

behaviour during the recession. On this basis, *Danisco* determined which kinds of solutions were required in specific food industry sectors and focused its market-ing on product properties that help reduce costly ingredi-ents (like fats) or extend shelf life. For example, they advanced a functional stabilizer that enables efficient replacement of egg without any alteration to processing lines, while also being easier and cheaper to store than liquid egg yolk.

How did *Danisco* become a global market leader in this niche? *Danisco* was created in 1989 by a merger of three companies aiming to create a strong Danish company that could compete in the EU common mar-ket after its completion in 1992. It was hoped that the merger would keep traditional businesses in Danish hands and enhance their viability. The new company was a diversified conglomerate, operating mainly in Denmark and other parts of Northern and West-ern Europe. From the outset the company aimed to focus its profile and to strengthen its core businesses. In the first annual report (1989/90), the corporate strategy was 'to be a first-class supplier to the inter-national food industry on the global market and be a supplier of high quality foods and branded goods on selected European markets'. Over the next few years, the foods, food ingredients and packaging businesses were grown, while businesses in the machine-building segment were sold.

In the sugar sector, *Danisco* first consolidated its dominant position in Denmark and then grew by acqui-sitions around the Baltic Sea in Sweden, (East Ger-many, Poland and Lithuania. The sugar market was shaped by EU regulation that aimed to protect sugar beet farmers but that also constrained the intensity of competition and limited the scope for aggressive growth. Liberalization of this market had long been anticipated, and it finally came into effect in 2009.

In 1999, *Danisco* announced a new strategy that focused solely on food ingredients and acquired Finn-ish ingredients manufacturer *Cultor OY* to cement this strategic shift. At the same time, *Danisco* began to sell its businesses in branded foods and food packaging, including Danish icon brands like *Aalborg Snaps*. Two divisions thus remained: *Danisco Ingredients* devel-oped, manufactured and distributed emulsifiers, sta-bilizers, flavours and enzymes, while *Danisco Sugar* dominated Northern European markets. During this transformation, the internationalization of sales rapidly increased, with sales outside Denmark rising from 69% in 1995 to 88% in 2004 and over 95% after

'First you add knowledge'.

When the global financial crisis hit in 2008, *Danisco's* first priority was to advance ingredients that would help its customers save costs. A major market research project investigated how people changed their food-purchasing

investigated how people changed their food-purchasing nature of their business, *Danisco* adopted the slogan around the world. To emphasize the innovation-driven is successfully marketed by major brand manufacturers involved in the creation of *Magnum* ice cream, which jointly with customers. For example, *Danisco* has been but the development of applications for the ingredients the development and manufacture of these ingredients sauces and bread. Its business model included not only ties of processed foods, such as yoghurts, ice cream, *Danisco* specialized in ingredients that alter the proper-well as regional and local players in all major economies. giants such as *Unilever*, *Kraft*, *Danone* and *Nestlé*, as rural raw materials. Its customers included global food a specialized supplier of food ingredients based on nat-

After the transformation, *Danisco* was positioned as a famous consumer brand names. *Danisco*, however, had become a market leader in business-to-business markets – apart from its now-sold sugar division.

