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Global FOOD BUSINESS

Cerealto Siro Foods, the international branch of Spanish company Grupo Siro, is focusing on developing close relationships with stakeholders and growing its business all over the globe.

Images courtesy of Cerealto Siro Foods

Cerealto has been going from strength to strength. The group manufactures baby food, pasta, biscuits, bread, cakes, pastries, cereals, and gluten-free products, and has expanded its global reach in recent years, with a presence in more than 40 countries. *The CEO Magazine* spoke to Cerealto Siro Foods CEO Luis Ángel Lopez about his history with the company, why innovation is so important, and where the company is heading in the future.

The CEO Magazine: How has the company grown and expanded in your time as CEO?

Luis: I was the CEO of the company for 10 years, and after that I decided to retire. And after I retired I dedicated my time to growing the company internationally. If I talk about the last stage of my last step in the company, we created the international division of the group, we decided to export our business model that we implemented in Spain with some of our customers. We decided to grow outside in different countries and to select a

few countries in the world to build new relationships with a few new customers. We started three years ago from scratch, and last year our turnover was about €70 million, and we now have two factories outside of Spain—one in Italy, and one in Portugal. We have about 200 people that joined our project, and we are working on different categories at the same time. We have baby food, pasta, breakfast cereals, biscuits, and pastries, and we launched about 100 new products in the market last year.

What was your professional background prior to your current role?

I started in a biscuit company—the leading biscuit company in Spain. After that, I came to Siro in 2000, and I was the managing director of the company for 10 years. I helped to build the business model and developed the company. We went from a turnover of €80 million to about €500 million in that time. That was my background in the Siro group. After that, I became the CEO of the international part of the company, and for the past three years I have been a member of the board for Grupo Siro, and a

member of the company's foundation, which will be the owner of the company in the future as it is the decision of the owners to leave the company to the foundation. I studied psychology originally, a long time ago.

What challenges have you faced during your time as CEO of Cerealto Siro Foods?

For me, in a personal sense, to have a new challenge. Because after 10 years working in the company, in the same market and with the same customers, I think I was a little bit tired. So, in my personal view, it was a challenge to grow internationally and to export to other countries what has been a success in Spain, understanding the complexities of each market. From the point of view of the company, to be outside of your original market is an opportunity to learn more from new customers and more demanding consumers, new suppliers and people from different countries that embark on our project. It's another challenge because this part of the knowledge is going to give us more experience, more strength, and a much more sustainable company >



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“I sum up our relationship with suppliers and customers in one sentence: to work as a team, only one team.”
 - Luis Ángel Lopez

for the future. I think the knowledge is the most important thing for the future.

What are the key values of the company?

I think our key values are being customer focused. Because really we are an industrial company; we don't have any own brands. We produce for all the brands in the market, but we need to focus on the customer first of all. Second, focus on innovation and efficiency. We need efficiencies for today and we need innovation for tomorrow. The third key value is sustainability—it's the backbone of our organisation. Because we want a company that will last 500 years in the future, we must strive to be a reliable partner for all our stakeholders to become a company that society wants to exist.

How do you work with your suppliers to achieve success?

I sum up our relationship with suppliers in one sentence: to work as a team, only one team. When you work with your suppliers or your customers as if you were one company, you get success. We work closely with suppliers as we do with our customers, on a long-term basis and focusing on efficiency and innovation, to obtain higher-quality products at the best price for customers and end consumers. It's a win-win outcome. We have the same targets; we think like one company.

What sets Cerealto apart from its competitors?

People. You can buy machinery, you can buy raw materials, you can copy the business model of others, but the only thing you cannot buy or copy is people. People are the only thing that make a difference in a company; the only thing that sets us apart from our competitors. People who are committed to the project—dreamers. This is the main thing.

Also, we have a very unique business model. We want to work

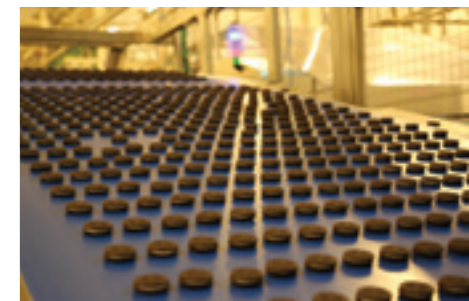


with a few customers while most companies want to work with thousands of customers in the world. We want to work with a few customers but in a deep way. We prefer to have 30-40 customers in the world and no more, but working with them closely every day. It's the opposite of the standard view of the business, to diversify the risk by getting more customers. We believe in the opposite, working with a few customers, looking to the future, like if we were married.

The third thing is innovation. We think about the future and we innovate, because if you think the same as the other companies you are not going to survive in the market. We need to do different things in different ways.

What have been the highlights of your time with the company?

I'm one of those who think it's better to have much better people than you in your own team, because it's a guarantee for the future. The highlight for me always was to build a good team and a unique culture in the company. You need to have great people, good culture, share the same values; and all your staff have to believe in that every day. The second highlight was to make a unique business model, something different in the market. To stay on the same path for two or three years, to make it to the end and have people who follow you. The third highlight was to understand in which moment you have to pass on the control of the company. Because, in my personal view, it is difficult to have the same person in a role for 10 years—you have to understand what moment is the most appropriate to pass the control to the best person in the



company. As a CEO, you have to understand which person in your team is much more prepared than you to pass the control. At all times you have to have someone behind you, one or two or three people behind you, prepared to take control of the project or the company if you cannot go on.

What does the future hold for Cerealto Siro Foods?

We have been working for the past three years to build close relationships with our key customers, show them we are a reliable partner, and that our business model is a guarantee of success.

Building new centres in different markets is another issue, because if we want to grow but stay closer to our customers we need to have factories and R&D centres and teams satisfying the needs of our customers in each market. We want to build a factory in the UK to manufacture gluten-free products; we want to open it at the end of this year. We also want to build a factory in the United States, Texas, next year. We have the land and we are now preparing the project. We have to find new partners and customers in other parts of the world. We are now looking at Australia. We want to reach €1 billion in turnover in eight years. That's our goal and we are taking steps in the right direction. ●

“Working with a leading company like Cerealto Siro Foods is an exciting global challenge as well as a continual strive for excellence in our flavour developments.” - Carlos Ventós, Chief Executive Officer, Lucta Group