.

The analysis found that automated product traceability and quality control systems, embedded into its business process, could make its growth into new markets possible and cost-effective.

After a fit-gap analysis, it was de-



SAP applications were first introduced in financials, controlling, materials management, sales & distribution, production planning and quality management

cided to re-engineer some processes to align with SAP best practices, while also choosing to develop additional functionalities in the new SAP environment to meet the unique needs of certain business units.

The SAP solution provided the company tighter integration among operations, sales, logistics and financials, and gave it visibility across the business.

Now, the SAP solutions can track raw materials, warehousing, production and delivery costs, generating a complete picture of product costs. Synthite uses this new understanding of input costs to ensure that pric-



The Synthite and Deloitte team behind the SAP roll-out



ing meets product profitability and margin objectives as part of the larger enterprise commitment to sales and business growth. The company also uses the same data to help understand how to improve manufacturing performance and drive costs out of the business. "Synthite is now confident and geared up to handle any amount of future growth and innovation," says Pramod J Simon, Head of Production.

The standardised SAP application environment ensures that accurate operational data is captured in a uniform manner for the group. Every manufacturing site now accesses the centralised SAP system and every purchase, production information, quality result, sales order and delivery instruction is captured online, real time.

All sales are now available as an online report, by various dimensions like customer, product, plant or sales groups, etc. The enterprise-wide view of sales orders allows planners to predict manu-

The new system will help the HR department function to the optimum, which will, in turn, fire up employee enthusiasm across divisions

facturing workload and assess capacity on a plant-by-plant basis, and shift production between plants if necessary in order to meet customer demand.

According to Dr Viju Jacob, Director, "It helps to have all the relevant information at my fingertips in near real-time. Here is an executive dashboard that gives me end-to-end visibility of all key metrics on a single screen. This exceptional reporting tool helps me and the department heads manage performance much more efficiently."

The new system will help the HR department function to the optimum, which in turn fire up the enthusiasm among all stakeholders. The department has put in place a Performance Management Programme, an innovative tool to assess employee performance, with the help of the new software. Says Head-Corporate HR and Training Mr Rajesh Kumar M R: "The system now has a transparent and efficient mechanism to assess the performance of employees. It will help each one understand what the company objectives are, how equipped she/he is to meet them, and how does she/he achieve them. In fact, one can now design ones' own career graph."

On the company's side, it would be a big leap, said Rajesh Kumar. "We are a professionally managed company and the system ensures that assessments are done on a transparent manner. In our company which is driven by the performance of highly skilled people, we have to have a very open system for assessment. I am sure new system will reflect very positively on our overall performance."

Dr Jacob said the company always wanted a streamlined, seamless process within it so that customer satisfaction remained paramount. "We have been consistently investing in enterprise wide applications and systems over the years. It helps us monitor the performance better."

The SAP solution provided the company tighter integration among operations, sales, logistics and financials, and gave it visibility across the business

RAMADA RESORT

The joy of giving

Team Ramada runs Kerala's most exotic resort. But they celebrated New Year at a location different by all means.

For Team Ramada, every New Year is not just about partying and welcoming another year, rather it is also a time for giving.

In a unique endeavour, Team Ramada ushered in 2011 with a visit to the Government-run home for the aged and physically-challenged at Thevara. The General Manager, heads of the department and representatives from all departments joined the initiative. The team served them a special menu suited for the aged. The senior-most lady and gentleman together cut the specially made cake to mark the occasion.

The visit was indeed an experience, an unusual one, for all the members. Many of the inmates had stories to tell, some painful ones. In the end when the time came to depart they just asked for one thing. Nothing expensive, nothing fancy, but very simple and humane: "When will you come next?"

We know we owe them an answer.



Team Ramada served a New Year special menu for the inmates of the Home the Aged, Thevara

GOLD'N'SILVER

The floral extract unit of Synthite Marudur celebrates 25 years of operations



Dr Viju Jacob, Director, Synthite Industries Ltd, speaks at function to mark the silver jubilee of Synthite Marudur. Seen on stage are (from left): Dr Paul P. Appasamy, Vice-Chancellor of Karunya University, Coimbatore, Chairman Mr C V Jacob, Mrs Eliamma Jacob, Mrs Viju Jacob and Marudur Panchayat President Mr P R Rangaraj

It was not just the fragrance of the floral extracts that filled the air at Synthite Marudur on February 19. A

scent of fulfillment and satisfaction of yesterday, coupled with anticipation of the future, descended on everyone

gathered there to celebrate the 25th anniversary of the unit.

Synthite Chairman and Managing Director Mr C V Jacob, along with his wife Mrs Eliamma Jacob, son and Director Dr Viju Jacob and family graced the occasion on Saturday, February 19, 2011 when the floral extract unit of the company celebrated its silver jubilee of operations.

The celebrations commenced with Mr Jacob hoisting the Synthite Day flag followed by inauguration of Plant III, tray drier and the state-of-the-art fitness centre.

The family get together was indeed a great moment of togetherness and joy for everyone at Synthite Marudur. It included an array of games and activities for the family members and kids.

Dr Paul P. Appasamy, Vice-Chancellor of Karunya University, Coimbatore, was the chief Guest of the public meeting.

Ms Neelam Varghese, daughter of Dr Viju Jacob, who scored the IIIrd rank in LLB at Bangalore University, was felicitated by Mrs Eliamma Jacob.

Dr Viju Jacob presented the winning teams with the trophies. Team Mimosa, captained by Mr K C Varghese, emerged champions.

SPICE DIVISION



The new extraction unit at Synthite Spice division

More pungency

New machinery to improve efficiency

The Spice division of Synthite Industries Limited has doubled its capacity by adding two grinding lines and blenders. With this, the division, which supplies whole, powdered and processed spices that meet global quality standards and food regulations, will be able to prepare the final product in its plant itself. With the new addition, the company will be able produce one tonne of finished product per hour.

The division follows a B2B business model providing end-to-end solutions in various processed on non-processed forms with complete traceability. Situated at Synthite Taste Park, Kolencherry, the division has a development lab where customers can work with its teams for various needs they may have during the production process. Its products include chillies (whole, ground, crushed/minced), coriander, turmeric and black pepper.

Back to school

How an executive MBA programme at ISB helps one become better professional



Aju Jacob (extreme right) attends a get-together at ISB in traditional Kerala attire

AJU JACOB

I chose to attend an executive MBA programme at Indian School of Business, Hyderabad, as I felt there was a need to keep pace with the growth of the company.

I joined Synthite Industries Limited soon after my engineering. My initial focus was mainly on the processes and products, and gave little attention to marketing and client interaction. My only outside exposure was a seven-week European tour in which I met up with our clients and prospective clients. In other words, all my learning happened in-house.

A short-duration programme on the challenges of family businesses I attended in ISB earlier had convinced about certain patterns family businesses follow as they grow. When I related them to Synthite, I realised that we are at a critical stage and need to take the right so that we avoid committing the same mistakes others did.

I also wanted to identify my future role in this fast-evolving company and equipping myself for that job. I was sure that a programme at a premier management institute would be the best way to do that.

Life on the ISB campus was pretty hectic, and exciting. I was part of a five-member group which consisted of professionals from all over India, and with diverse backgrounds. Nothing less than 18 hours work worked on the campus! Six-hour lecture classes were followed by case studies, analyses, presentations etc.

Midway through 15-month course, I feel like a better professional now. I assess situations more closely and interact with my colleagues more intensely. I look at areas such as finance more seriously. I think about the inventories more, and the ways to efficiently reduce them.

Most importantly, I think the quality of my questions to my colleagues has become better!

COOKING TIPS

- **To prevent the insides of the cooker from turning black:** Add a piece of tamarind or lemon peel to the cooker while boiling.
- **To preserve the white color in cauliflower and cabbage:** Add a teaspoon of milk or milk powder while cooking.
- **To prevent milk from curdling while boiling:** Add a pinch of baking soda.
- **To save oil while frying:** Add a pinch of salt to the oil while frying 'pakodas' or 'koftas'.
- **Boil pasta & noodles** in plenty of water and remove just before it is fully cooked. They continue to be cooked even after it is removed from flame.
- **While preparing French fries,** first blanch cut potatoes in hot water or medium hot oil till tender, then deep-fry in very hot oil till crisp. Take care not to add too many potatoes at once to the oil. This causes the temperature of the oil to come down and you will end up with fries that are greasy, not crisp!
- **To soften cream cheese,** quickly remove it from the foil wrapper and microwave it on medium for 30-40 seconds.
- **When soups and stews get burnt,** you can renew its taste by pouring the liquid gently and carefully into a clean pan and flavor with curry powder or mustard or some chutney to camouflage the burnt taste

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Dr Viju Jacob, Director, Synthite Industries Limited, cuts the birthday cake at a function held at Synthite, Kolenchery on Monday, March 21



Mr Vijay Menon speaks at 'Being Synthite'. (Below) Participants at the 'Leading Synthite' programme



Learning curve

The Synthite Centre for Learning and Development has designed 'Being Synthite', a unique managerial excellence programme aimed at creating a team of high performing, futuristic and business-focused professionals to manage and achieve the stakeholder's expectation and organizational vision at Synthite Industries Limited. The two-day programme started with a session on 'Manager-A Self Realisation' by Mr Vijay Menon on March 17 at Riviera Suites. Sessions on 'Augmenting Managerial Effectiveness' by Dr Jayavelu and 'Managerial Skills Through Experiential Learning' by Cmdr Madhu will follow.

Synthite Industries Limited has launched 'Leading Synthite', another leadership training programme, with the objective of building and aligning leadership in line with the company's vision, mission and core values. The first session was conducted at Ramada Resort, Kumbalam on February 3 and 4, 2011 and was facilitated by Mr Vijay Menon.



Mr Narayanan Kutty (Cochin Office), Mr Chandran C V (PPC), Mr Yacob K V and Mr Yohanam K P (Production) with Chairman Mr C V Jacob, Mrs Aleyamma Jacob, Directors Mr Aju Jacob and Mr George Paul on their retirement on Thursday, March 2011 after years of exemplary service with Synthite. Synthesis wishes each one of them a happy and peaceful life ahead

New stars



Mr Arun Kumar T C and Ms Anju Mathew receive 'Synthite Star Award' for January 2011 from Dr Viju Jacob, Director, for their successful effort in reducing contaminants in capsicum products.



Mr George Paul, Managing Director, Aromco Flavours (India) (P) Ltd, presents the 'Best Salesman' award to Mr Varghese Jacob at the annual sales conference held at Riviera Suites on March 28, 2011.



IN SAFE HANDS: *Mr Lijo George, Health and Safety Officer, Synthite Industries Limited, receives the trophy for runner up-Outstanding Safety Performance Award (Medium Size Industries – Chemical) of National Safety Council from Justice C N Ramachandran Nair at a function held on March 4, 2011 at Kerala State Productivity House, Kalamassery.*