

A recession may not seem like the best time to start a new company, but VIVA Coffee in Germany believes that a recession offers opportunities as well as challenges and plans to start production of a range of private label coffees early in 2010

The origins of VIVA Coffee date back to 2005, when a number of experienced, like-minded seasoned soluble coffee professionals came together to start what they believe will be a very different kind of soluble coffee manufacturer focussing exclusively on the private label sector in Germany, eastern Europe, Russia and beyond.

VIVA Coffee is part of a family business with more than 50 years of success in a number of ventures, including the production of baby milk powder, today a joint venture with the Danone Group. Founded in 1946, and having as many as 1,600 employees worldwide, the Afsharnejad family empire has a turnover of approximately US\$100 million and wide-ranging interests including the food industry, automotive industry, real estate and renewable energy. A sister company to VIVA Coffee in the Middle East manufactures spray-dried and agglomerated coffee and coffee mixes, and will do so for VIVA Coffee, whose new German plant will focus exclusively on the production of freeze-dried soluble coffee.

## Focus on quality

As Tentscho Brandenburger, VIVA Coffee's sales and marketing director explained, the company's objective is to focus on high quality products for the private label sector, such as single origins, sustainable coffee, and ready-to-drink coffee, and to focus on the development of new products, primarily for younger coffee drinkers.

# Soluble start-up has a focus on quality



Brandenburger: VIVA Coffee will focus on quality, product innovation and on cost

VIVA Coffee's new facility in Upahl in Germany was approaching completion this summer



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VIVA Coffee's new production facility at Upahl is approaching completion in the Mecklenburg-Vorpommern area of what was East Germany, around 100km northeast of Hamburg. Construction got under way in March 2008 and should be complete by the end of September 2009, enabling VIVA Coffee to begin testing the new plant in the fourth quarter of this year in time for commercial production at the 50,000 square metre facility to begin early next year.

Apart from its emphasis on the quality end of the market, and on product innovation – including using various types of packaging, different jar shapes and lid colours and different types of labelling – one of the ways that VIVA Coffee distinguishes itself from other manufacturers of soluble is that the entire production process – and every other aspect of the company's business – will take place 'under one roof' at the new facility in Upahl. GEA Niro is acting as turnkey contractor for the supply of the coffee processing equipment, and VIVA Coffee will also roast its coffee itself at the facility, using a Brambati batch roaster acquired especially for the process.

## Traditional roasting and product innovation

VIVA Coffee sees an opportunity to establish itself partly as a result of what it sees as a decline in quality of much of the soluble that is being produced nowadays. "VIVA doesn't compromise on quality," Mr Brandenburger told C&CI. "We plan to combine a traditional roasting process with

an emphasis on industrial manufacturing, quality and product innovation."

This is a philosophy that has already been well-received in the market, and VIVA Coffee already has a number of deals in place, with others being negotiated.

Mr Brandenburger and his colleagues at VIVA Coffee – all of whom also have long experience in the soluble sector – believe that the market for private label coffee will continue to grow, and has been holding up well in Western and Eastern Europe, and in other key markets despite the worldwide recession. Margarete Schulz, who is responsible for production and engineering has been in the business since 1986; and Melanie Wenning, who is responsible for administration and finance has been in the industry since 1999. Mr Brandenburger has been in the soluble business since 1998.

## Green credentials

Mr Brandenburger was also keen to emphasise the new company's environmental credentials. Along with a number



**VIVA Coffee plans to come to market with an innovative approach to packaging, labelling and point of sale material**

of other companies in the region, VIVA Coffee will supply the by-product from the production process for the production of environmentally-friendly biogas, and doing so will help keep its energy costs down. "Doing so will help us to cover approximately 25 per cent of our energy demands," said Mr Brandenburger.

Doing everything under one roof has a number of advantages, but so too will

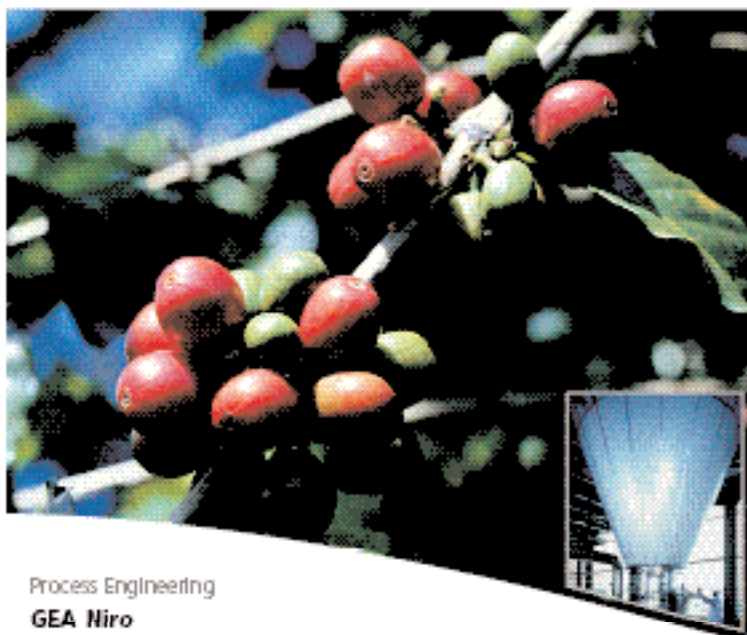
the logistics processes that VIVA Coffee plans to adopt, keeping its requirement for warehousing to a minimum using concepts such as just in time delivery, making use of a high level of automation (and thus reducing personnel costs), and process control that will be totally managed by Systems, Applications & Products (SAP) software, creating a transparent cost structure.

"Our start point is the lack of innovation that there has been in the soluble market in recent years," Mr Brandenburger told C&CI. "We want to add excitement to the market, and working closely with our clients we want to bring new products and packaging to the market."

With a capacity of around 4,000 tonnes per annum of freeze-dried coffee, VIVA Coffee hopes to quickly become an established name in the private label market, not just in Europe, but outside Europe too, and is also targeting the horeca market and the vending market with a focus on brand development and marketing which it believes is unique. ■ C&CI

# GEA

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Process Engineering

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## Great Coffee Comes from Great Plants

For experience and know-how in designing a successful convenient soluble coffee production, look to GEA Niro. Our Fluidized Spray Drying technology has superior aroma retention while reducing operational costs as well as energy consumption. Our proven record of high performance and stability guarantees that working with GEA Niro means working with quality.