



"Translating Markets" George Thomopoulos

Good Morning Ladies and Gentlemen

It is a great pleasure to be here today and I would like to express my appreciation to Andy Pollard and the British Society of Baking for my participation.

When I came to this

country in 1994 as a somewhat naive baker, having travelled around the world, I just realised how much of our heritage lay here in the UK and I am pleased to say I am still here and will continue to be here for the rest of my career and the rest of my life. It's

a great pleasure for me to be here today and I

want to express my appreciation to Andy and the British Society of Baking for my participation. My objective in the next 15-20 minutes is to avoid statistics about markets etc but the one thing that I think is very important in the market in which we operate is that the Bakery Indulgent market that is so important to us is growing and that Rich Products certainly will be part of that growth in whatever way possible, pushing our trade even more and more into the lives of the consumer. What I would also like to do is touch on our craft as a topic towards the end of the presentation on a few slides. The craft which I'm extremely passionate about and I'd just like to express some of my views and the views that I have heard over the last 24 hours on what we should be trying to do to ensure that it doesn't die a slow death over the years to come.

Rich Products is a family business founded in 1945 by our late Chairman, Robert F. Rich Snr, and celebrated our 60th Birthday last year. In July last year, as you heard from Sylvia, we were proud to acquire David Powcll Bakeries and add it to the global Portfolio as part of our continued global family growth. The business itself is still a family business. a global family business. David Powcll of course does not require any form of introduction to this esteemed audience. you all know David, either in presence or as a great creative and innovative baker. He has some tremendous skills and he was always, if not heating us on the top of our heads at College, he was the man who was excelling in new products, or in all the competitions, and I am very proud to be able to take the latter years of my life and, where we competed for many years in the market place together, am able now to share the next few years with him in developing the bakery business.

We have a great deal of expectations nutying forward on our exciting and somewhat challenging journey both in the UK, Europe and Russia. As the fancy of Rich Products starts to invest quite heavily in this market in these areas, its a focused, passionate and committed industry we pride ourselves in looking to draw on our global skills which we can then of course utilise these skills to bring new ideas to our customers and their consumers in the market place.

A little bit of history. We lead the foodservice and Instorc bakery industry in the USA. The business is around \$7 Billion in size of which \$1 Billion is in America and the rest is `global in all different parts and continents of the world. What I found fascinating was that the Instorc Bakery and the packages and solutions required by Instorc Bakeries so considerably around all the different continents that you travel, here it America.

Brazil, Argentina, France, you go to China, you go to Central America, Asia, Japan, and things are so different and what we are hoping to do, if possible, as David sits as we speak in Shanghai in China, is translate those and try and bring them back and apply them where we can to our industry in the UK, to offer our consumers something more exciting each day.

At Rich we did boast an array of Firsts! and as we see the Bluepan which was the first ever frozen non dairy, Rich was first in frozen dinner rolls, rolls and bake rolls, they were first in what we called a ready to use ice topping in a bag directly out of a freezer with a specific freeze flow technology and first in the frozen pizza base business. So a lot of it was foodservice, sort of steering off into bakery but whether its foodservice or bakery, there is no difference. The bakery business be it in the kitchen of a hotel or be it out in the coffee shop or High Street baker, it's the same bakery business and the products that we make are somewhat slightly different and the consumers perception of what he's buying and why he's indulging is also somewhat a little bit different.

We do take pride to ensure that we meet our customers both service needs and product needs and ensure that we are delivering the expectation that they expect from us, BUT! never at the expense or Safety of any of our people, or the safety also of course of consumers out there and I think safety should be a number one priority for all of us in the industry. For our products to be safe and indulged upon.

We just see an array of products that the business involves itself in and we can see that from breaded shrimp down at the bottom left hand corner, Rich is the biggest breaded shrimp producer in the world today. but again it was driven into that area because of foodservice in the United States. What it has to do with baking? Well I suppose you can crumb the bread and make crumbs for the shrimp, that's about as far as it (goes for breaded shrimp).

The countries in red - we have a global and multinational, but also a multi-local presence. In every country it", run by local management with local people on the ground. There are huge cultural differences both in the bakery and culinary areas and it's this perspective that we want to try and bring over to the UK and Europe and try and blend them in offering different varieties of product and innovation. It's the cross functionality of these different cultures and translating those markets in trying to help us bring new ideas to our consumers.

We were chatting over breakfast this morning and who thought 20 years ago things like Focaccia. Ciabatta and Panini would be as big as they are. I remember the first time they came onto our shelves, people couldn't pronounce them. I was working in the Instorc Bakery and the lady was looking at the loaf but couldn't pronounce it and stood there for about 6 Minutes trying to find a way of saying she wanted that loaf on the lefthand side of the shelf. Today its common practice to go into a home and find all these breads in the consumers home.

So Translating Markets is not just about what we call the ABC, the American Bakery Concept, but those of Latin America and as I've said of all the other countries that we have globally and bringing those to the industry and to the consumer.

About the UK, a very different business. A very different business because our business is predominantly about ambient fresh and frozen, which is one of our strengths. Our valued customers and consumers, we try to focus on five building blocks in our business and I think this is the building blocks that every industry hopefully is using as well to move their business forward.

We are about premium indulgence. One of the biggest lessons I've learnt in my life travelling over all the continents is to understand what we're great at. And I say we, each industry is great at something, you can't be great at everything and I think its really focusing, being disciplined and sometimes have to bite the bullet and say well I'm not going to venture into that patch, because (a) I don't know much about it, and (b) I'll probably lose my shirt on it, and therefore let me focus on what I can deliver and deliver really well and with value.

The first of the building blocks of course comes back to our craft and it's about human resources and when you integrate two different businesses you find you need the right structures and the right people for the right jobs. David Powell Bakeries is very much about the craft baker. Its having those people to creatively ensure that the handmade products we make every day have the same quality and deliver the same value perception to the consumer and to our customers. Also nurturing and rewarding those bakers and teaching them that there is more to life, if they have the skill, to just on the bench but in management,

in sales, in planning and all these other aspects of our business that we sometimes tend to lack when we come out of bakery college.

Operational Excellence - very important again in the business. You've got to be efficient, you've got to look at waste, process activity etc etc But the balance that always challenges us is one of flexibility versus complexity. To be flex in the business you've got to bring complexity into it. So how flexible can you be before you just about shut your doors because it's just so complex that it costs you an arm and a leg. So again knowing what you're great at is really saying I can still sustain flexibility or bespoke product lines but its going to cost me, I'm having too many change overs, or I've got too much odd machinery in my business to be able to handle that.

Customer Intimacy - Critical. We are nothing without our customer base and our consumers so you've got to fully engage them and that's what the business does. We fully engage ourselves with our customers and their consumers.

Product Leadership - Which David himself leads is about creativity and innovation but yet again it's about involving completely and engaging the customer and the consumer out there. Understanding what's the next best thing since, lets say, be it the muffin or the old morning goods, as we've known them through our years.

And of course last but not least, its about money, its about finance and IT, its about governance. You don't make a profit you don't have a business and I think we all have to profit. Customers have to profit, we have to profit and again if you know what you're great at and you deliver a great product and service, there's no reason you should be getting the type of pricing that you want to be able to sustain your business and grow your business healthily and keep all your people employed.

12 years ago I met a certain esteemed member of the Society and he preached one simple phrase to me when I arrived in this country, and it was up in Manchester, he said "George, the product is champion" and Albert no truer word said to me really, the product is champion and as long as we sustain that in our head and give the best product and do it the best way we can our business will flourish.

We're passionate about creating what we say is really delicious food. Food today encompasses bakeries, about snacking in the High Street, the coffee culture today and how to expand it. How many coffee shops are out there? But its changed the life of bakery for us, it's giving us new

opportunities, its creating new parameters for us to work in. It's created more competition as well of course and we still see our competitors and colleagues from the European market coming in and taking away sometimes the food from our mouth. But hey, competition is healthy; we should be in it to compete. But I think the greatest thing is to be able to say that we are there to help, all of us are there to help our customers and their consumers and to make sure that their consumers have a scrumptious life when they go in there. We want it to be appetizing and we want the repeat purchase no matter which part of the industry we deal in.

ON this topic we will be engaging our customers going forward in what we call an innovational cube crawling workshop. I think what is important now is for us to really engage the market place, all spheres of it, be it Instore bakeries, be it the coffee culture, be it hotels, wherever the consumer is eating our product and try and really understand why the consumer is buying what he or she is buying at the time of purchase that they are buying at. It is really amazing when you really get to understand why a person put their hand on the shelf and actually took off a product from the bakery shelf in an Instore bakery or the racks or when they go into a coffee shop and they look at a myriad of indulgent products and say 'well, I'll have one of those'. What is it that makes them actually make that decision?

"Translating Markets"...

The key elements to our success, I like to believe, is our "One Rich Philosophy"... It's a concept which allows all our diverse and highly skilled and talented associates around the world to be able to reach out across the Global divide to totally align those skills. Be it bring Vietnamese decorators into Russia, bring in the Russians over here and helping us, believe it or not, with some ways of processing or new products, or

be it the Central Americans going into America or the South Africans going into Brazil, to be able to bring yet again new skills, ideas, and look at the way that things can be done differently, be it back of house and Instore bakeries or be it the High Street baker himself, or just again the coffee shop chains that are servicing all these customers needs.

We believe through full engagement that we impress our customers and hopefully they will eventually impress their consumers and their customers and I think that is the key thing. And just some of the aspects of being focused, we see impressing customers, working smarter, doing the right thing, I don't like this one, thinking outside the box but its about creativity and its sharing this with our customer base that they are able to be able to gain knowledge from that and expand their markets and make themselves more profitable as well.

At the end of the day its caring, the phrase that we've had for 60 years "Caring for Customers like only a Family can" and it's a mix of a big company capability with a small company personal service to our customers, and our brand stands behind our customers every day just like a family and I think all our industry should be one. There are a lot of families in our business that are still very very active in the industry - Greenhalghs to take the Smart family; you have Warburtons, etc etc. They are all there and they are all trying their best to ensure that our industry is up at a very high level and high standard.

Bakery technology - well again very interesting and the science of baking has certainly advanced and I think with handsome rewards to us all. My belief has always been and always will be that competition is very healthy for us. We've got to compete, the more competition we have the sharper our

individual swords will be and it keeps us in constant product and service improvement. It challenges us continuously to be better than what we are. It would be very boring if there were no competition out there. I think the one aspect I've learned in all my travels is what kills a business is conflict. We cannot have conflict amongst our industry; conflict will definitely destroy the business that we are in eventually. Its to compete, its to have dialogue today, there are a lot of people in this room that compete with each other, we are friends, we are competitors, but at the end of the day we need to share all the experiences that we have to make our business, but also our craft, a better craft going forward and encourage youth to come into it.

Pushing the boundaries - when we start looking at the different ways in which the technology curve goes and we see the market drivers. You hear things like availability, convenience, lunchbox for single parent households, its amazing how many single parent households there are today, they have to have lunches for their kids and a lot of our products, believe me, go into those lunchboxes. Hence you've seen the explosion over the last 10 years of things like mini muffins, or mini cupcakes, or mini cookies, they all go into the lunchbox for these kids to ensure they have some form of sustenance.

Range and offering. Value for money - the price point perception has changed. What someone paid for a muffin 10 years ago is very different to what they pay for a muffin depending on which environment they are in in the market over their working day, very very different. And it's understanding why they will pay a different price at that point of purchase.

Quality, snacking, I know Nigel Hunter will talk about sandwiches later on, but look at the sandwich market 12 years ago. What was it, it was a good old triangular sandwich, you were lucky if you got a sandwich unless you went into a store and ordered it. I think today if I'm not mistaken its worth is over £3 Billion and the people who brought it really to the fore were Boots with their sandwich offering. But look at that market today. But what's more important for us is to look at the carrier, its not just white bread. The carrier is so important for us, the bread that holds that sandwich and filling together is vitally important to the `eat` of that sandwich to give that experience and to have that repeat purchase and that offering. So a huge market that's growing. I think, if I'm not mistaken, its about half a billion £s of bread just sold to the sandwich industry, huge amounts.

If we look at the meal occasions. Historically we went from three meals a day - its now seven meals a day. People have early morning, call it breakfast, some have mid morning, they call that breakfast. And what could mid morning be? It could be a Starbucks Latte or Cafe Nero Latte or Pret Latte and a muffin, or croissant. This is how life has changed, its not bacon and eggs with the kids in the morning. Its get on the train, get to Waterloo, grab a coffee, go to your office and enjoy that.

You then have midday, which is lunch, and how lunch has changed for many with all these different outlets having opened on the High Street where you can go and purchase your sandwich, or our soup like each cafe etc.

Its mid afternoon, spoil yourself. You've had a good day, you go out there get another Latte, get another muffin etc.

Mid evening, and you have then late evening. So for us a lot of challenges and a lot of opportunities out there.

But in the UK for me what has happened is that the basic skills of our craft as we have evolved to things like gas flushed bread and frozen par baked bread, we are all culprits, we have got to meet the demands of our customers. The craft to me continues to fade and at this part of my talk I would just like to say that quality in many instances, when we look at it related to our European friends, the Artisan craft here has suffered tremendously. We now see the likes of Paul Bolouongerie coming into this country. I don't know if any of you have seen it but it's a very sophisticated high level premium French bakery Bouloungerie and Patisserie combined and believe me its premium; you are not paying minimal pricing for this. They have 15 shops and they are expanding, why, because there are consumers out there who will pay for it, and why aren't we doing it ourselves in this country, or trying to encourage the trade to be able to hold up to the levels of those types of outlets. Quality does pay ladies and gentlemen. I'm sure it costs, but it pays in the end to be able to deliver that.

France, as in Germany, value their bakers. They say that the local bakery is the most regularly visited site in a village or city out of all the stores. And when talking about bakery we cover of course the full spectrum, its breads, its confectionery, its pastries, desserts etc.

The bakery craft should always be the base of our development, our history goes back 6000 years. Bread has been indispensable as a basis of human culture and civilisation. Bread is a symbol of life itself, we know that and its all types of bread, its not the loaf of bread. Bread throughout the cultures of Asia, you see how many different types of bread there are. Bread exists in politics, social aspects and demand and religion. Unfortunately when you look at the markets and the industry the creative school has very little presence and again, talking at breakfast this morning, we've got to find another way around this as an industry and work together to try and find a way of bolstering and solidifying a base on which we can now build a future for the craft.

There are many of us bakers, even here today, who over the last 20 or 30 years have been fortunate enough to take their bakery diploma and use it and be given the opportunity with further development and training to have a very very, I think, rewarding and certainly an exciting life in this passionate industry that we have. Not to mention that the craft, and good business acumen, does go hand in hand, and of course we have got to try and teach people not to just mould dough or know about fermentation but learn all about the other skills as well. So we must consider the balance between craft and the sciences. We heard last night about our colleague going to China and India and teaching people how to use emulsifiers and stabilisers and yes, these things are essential in our business, you can't run a big industry without them but it doesn't mean that we can't have a good craft backing behind that. These are aspects of our business which will continue to grow because you need automation, mass volumes etc, shelf life of products, extensions etc. The trade is a demanding and hard one to say the least, for those of you who worked on the bench and have woken up at 3 o'clock in the morning day in, day out, and having to go there thinking you'll get home at 1 o'clock and you leave at 6 o'clock at night, get home and you don't even have time for your family. It is a hard trade but if you are passionate about it its part of the game, its total stakes and we've got to live with that. We've got to make it exciting for the people out there, the youngsters. Its one of full employment and I think it offers candidates the opportunity to grow in both the trade itself, as we have seen in many of the big industries there are good bakers heading up technical departments, product development departments, marketing

departments, general management of businesses around the world. As well as making them understand that the business offers an opportunity for them to run their own business, because if they are dedicated, focused and love the craft, why can't they open up a lovely High Street store that offers a premium product to those consumers.

The bakery craft itself, for me really, is essentially the success of our business. I think we've got to work together to find a way to foster and support the craft skills and we do that very successfully, I think, in the

US and I'm hoping that I can be able to support the industry here. In the US we are on the board of the Culinary Institute of America. We run 10 different colleges and training around the US, this is the type of training programmes etc that we should be doing in the UK. The UK is very small compared to the continent of the USA and if we can pull together there is no reason why we can't be creating these types of education for the bakers going forward.

We can work together with various Universities. In the states we work with Cornell and we do work, I know that some of the industry work with some of the Universities here, we encourage that as well.

There is a student organisation called SIFE which we sponsor and I know Asda Walmart, Nestle and a lot of others sponsor students in Free Enterprise. Why can't those students be bakers? They don't have to be University students. Why can't we look at students in free enterprise and teach them and help them, guide them. Give them secondments, slip in bursaries that they go and work for a month overseas in different cultures and different areas of our business and I think we have to build a strong and trusting partnership with a willingness from everyone to be able to take our craft to the next level.

We would like to encourage the start of an open dialogue and the future really lies in the hands of the youth of our trade.

I would like to finish really with a letter. I had a little bit of a round table with a number of young people in the business. A lot of them have probably been there 2/3 years, some of them 5/6 years, but this young gentleman wrote to me after the discussions we had about what we could do with our craft.

Dear George

Here are my thoughts regarding the issues we spoke about last week. I feel strongly that the major players within the industry must come together and form a coalition to raise the awareness of the great, exciting and interesting jobs which exist in our industry if we are to attract a better caliber of person to the bakery business. The perception of bakery being all about 4 am starts, long hours and poor wages needs to be changed in order that the bakery becomes an attractive career choice to young people starting out in their working life. Bakery needs to be championed; we need a champion in that.

There are great people throughout our industry, who could celebrate and be celebrated and who could help us, as an example to success stories, and show people just what a bakery diploma for example, or the craft a bakery can do. I am sure that the advent of celebrity chefs has had a huge impact on college enrolments, you see it all the time on TV and that, even though the reality in split shifts and even longer and more unsociable hours than the vast majority of bakers. Education must play a huge part, it is noticeable in the few years since I've left college that apprenticeships and qualifications have been devalued by colleges desperate to attract candidates to poorly subscribed courses. Business could invest in these institutes if only in offering time to source skills to ensure the graduates and college leaders are better equipped for the demands of the modern industry. Relevant training is important too whilst skills and product knowledge must remain paramount...

As we said the modern baker must also be a skilful business person to stay ahead of the game. Here's one individual who has realised that, what are we doing to help him develop his skills to become a better businessman in totality in the field that he's in, and it goes on and on and on. For the perception of the business to change we must cast off the said boring image which is a world apart from the cut and thrust of the industry, as we both well know. Too many times we hear the clamour of the general public to support their local stores when the vast majority of these stores are not allowing us to do this. How many High Street stores do we have? I think I remember having a chat with Neil once about 10-12 years ago, telling me there were 40,000 High Street bakers in this country, I think we are lucky if we have 2/3,000 left. Greggs have tried desperately to keep the High Street baker alive but there again it's dying.

The Fudi movement in Britain is growing, come to the fudi movements about coffee shops and a lot of other outlets and bakery must capitalise and be part of it and a lot of us are doing that in our industry.

In his last paragraph he says, "there is so much to be excited about in our industry. The growth of premium quality foods, the interest in the origins of foods and the increase of eating on the move outside the home, eating on the hoof as we say, everybody is snacking and 80% of the time they've got some form

of bakery product in their hand. We take on the challenges of attracting young dynamic people to the business, the danger is that the industry does not recharge and use its full potential".

So in my closing remarks, I don't know, and I don't have an answer now, but I welcome the opportunity to have dialogue with all our industry to be able to have a look at whether we can find, sponsor, invest in looking at a champion that will take this tremendous business that we have, this great craft and profession that we have and raise it yet to another level and establish a foundation for the future of our youth in the market place.

Thank you.

The collage consists of six promotional slides for Rich's:

- Slide 1:** "Our Founder... Robert E. Rich". It features a can of Rich's Whip Topping and a portrait of Robert E. Rich. Text: "Rich Products Corporation was officially founded by Robert E. Rich in 1945 with Rich's Whip Topping. 'The miracle cream from the soya bean!'"
- Slide 2:** "Today...". It lists key facts: "Leading supplier to food service and in-store bakery operations", "Largest family-owned frozen food manufacturer in the U.S.", "39 manufacturing facilities worldwide supplying to more than 70 countries", "\$2 billion in annual sales", and "Global workforce: 6,000 Associates". It includes images of a factory and a product.
- Slide 3:** "WE'RE ALL ABOUT... ...providing food solutions to grow our customers' businesses...". It shows a person serving a dish and a dog.
- Slide 4:** "... an unmatched blend of skills, experience, talent and expertise". It features a circular diagram with "RICH'S SUCCESS" in the center, surrounded by "Product Innovation", "Customer Service", "Operational Excellence", and "Sales & Marketing".
- Slide 5:** "'Caring for Customers Like Only a Family Can'". It shows a person in a uniform interacting with a customer.
- Slide 6:** "Bread Technology Evolved". It shows a process flow diagram: "Grain storage" -> "Flour storage" -> "Mix" -> "Frozen dough" -> "Pre-proofed" -> "Par-baked" -> "Thaw and sell".

Question: Sylvia Macdonald, Croydon - You touched on China, what are the opportunities out there for premium market versus mass market? Can you elaborate a little?

Answer: If you take China, or you even take Russia, these two markets coming out of communism, China you've just got to take the major cities, GuanzO, Shanghai, Beijing and just look at the money, people are being pushed to be entrepreneurs to start their own businesses and there's a lot of money available now. All the brands are there you see, all the big brands and clothing, and cars, perfumes and eating-houses, from the Pizza Huts to McDonald's to TGI Fridays of the world, the big hotels the Marriotts etc. There is a huge amount available there for us to capitalise on. Now China has 1.6 billion people so you've only probably got about 20/30 million people that are your market, but hey, do you need more? I mean there is such a big market in itself just in those three cities and I haven't even mentioned Hong Kong. The outskirts of China are still very rural. I mean you go out there and they've got wood fired ovens, some people don't even have electricity, yet they are baking, they are making and creating cakes, for example we have a big presence in the decorated cake non dairy market and what you find is that these people in one way or another are finding ways of making these products and the people, even in those rural area don't have that much money, being able to spend the money because its tradition, its celebration, its enjoyment. And Russia is the same, outside St Petersburg and Moscow, again you walk there and you could be in New York, you could be in Milano, you could be in London, you could be in any one o1 those cities when you walk down those streets today. But then you drive 20 miles out and the reality bites. They've got a long way to go, they've probably got 20/30 years to go, if everything goes well of course in offering the opportunity for all the population to be able to grow going forward.

Question: Sylvia Macdonald - Can I just ask you, in Russia you have to go into partnership with a Russian; is it the same in China?

Answer: No. It has changed. When we initially started we had to but we've managed to buy 100% of the business, buy our partner out. In Russia today you don't necessarily, as of today, you don't necessarily have to have a partner. I think what you have got to be very aware of is the mechanics and governance of doing business in Russia. They can make your life hell, it can cost you millions in just trying to get simple things like water to your factory, electricity to your factory, even though its right there, unless you know the right people and know the right way about it and fill in the right papers etc etc. It could be a nightmare, and I'm sure many others like Bakels and Puratos have experienced that. So it's being really wise and making sure you've got the right advice in these markets. Everybody's there to make a quick buck.

Question: Albert Wood, Corfe Castle - Rich's as a company has diversified a lot, it would appear that the merger with David Powell Bakeries has been very successful. I have been out of the industry now for 6 years and the product I knew of Rich's was your whipping cream. That did not appear at that stage to be a 'Hero' product compared to fresh cream; can you speak about that please?

Answer: Certainly. As we saw the whole company's technology was based on the development of this non-dairy cream which was made from soya. The market in the UK has a very traditional dairy base and taste, the UK consumer sees and perceives, rightfully so, that dairy is a premium. The big issue of non-dairy when you say non-dairy it sounds artificial. Straight away when you put the word non-dairy in front of it people think chemicals or you start to put all sorts of things in it because it is non-dairy. What we did here, we established a fairly good volume of our product into the market but it's nowhere near that of America and this is why we had this real change in strategic direction within the business in the UK. Again different in Russia because there it's just consumed in huge volumes but very differently because the cream cakes there have always been made with both dairy and, may I say the word, non-dairy. One issue with the products that we manufacture in that area, a lot of them used to stabilise fresh dairy. We know that fresh dairy cream when you pipe it on a cake or you put it on a dessert that has to have 3 or 4 days shelf life and we take any supermarket shelf where you have chilled desserts, it eventually seeps, dries and starts to crack and it starts to discolour and of course that to the consumer, although there is probably nothing wrong with the product, they look at it and think, well I'm not buying that. The products that we have brought into the market help to increase and hold the cream together and to prevent it from seeping and breaking down. But we are still very active in the market but you are right Albert, we have diversified quite dramatically into the indulgent area that we are strong in because this is what we are good at in the UK, but we still have a presence in the cream side.

Question: Donal O'Sullivan, Cork - You spoke of innovation, to what extent do you see innovation in Rich's being about, transferring taste and technology from one part of the world to another?

Answer: I think that's going to be the lifeblood of our business. As I just said David is in China as we speak, in Shanghai, he has probably spent a good part of 8 hours working on the bench with local bakers in local bakeries looking at new ways of doing things, making products, creating and using the basic raw material that we have in a different way. They all have flour, sugar, oil and yeast that they use in different ways and I think that this is where being creative is saying well why are they doing that and what is the end product that they are delivering. Could that end product be something we could bring over with of course adaption, because sometimes the flavours or ingredients they use from a

palate point of view is not quite acceptable to the UK. But I think creativity and innovation is the lifeblood of our business if that answers the question from a global perspective. So he will travel around the world learning from our colleagues and also he is bringing a great deal of his knowledge that they are absolutely starving for in China. China has no understanding; I mean real good understanding, of bakery from a British perspective. To give a simple example, in my Unilever years I went to Brazil and with Unilever we sold puff pastry fat and people were saying to me what are you going to make, what are you going to demonstrate, you've got to bring in something new. I racked my brain to think what I was going to do with these people that was different so I made sausage rolls. It became one of the biggest innovative new items in the whole Brazilian market, all of a sudden, within 4 years; the sausage had become this great sausage roll. They had an abundance of beef, so you minced up the beef, threw in some onions and spices, piped it up in a tube and make sausage rolls. But they had never had anything like this, so taking just a simple product like that to Brazil and David taking simple products like pound cakes for example, fruit cakes, cinnamon swirls, these types of things, Chelsea buns, Belgium buns, it is totally new to the markets there so for them it's us translating what we have in the UK and helping with innovation in their countries.

Question: Ann Bruce, Crawley - You alluded to the fact that the Rich family plans to invest in Europe and the UK, where do you see the Rich business in the UK in say, 5 years time?

Answer: The Rich business, my vision and aspirations is of course to at least double the business that we have. I think that as long as you remain true to what we are good at, as long as you remain true to being in the premium indulgent bakery sector of the market, we can do that and we can grow it. Of course you can grow a business in two ways, you can either have the organic growth and getting more customers as the market evolves, or as we did, through acquisition and I'm hoping to grow the business over the next 5 years more from an organic perspective, diversifying into slightly more premium areas, and premium areas can be not just the coffee shop where we operate, or the restaurants of some High Street department stores but also looking at the offering of what we call the white tablecloth, so if I talk about a white tablecloth I talk about a restaurant. You can have breads to start with your meal, we will not dabble in the main plate, we are not there to serve products that you make food with, when I say food - main meals and main courses, but very much when you look at indulgence on the other side and you look at desserts and look at what people pay for really good quality dessert items, its just amazing. The availability of being able to develop those markets in the UK.

Question: Sylvia Macdonald, Crawley - George before I ask you to step down, who are your bakery heroes?

Answer: If I go back in my history there was a chap called Mr Kidman who was the South Bank Poly Head and he really pulled me straight in line and he challenged me and said, "I ask you one question to decide whether I put you on to my roll and allow you to come in as a student, he said are you passionate about baking? I must have convinced him because he kept me on, but he really gave me an enormous amount of guidance into what the industry was about and created even further love and affection that I have for the profession. He was a very hard taskmaster because perfection to him was very important but he also had the balance in allowing you to be creative and make mistakes because he realised that making mistakes was something that life's all about, nobody can say they experienced that without making mistakes.

The second hero I have was a chap called Stuart Lambert and for those of you who go back in history here with Craigmillar in its day, Stuart Lambert headed up the bakery division of Unilever. I was always in awe. I lived in Brazil at that stage, and to just come over and spend a month with him, going into the industry and working on the bench with him was great. A great teacher, and I think a great mentor to me on that.

The last, and I say this because it gave me another perspective about Instores. I was very fortunate to have met Albert Wood, because it was a stage where Unilever was in a hell of a dilemma about what they were going to be doing and where they were going. This whole Instore thing had started to develop and get its momentum, and there was a huge beast moving and to help get my head around it we joined with British Arkady and Neil was part of that as well. I was confronted with this Mr Albert Wood one day in a tasting session and I walked out of there dumbstruck and I wondered what I was doing in this industry. It was a great lesson because he gave some very challenging questions to the industry and that taught me a lot and helped me move further on in my career.