

The F&F Job Market

Demographic shifts, evolving pay structures and a look at the hottest jobs in the industry



The flavor and fragrance job market is pretty healthy,” says Richard Panzarasa, president of recruitment firm The Panzarasa Group. “Going forward, I think that management will continue to look for the best they can find; the competition in the marketplace is fierce. They have to be ready to face what will come next.” And, despite a mature industry—more evident on the fragrance end than flavor, says Panzarasa—expansion is possible. He points out that, “Both the supplier and manufacturer have to continue to look for new uses for their products.”

Panzarasa has 30 years of experience in the industry, previously holding executive positions with Roure, Robertet and Mane. He’s spent the last six years as a recruiter working exclusively in the flavor and fragrance world. Panzarasa’s clients encompass, as he puts it, “anyone in the industry that has a hand in getting the product out the door or has an impact on that product.” This includes perfumers, flavorists, sensory evaluation staff, manufacturing, sales, marketing, R&D, new product development, chemists, toxicology and regulatory.

While business is busy for the recruiter, Panzarasa doesn’t see the current market as particularly active. “There’s probably a bit less turnover now, only because there are fewer companies,” he says, adding that, ratio-wise, the market is fairly similar to 10 years ago. “We’re a very small, social industry,” he points out. “People have a tendency to know of other companies. Thus, there is an ability to change companies more easily.”

The Job Landscape

What kinds of jobs are out there right now? Panzarasa currently sees a good deal of activity on the perfumer and flavorist fronts. But all phases in the job market are cyclical. “For six months there’ll be tremendous activity in sales,” he says, “because once there’s a major move, it goes right on down the line, like a domino effect. There’s always an area that is ‘hot.’”

Panzarasa continues, “With respect to creative, there may be only 1,200 to 1,300 perfumers globally, so there are always openings somewhere.” He has also seen a lot of movement in the fragrance evaluation field, as well as in sales. The fragrance positions on the current market tend to be evenly divided between consumer goods—everything from toiletries to household products—and fine fragrance.

On the flavor side, Panzarasa has noted activity in sales and technical positions. Meanwhile, flavor jobs in the beverage category—fueled by booms in new product introductions for the energy drink and flavored water categories—remain highly competitive. Particularly in this segment, needs on the technical side dominate: flavorists and food technologists.

Panzarasa notes that there is another area of significant employment opportunity. The REACH program and other regulatory moves have put pressure on flavor and fragrance companies to meet client needs, increasing the demand for regulatory and toxicology positions. Two quiet areas Panzarasa observed are marketing and manufacturing.

According to the recruiter, there is a two-way career path between the flavor and fragrance industry (suppliers) and finished goods companies (clients), primarily in development staff—flavors, fragrances and new products. On occasion, Panzarasa has seen marketing people move between worlds. On the other hand, sales staff tends not to translate: “The market is so different in sales,” he says. “Selling B to B versus selling into the retailers is just a very different kind of selling.”

What Companies Are Looking For

According to Panzarasa, the industry is increasingly competitive and efficient. Thus, the sought-after job candidates tend to be those that are highly specialized in their assigned area, people that can “hit the ground running”—no matter the job description, technical or otherwise. If a company has a relationship with a large beverage company, for example, it will often prioritize candidates with past experience working with or for that beverage company. “It gets somewhat specialized by the exposure the person has had,” says Panzarasa. “It all goes back to servicing and understanding the customer.”

“More than ever,” he continues, “companies are looking for as precise matches as possible against their requirements. With so many client companies having lists it behooves the hiring company to find that person who has either worked with the targeted client before or who has very strong contacts with them.” Most interestingly, Panzarasa concludes, “The length of experience does not seem to be as important a factor.”

Aside from specialty technical jobs such as perfumer and flavorist, Panzarasa says a few companies have left the flavor and fragrance arena in search of a marketing or sales person that can approach the industry with a new perspective. “It would seem an infusion of new talent and fresh thinking is a good thing,” he says. “The furthest most companies will go, however, is their clients. Occasionally,

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a company will reach way outside and go to an advertising agency or go to a liquor company, which is interesting.”

Assessing Today's Job Candidates

It is no secret that the flavor and fragrance industry has become more and more global. Having a “global understanding,” as Panzarasa puts it, is an increasingly important trait in prospective candidates. Particularly in the larger industry players, “A person who has had experience on the global platform is more sought-after.”

The shrinking global environment has been driven by both consolidation and advanced communications, meaning that tomorrow's executives will have to be more knowledgeable and aware of other cultures. “Candidates are more likely to come from [diverse] cultures,” Panzarasa continues, noting that this tends to be truer in fragrances than flavors. “The culture of candidates has changed. Almost across the board—from creative to technical to commercial—there is a much stronger global culture in candidates today. Many have worked in several countries and speak at least two languages fluently.”

At the same time, he adds, the quality of education and understanding of corporate politics has grown. “Whether or not our creative industry wants to admit it,” Panzarasa says, “there is a higher value placed on pragmatism today than in the past. This can partly be attributed to the assault on the flavorist's and perfumer's pallets, the increased demand by the client for more ‘free’ services and attention, and the speed to market, which has certainly increased in recent years.”

The shifting flavor and fragrance business environment, to Panzarasa's thinking, has become highly corporate. “There is a need to be aware of the politics and philosophy of a potential employer,” he says of today's job candidates. “We're not quite as free-thinking or ‘shooting from the hip’ as we were years ago.” More intricate planning, procedures, protocol and layered management are symptomatic of this landscape shift. “Companies are bigger,” says Panzarasa, who describes the environment of the past as more entrepreneurial than today. “Now it's much more corporate. And, as a result, you need this pragmatic thinking because it's very competitive out there. The need to do it right the first time becomes very important.”

The change in the industry's needs has also been driven by the types of services clients are demanding. Flavor and fragrance houses can be asked to present new product types, concepts and technologies. “In the area of fragrance,” says Panzarasa, “a lot of companies will seek out and bring properties to their clients—whether it be a designer or an actor or actress. The fragrance companies will get heavily involved in trying to promote that to their clients.” Today, companies may go so far as to present finished prototypes to clients in order to win an account. Panzarasa says that this sort of service has become expected by clients. “All this means that the budget for marketing and new technologies has grown,” he continues. “I think the ideal thing in those situations is to find a marketing person that is very creative, but has a technical background so they can combine the ability to perhaps present a new technology, but at the same time give it form.” Around this sort of activity, whole product development and new technology departments have emerged, particularly in larger companies.

In addition to this work, Panzarasa sees clients asking flavor and fragrance houses to perform sensory tests on their own submissions. “The client has been putting a lot more of the burden on the supplier,” he says, pointing out recent regulatory issues such as REACH. “It has put a big obligation and responsibility on the supply house, which has grown the regulatory departments. The flavor and fragrance companies have really had to ante up a lot of money in their budgets to supply these services.”

The Evolution of Compensation

“As long as we continue to see this degree of movement in our industry,” says Panzarasa, “wages will most assuredly continue to rise. I have heard the comment that, as consolidation continues and there are fewer and fewer companies, there will be more and more competition for positions and it becomes a buyers’ market. What those people are forgetting is that consolidation has increased competition to gain new business, and the best way to do that is to have a better mousetrap—and that mousetrap is a superior employee. They *are* in demand.”

Wages, of course, are on the rise and will continue to be so. What *has* changed is the way in which total compensation has been structured. “Companies are asking the employees to become more involved in the success of the company,” says Panzarasa. “In general, the bonus factor is becoming more and more important as a part of the person’s total compensation.” While bonuses and commissions have long been a key factor in the compensation of sales staff, the concept has spread to other segments. “Many of the departments have an equal responsibility in the success of the company,” says Panzarasa.

“It’s not just the sales person. It’s the flavorist, the perfumer who comes up with a winning fragrance, the evaluation person that spots a trend, the marketing team that comes up with a new concept, the R&D group that comes up with new technologies—these all factor into the success of a company.” Panzarasa feels that, in this way, flavor and fragrance companies are fermenting a growing sense of ownership in its employees. Panzarasa points out another advantage to this system. “If you just gave someone all that money in a raise,” Panzarasa notes, “then the company has to continue to pay that salary. The company can now run more even-keeled, because if the company doesn’t have a good year, the bonuses are reduced or cut.” Over the long term, he says, such an approach may help companies prevent job cuts during hard times. “The bonus factor works.”

Generational Succession in the Industry


Affecting Panzarasa’s business is the well-documented and imminent retirement of the baby boomer generation, threatening to drain the ranks of key personnel in the flavor and fragrance industry. “There are not enough people to fill the positions that the baby boomers will be leaving,” he says. “That’s true everywhere—not just our industry.”

“I think there will be some people called out of retirement either to work as a consultant or contract employee to make up that shortfall,” Panzarasa continues. “I think we may also see more work from home situations; however, considering the nature of our industry, that could present some problems. There is a definite trend away from the status quo, at least within the realm of the employee population that is at all involved in getting a flavor or fragrance out the door.” Because the industry is so secretive, consultants tend to be used on defined projects, though that could change as the market for experienced, specialized staff becomes tight.

“Perfumers and flavorists don’t grow on trees,” Panzarasa says, pointing out a generational gap between those in their 30s and those in their 50s. “Our industry is so highly specialized that there is a huge obligation to provide for continual training.” He points out organizations such as ISIPCA or even companies’ internal schools as good steps towards shoring up future specialty gaps. “Still,” he says, “becoming a perfumer and flavorist is something that one learns through an apprentice program. Are there enough young people around who can pick up the mantle? We’ll see.”

As the industry is well aware, good candidates are not the sole impediment to generational succession: funding for training also remains a problem. Panzarasa notes, “With all the other responsibilities companies have to the client, etc., it’s hard to find the money to fund these kinds of programs.” Certainly it’s not an easy thing to explain to shareholders.

While the industry overall is “maturing,” there is hope for the future. “There is a very interesting group of young people in the industry who really seem to ‘get it,’” says Panzarasa. “That’s the thing I’m most enthused about. They seem to be better educated and worldlier. Some of them are really bright.”

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*In his comments, Panzarasa excludes such general job descriptions as accounting, finance and IT.