

FROM PASTA TO RICE NOODLES: BÜHLER GROUP IN CHINA



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Insight China's delegation in front of Bühler's offices in Wuxi, China. Photo: CK

© Bühler Group has achieved global market leadership in four major sectors with its high quality products: global wheat production, die cast parts for cars, equipment for chocolate production as well as equipment for rice production. But how could a family owned Swiss company become such a strong player in the global market? One might argue that for a family owned business it is easier to overcome and survive less profitable years than enterprises where the management board gets nervous quicker. However, Bühler Group has proven that investing in different markets, adapting to market needs and staying close to customer demands are only a few of the company's strengths.

In the early stages of the company's history, Bühler Group managed its subsidiaries from its headquarters in Uzwil, Switzerland. This centralised management style however became obsolete with the expansion of the company and nowadays each location adapts to its local markets.

BÜHLER'S RECIPE FOR CHINA

With the One Belt One Road initiative, the company takes advantage of governmental mandates, taking over projects in neighbouring countries such as Kazakhstan, building coalitions with Chinese companies and has opened an innovation lab in its subsidiary in Wuxi.

"The Chinese government invests heavily in industry and infrastructure. There are many projects that businesses can run in cooperation with universities", says Jürgen Simon, Head of Business Development at Bühler Group in Wuxi, on the opportunities for companies in China. Similar to the University of Applied Sciences in Switzerland, Chinese universities work closely with industry and the government itself does a great deal of market research. Since the government provides funding

for various projects in one field, the market is stimulated and highly competitive.

One great example how the firm expanded successfully to the local market lies in the firm's production for noodles. With the Bühler's technology for pasta production, the firm had been market leader in Europe. However, the firm needed to modify its designs and manufacture different production plants for the Chinese market.

One common issue companies face in China is the lack of government protection and proper regulations regarding intellectual property rights. Philipp Hug, Head of Grinding and Dispersion at the Business Unit Asia, acknowledges the problem but remains optimistic: "For our competition it is easy to copy the equipment. However, there are things that can be protected and things that are not. Our advantage lies in our processes and educated staff, and these are things that are rather hard to copy".

FUTURE OUTLOOK

The future looks promising since population growth is estimated to reach 9 billion by 2050. As a forerunner in food production, the company has already invested money in research and development for the



Lean management is a key priority in Bühler's production plant in Wuxi. Photo: CK

extraction of protein from Insects. However, not all new technologies can be introduced to the market. Bühler Group needed to learn this lesson the hard way, when introducing new technologies for rice production. Since people do not trust the food industry in China, people were not willing to buy differently produced rice as they were used to. Rice is not just rice for the people. The company's focus remains on sustainable value chains as drivers for innovation. ● CK