

# CHAPTER I

## INTRODUCTION

### 1.1. Brief History

International Flavors & Fragrances (IFF) was established in 1958 by a merger of the global operations of Polak & Schwarz and van Ameringen-Haebler with the goal of becoming a major supplier in the flavor and fragrance industry and expanding internationally. Started by initiating a successful business which was processing concentrated juice, Joseph Polak & Leopold Schwarz opened their second factory within seven years and continued to expand until in 1967, IFF opened their new Research and Development (R&D) center in Union Beach, New Jersey. By 1968, IFF had developed breakthroughs in fermentation process technology as well as key natural compounds. Also, patents were issued for uncommon meat, savory, and process flavor technologies. At the same time, in Indonesia, the MOU had started to be signed by the local government officials and International Flavors & Fragrances Inc. After preparing for the handing over from the state company named NV Essence Indonesia to International Flavors & Fragrances Inc., eventually in 1970, the name of IFF - PT. Essence Indonesia was established. The company was then developed until it began a fragrance plant and flavor powder plant in 1989 and 1994 respectively. Moreover, on February 1<sup>st</sup> 2021, there was a merger between IFF and Nutrition and Bioscience (N&B) business from DuPont according to a Reverse Morris Trust transaction. The combined company will continue to be known as IFF. The common stock of the combined company will be traded on the New York Stock Exchange under the symbol "IFF". A merger of IFF and N&B, positions them as leaders in the global consumer goods and commercial products value chain, transforming industries and creating a leading provider of materials and solutions for customers in a variety of markets. The company logo can be seen in in **Figure 1.1** below.



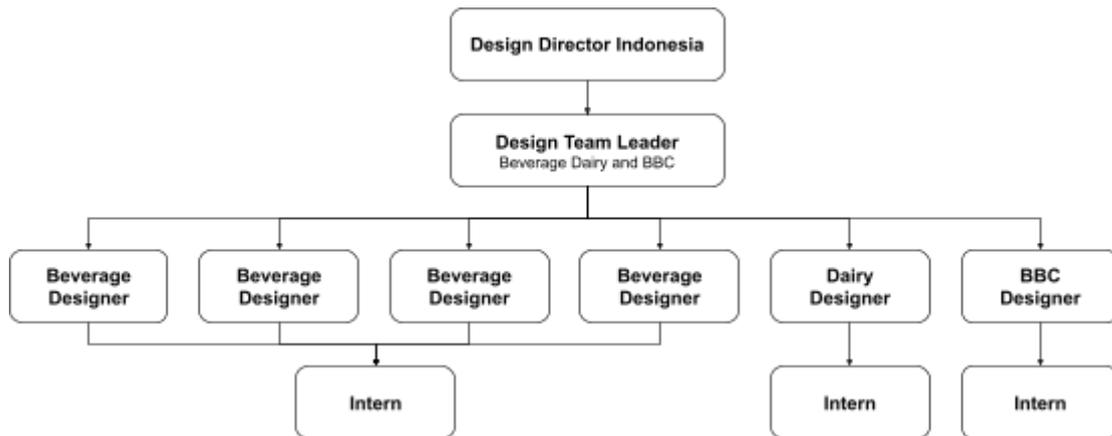
**Figure 1.1.** IFF logo

### **1.1.2. Vision and Purpose**

All activity done by IFF was meant to reach their purpose which is to apply science and creativity for a better world by: (1) pushing past traditional boundaries; (2) forcing a better and more sustainable future; and (3) imagining new possibilities to expand our customers' opportunities. Moreover, the IFF's vision is to be the partner for essential solutions by: (1) playing vital role in the global food, beverage, beauty, household and personal care, and pharmaceutical supply chains; (2) co-creating sensorial experiences that delight and go beyond the expectations of consumers everywhere; and (3) combining unmatched innovation, agility and leading-edge insight to meet customer needs.

### **1.1.3. Organizational Structure**

Generally, IFF is divided into 4 divisions: (1) Health and Biosciences; (2) Nourish; (3) Pharma Solution; (4) Scent. The author was assigned to the Creation and Design Department (C&D) departments, specifically in Sweet Flavor Application in Beverages. C&D Department consist of Flavor Bank Team, Creation Team and Application Team. Flavor Bank Team is responsible to manage Indonesia's bank collection. The Creation Team is in charge in creating flavor formulas that are required by customers and market. While the Design Team is in charge in designing end product application by using IFF product range portofolio. **Figure 1.2.** below shows the organizational structure of C&D Department specifically for Sweet Application.



**Figure 1.2.** Organizational Structure of C&D Department at IFF Indonesia

## 1.2. Main activity of IFF

In general, this company offers diverse solutions in the form of ingredients for their customers ranging from all sizes starting from private-label brands, start-ups, and large multinational companies. IFF has recently expanded its capabilities in rapidly growing areas such as food protection, inclusions, cosmetic actives, and health ingredients. They brought innovation to serve several markets including Food and Beverage, Home and Personal Care, and Health and Wellness through their leading research and development industry.