

# Saverglass : from bankrupt glass-maker to world number one in thirty years

by

■ **Loïc Quentin de Gromard** ■

Non-executive chairman, Saverglass

## Overview

In 1984, the small glass-making factory of Feuquières, built in 1897 in the Bresle Valley, the historically renowned birthplace of glass-making, narrowly escaped liquidation. Loïc Quentin de Gromard took charge of the company, adopting a risky but appropriate strategy based on the development of glass bottles for the 'high-end' wine and spirits markets. Thanks to a bold investment plan, the company became the leading global manufacturer of luxury bottles, and today employs 3,600 people in six factories in France, Belgium, the United Arab Emirates and Mexico. In recognition of an annual growth rate of 10% over a thirty-year period (extremely rare for a company in heavy industry), Loïc Quentin de Gromard was awarded the 2018 Entrepreneur's Prize.

Report by Élisabeth Bourguinat • Translation by Rachel Marlin

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Having graduated in engineering, I worked in a bank for four years while training to be an engineering consultant. I left this job because I found it difficult to manage the members of the various administrative levels above me. I then had a job as the financial director of a SME in the automotive equipment sector and shortly afterwards, I took charge of the company. This experience enabled me to travel widely and gave me a taste for the export sector. I had quite different opinions from those of my shareholders, and, as a result, I left the company and looked for a job elsewhere.

After a sabbatical year fulfilling an old dream of studying macroeconomics, I started working as an engineering consultant, and it was this which led me, one September morning, to sign a contract with the Société autonome de verrerie de Feuquières company to help its management draw up a recovery plan. I was 35 years old and my contract was supposed to last just three months. The following year, I took over as head of the company. Thirty-six years later, I am still there, although I am now the non-executive chairman, having handed over the job of executive chair to Jean-Marc Arrambourg two years ago.

### The history of glass-making in Feuquières

The company was founded in 1897 near Beauvais, on the border between Normandy and Picardy. It is located at the source of the Bresle River. The Bresle Valley had traditionally been the stronghold of French glass-making since the 17<sup>th</sup> century thanks to the wealth of natural resources in the surrounding forests.

Three individual master glassmakers succeeded each other at the head of the Feuquières factory over nearly a century. The last one was Luc Desjonquères (b.1902-d.1995).

In the 1960s, the company was delighted to be able to satisfy its clients' requests for glass in all shapes and sizes, ranging from perfume bottles to cylinders weighing 25 litres, glass bricks and submarine accumulator boxes, all of which were handmade.

In 1969, Luc Desjonquères sold the glass factory to Saint-Gobain. Alain Gomez, who at the time was chairman of the subsidiary Saint-Gobain Emballage (currently known as Verallia), wanted to eliminate the small-series manufacture of bottles which adversely affected productivity, so he handed it over to the new subsidiary, Saint-Gobain Desjonquères. As a result, bottles were manufactured mechanically for the first time at Feuquières and subcontracted to Saint-Gobain.

In 1976, Luc Desjonquères and his family bought back the glass-making company from Saint-Gobain. In a very short space of time, the small company became the principal competitor of its former shareholder and the other leader in this market, BSN. However, in 1984, it was on the brink of bankruptcy. This was when I was taken on as a consultant.

### The situation in 1984

At the time, 85% of the French bottle market was in the hands of Saint-Gobain and BSN (later bought by Danone and subsequently by Owens-Illinois): the rest of the market share was handled by three small, independent glass-makers and by imports from Germany and Italy. It was a commodities market, and there were scarcely ten regionally distinctive bottle shapes. These included traditional wine bottles for the Bordeaux and Burgundy vineyards, etched bottles for the Val de Loire region, slender-necked bottles for the Provence rosés, wider-bottomed bottles for wines from the Côtes-du-Rhône area, slender bottles for the Alsace wines, and the traditional Champagne bottle. As far as spirits were concerned, a few brands of brandy and liqueurs

such as Grand Marnier, Cointreau and Bénédictine had already discovered the marketing advantage of having a distinctive bottle shape and decoration because this allowed customers to identify their products easily and gave them added value.

At this time, the Feuquières factory produced 20,000 tonnes of glass per year which only accounted for 0.5% of the French market. Its manufacturing machinery was obsolete and barely competitive. Production quality was very irregular because of lack of investment, training and manufacturing processes.

To attract clients, the company emphasised two important factors. The first was its great flexibility. The virtual absence of automation in the company, which hampered its competitiveness, nevertheless meant that it possessed a very high degree of flexibility in its production process. Out of bad comes good: when all control and packaging processes are carried out manually, it is easy to change production whenever necessary.

The second advantage was related to price. The company sold its products at prices which were lower than those of the leading glass-makers. Clients were delighted, but the company recorded very heavy and recurrent losses, which was the reason why it suspended payments at the end of 1984.

### Stepping back to see the big picture

What was the solution to this situation? The one which I implemented has sometimes been described as terrific with regards to its subsequent outcome, but I could not find any alternative.

I asked our two biggest rivals, Saint-Gobain and BSN, to unilaterally stop the trade war, and I suggested instead that our company change from being their competitor (which was, in any case, somewhat unrealistic as they were both one hundred times more powerful than us) to their subcontractor and 'complementary participant', as far as they were concerned. This meant that I suggested that they stop producing small-series, which I knew we were able to handle thanks to our flexibility which was our only objective asset, and in return, we would no longer compete with them in the mass production market.

Small-series production (between 50,000 and 60,000 bottles) existed essentially because of the diversity of bottle sizes throughout the world. The same bottle design could require the manufacture of bottles containing between 2 and 450 centilitres, with numerous intermediary sizes (5, 10, 20, 35, 37.5, 68, 70, 75, 100, 114, 150, 175, 300, 380 centilitres). The two largest glass-makers generated most of their turnover from a few leading formats which were 70 and 100 centilitre bottles in Europe, and 75 and 100 centilitre bottles in the United States and in duty free shops. I suggested that we handle all the remaining formats and, gradually, they lost the habit of manufacturing them.

Because of our expertise in the production of small-series, and also because we stopped using an old oven which was not profitable, we were able to turn around the company's accounts very quickly and, as of 1985, we started paying tax again. This restored trust both in our shareholders and our employees.

I was appointed head of the company and I drafted an ambitious 130 million Francs investment plan, despite the fact that our turnover was only 125 million... This plan was fully financed by bank loans without any financial guarantees from the shareholders. I have to admit that my banking experience proved very useful in this situation. To convince the financiers, we had to agree with the rules of credit committees and understand how to present the bankers with what they wanted. We also had to work with the BNP bank, and it so happened that the manager in charge of industrial affairs, who was in charge of the project with our company, was none other than the man who had trained me a few years earlier. He trusted me instinctively, and I helped him by writing up his report about our project!

Investments were made during 1988 and 1989, and they enabled us to double our volume of production. Thanks to the improvement in our industrial facilities, our flexibility and the gradual accumulation of experience in the manufacture of small-series where we had become irreplaceable, we were able to reach

a level of excellence which subsequently enabled us to upgrade the segment of small-series production which had lost credibility, and transform it instead into a niche for luxury bottles.

This strategy enabled us to move from the status of bankrupt glass-maker to that of world leader in the manufacture of high-end luxury bottles.

## The emergence of a luxury bottle market

The 1980s were marked by the extraordinary boom in the Japanese economy and by an equally extraordinary Japanese love of brandy. This resulted in an explosion in demand for ageing *eaux-de-vie*. It was associated with an increasing number of brandy manufacturers who wanted to use more ornate decanters for these spirits than the bottles they used normally.

After Japan, consumers in Taiwan and Hong Kong also became interested in brandy and opened the way for its introduction into China, albeit in a rather tortuous way, even resorting to smuggling. From the 1990s onwards, however, Japan began a long period of recession and by the beginning of the 21<sup>st</sup> century, China had overtaken Japan in brandy consumption.

The Seagram Company Ltd., which at that time owned Martell brandy and Chivas whisky, played a key role in opening up the Asian spirits market by 'piggy-backing' the marketing of its whiskies onto the solid reputation which Martell brandy, the symbol of Western luxury, had acquired in Asia. This commercial growth was expanded throughout the world by the increasing number of duty-free shops which also stocked Martell. Consequently, high-end luxury spirits were able to secure a place for themselves in the luxury goods sector, sharing shelf-space with perfumes, *haute couture* fashion, watches and leather goods.

Increasing demand for luxury bottles and the need to adhere to bottle-capacity norms specific to each importing country contributed to the proliferation of new, small-series production which the major glass-makers were not equipped to manufacture, but which increased the significance of our expertise.

To mark our technological transformation, the change in our business model and our international development, we adopted a new brand name in 1990 – Saverglass.

## A second oven and a new activity: bottle design

In the face of this new international market, the company still had two major weaknesses.

Firstly, because we had only one oven to create seven different glass colours, we had to organise our manufacturing around about fifteen production campaigns of colours throughout the year. Consequently, our clients had to anticipate their needs as much as six months in advance which was not very compatible with changing markets, not to mention the financing of the need for working capital. As a result, we decided to buy a second oven in an attempt to optimise manufacturing campaigns for each colour every three months or so.

Our second weakness was our inability to customise our bottles ourselves. We used to leave this to perfume bottle designers in the Bresle Valley, but their machines were not very well adapted to this sort of production and they could not guarantee us a consistent level of quality. Therefore, in 1991, we acquired a factory for decorating bottles which we named Saverdec, and which handles all the techniques of satin-finishing, stencilling, stamping and so on, and guarantees us a permanent and flawless level of quality.

Bottle decoration is often seen as an artistic activity, but it is, in fact, almost as capital-intensive as that of glass-making. It is especially difficult to manage because demand is very volatile and it requires considerable investment in R&D. Nonetheless, its major virtue is that it generates strong customer loyalty. Initially, we imagined that it would be a marginal activity for us, but it has grown to become a fully-fledged operation, currently employing more than 700 people who decorate 150 million bottles every year.

## A new market: champagne bottles

Not only was the investment in the second oven considerable, but it also took place in 1993, the worst moment of the economic recession. In this context, it was a particularly stressful challenge to increase production overnight from 45,000 to 90,000 tonnes. In a sector where 70% of the expenses are fixed, at least in the short term, the first rule in the glass-maker's bible is that every day one must put every available tonne of glass into one's oven even if that tonne is sold below full cost, provided that this tonne covers a proportionate share of the fixed overhead costs.

Our problem focussed on how we could double our sales volume almost instantaneously at a time when the Japanese recession had halved our high-end market for brandy and reduced the whisky market by almost as much.

In order to 'process' these additional 45,000 tonnes of glass (which in fact were more like 60,000 tonnes) as a result of the short-term downturn in the Asian markets, the only outlet in which I could possibly imagine unloading them was the wine industry. We decided to enter this market via the champagne sector, as we had an initial experience there as the trusted supplier of bottles for the prestigious vintages of Roederer's *Cristal*, Veuve Clicquot's *La Grande Dame*, and Lanson's *Noble Cuvée*. We searched openings in the conventional champagne bottle market in a very practical way, and found a market for the production of 20 million bottles per year (representing almost 20,000 tonnes of glass) in a Champagne co-operative.

## Saverglass Registered Designs (SRD) for wine...

My aim was to spread the idea of luxury bottles to the wine sector, but this turned out to require a great deal of effort.

Until this point, we had manufactured tailor-made specific products whose design belonged to our clients in the spirits sector. To help spread our idea in the wine sector, we decided to launch our own SRD (Saverglass Registered Design) trademark range of bottles, designed as more value-enhancing variations of conventional shapes, specific to each region of France. To achieve this, we used special colours, heavier bottles, original shapes for the 'finish' (the wide band which surrounds the bottle-neck) as well as for the 'punt' (the cavity in the base of the bottle). All of these elements were inspired by old, handcrafted shapes.

These new designs met with instant success with all the 'New World' winegrowers (California, Australia, New Zealand, South Africa, Chile and Argentina), however they met with a mixed reception in France where we came up against a rather conservative approach to wine. Our models were successful as a result of our decoration department which customised our bottles in a very distinctive way in order to avoid a situation where our rivals' bottles might look like ours on shop shelves. Today, our clients can choose from a range of 600 SRDs.

## ... and for spirits

In the 1990s, brandy sales collapsed because of the Japanese recession, and the major merchants such as Hennessy, Martell and Rémy Martin could no longer use outlets which enabled them to sell their *eaux-de-vie* having bought them from their usual suppliers, the small distilleries of wine-growers in the Charente region.

These wine-growers, who had an excess of stock, attempted to take their fate into their own hands, and went independently in search of markets in Taiwan, Hong Kong and Singapore. With our SRDs in hand, their bottles were ready, corresponded to Asian consumers' requirements and incurred no development costs nor financing of stock.

At the same time, a certain number of brandy companies decided to capitalise on their product development knowledge and use their talent as 'assemblers' and create alcohols other than brandy, based on vodka, gin,

cachaça (sugar cane) and other improbable mixes. This approach resulted in the emergence of the Charente 'Spirits Valley', (a group offering a range of spirits from the Charente region) which provided Saverglass with additional outlets for our SRD ranges. We were also able to serve as an economic and prestigious base for these pioneer craft distilleries to distribute their products.

An example of the success of this initiative is the French Grey Goose vodka which is distilled in Cognac from Picardy wheat and natural spring water from Gensac-la-Pallue, and is sold in our very ornate SRD bottle called 'Ariane'. It has become the world's leading high-end vodka. Currently, 50 million bottles are sold every year, 80% of which is on the American market for an average of 40 dollars per bottle. Thanks to this success, we have sold more than 500 million of our Ariane model, not only for Grey Goose vodka but also for one hundred or so other spirit companies globally.

## Perfume bottles

Despite the Japanese recession and the fall in demand for brandy, we managed to load our two ovens completely in just three years. The development of SRDs and our ability to join part of the market for champagne bottles enabled us to find outlets for our 90,000 tonnes of glass, and to compensate for the devastating drop in brandy bottle sales. On the other hand, our profitability was badly affected because we had too few high value-added products.

Because of this, we decided to start producing perfume bottles in 1997. We had two objectives: firstly, to boost our average production value by adding 20 tonnes of perfume bottles sold four or five times more expensively than the average tonne of wine or champagne bottles; and, secondly, to enlarge our experience as glass-makers as well as luxury decanter and bottle designers and decorators by using techniques specific to perfume bottles and adapting them to our specifications.

Ultimately, it is undoubtedly the expansion of our know-how which has been the most gratifying result of this diversification which we stopped in 2018 in order to concentrate on our core business.

## Finding industrial balance and satisfying demand

At the end of the 1990s, our business model, which was then enhanced to increase productivity, still had two important strategic flaws.

Most of the time, we were our clients' sole supplier, both for specific high-end products (which, by their nature are produced in small series) and for SRDs (which, by definition, are our 'guarded turf'). Given these conditions, it was important to guarantee to our clients that we would be able to satisfy their requests under all circumstances, and regardless of the quantity they needed. This would be the case even in the times when our ovens were stopped for maintenance and when the market was experiencing strong fluctuations.

The second flaw in our business model concerned marketing. Unlike the spirits market where the key players are essentially powerful manufacturers, the wine market is made up of a myriad of properties, estates and vineyards, each of which buys tens of thousands of bottles per year, with different shapes and sizes. This market operates throughout in the world almost exclusively with glass bottle distributors which are geographically close to the vineyards, and which need to be able to provide the wine producers with the entire range of bottles. Our challenge was to discover how to be credible in their eyes in the knowledge that our products covered less than 5% of all bottle ranges.

From 2000 onwards, we adopted a model which helped us to solve these two flaws simultaneously. It consisted of deliberately creating a sizeable surplus production capacity compared to our clients' needs for our core business (in other words specific, high-end bottles and SRDs). This is the reason why we bought the Tourres et Compagnie company based in Le Havre in 1999. This was the last family-owned bottle glass-maker in France. Its situation was not very different from our own in Feuquières fifteen years earlier: it was on

the verge of bankruptcy for almost identical reasons, namely the absence of any clear strategy, the lack of product specialisation and an industrial base which clearly needed investment.

Between 2000 and 2001, Saverglass underwent a modernisation programme costing 75 million Euros and, once again, it was almost entirely financed by bank loans. Consequently, our 'little' company's production capacity was 215,000 tonnes per year using four ovens. We had learnt how to manage delays in supply, and, in the event of a surge in orders for our core business products, we were able to transfer a part of these (which we considered to be 'regular' products but which our competitors classed as 'high end') to our fellow producers, in order not to jeopardise the supplies of our products to our most important clients.

Thanks to this new organisation, in which the high-end models only accounted for 50% of our volume and 75% of the value of our production, our distributors found a very broad range of products at Saverglass, and this helped us to generate client loyalty. We maintained the additional capacity necessary to sustain growth in our core business and, finally, we ensured that our clients had 'business continuity' which was absolutely essential for them. These factors allowed us to become the first glass-maker in the world to obtain certification in compliance with the ISO 22300 (security and resilience) standards.

## Consolidation of the model

The years which followed helped to consolidate this model. In order to be closer to our clients, both for specific products and for SRDs, we created sales subsidiaries in a number of countries including the United Kingdom, the United States (on the east and west coasts), Poland, Portugal, Spain, Italy, Australia, New Zealand, South Africa, Russia, Turkey and finally Mexico.

To continue to increase our production capacity for high-end products, in 2008 we built a new factory with a capacity of 100,000 tonnes in Arques (Pas-de-Calais *département*) called Alphaglass. We were able to recruit staff from nearby Arc International, a glass-maker which was forced to reduce its production in France. In 2014, we added a new and extremely modern decoration unit to Alphaglass which we named Alphadec.

We also strengthened our production capacities of high-end wine bottles with the construction of a factory with a capacity of 100,000 tonnes in Dubai in 2013. This site is used as a logistic hub for Australia and the Americas. In 2019, we bought a factory in Ghlin (Belgium) from the Spanish group Vidrala which is also specialised in the production of wine bottles.

Finally, we decided to supply the US luxury market using an industrial base with a capacity of 80,000 tonnes in Mexico. Whereas during the last century, people thought that France and Italy were the home of luxury products, over the past ten years, the niche for spirits and high-end wines has spread rapidly throughout the world and in particular on the American continent. There are now approximately 2,000 craft distilleries in the US which use customised decanters produced in small-volumes whose manufacturing cost is of little importance. Two years after its inauguration in 2018, our Mexican factory, which consists of a glass production unit and a unit for bottle decoration, was saturated with orders. We have just launched a study to double its capacity from between now and 2022.

At the end of this 'peaceful revolution' which has lasted thirty-five years, the company's consolidated turnover in 2020 was 510 million Euros, half of which was generated outside France. Thanks to our 3,600 employees, 2,500 of whom are based in France, we sell 510,000 tonnes of glass every year and 200 million decorated products to 26,000 clients in approximately one hundred countries. Saverglass accounts for 64% of the world's high-end bottle market.

## A very collective approach to work

Aside from our strategy of specialisation in small-series production followed by luxury production which proved to be successful, and our determination to put all the necessary means in place to implement this strategy,

the resilience and the expansion of this company are founded on a very collective approach to work and one which is very respectful of people. This approach has been the reason behind our desire to involve our employees as much as possible in the development of the company, as well as in the sharing of the fruits of their labour.

Right from the start, I was determined to convince all the employees that the company's strategy of high-quality specialisation was the only possible direction which could guarantee a sustainable future for Saverglass. I predicted that it would enable us to increase our profit margins and I announced that the company would share these profits with its employees by means of various profit-sharing schemes. This enabled us to recognise together, and in complete transparency, the burdens and constraints which this strategy would have on every employee because of the flexible organisation which was generated.

From 1986 onwards, we implemented a bonus scheme, in addition to the compulsory company profit-share. This scheme gave all our employees a substantial part of the profit before tax, subject, of course, to reaching an adequate level of gross operating profit and also reaching measured levels of performance based on industrial criteria, quality, market share, innovation, and social performance.

In 2006, we opened up the capital to our employees both directly and via a company employee savings plan: if employees chose to put their savings in this plan, the company gave them a sum of up to 30% of their savings. Today, 35% of Saverglass' capital is in the hands of 300 Saverglass employees. The rest of the company is owned is by the Carlyle Group.

As a result of this cutting-edge, '*avant-garde*' scheme, associated with low-key managerial ethics and an absence of false modesty, there is a very strong sense at Saverglass that the management is intrinsically interested in the welfare of all the employees. It appears that visitors to our sites have been struck by this ambiance which they consider unique. More importantly than the profit-share schemes, I am convinced that it is the fact that employees feel they are recognised as individuals which makes the attachment of 'Saverglassites' to their company so palpable. They are, *de facto* if not by law, the owners of Group and its know-how. Even though we use a number of cutting-edge techniques, our real wealth in the long-term owes more to those in the field and to the accumulation and transmission of their know-how than contributions from engineers, which, although crucial, are essentially focussed on the design of the production tool.

Because these supervisors, technicians, machine operators and quality checkers are respected both as people and as professionals, and because they feel at home and happy in their workplace, they remain with us for a long time. Their know-how increases throughout their professional lives and is proudly passed on to the next generation. In other companies, where employees and job satisfaction are not taken seriously, staff may turnover every five years on average. In these circumstances, the company loses all the resources earned by that employee over five years and has to train the replacement who, in turn, will not stay long enough to reach the professional maturity which will guarantee the progress and excellence of the company.

This is why I am not ashamed to say that, apart from the economic performances which are perhaps the reason for your invitation for me to talk today, it is really this collective approach and shared fulfilment which we are most proud to highlight and to perpetuate.



# Discussion



## The shareholders

**A speaker:** *Throughout this life at Saverglass, you have taken strategic decisions which were both powerful and risky. How did you go about this? By frequent and thorough in-depth analyses, or in a more intuitive way?*

**Loïc Quentin de Gromard:** I have always proceeded in a rather autocratic way. For twenty years, the decisions I took were largely intuitive: I identified potential situations which made me feel optimistic. The company was family-owned. This enabled me to help it to grow in ways in which it would not have been possible had the shareholders been there purely for financial reasons. However, later on, the shareholders started to become a bit of an obstacle because, since they were not directly involved in the management of the company, they began to think that maybe I was taking a few risks too many: after all, on three occasions we actually doubled our production capacity!

For these reasons, in 2006 the Desjonquères family sold the majority of its Saverglass shares to a consortium of investors – Natexis Industrie (which later became Ixen Partners), Natexis Investissement and Crédit Agricole Private Equity – by means of an initial LBO followed by two others.

After the LBOs, the decision-making methods changed and became more rigorous, but decisions were still taken by a very small number of people which was essential in the event of urgent situations.

For example, in June 2008, we inaugurated the Alphaglass factory, which had a capacity of 100,000 tonnes, and three months later Lehman Brothers went bankrupt. During the fourteen months which followed, our order intake was halved. We reduced our capacity very quickly by stopping production of three of the five ovens. This allowed us not only to avoid a cash-flow crisis, but also to maintain our financial commitments linked to the LBO.

**Speaker:** *After three LBOs, do you now envisage floating the company on the stock exchange?*

**L. Q. de G.:** There is no limit to the number of successive LBOs as long as we continue to grow. Currently, our underlying market is growing at a rate of 5 to 7%, and our turnover is increasing by 10% every year because we are gaining market share from our competitors. We will carry out an LBO again in order to double capacity at our Mexican factory.

We have thought hypothetically about listing the company on the stock exchange and we have decided against it, firstly because with a turnover of 510 million Euros, we are not big enough, and secondly, and more importantly, because they have 35% of the capital, our employees really feel like stakeholders in the company. This bond is very strong and we might well lose it if we went public.

## No redundancies

**Speaker:** *If you reduced your production because of the 2008 downturn, that implies that you must have made redundancies. How did you manage to find staff when the economy recovered?*

**L. Q. de G.:** During the first downturn, in 1993, we were in the middle of doubling our production capacity. When our second oven became operational and the teams which were going to operate it had been trained, the economy was on the upturn.

During the economic crisis in 2008, we made no redundancies at all. We resorted to short-time working, as we have done during the current Covid-19 pandemic. As a result, our employees knew that we were not going to throw them away like Kleenex: that would have been entirely contrary to our principles.

## Employee profit-share

**Speaker:** *Did you encounter any resistance from the investment funds in order to keep the employee profit-share scheme?*

**L. Q. de G.:** Before each LBO, I was determined to convince the investment fund people that the value of a company such as ours does not lie in its machines or ovens, but in its employees, their know-how and their desire to take part. I managed to make them agree to continue the investment scheme and also to distribute the capital gain generated by the LBO to all the employees. After each LBO, the value of the company was multiplied by between 2 and 3.2, and subsequently, every time the employees received an additional sum of between 1,500 and 2,000 Euros in their bonus scheme. Half of this sum came from the 'exiting' shareholders and the other half, the 'incoming' or new shareholders.

One of the effects of the existence of this scheme is that a number of trade union representatives in our companies have wanted to become shareholders, and our employees ask us regularly when the next share transfer will take place because they know that they will get a sum of money!

On the other hand, in difficult times, as at present when on a comparable basis our turnover will decrease by 4%, all our employees stand firmly together with regards to the company's future.

## The place of ecology

**Speaker:** *Does your business model include an environmentally responsible approach?*

**L. Q. de G.:** In the search for competitiveness, the size of the ovens has increased significantly. Today, we would not consider installing an oven which has a capacity of less than 100,000 tonnes per year. Unfortunately, we do not currently know how to make an electric oven with a capacity of more than 20,000 tonnes to work. Therefore, we are continuing to burn fossil fuels and, in so doing, we are emitting CO<sub>2</sub>, nitrogen oxide and sulphur oxide...

We are studying all these subjects in order to improve our performances. Since I first arrived in this sector, we have already increased our energy efficiency in a major way from 400g of fuel per kilo of glass produced to just 90g.

Luckily, glass can be recycled easily and indefinitely. Today, according to the European Container Glass Federation, the European glass recycling rate is 70% and the Federation has set a target of 90% by 2030.

■ Presentation of the speaker ■

**Loïc Quentin de Gromard:** non-executive chairman of Saverglass. Having graduated from the ISEP (Institut supérieur d'électronique de Paris), he then studied at the IAE Dauphine and followed the CEPE Executive Programme (ENSAE). He began his career as a corporate sales representative at the BNP bank and then became CEO of GEPIC. In 1984, he worked on a recovery plan for Saverglass and became its CEO one year later

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