The Netherlands - Home of innovation

The Netherlands is known for many things – cheese, tulips, and wooden clogs are among the more famous stereotypes - but it has also earned a reputation as one of Europe’s most connected, digitized, and innovative economies. The European Union reports that nearly 100% of Dutch households have access to broadband infrastructure, while the country is home to the highest percentage of citizens with above average digital skills in the EU. This has made it a prime investment destination, with the country recently overtaking the UK as the top recipient of FDI inflows in Europe.

What is perhaps most unique about the Netherlands is that a longstanding culture of cooperation and consensus has helped the country’s leaders to work together to boost innovation and digital development rather than impede it. A prime example is its Prime Minister Mark Rutte, who has emphasized the importance of fostering an open, international and pro-business mindset. So with everything we do, we strive to be fit for the future.

A pro-business mentality has also been helped, and the World Bank’s Doing Business 2020 survey ranked the Netherlands first worldwide in the “trading across borders” category. The notion extends to a wide range of sectors, including technology and energy, creating a climate for innovation at home and abroad. And we have a workforce with an open, international and pro-business mindset. So with everything we do, we strive to be fit for the future.

For the Dutch, stability and certainty are two of the most important components of doing business. This notion extends to industries where the country is an undisputed leader, such as dairy, as Jan Anker, CEO of Royal Akoos Food Group, highlighted: “We are very stable in terms of politics and economy with high productivity and a highly educated population. The Netherlands is the country where dairy production was started so we have a lot of experience on innovation. Our technology and innovation standards are very high and our quality in dairy is world-class.”

Although the Netherlands is a small country by area, with a relatively small population, this has also given rise to a trade-oriented culture that has seen many compared to other European countries.

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the Netherlands grapples with the second wave of Covid-19, economic bright spots remain, including the fast-growing consumer goods (FMCG) sector. Demand for FMCG worldwide, according to the Netherlands than any other country in Europe.

The world population will grow, people need to be fed, and dairy is something that is riding the wave of FMCG growth. It has transformed many sectors, including retail, according to Rutte: “We have good infrastructure: good highways, big ports and airports, and also neighbors, such as Germany and France. Speaking relatively, we are close to Africa, and there is a big growth potential there. The world population will grow, people need to be fed, and dairy is something essential to live. We need to find a smart way to utilize our resources and find a way to minimize our footprint. There is a lot of knowledge about that in the Netherlands, which can be exported to other areas. We think that there are a lot of opportunities for that.”

At leading candle manufacturer and exporter Bolsius International BV, CEO Vincent Kristen supported these statements, arguing that the Dutch merchantivist tradition has made it a force to be reckoned with in global trade: “One of the biggest advantages of the Netherlands is its political culture. We have hundreds of years of tradition, negotiation and building our heritage, and this is one of the biggest assets of the Netherlands. We always try to hear all parties involved; we always try to find a consensus solution. That is why we are so good at trade deals; this mindset helps with entrepreneurship. We do not break our promises,” he declared.

A long history of international trade and early embrace of technology and innovation have led to the development of some of the world’s most advanced high-tech companies, active in areas like renewable energy. Koolen Industries is one such company. The company is at the forefront of solar and lithium battery innovation in Europe, and stands ready to reap major rewards from soaring investment in the European Green Deal. Rapid changes in the energy landscape mean companies like Koolen must be agile, adaptable, and forward thinking above all else, according to Kees Koolen, its new, founder, and CEO. “When you work on long term plans within technology and energy, it’s hard to predict the exact outcome 20 years into the future, since both technology and energy evolve fast, and in some cases, we have to wait for certain technology to be developed properly, but we can make a forecast and we adapt the plans as we go,” he explained.

The Dutch government is also investing heavily in digital infrastructure, with long-term plans to bolster artificial intelligence, quantum computing, and start-up financing in a bid to keep the nation competitive. A strong and sustained focus on innovation has transformed many sectors, including retail, according to Rutte: “The Netherlands is one of the most digital countries in the world. So Dutch people expect innovation and new possibilities, especially when it comes to online shopping. One-third of Dutch people visit supermarkets online, one of the highest rates in Europe. And the number of people who shop for food online has doubled compared with two years ago. For the retail industry this means you need to keep up with the pace of change. You have to innovate and re-invent yourself. To be successful, you have to practice high velocity retail.”

But as Ronald de Waal, chairman of major global retailer and e-commerce leader WE International noted, keeping up with the pace of change has never come at the cost of sustainability.

“Our country has always been a very stable business environment. There is a strong tradition of consensus, and companies here take care of checks and balances. On top of that, the Dutch are very internationally aware and open to other cultures, new things, and new ideas for doing business. That is what makes the country such a unique business environment.”

Bolsius - our MAGIC is bringing Style & Substance through innovation & sustainability

Vincent Kristen
CEO - Bolsius International

A world leader in fragrance and scented candles, Bolsius has been the market leader in Europe since 1923. With a deep history and long track record of strong success, Bolsius is riding the wave of FMCG growth. Established in 1870, the company has risen from a small town family business to become a major European exporter, recording decades of consistent growth as it expanded from the Netherlands to Germany, Scandinavia and beyond.

Today it employs around 1500 people and offers a broad range of consumer and private label candles of all shapes and sizes, which are exported to more than 50 countries. CEO Vincent Kristen attributed the company’s success to an early focus on exports: “I think it’s a Dutch family company trait to be internationally-oriented early on, compared for instance to Germany where the local market is big enough for them. We began to export in the 1970s, and in 1978 my father took over. Since then we’ve grown our activities quickly. By the 1980s, we’d already recorded 50 years of consistent growth: we had only two years where turnover was less than the previous year.”

Innovation and sustainability have become increasingly important priorities for the company in recent years, and with demand surging as more people stay home, Bolsius is also hoping to expand in the key market and product segments, including deco and scented candle collections, with the goal of becoming Europe’s fragrance expert. This presents new opportunities for potential partners and investors, as Kristen highlighted.

“We are looking for business partners that can contribute to our distribution channels and sales capabilities in product fields and that are close to ours. We would also be interested in entering into partnerships with strategic know-how in areas where we want to go, such as high-end fragrances. Our reputation is our main asset, and we are living proof that a company can thrive for 150 years, which says something about our products,” he explained.

The International Investor

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Royal A-Ware - Family-Owned Cheese Company Growing Through Long-Term Partnerships

Some stereotypes exist because they are true, and this is the case with the Netherlands and cheese. The country’s known worldwide for its wide array of quality cheeses, and the sector is a major economic contributor - cheese sales will generate revenues of $175 per person in the Netherlands this year, or $3 billion, up 7% y-o-y despite a pandemic-induced economic downturn.

DOMestic leaders like Royal A-Ware Food Group have kept the industry on a strong growth path. While the company didn’t take its modern form until 2010’s merger of Anker Cheese and Bouter Cheese, its history dates back to 885. That’s when Bouter Cheese was first established, originally operating as an animal feed and cheese trading business in Steinfeld, South Holland. Anker Cheese, meanwhile, was founded in 1963 as a family business, with current owner and CEO Jan Anker taking the helm in 2001. Anker said the group’s early activities help shape its success over the years.

This original mentality has been maintained for more than a century. Customers are always the starting point. “It’s a challenge when you become bigger to keep that spirit, but so far we’ve managed, and that is really making us stand out from others.”

“Becoming bigger” is a classic example of Anker’s humble and understated approach to self-promotion. After the 2010 merger, A-Ware Food Group underwent a period of rapid growth, acquiring a logistics company in 2012, opening a cheese packaging factory in 2014. Only one year later, the company inaugurated its own cheese production facility in partnership with New Zealand based dairy coop Fonterra in the northern Friesland Province, the dairy heartland of The Netherlands. 2015 also marked its 125th anniversary, and the Dutch royal family took notice. King Willem-Alexander gave A-Ware its “royal” designation the same year, and it rebranded under its present moniker. More recently the group opened a mozzarella factory, which further bolstered growth and operations. Annual turnover has risen from €20 million in 2001, to over €7.1 billion today.

Next to trading, the company now stands as a major domestic producer, offering a wide assortment of traditional naturally ripened cheeses, creams and fresh dairy products. From consumer to cow, it is a strong chain partner to its retail and industrial customers and dairy farmers. “We have all activities in-house. Only 5 years ago, we started producing cheese. We are very proud of our dairy farmers who had confidence in us from the early beginnings.”

After the announcement of a strategic partnership with Glanbia Ireland, a leading dairy company, the group is now looking further abroad to new growth opportunities in fast-rising markets such as Africa.

To this end, Anker is open to exploring new acquisitions, as well as potential partnerships with companies or individuals seeking to reap the rewards of investing in Dutch dairy. There are many reasons why they should.

“We are family-owned, which means we’re doors. That’s the biggest strength that we have. We are always moving forward. The company is very entrepreneurial. There’s always a rapid tempo in our operations, however we remain very down-to-earth, always with a long-term view and strategy,” he explained.

Dutch fashion company WE Fashion, which retails mens, womens and kids clothing under the WE brand, is leading the charge in the Netherlands, and benefitting from an early focus on sustainability. Chairman Ronald de Waal explained that the company has been embracing a greener business model for more than 20 years. “We have always been at the forefront of sustainability and we have never been a throwaway fashion brand. In 1998 we were the first Dutch company to get the ‘SA8000 certificate’ for social responsibility. We were already conscious about the topic at that time. Today all cotton we use is sustainably sourced, as a member of the Better Cotton Initiative. We pay attention to the way we impact the environment and we are restructuring our stores to use recycled elements. We are learning a lot,” he said.

WE Fashion’s parent company, WE International, was originally founded as a wholesale company, shifting its focus to individual customers in 1961 when it launched its first retail outlets. At the time it was a men’s fashion company known as Hij, or ‘He’ in Dutch. Hij quickly developed a reputation as a trendy, forward-thinking brand, benefiting from vertical integration and changing consumer preferences that increasingly favored more casual clothes.

WE today enjoys a progressive profile with a no-nonsense culture that has led to bold advertising campaigns and an inclusive, casual and stylish approach to clothing. De Waal got involved in the family business in 1977, when the company opened its first stores in Switzerland. He then took over the family business in 1984, just after it opened in Belgium, in 1985 purchased a ladies’ wear chain as Hij’s counterpart, called Zij, or ‘She.”

The company expanded further from there, opening in Germany in 1992, France in 1998, and launching online operations in 2010. It maintained its inorganic growth strategy, acquiring the O’Neill sportswear brand in 2007, which operates in about 50 countries. O’Neill is run separately from the WE Fashion business, but it was an important milestone for de Waal family, which has also invested significantly in the US companies including SANS and The Body Shop in England.

“We have been doing very well because we operate vertically, we design ourselves, and we control our production. We can set our own prices and we do not have to compete with other companies on the product level directly. We have always had sustainability, good value, and good quality in mind,” said de Waal.

A focus on sustainability and online operations is helping WE survive, and perhaps even thrive, during an unprecedented time. As with all other global retailers, the Covid-19 pandemic has had a dramatic impact on company operations, but WE is finding opportunity in crisis.

First, it is ramping up efforts to further improve sustainability. 100% of its products are made from animal-friendly materials, and a further 50% of products are dyed and finished using advanced, clean techniques. Additionally, 20% of all materials are made from recycled fibers, while all business-to-consumer packaging is made from sustainable materials.

But the company went further this year with a mid-term sustainability agenda that targeted sourcing 70% of its products from factories where working conditions are classified as good by 2025, and ensuring that 90% of its products are sourced from factories that have proven they pay a living wage. Innovation will play an equally critical role in future operations.

When the pandemic started, the company sank a tremendous amount of effort into its online platform, activating the more than 4 million WE members. De Waal said WE views this platform as it’s main growth vehicle, and the reason why it has remained resilient despite the pandemic. Although omnichannel sales at dedicated bricks-and-mortar stores will also provide opportunities for future growth, WE is looking to new partnerships to expand its online offerings, with a view to accessing markets where it does not currently have a physical presence.

“A successful online business with many young customers enables us to be optimistic about the future. This type of business creates opportunities for partnerships that we have never had before with international multi-brand platforms. Previously, you’d have to do a market entry with a large number of physical stores, but online platforms eliminate that hurdle, which also means less risk and less investment. Online business creates growth opportunities we haven’t seen before,” he concluded.
Koolen Industries - Creating a large-scale clean energy system

Clean and green energy is booming in Europe, and while the Netherlands has lagged a little, it is catching up fast. The total share of renewables in electricity consumption has risen steadily in recent years, and now accounts for nearly a fifth of Dutch consumption. Solar power generation in particular has grown, rising by 40% in 2019, while installed solar generation capacity nearly tripled over the same period.

L
ike every member of the European Union (EU), the Netherlands has committed to becoming carbon neutral by 2050, and to reduce CO2 emissions by at least 55% of their 1990 levels by 2030. This will entail billions of euros of new investment in the green energy industry, largely driven by new businesses like Koolen Industries, and its Chairman and CEO Kees Koolen, in the best position to lead the way in greenning Europe’s economy.

An early investor in Uber who previously served as CEO of Booking.com, Koolen clearly knows how to pick winners. He founded Koolen Industries in early 2019 with the clear objective of making clean energy accessible, affordable, and widely-adapted. He wants to cover every step of the clean energy process, from solar generation to storage, transport, and delivery. As he recalled, his renewable energy journey started with an interest in batteries.

“When I got involved with a small lithium battery maker Super B 10 years ago, there was much less interest in the need for an all-out clean energy transition. In my mind, the ‘direction was less clear then. I was a pioneer,” he said.

“At the time, Super B was focused on the weight advantages of lithium iron phosphate batteries when compared to lead acid batteries, as this helped improve efficiency and increase performance. Over time, there was a growing realisation that the overall energy transition is inevitable, that everything will be electrified, and that energy has to be stored. Our battery technology became better suited to store clean energy. But it is not the only solution. We are a company that over the last decade creating an ecosystem of great people and companies that can deliver system solutions across the value chain, from generation, conversion, storage and distribution of energy, all the way to user-friendly solutions that will make people’s lives easier and better.”

Koolen Industries - CEO - Koolen Industries

Kees Koolen

the Koolen Industries group is focused on the transportation, storage and delivery of clean energy. For Koolen, diversification and a truly visionary approach have been critical guiding principles for his investment strategy since the beginning. “The internet of things is comparable to the energy transition today. We all know that information would be digitized, but it took us 30 years to get to where we are today. The same will happen with the energy transition,” he said.

“First, you have to look ahead 30 to 50 years and you can clearly see how our world will be functioning in terms of electric cars and renewable energy. Things are already happening, albeit at a small size, and they will evolve. What I like to do is to build big new companies that are going to serve society, to make our lives better.”

Other important investments include Smart Grid, which is a spin-off of Super B and specialises in complex, large-scale energy storage systems linking multiple lithium batteries and managed by smart software. The company’s specialist knowledge and skills enable low-cost, scalable systems to be offered across the entire product range, including clean energy containers for construction sites (temporary) paking, back-up, emergency power supply or roadworks. Koolen was quick to cite the importance of platform companies that need to be created and developed as a service, not just a product. According to him, this will be one of the most important areas of future growth, and one where he will target future investments.

“Going forward we’re going to look even more into global solutions. Our companies focus on the development of software solutions as battery management, artificial intelligence and machine learning, but there’s still a lot of hardware involved. Therefore, if you only build the platform, you’re very limited,” he said.

One of the group’s most important business lines is Koolen Industries Solar, a group of companies offering consumers and companies the opportunity to buy, rent, or finance solar panels. Previously branded as Energy Experience Group, Koolen’s solar business now has more than 17 companies – and plans to add two more by 2022. Many of its businesses are already profitable and set to continue on a strong growth trajectory. But for Koolen and the group, it is not only about investments: he and his companies have taken the unique approach of being active at every level, both of the energy system as a whole and of individual consumers’ adoption of future-proof technologies. For this reason, Koolen believes it is essential to help customers with installation and servicing, so Koolen Industries’ employees include not only PhDs and engineers, but mechanics who can install and repair – he is offering the total package.

“I believe if you build companies you have to serve the need of the customer. You have to be reliable and offer a good service so that the customers are loyal and stay with you. This only happens when you have a good product and a responsive, high-quality service team,” he explained.

One of the group’s most important

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