



Kenneth P. Manning,  
Chairman, President and CEO  
Sensient Technologies Corporation

# SENSIENT TRANSFORMED

**SENSIENT TECHNOLOGIES** has been transformed in less than half a decade. CEO Kenneth Manning told Ruari McCallion how it was achieved

**Six years ago**, Sensient was a domestic food company with non-profitable businesses that were not core-related. Its main customer was a bakery organisation. Today, Sensient is a world-leading developer, manufacturer and marketer of sophisticated colour, flavour and fragrance systems. Its main customer now is a large desktop inkjet print corporation. Sensient has totally changed direction, from a regionally focused foods company to a global, technology-led organisation.

“The original concept of Sensient was to provide basic food ingredients and products to food suppliers. Our main lines were products like yeast, cheese and frozen potatoes,” said Kenneth Manning, who, as CEO since 1996, has been the driving force behind the company’s transformation. Sensient was established in the 19th century, in Milwaukee, Wisconsin – then very much the heart of America’s breadbasket. But times change and even the most sound business base can run out of steam.

“When I joined the company 15 years ago, we were selling yeast for 35 cents per pound. That was the same price as during the Great Depression. There had been no price

accumulation over a 50-year period,” Manning said. As CEO, he looked to grow the business out of commoditised food products and into high technology colour and flavouring systems.

The subsequent six years have been hectic. The commodity food side has gone; companies all over the world have been acquired, as Sensient levered itself up into a global supplier of technology-based products. It manufactures and supplies flavourings and colourings, including inks for inkjet printers, food and pharmaceutical flavourings and colours, and specialty chemicals for products such as next-generation visual display screens. It is the world’s largest manufacturer of colourings for cosmetics and supplies customers in food, pharmaceuticals and printing. It has a colourings plant in King’s Lynn, flavourings operation in Milton Keynes and a big flavour facility at Felinfach, Ceredigion, Wales. Other European plants are to be found across Europe, from a fragrances plant at Granada, Spain, and a cosmetics colourings plant near Paris, to natural colours production in Poland and the Ukraine. Factories in China and across the Far East down to the Antipodes serve the Asia-



Sensient develops coatings and colours for pharmaceuticals

Pacific region. Along the way, the non-US base has expanded to over half of its nearly \$1 billion sales.

“We changed the business by taking the parts of it that had potential, building on them and disposing of the less profitable elements,” Manning said. He is an engineer by education and inclination and emphasises that the acquisitions have never been undertaken simply for market share.

“As an engineer, I’m interested in the technology. Not ‘pie-in-the-sky’ fantasies, but rather what people are buying now and what the next generation of technology will be,” he said. “We’ve gained tremendous intellectual property and we’ve invested to ensure that this property is properly protected.” Sensient actively looks for new product development opportunities emerging from that intellectual property, at all levels. “We’re focused on our responsibility to the market. For example, we’re very interested in producing inkjet printer inks at lower cost.” One of the more interesting branches of its research is developing specialty



Sensient is a leader in research into specialty chemicals for OLEDs used in flat panel displays

chemicals for organic light-emitting diodes (OLEDs), which will be used on the next-generation TVs and active visual displays.

“Plasma screens are the third-generation: OLEDs will be the fourth. We’re working with sophisticated major corporations to develop the technology, which will give unbelievably clear resolution and clarity,” he said. “We are also interested in thermal transfer sublimation processes. These are the new technologies for colour displays, and we want to be right on the leading edge.”

Inkjet inks, food colourings, pharmaceutical supplies, fragrances and specialty chemicals for OLEDs look to the layman like a pretty disparate collection of businesses. “They have technical ties. Finished food and beverage colouring is the raw material for inkjet inks. The advanced purification technology developed for the food business supports our work in pharmaceuticals. We consider ourselves a fine chemicals business, serving diverse markets through complementary technologies,” he said.

The individual operations are geographically spread and work as separate business units, with a degree of management autonomy but total responsibility for profit and loss. Financials are reported to Milwaukee monthly, and Manning or his senior executives travel to different plants around the world, as deemed necessary. Sensient doesn’t employ any particular formal management toolset: Manning acknowledges the potential benefits in some circumstances, but sees them as distracting. Money has been invested in modernising equipment and ensuring that the people are trained. Then it’s up to the local managers to exploit the opportunities.

“We see two particular geographical areas with great pent-up demand: China and emerging Europe, all the way to Russia,” Manning said. “We will continue in food and beverage but we are looking to develop technical innovations. We’re looking to provide solutions to product development problems at lower cost. We like the technical areas and feel there are tremendous opportunities in pharmaceutical colours and in cosmetic colours especially in China. That market is growing at 15 per cent a year.” Which sounds a lot like the sweet smell of success for Sensient Technologies. ●

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