



## "The secret of life is to keep everything well in balance..."

Rainer Busch, Managing Director, NewCo

**TJI: What did you do before joining the tobacco industry?**

**Rainer Busch:** Influenced by the movie "TOP GUN", I joined the German air force to become a pilot. A high-ranking army officer talked me out of this and suggested I should rather study. With my excellent final school examination, I could have studied anything. I stayed with the army one year longer than obligatory and ended up driving a military bus on a German/US army base on a Greek Island.

**How and when did you become involved in the tobacco industry?**

My grandfather had seen a job advertisement for a tobacco foreign trade merchant. So as not to disappoint my grandfather I agreed to go for an interview. Dressed in blue jeans, tennis shoes and a polo shirt I was definitely underdressed in comparison to all other applicants. Probably I was also the only one, who did not want that job. However, the company, Gebrüder Kulenkampff, offered me the job straight away. After a couple of days' thinking about the proposal I decided to join the tobacco industry. This was for sure one of the best decisions I ever made in my life.

**What has most notably changed in the tobacco industry since you joined it?**

30 years is a long time to think about changes. Globalisation changed the tobacco trade a lot.

Social commitment, environmental practices, compliance and traceability have become a major issue for the trade. The design of cigarettes has also changed tremendously mainly due to the expansion of tobacco products used in the blends.

Last not least, although this applies to all industries, the introduction of Internet and e-mail which has made work much more efficient, but life far less relaxing.

**What do you believe are some of the most interesting and exciting trends in the field of tobacco sourcing and trading?**

It is always interesting to see the ups and downs of the supply and demand situation. Although consumption by the end consumers is predictable, the size of tobacco volumes controllable, the players in the tobacco industry limited, supply and demand are becoming unbalanced.

One wonders, if these trends could not

be managed better and if there is indeed a purpose?

**How have the demands on quality control changed in recent years and what are your predictions for the future?**

In terms of quality control we have pretty well reached the top level and I do not foresee that many inventions to dramatically increase further quality controls in tobacco. There will be more regulations and controls for cigarettes per se and health issues, but the raw tobacco itself is very much controlled already.

**The last few years have seen increased merger and acquisition activity among cigarette manufacturers. Concentration usually brings about rationalisation. In how far has or will this development affect your business?**

Of course, vertical integration is a threat to all leaf suppliers who sold to the bigger multinational cigarette manufacturers in the past. This has no doubt had a tremendous impact on the sales turnover and therefore on their cost efficiency. It will be difficult to compete against bigger merchants with smaller companies, who are working with smaller



margins and tied overheads and SG&A costs, but it could also present an opportunity for other smaller traders.

**What should the tobacco industry be most concerned about in your estimation?**

The sustainability of tobacco supply should be a major concern. Present cigarette design will not allow much more lowering of the tobacco content in cigarettes and therefore tobacco will sooner or later will be in short supply, as none of the tobacco markets show considerable volume growth to balance the continuous global increase of consumption. Especially flavour tobaccos will be in short supply.

**How do you think the tobacco industry differs from others?**

I have not worked in other industries, but the leaf sector of the tobacco industry is certainly one big family. Everybody knows each other and most of us have somehow been colleagues before or we have stayed at the same hotel and/or restaurant. In tobacco a hand shake can still close a deal.

**Where do you see your company in 10 years?**

I hope we can maintain today's business and that we can add some additional clients to our portfolio and expand our business with some of our existing clients. Our results are very positive and satisfactory and it is important to steer clear of headaches and have control and confidence in the business.

**What aspects of this industry give you the greatest pleasures?**

Each year is different and provides new challenges and opportunities. The global aspects with the worldwide contacts and friends make the tobacco life special and interesting.

**What do you enjoy most about your job?**

Due to continuous new impressions by travelling regularly, there is no room for a daily routine. People in the tobacco industry seem to be made of the same blood and relationships are generally

very friendly, regardless of client or competitor.

**Which achievement in your career are you particularly proud of?**

The three jumps in my career make me proud. The first one was at the age of 27, when I became managing director in Argentina. Six years later I changed employers and was in charge of Italy and later for all European big leaf operations and business development. And, of course, being successful today with NewCo.

**Does your work leave time for hobbies or passions?**

Yes, my work leaves time for my family, which is most important for me. Although I spend at least 50 per cent of the year travelling, I do my utmost to spend as much time with the family. I enjoy sports with the family, such as skiing and horseback riding. To stay fit I run daily followed by a swim. I participate in a Marathon run at least once a year.

**Have you had a role model or mentor that you can tell us about?**

Yes, in each company I had a person who was a kind of model or mentor. This was not so much related on how to do business, but more on the social aspects on how to behave in the company of different people.

**You have visitors coming to Friedberg for the first time: what are the most important experiences or places they need to visit to appreciate/enjoy your home city?**

Munich is of course a must to visit and the centre of Munich is only 30 minutes away. There is no need to list all the places worth visiting in Munich, this would take weeks. Friedberg is a small quaint village with all the characteristics of an old Bavarian town. Bavaria with its beer fests is always a pleasure.

**Please finish the sentence: If I was not doing the job I am doing today, I would be...**

...a fool, since I would have missed an enjoyable life, where business, joy and adventure go together.

## Five short facts about Rainer Busch

- ▶ I can say the characteristics of a Capri-corn describe me well:
- ▶ ambitious and determined,
- ▶ strong willed and self-motivated,
- ▶ a team worker,
- ▶ and a positive and realistic approach to life.

## Five short facts about NewCo

- ▶ NewCo is a servicing company, allows non-multinational private companies to market their tobaccos to a global client portfolio at no cost.
- ▶ All business is done in full transparency.
- ▶ NewCo saves their cooperated leaf companies the cost of overheads, travel costs and time.
- ▶ The product portfolio is enormous.
- ▶ NewCo tries to find the best quality and value for the needs of their clients and proposes alternatives to their traditional sources.