

CHAPTER I. INTRODUCTION

1.1 Company History

Firmenich SA was established in 1895, by scientist Mr. Philippe Chuit, and entrepreneur Mr. Martin Naef, in Geneva, Switzerland. They rented space from Mr. Charles Firmenich and they began developing revolutionary scent chemicals and drew their first client, François Coty. Five years later, Mr. Philippe Chuit got married with the daughter of Mr. Charles Firmenich and the Firmenich family became the main owners after Mr. Chuit and Mr. Naef retired; and in 1934 the company's name changed to Firmenich & Co. Since then, Firmenich has maintained its independence, focusing on its strong business spirit. It is more than simply a flavor and perfume company's name, it is also the name of a Family that has dedicated itself directly to its employees, clients, communities, and innovation for 128 years (Shyndriayeva, 2015).

Initially, in 1920, Firmenich produced perfume. In the same year, the director of research and development at Firmenich, Lavoslav Ružička discovered a chemical perfume compound (maskenon) and was awarded a Nobel Prize in Chemistry for his work. Firmenich, which began as a fragrance company, entered the flavor industry in 1938 by developing a raspberry substitute. This was followed by the development of citrus and strawberry flavors. In 1984, this company formed a citrus factory in Florida and Firharbor factory in North America. In 1990, this company began developing R&D, logistics and biotechnology to generate flavors, perfume, chemicals and specialties. Originally only involved in chemicals and specialty, this company is today a leader in the fields of perfumery and beauty, taste, texture and health, and nutrition (Firmenich, 2013).

PT. Firmenich Indonesia was created on 1 July 1994, known as "Firjava", Asia Pacific Zone. This company is a partnership company with the status of a foreign investment. PT. Firmenich Indonesia in Cileungsi, Bogor was formed on 14 March 1997. It has a 2.4 Ha area and operates as a flavor and perfume compounding facility, warehouse, office, quality control laboratory, and WWTP (Wastewater Treatment Plant). Firmenich also established its main office in Tanah Abang that same year. In October 2013, Firmenich established a new factory for encapsulation in Karawang city (Firmenich, 2013). On 9 May 2023, Firmenich Indonesia merged with DSM, a Dutch leader in health, nutrition, and sustainable living with the aim to be a top innovation and creation collaborator in nutrition, beauty, and health; and the newly formed company is known as DSM-Firmenich. This merger combines DSM's superior Health and Nutrition platform and well-known scientific knowledge with Firmenich's distinctive Perfumery and Taste industries and accompanying co-creation capabilities. DSM-Firmenich now owns 100% of Firmenich with the same CEO's structure. Currently DSM-Firmenich has more than 60 branches divided into 6 regions with more than 20 sites, namely: Europe, Middle East & Africa, Latin America, North America, North Asia, South & East Asia; a company with around 30,000 workers, including more than 2,000 scientists and engineers. Additionally, they have 15 Research and Development facilities and more than 16,000 patents across the world (DSM, n.d.).



Figure 1. DSM-Firmenich Logo

1.2 Vision and Mission

As a merged company of two global sustainability leaders, DSM-Firmenich is well-positioned to bring progress to life for billions of people throughout the world, both now and for the generations to come. The mission is to develop what is necessary for life, desired for consumers, and concurrently more sustainable for the earth by closely collaborating with customers. Although they are still busy integrating two sets of ambitious sustainability targets, their commitment to sustainability is not wavering. In the fields of nutrition, health, and beauty, dsm-firmenich aims to address the crisis between what consumers need, what individuals want, and what the planet demands by creatively implementing proven science. From perfumes to farming, meals to micronutrients, DSM-firmenich answers to the most recent consumer demands in order to support their customers in achieving their goals. In Perfumery and Beauty, they enchant the globe with premium perfume with benefits that have been established and are made from a variety of sustainable materials. In Taste, Texture & Health, they collaborate with food companies to address the conflict between taste and the environment. In Health, Nutrition & Care, they provide essential nutrients for health at all ages and lifestyle choices. In Animal Nutrition and Health, they support the development of sustainable animal-based proteins to improve the efficiency, productivity, and sustainability of farming procedures. They constantly strive to keep at the leading edge of consumer needs and desires. To realize the vision and mission, dsm-firmenich holds on to the value of shaping the future, be a force for good, and own the outcome. Additionally, DSM-Firmenich has a clear vision to improve entire ecological footprints (DSM, 2023).

1.3 Main Activity

Firmenich's main activity is to create unique perfumes with natural ingredients and premium flavors to help customers produce delicious, healthy, and sustainable food products; since it is a B2B (Business to Business) company. For the flavor production, they have 4 varieties: liquid, emulsion, washed oil, and reaction after with different technology. They have 3 toll manufacturers in Indonesia with Spray Dry Technology and Powder Blend Technology, and 1 toll Manufacture in Australia with liquid flavor technology. For the powder products, they only provide the raw materials and then send them to the toll manufacturer to process it into finished products. Their products have many applications in the food industry such as for beverages, sweet products, and savory products. For the perfume, it is only available in the form of liquid and has many applications in the cosmeticare. They supply their product to Rest of Asia, Australia, New Zealand, and Pakistan. Right now, Firmenich has 3 sites in Indonesia, namely in Tanah Abang, Cileungsi, and Karawang. Tanah Abang is the main office which is responsible for managing the customer inquiries related to the products. Cileungsi is the main site of production which produces all forms of flavor, perfume, and small batch powder products. Durarome and other encapsulation flavor products are produced at the Karawang site. All of the production is based on the customer requests that come from the main office. Additionally, as they merged with the DSM company, the DSM's sites are also a part of them. DSM has 2 sites: Simatupang and Pasuruan. Simatupang is the main office, similar to Tanah Abang. While in Pasuruan, it focuses more on Animal Feed.

1.4 Organizational Structure

As Firmenich finished its merger of equals with DSM on May 9, 2023, the CEO structure of the company changed. The change was effective on 1 September 2023. This change also impacted the organizational structure of Firjava. In the past the Quality and Health, Safety, and Environment (HSE) was one team, they were reporting to one Quality, Health, Safety, and Environment (QHSE) manager. However, the QHSE Manager has become the Rest of Asia & India Quality Regional and only responsible for the Taste, Texture, and Health (TTH) quality team. For the production planning, sampling manager, production manager, and internal logistic manager, they are reporting to the Head of Plant Firjava. The rest of the division as marked by a dotted line in **Figure 2** are not reporting directly to the Head of Plant Firjava, whereas there is another person that they need to report first.

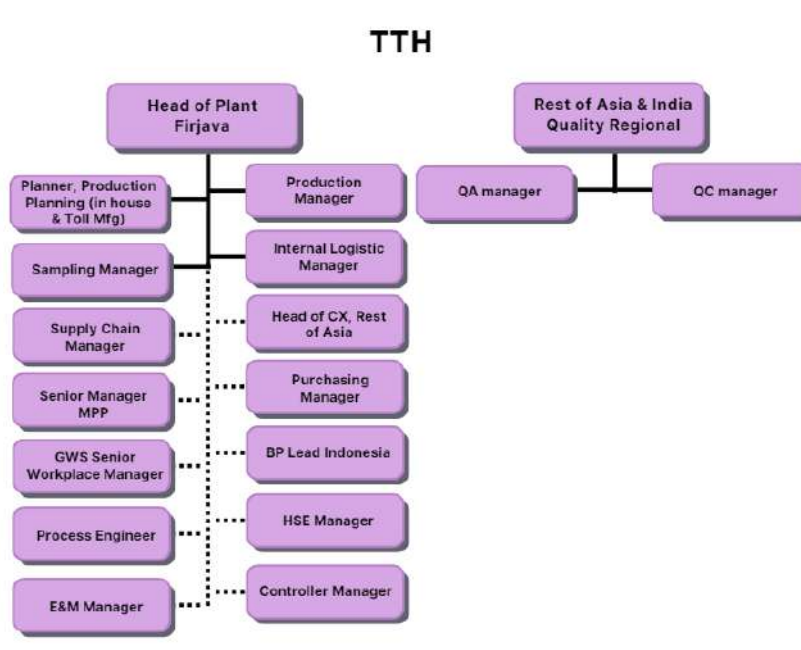


Figure 2. Organization Chart of TTH Division of DSM-Firmenich

Same like the Perfumery and Beauty (P&B) organization structure, the dotted line in **Figure 3** means that they are not reporting directly to the head, Regional Manufacturer, Cluster, Head Asia Perfumery. Additionally, the supply chain manager, controlling manager, and Global Workplace Solutions (GWS) manager are the same person in both the TTH and P&B division.

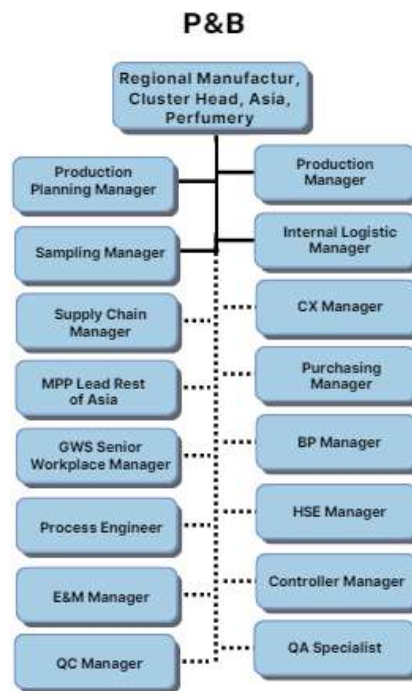


Figure 3. Organization Chart of P&B Division of DSM-Firmenich

1.5 Quality Assurance Department

The author had conducted her internship at the Cileungsi site under the Quality department specifically in Quality Assurance (QA). The number of quality assurance in the Cileungsi site is 3: the Quality Assurance Manager, Quality Assurance Administrator, and Quality Assurance Specialist. The QA specialist is more responsible for the P&B and the QA Administrator is for the TTH. This department's scope is really broad but their primary job is to guarantee that all production and material quality criteria match the internal and external standards, requirements for food safety, and customer satisfaction. They manage quality through continuous improvement, record-keeping, reporting, and problem-solving to make sure that customers receive safe and high-quality products. In addition to making an effective management system, they also do inspection, testing, and monitoring activities of quality control programmes, as well as other activities aimed at the prevention of food safety hazards. They focused on building assurance that quality criteria are met in accordance with the integrated food safety management system based on International Organization for Standardization (ISO) 9001, ISO 14001, ISO 45001, Food Safety System Certification (FSSC) 22000, Halal, and Kosher. QAs conduct internal audits on a regular basis to ensure compliance on each site's standards.