

July-September 2011 VOL. 2 ISSUE 3

# Synthesis

INHOUSE MAGAZINE OF SYNTHITE INDUSTRIES LTD

## ALL THE WORLD'S A STAGE



Synthite Industries Limited is not located at a place where the world arrives for its snazzy corporate summits. All that Kadayiruppu village can offer is some clean air, fresh water and an environment so refreshing.

Its humble setting, however, has not stopped Synthite from conquering the world. It has been selling its highly value-added products, that too food ingredients, to some of the world's top food processing companies. It has offices and operations across continents; products using its ingredients are sold in 160 countries. The company's increasing global presence is reflected in the changing profile of people who man its operations. You will find some of them recounting the experience they have had with Synthite in this issue.



From the Chairman's desk

## Local flavour

When we started operations 40 years ago, we were mostly a homogenous people. I am happy that today we are a multi-nation company with people from multi-cultural backgrounds enriching our collective knowledge base.

Wherever we operate, we follow our own business principles and practices. They are

based on the best of global practices and hence professionals anywhere would not find it difficult to follow them. Synthite loves having local content in its products and local talent among its people.

When we set up offices in other countries, I suggested that we pick people from the respective countries. They bring new capabilities to the

table. They can help us have new points of view. They can capture signals of new opportunities in a better way than what we can do by sitting here. They refresh the company's thought process.

At the same time, we insist that the newcomers imbibe the spirit with which Synthite has been run all these years. All of them come here and work with us for about two weeks before going back and actively pursuing their new responsibilities. We ensure that they get sufficient exposure to our value system and style of func-

tioning so that when in doubt in those distant lands, they do not lose their way.

I would like all my colleagues to follow one cardinal principle: innovation. They all must observe the processes and products they deal with, look beyond the immediate and come up with new ideas. They must also be very careful with details; for we deal with such sensitive products. The ability to observe and keeping eye for detail has helped us reach where we are now; it will help us scale new heights as well.

# When the future beckons

How Synthite keeps pace with the demands of the industry it caters to



George Paul

Synthite Industries Ltd has its genesis in value addition and innovation. We started off making oleoresins at a time when others were happy trading in whole spices. Through decades of hard work, planning, innovation and commitment to quality, we are now in a commanding position in the industry. The world's oleoresin production is about 9000 tonnes; we contribute roughly 35 per cent of it.

Oleoresin has almost become a commodity today, a development we anticipated long ago. It was no raw wisdom but the result of our careful examination of the industry's trends. It was but natural for us to look up the value chain, again.

Every company is mindful of its success; we are mindful of our clients' success also. So when we plan our next step, we first try and understand the turns the food processing industry takes. The changing customer preferences, to be precise. Because, it is finally they who decide the success of Synthite, a food ingredients company, and our customers, who are food processors.

We realised we needed to broad-

base and deepen our knowledge about the intrinsic properties of each spice and make our products more functional if we were to meet the demands of the industry. To cite an example, the anti-oxidant properties of oleoresins can be better harnessed if we make it more functional, specific to different products meant for different categories of customers.

Another challenge was the increasing demand for natural ingredients. Customers across cultures, realising their advantages over synthetic ones, demand more and more natural products. Oleoresins are used for both colour and pungency, and natural products lose some of these properties during the processing of food. The customer may still be ready for a compromise if he gets products with natural ingredients. As a food ingredients company, it was our call to help our customers make products keeping all their qualities intact. It meant making

our products more functional.

It was a tough call. It meant harnessing our collective knowledge base on spices accumulated over decades, synergising our capabilities that spread across several functions, starting from raw material sourcing to correctly decoding the intrinsic properties of spices to sourcing the right technology and equipment and deputing the right people to man the job. It was easier said than done.

And we did just that.

Using the knowledge base we have created working on natural products and oleoresins over the decades, we increased the functionalities of our products so that the end customer gets all the goodness of a natural product, without compromising on any of its elements, colour included.

Today, we are a flavour house, providing last mile solutions to the food processing industry. We in fact make building blocks for the industry with specifications they, and the customer, make. We ensure that they can just pick and choose and make the products as they choose.

In the process of upgrading our products, we upgraded ourselves, too. From being a food ingredients company to a food solutions company. Indeed an achievement worth the effort.

Using the knowledge base we have created working on natural products and oleoresins over the decades, we increased the functionalities of our products



Dr Viju Jacob

## Innovating to grow

### How Synthite changes with the times to stay ahead

Innovation is vital to the success of an organisation. Companies have to constantly innovate to remain competitive, especially in countries such as India, where the market for many specialised products is at a nascent stage.

The Indian market was still not open to our products when Synthite Industries Limited started concentrating on it by the turn of the century. But two trends have changed it all. The emergence of nuclear families with both parents working, and the booming of sectors such as IT which employs a lot of people with high incomes and

an exposure to new cultures and tastes. They are eager to taste new products, flavours and blends and adopt convenience foods. They are willing and have the means, too.

We move in line with this trend and make products to satisfy this nascent market with huge potential.

We have an innovation team that meets on a weekly basis and studies the brief from the customers. We have a fool proof system to meet the expectations of the customer.

Synthite recently created a division for fusion of food and nutraceuticals which seeks to add nutraceutical value to food. We create new products

by blending Ayurvedic products and oleoresins. For example, the herb 'Ashwagandha' provides high energy. This, when blended with right oleoresins can nullify ill-effects like high sugar and fat content usually associated with high energy foods.

An enabling environment is also very essential for bringing out ideas. We have a system for tracking the ideas employees suggest and taking them to their logical conclusion. We also reward them for their ideas.

#### Results

As a result of the efforts put in by our team, we have been able to achieve a growth of 50 per cent in our domestic operations. We are producing specialised products for the ready to eat, ready to cook, and ready to drink segments in the country. Today we cater to most of the MNCs in the country. A lot of products in the market contain our blends.

## INTERVIEW/ MR MANI VARGHESE



Synthite Industries Limited is one of the most futuristic companies in Kerala when it comes to products and operations, but exhibits conservative traits in matters finance. Mr Mani Varghese, director-finance, talks about the company's policies.

#### How do you view the evolution of Synthite into an MNC?

Synthite is a global company operating in many countries. It is constantly looking for opportunities in new markets and developing new products to cater to the market. This helps it to be in sync with the evolution of the market. R&D and innovation will play a major role in taking

the company forward.

#### How does Synthite plan to fund its growth?

We generate enough cash internally to fund our expansion plans. In addition, the investments we have made in the past can be diverted to meet our business needs if required. So we are pretty comfortable in funding our growth.

#### Raw Material prices have gone through the roof in recent times. How does Synthite deal with this situation?

We have enough storage capacity that helps us procure raw materials in bulk when the prices are low. This helps us deal with short term price fluctuations effectively. In addition, we also try to pass on the price increases, but that also depends on the

stance our competitors take.

We go for low levels of hedging in the commodity futures markets. But the commodity markets in the country have to evolve further before it can be used effectively. A small percentage of our raw material requirements are also met through contract farming.

#### Synthite exports most of its products subjecting it to risks from exchange rate volatility. How do you deal with it?

We import almost 50 per cent of our raw materials. So in effect we have a natural hedge there. We usually take a forex cover when a contract is concluded at the then prevailing rates. We do not speculate in the forex markets and do not take high risks.

# Playing it safe

## Passion at work

**Daniel Alton**  
*Synthite USA*



I had no knowledge about Synthite or their products before I joined the company. I had

been in the food industry in the US for approximately 10 years, in various roles-product development and sales-but had never come across Synthite. So when I came across the position for a Midwest accounts manager in May this year, I did some investigation. Initially, I was attracted to the diverse product line, but as I was interviewed for the position, I became attracted to the passion the people had for the products and the company.

Several weeks after being hired by Synthite, I attended the IFT food show in New Orleans, Louisiana. It was there that I got a true sense of what Synthite was all about. I had the opportunity to meet several colleagues (Bright Thomas, Abraham Mathew and Pramod Francis), and they all made me feel welcomed and were willing to pass on as much knowledge as they possibly could. They made me feel like part of a team.

Soon after the IFT in New Orleans, I traveled to Kochi for training. I had never been to India before and was not sure what to expect. From the moment I arrived at the office, everyone went out of their way to make me

feel welcomed. Everyone I met there was so gracious with their time both during the office hours and after office hours. They definitely welcomed me into the Synthite family. The knowledge I gained during my two-week stay was invaluable and will help me promote the Synthite product line in the US.

Moving forward, I am proud to be

**From the moment I arrived at the office, everyone went out of their way to make me feel welcomed**

part of Synthite family and look forward to servicing US customers, and promoting the Synthite brand.

## The art of winning people

**Hemantha Fernando**

*Synthite Srilanka*



I am only five-months old in Synthite. I have been to Kolenchery on three occasions. On the 24 days I was there, I worked

with qualified professionals and gained knowledge and experience in the business we are engaged in. That I am from Sri Lanka made no difference to my being welcomed warmly to the Synthite family.

I studied the Synthite history and its successful journey. It inspires me, and fuels my career as well. Synthite's

vision of going outside India has given an international dimension to its core values.

It is a great achievement that Synthite has grabbed a share in the international market. Today, marketing is all about winning people, and not just selling products. When the people are won, the products are sold. Synthite's people are geared to win the world with a smile on the face.

The environment, technology and innovations motivate me to achieve greater successes. We employees get excellent facilities, which encourage us to work hard to meet our organisational objectives. The management practices, especially with regard to production, at Synthite easily meets international standards.

The world today moves at an unbelievable speed. And we have to keep pace with it. I have noticed that the decision-making process at Synthite is well-structured, and the decisions are fast. Right decision at right time is vital, especially in trade and commerce.

Synthite is a respected name among the big spice exporters of Sri Lanka. They respect and honour the

**Today, marketing is all about winning people, and not just selling products**

way Synthite handles activities with them. Our next step is to print 'Synthite' in all the segments of the supply chain of spice exports. We are explor-

## For a sustainable future

**Serge Baechler**



I joined Synthite Industries Limited in August 2011 for a two-month internship programme. The programme is the result of the close link between Karunya University, Coimbatore and Synthite. Indeed, Karunya is part of IAESTE, an international association which proposes internships in companies all over the world. My university being part of this association, I had the

chance to come to Synthite to do my internship in environmental management and corporate sustainability.

According to UN, sustainable development "meets the needs of the present without compromising the ability of the future generations to meet their own". Sustainability is a challenge in which every corporate and every employee has a task to perform.

Synthite decided to face this challenge and voluntarily initiated a corporate sustainability program. For now on, Synthite's environmen-

tal performances will be monitored, thanks to a greenhouse gas inventory. This inventory will be used as a tool to identify optimisation opportunities which will then lead to a decrease in the company's impact on the environment. It will also lead to the publication of reports which will allow stakeholders to follow Synthite's progress with time.

Within the next 10 years, the company will decrease its emissions by 20-25 per cent, reduce the biomass fuels in the boiler by 10-15 per cent and move towards environment-

ing the markets for our products in Sri Lanka. Though the market is very small, we are in the process of doing the best we can. Working as a team, we can do wonders. Synthite's operations in Sri Lanka will add more value to its global network of business.

## Walking the talk

**Mr Anil Crasto**  
*Synthite USA*



As with most companies, Synthite is also built on a core set of values. I would venture to say these are a commitment to quality, honesty, integrity, innovation and a strong sense of social responsibility. While these may not be enshrined in a formal vision/values statement, almost everyone at Synthite knows about these values. However, this alone is not unique to our company.

Let's face it, most companies these days claim to espouse such values. What strikes me about Synthite, though, is how steadfastly the company puts these words into practice. We not only speak these words, we live and breathe them day in and day out. We practise every bit of what we preach. As they say in this part of the world, we "walk the talk" every day.

While living our values may not be too difficult on most days, it is where the rubber meets the road that it really matters. I have seen first-hand our values being put to the test on several occasions. It is gratifying to know that on no occasion did the company flinch. From honoring contracts when the market goes against us, to allocating resources where needed, to making good on quality and delivery commitments, the company has never wavered in doing the right thing.

As a frontline sales person working in a faraway posting, this is very important to me. I know that when I am standing in front of a customer, and I have tough decisions to make, I can freely make these decisions based on our core set of values. It is like a compass that is guiding me when I am working alone. While my job has many

**From honoring contracts when the market goes against us, to allocating resources where needed the company has never wavered in doing the right thing**

rewards, it is the empowerment, pride, and peace arising from being true to our values, that is priceless.

-friendly solvents and chemicals. More concretely, in the short and the middle term, several emission reduction programs will be started, mainly concerning electricity and steam consumption.

The impact of Synthite's strong commitment on the day-to-day business will be an increased awareness of environmental issues at every level. Environmental friendliness will now be a performance indicator besides financial and productivity factors. Reaching the long-term goals will require the active participation of every employee. Indeed, ensuring the best future for the next generation is everyone's responsibility. To this regard, transversal communication between people of every department plays a key

role in designing innovative environment-friendly processes.

Now on a more personal level, my internship allowed me to set the basis for Synthite's greenhouse gas inventory. To achieve this task, I needed to compile a significant amount of data and to understand quickly Synthite's processes all over the value chain.

**Within the next 10 years, the company will decrease its emissions by 20-25 per cent, reduce the biomass fuels in the boiler by 10-15 per cent and move towards environment-friendly solvents and chemicals**

## Together we grow

**Roy Chu,**  
*Synthite China*



When we started in 2010, Mr Aju Jacob quoted Henry Ford to us: "Coming together is a beginning, staying together is progress and working together is success." He wanted us to live up to one of the world's best entrepreneur's words as we discussed setting up Synthite China.

It has been more than a year now, and I think we have done reasonably well. I was the first to join Synthite China, and now we are a three-member team. We are from different countries, have different cultures and speak different languages. It has been a great experience: we failed to communicate in the beginning, misunderstood each other, and had arguments. But we are a good team now, united and cooperating with one another. I'm sure we will have a brilliant future in China and the world!

As for me, it has been an impressive experience in Synthite family. I've got a lot of support and guidance from our top management and teams in the sourcing, marketing, R&D, HR and production departments. I think I am also growing with Synthite!

This would not have been possible without the intense support of all my colleagues. I must say that I have been impressed by the kindness and the availability of everyone during and after office hours. I am really glad that I had the chance to work with so many competent people. I am really thankful to all the people who directly and indirectly contributed to create this wonderful working atmosphere which I am sure will allow Synthite to achieve sustainability. I am also grateful for all the fruitful conversations and idea sharing that I had all along what we could call a wonderful Malayalee experience.

*Serge Baechler, a Swede, is an MSc (environmental engineering) student with EPFL University.*

# Synthite Star



Mr Manjunath C G (Production - Synthite Harihar) receives the Synthite Star of the Month-August 2011 (Individual Award/Business) from Mr Rajesh Kumar MR, Head-Corporate HR and Training. Mr Manjunath suggested an improved method for a distillation process resulting in additional output. That Mr Manjunath works in a plant which was not related to the innovation, and that he voluntarily involved himself, speaks for his enthusiasm.

## Synthite Star, July 2011



**Ms Rose Jacob**  
QA/QC

Synthite Kadayiruppu  
(Individual Award/  
Associate)

Ms Rose Jacob took extra efforts and initiative to train the new recruits allotted to the microbiology department for their orientation program. She displayed exemplary dedication and initiative to impart knowledge. More importantly, through her dedication and helpful attitude, every trainee made the most of the programme.

## Synthite Star July 2011



**Eldo Paulose**  
Production

Synthite Kadayiruppu  
(Individual Award/  
Business)

Mr Eldo Paulose suggested a process improvement whereby a recurring problem was solved resulting in increased yield.



**Jimmy is**  
NSC joint  
secretary

Mr Jimmy Jose, Manager-Human Resources & Administration, has been selected as the honorary joint secretary of National Safety Council, Kerala Chapter, for the period 2011-2014.

NSC, set up by the Ministry of Labour & Employment, Govt. of India, undertakes activities promoting industrial safety and well-being of the community and recommends improvements in various Central and State laws, procedures and practices related to it.



**Renju Sasikumar,**  
*Executive Housekeeper,  
Ramada Resort, recounts her  
learning experience at the*

*Being Synthite-Outbound Experiential Learning Programme*

The 'Being Synthite' programme, organised by the Synthite Centre for Learning and Development (SCLD), was a unique learning experience for me and all the other participants. I consider myself honored to be a part of it, as I have discovered lot of things in myself which I may not have known otherwise.

The two-day programme at Aerangal camp in Suryanelli by Commander Madhusoodanan on August 25-27 was unique by all means. The location at an altitude of 5000 feet itself was a great choice: it gave every participant an out-of-the-world feel. Various activities conducted at the camp were eye-openers for all the participants. Many of the tasks which looked difficult in the beginning, became easy when handled with the tips we picked up from the programme.

The sessions focused on the importance of team synergy, planning, innovation, leadership, communication, coordination, stress management and understanding the big picture. They were introduced to us in an activity-



*Chairman Mr C V Jacob inaugurates the annual HR Team meet.*

*(Below) Participants at the meet*



## We mourn



Synthite family mourns the sad demise of Mr Asokan K K, plant operator, Spice Division (Karottu Puthenpura House, Vembily) due to an accident he met with on his way back home on September 2, 2011. Mr

Asokan is survived by his wife Pushpa and two children.

May his soul rest in peace and God Almighty provide his family members the courage to bear the loss.

We request all of you to remember him in your prayers.



Participants of the Being Synthite-Out-bound Experiential Learning Programme, with the trainer Commander Madhusoodanan

# Discovering oneself

oriented way and hence we all could relate easily with our own working environment.

Outdoor activities such as water rafting and trekking gave us immense learning experience about team synergy. It also gave us valuable tips on team work—lessons we could have overlooked in a classroom training programme.

All the activities were designed in such a way to make better professionals of us when we go back to our respective responsibilities. It has indeed helped us to take better decisions and work more effectively as a team, whether working on routine matters or

on important assignments.

I have returned from the camp with one understanding which I think is critical to my functioning in the organization from now on: we would be better professionals if we can find time and occasion to communicate with our superiors and colleagues on matters other than work. It can make the

**The programme has indeed helped us to take better decisions and work more effectively as a team, whether working on routine matters or important assignments**

workplace a vibrant environment and the organization a great one.



## Team dynamics

While the first two series of training sessions were theory-oriented, the third was a hands-on training programme with a platform to learn and implement what we had imbibed in the earlier stages. Commander Madhusoodanan was an excellent coach for the Synthite team. He guided us to understand the benefits of team work and team dynamics.

**Binu Skaria**

*Senior Manager-Domestic Marketing*

## Looking forward

### The HR Team charts the way forward at annual meet

The first Annual HR Team Meet of Synthite Industries Limited was conducted with the theme 'Touching Lives-People Connect' at Ramada Resort on September 17, 2011.

The Chairman, Mr C V Jacob, inaugurated the session. In his inspiring and open remarks, he laid the ground rules for the team to operate: the importance of taking risks, openness of thinking and the need for generating out-of-the-box ideas. "Communicating them to the team effectively is also important," he told Team HR. Mr George Paul, Director, reminded the team of the nobleness of HR as a

profession. He said there should be a clear focus on recruiting the right talent. Proper motivation and the opportunity to work effectively are also important for the successful functioning of the organisation, he said.

The interaction gave the participants a better insight into managing and retaining human resources at Synthite. The discussions also threw light on the nuances of Synthite culture and paved the way forward for the Team HR.

The session was followed by a very inspiring speech by Mr A S Girish, Head (HR & Admin) of Apollo Tyres

Ltd, Perambra. Mr Girish said the HR team must understand the business scenario while managing talent. "It is the irrevocable responsibility of HR to create a great place to work," he said.

The post-lunch session was initiated with icebreaker exercise and was followed by a presentation by Mr Rajesh Kumar M R, Head-Corporate HR & Training, on the way forward for Team HR. He emphasised the objective of HR being a strategic partner in business. He also underscored the importance of creating highly engaged employees and on ensuring equal development opportunity for all stakeholders.

Presentations from the unit HR teams followed. It was a great experience for the entire team coming together, creating a bonding and sharing thoughts and ideas.

Onam, the national festival of Kerala, was celebrated at the different units of Synthite with gaiety and traditional fervor. Onappookkalam, feast and competitions marked the festivities, attended by employees and their families. Here are some snapshots from the units:



Onappookkalam, made mostly of locally available flower, is the most ubiquitous symbol of Onam. (left) Employees of Synthite Calicut with the Onappookkalam they made.

Legend has it that Mahabali, the asura king of yore, visits the 'subjects' of his land on Onam day to enquire about their well-being. (Right) At Ramada Resort, 'Mahabali' went around, making Onam a unique experience for the guests and employees. He also found time to inspect the kitchen and ensure that his people are served the best of offerings

### Synergy 2011



Mr C V Jacob, Chairman and Managing Director, Synthite Industries Limited, hoists the flag marking the launch of Synergy 2011. (Right): Mr Jacob cuts the birthday cake as family members and staff look on

Synergy 2011, the sports and arts festival of Synthite Industries Limited, commenced with panache on September 27, 2011 with the flag hoisting ceremony by Mr C V Jacob, Chairman and Managing Director. The day also marked the 78<sup>th</sup> birthday of Mr Jacob.

It's now over to Synthitians for 30 days full of sports, games and cultural events. Adding fizz to the event is their teaming up in four houses: The Roaring Lions, Towering Tuskers, Raging Bulls and Stunning Stallions.

