

F&F profile

All in the Family

Mane SA, a family-owned company, remains true to its French roots while succeeding globally

With 130-plus years in the flavor and fragrance industry, it should come as no surprise that Mane ranked nine in P&F magazine's "2006 Industry Top 12*" (Summer, page 22). However, this independent family-owned French company is not satisfied just yet. According to Alain Benoît, Mane's vice president Fine Fragrances EMEA (Europe, Middle East, Africa), the company's long-term goal is to be among the top five in the industry. How does Mane plan to achieve this goal? What are the challenges? How is the French F&F landscape changing? Benoît spoke to P&F magazine about the company's history, as well as its current initiatives and goals that have allowed the company to expand while remaining true to its roots.

P&F: For 2005, Mane reported that sales broke as follows: flavors, 44%; fragrances, 36%; and raw materials, 20%. Is there a focus on any one of these segments over the other in Mane's France locations?

Benoît: We see those segments as complementary, and treat them with equal importance and focus. We have been improving results in all segments, with double-digit growth in fragrances. As for the specific focus of our French sites, our Paris and Bar-sur-Loup locations have been the historical creative centers for perfumery since 1972, with Paris as the fine fragrances center with major recent wins. Noisiel (Seine et Marne) and Queven (Britany) are two new locations dedicated to flavors.

P&F: How is the region changing? (How have your distillation methods, raw material sourcing, types of raw materials, etc., altered with the environmental changes in the region?)

Benoît: Major changes have taken place in the region throughout the past 10 years.



Alain Benoît

One major example is the pricing pressure coming from various forces, such as:

- The rationalization and consolidation of global suppliers increasing price pressure.
- Customer rationalization and consolidation, with fewer large companies dramatically augmenting their bargaining power.
- Overall geopolitical instability has put increasing pressure on raw material prices, stimulating new sources and supplies.

In addition, there is a general trend toward more natural and healthy products. Also, there are increasing regulatory constraints. A growing number of raw materials fall under regulatory constraints limiting perfumers' creativity. At the same time, though, this stimulates the industry to create new materials with novel processes of extraction, triggering a rejuvenation of materials used by the industry and, consequently, of perfumes being developed. Finally, in the ECC (European Economic Community), notably in France, the cost of manpower has dampened the production of historical natural raw materials.

To address these changes, Mane has either consequently and/or proactively done the following:

- Globalization of our operations.
- Increasing creative and development resources.

Through the years

Mane is a family-owned company established in 1871. The company's ancestral traditions of specializing in raw materials date back to the days when Victor Mane started producing fragrances from regional flowers and plants. His sons, Eugène and Gabriel, modernized and developed the business internationally between 1916 and 1958. During that time, Mane created and consolidated its international network. In 1959, Maurice Mane took over from his father, Eugène. Under Maurice's leadership, the company increased its production capacity, set up research and analytical laboratories, diversified into flavorings for the food industry, and developed its international network of subsidiaries. This international development continues today; some of the more recently established locations include China, Russia, Thailand, Dubai (United Arab Emirates) and South Africa.

Fine fragrances have been a focus since the early 1990s under the leadership of Michel Mane, who was appointed president of fragrances. Since then, the division has developed to become the fastest-growing subsegment in fragrances, giving new attributes to Mane's positioning, as well as brand-driven values, such as creativity and prestige. Yet, Mane's philosophy still lies in its long history in chemistry, technologies and processes. Jean and Michel Mane, who head the group today, are the fourth generation in management, ensuring continuing growth and long-term strategic choices. Today, the entire organization has been structured and is dedicated to serving leading global clients, which comprise two-thirds of the business. The company's turnover reached €263 million (\$327 million) in 2005, with more than 85% of its activity conducted in France.

- Increasing importance of regulatory affairs with specific recruitments (e.g., toxicologist) and direct engagement of the highest instances of Mane, including Group president Jean Mane [e.g., president of EFFA (European Flavor & Fragrance Association)].
- Focusing on new technologies and processes, such as our proprietary extraction tool, Jungle Essence.
- An increasing focus on biotechnology with natural molecules.
- An open-book policy on pricing has proved to be a real competitive advantage, further solidifying our relationships with our clients.

P&F: What are the main materials that Mane sources from France?

Benoît: Utilizing 130 years of experience in extraction and distillation, exceptional production techniques, a state-of-the-art biotechnology center, and customized naturals, Mane produces the following materials from France:

- Lavender and lavandin
- Rose of May
- Orange blossom

In addition, Mane produces essential oils, absolutes, concretes and resinoids, isolates, natural molecules, CO₂ extracts, and specialty ingredients.

P&F: What sets Mane apart from its competitors in the region?

Benoît: A number of factors help to set Mane apart from its competitors. First, Mane has a centralized decision process and financial independency. Being financially independent and benefiting from a short

decision-making process with a top-down approach allows us to quickly adapt and make strategic moves to meet the ever-changing industry environment. Additionally, Mane is still an independent family-owned company, which distinguishes us from most of our global competitors. Vision, passion and human touch are a reality at Mane. We consider this independency to be a true competitive advantage, allowing us to develop and implement long-term strategy based on structural stability and entrusted employees. To find and keep these valued employees, Mane constantly works on people development, as well as sometimes recruits talent outside of the industry to complement and enrich our business approach and thinking.

To maintain a competitive advantage, Mane works to understand the consumer and the market. Throughout the past five years, we have developed comprehensive methodologies to capture the latest consumer approach to fragrance, as well as flavors. A proprietary program in consumer research called “Crown Jewels” has helped us to obtain major wins in perfumery for global leading luxury brands against global competitors. Mane has defined and implemented aggressive commercial programs, enabling us to develop business with major global clients, including L’Oréal and, most recently, P&G.

A major factor in distinguishing Mane from the competition lies in our state-of-the-art and proprietary

technologies. We have research programs to develop new aroma chemicals and biotechnological processes to access new naturals. Mane’s proprietary technologies include encapsulation technologies, joint projects between fragrances and flavors, prototypes, and proactive presentations. In addition, Mane has developed partnerships and technical alliances to produce key innovations and technologies (e.g., silicone polymers with Dow Corning).

Last but not least, since 2003 Mane has developed and installed a program called “in-pertinence”—a key referential tool and creative stimulant in the development process of our perfumers. “In-pertinence” refers to timeliness in sensing and evaluating selected events and issues, and setting or influencing trends and behaviors. It is an attitude, a state of mind we instill to lead perfumers to unexplored paths to create different and innovative fragrances.

Overall, Mane’s recipe for quality fragrances lies in a mix of innovative fragrance ideas, high-quality raw materials, state-of-the-art technologies, international evaluation, concept writing, and market and consumer understanding.

P&F: What are the main priorities for Mane in the short term?

Benoît: Currently, Mane is focusing on the major multinational and regional brands while putting cost-efficiency measures into place. We also are exploring new communication vehicles to increase customer awareness and consultation rate in fine fragrances. We aim to further capitalize and build on synergies in fine fragrances between key creative centers—namely, Paris and New York. We will continue to emphasize Mane’s heritage and values to promote historical strength in natural raw materials. Financially, Mane’s goal is to maintain organic growth while gaining market shares in all segments. Last, but not least, Mane will remain focused on environmental sustainable development by manufacturing “green and clean fragrances.” This means that more than 90% of Mane’s waste is either recycled or recovered; all industrial liquid waste is treated by the company’s own sewage treatment plant; we have traps for VOCs (volatile organic compounds); we utilize acoustic covers to reduce noise pollution;

and rainwater is monitored and analyzed before being released into the environment.

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

Benoît: In the next year Mane plans on further integrating the REACH legislation into the creative process. Also, we will work on mastering our global growth by reinforcing and optimizing our global account management organization.

P&F: What are your long-term goals?

Benoît: Ultimately, Mane’s goal is to be recognized as one of the top five creative companies worldwide. We also aim to remain financially independent and family owned.

P&F: What is your long-term growth strategy?

Benoît: Mane is pursuing a growth strategy by focusing on technological innovation, getting on the core lists of global customers, broadening our customer base and implementing cost-efficiency measures. We also are looking to expand in fast-developing regions, including Eastern Europe, Asia, the Middle East and Africa. Some other key strategies to grow the business include:

- Further develop strategic partnerships.
- Excel in brand servicing, anticipating market trends and providing in-depth consumer understanding.
- Ensure highest quality and safety in every development.
- Maintain ethical sustainable development.
- Explore and stimulate corporate entrepreneurship with niche players and newcomers.

P&F: Is Mane launching any new initiatives in the near future?

Benoît: Most recently, Jean Mane has been appointed president of the competitive pole for perfumes, flavors, scents and tastes for the Provence-Alpes-Côte d’Azur region. As such, he is leading a major initiative to promote and further develop various competitive technologies and innovative programs, including Mane working with biotechnology start-ups (e.g., SkinEthic Laboratories). Additionally, each year Mane undertakes a new initiative with our proprietary creative stimulation tool, “in-pertinence.” For example, this year we have pushed our creative generation model further and challenged its acuity to larger appeals and applications when creating new fragrances.