

# Priva: Creating a climate for growth

**For a journalist, it is of course tempting to just play with such words when he writes about a company whose historical core business has been climate control! However the serious business analyst will have problems to demonstrate that “creating a climate for growth” is a meaningless and unjustified baseline in the case of Priva.**

**When the Netherlands-based company was set up 50 years ago, it began its long, successful history by importing heaters for horticultural growers.**

**Today, Priva not only supplies the high end of the greenhouse market with equipments that create climate for growth of the crops but also the climate for growth is created inside the company.**

**Priva’s vision on entrepreneurship is: you never engage in entrepreneuring all by yourself!**

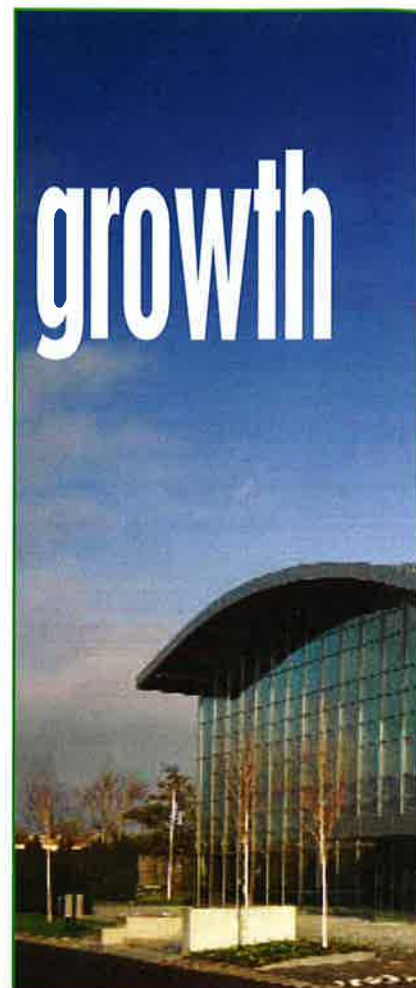
**T**here are still too few companies that see the real value of stimulating entrepreneurship and the return it brings. For indeed, it is the people who make the business! Being an entrepreneur involves a willingness to give others ample room to be engaged in their passion, without being preoccupied with their position”, says CEO Meiny Prins.

## ENTREPRENEURSHIP AND STRATEGIC FOCUS

Over the past several years, the company brought about the change from a product-focused to a market-focused organization. More than ever before, Priva’s three fundamental values are embedded in the organization: Treating colleagues and customers with respect, being committed to customers, and living up to the promises. Actually, Priva’s entrepreneurship has not gone unnoticed. Meiny Prins was voted Business Woman of the Year 2009 in the Netherlands. And at the end of 2009, Priva was named CleanTech Star by the World Wildlife Fund. This prestigious prize is awarded by WWF to the most promising future-oriented company in terms of the contribution to CO2 reduction. Never before did the World Wildlife Fund choose a company to be CleanTech Star.

Departing from the ‘think global, act local’ principle, the company reflects on where there are opportunities for Priva and where it wants to have a local presence.

Priva contributes to the sector, not only in the Netherlands, but also in countries around the world. The company arranges local trainings, and participates, in association with Koppert Mexico and the Mexican university of Irapuato, in a training and knowledge



centre in Mexico (Ceickor). In June this year, the Chisholm training location in Australia was opened, and in China, after eighteen months of preparation and intensive consultations with the government and knowledge institutions, jointly with other Dutch companies in the sector, Priva has drawn up an educational plan for Chinese growers for the coming three years! In addition, in the context of its fiftieth anniversary Priva has organized



knowledge events in horticultural countries such as Italy, South Africa, Hungary and Finland.

**15 TO 20% OF SALES TURNOVER  
INVESTED IN RESEARCH AND  
PRACTICAL INNOVATION**

Priva has always made substantial investments in development and innovation. Today, between 15 and 20% of gross sales is being invested in innovative concepts and products. This

has resulted in the Priva Connex process computer which the company introduced at Horti Fair 2009. This computer is the result of fifty years of experience in the area of process control in horticulture around the world. Priva Connex connects and controls all processes in horticultural operations and ensures that these processes can be further optimized. A combination of completely new hardware and a new software line based on the extensive Priva controls library. The Priva Office Direct operating program presents all processes neatly arranged. The new process computer

is designed to accommodate grow on a permanent basis. Priva Connex is based on the five C's: continuity, compatibility, connectivity, control and convenience. Also, NutriFlex, Priva's

state-of-the-art dosing system, has been redesigned. The new version can now dispense as many as 10 nutrients simultaneously, along with 9 fertilizer solutions and one acid solution. EC





Meiny Prins

Courtesy of Priva

## **Meiny Prins, CEO, Priva**

**communications agency. What made you drop this to come back to the family business?**

It was not an obvious choice, not a foregone conclusion. So, I was certainly surprised when my father asked who would be interested in the business. I had fought enormously to show that I could do it, so I eagerly accepted the challenge. But first I set myself another task and decided that I would take a university evening course in business administration. A person needs time to develop his or her qualities. The passion for education, the creativity of the Academy and the theory of the study of business administration were the perfect combination for me. I was ready for it!

**Last year, Priva celebrated its 50 years of existence. From the early days when the company introduced the Hyllo Salamander Oil-fuelled burner to the Horticultural market, until today with Horticulture representing less than half of your sales turnover, can you highlight the three most important steps which in your opinion have resulted in the company's current shape and profile?**

First, there was the expansion into the buildings market which with hindsight proved a golden move. In the horticultural market we have pretty much reached the ceiling in terms of market share, in public and commercial buildings we can still grow. A second important step was that we started to transform the company from a closed to an open organization, from conservative to innovative, from product-focused to market-focused. That required an enormous change in

culture. And the third important step was the construction of the Priva Campus, our CO<sub>2</sub>-neutral office building where both Priva's horticultural and buildings-related activities now come together. The Priva Campus serves as model for the integration of the two markets. Bringing these together results in enormous synergy between those markets, already giving rise to very beautiful things at this time.

**At the same time the market for sophisticated vegetables and ornamentals greenhouses was developing, particular in Northern Europe, the market for your products naturally expanded of course.**

**Aren't you under the impression that a plateau has been reached and that the share of horticulture in your business will decrease further, also because better returns can be expected in the other business segment where the company is active?**

No, certainly not! Rather the opposite is true. The demand for high-quality food continues to increase with the growing number of people on our planet. The room for growing food as well as the resources such as energy and water are becoming increasingly scarce. This combination requires horticulture around the world to be professionalized, for which automation is a precondition. Also, we see that in our home market Europe the horticultural entrepreneur, in addition to his natural quest for cost price reduction, must also improve his skills in increasing value, that is to say, in marketing the horticultural products.

**In horticulture, what is the share of sales covering**

**upgrades in existing installations versus sales generated by completely new projects?**

This very much depends on the development of a particular region. In Europe and North America, we have built up a strong regular-customer base over the past fifty years. To Priva, it is very important that customers can continue to develop, and that automation is in step with the level of ambition of the horticultural entrepreneur. Not surprisingly, in Priva's new developments, this care for our existing customers is clearly visible. A fine example is the introduction this year of the new Priva Connex process computer. Thanks to our reliable dealers, our existing Intégro customers can easily migrate so that they can also experience the advantages of Priva Connex. For developing markets such as Latin America, Africa and Asia it stands to reason that the new projects dominate. In these markets we are seeing not only the need for horticultural automation but also a great need for knowledge. We are filling these needs with local dealers, by providing service support and knowledge programmes.

**Do you see turnkey greenhouse projects developing? And do you naturally partner rather with Dutch manufacturers of greenhouses when you bid for such projects?**

To us it is essential that the project is not only built and delivered but that there is also proper aftercare. For this, at Priva, we distinguish three steps, i.e. 'thinking, making and perfecting'. To Priva the country of origin is not important, but the qual-

**Is your initial background education as a teacher and also in visual arts of any help in running a company like Priva?**

Yes, it has made me the person I am now. In education I learned to speak before groups, to be able to clearly articulate a complicated story, to empathize with my audience. With all the lectures and interviews I have been privileged to give over the past several years, that experience has served me extremely well. But above all you must have a certain passion to stand before the class. And at the Academy of Fine Arts I learned to deal with creativity, to think outside normal frameworks, to think about concept development, look at things from different angles without already anticipating a particular choice. And, indirectly, about connecting people to their passion. When I started my own company, I 'learned to be an entrepreneur'. I suffered my first loss, hired my first employee, and took care of my own acquisition... ultimately, I employed fourteen people. That is a valuable experience which you always carry with you!

**Prior to joining Priva, you were the founder and managing director of a successful design and**

ity the dealer can supply and the question of whether he can offer local support are. On the part of Priva, help is provided to our dealers in optimizing their support. For instance, our dealers are able at a distance to monitor the systems of their customers and intervene wherever necessary.

**Competition has also substantially developed in your market segment:**

**Are the Israeli and Spanish manufacturers your main challengers in the market?**

**Do you see emerging competition from e.g. Asia?**

The intensity of competition depends on the level of automation in a particular region. As long as domains such as water, climate, energy, labour and management are controlled separately, the competition comes from quite diverse areas and solutions are often provided locally. As soon as a horticultural entrepreneur wants to integrate domains and optimize his controls, we see that the Dutch technologies quickly come to the forefront. This in conjunction with the built-up domain knowledge ensures that Dutch parties have a strong position in professional horticulture.

**Last year, you have launched the Priva Connex process computer. Is it a commercial success so far and where do you expect your company to be the most innovative in terms of products for horticulture in the 5 years to come?**

Of course, horticulture too, is going through hard times during the worldwide economic crisis. By coming out right at this time with a new process computer, we show the world that we believe

horticulture to be important and that we gladly invest in the future of this sector. So far we have received many positive reactions from our customers and this is reflected in our sales and a growing market share with respect to new-construction projects.

In the years to come, Priva will continue unabatedly to invest in the further professionalization and sustainabilization of horticulture. In so doing, Priva concentrates on optimal control of the horticultural process and the generation of optimal insight for the horticultural entrepreneur. To that end, we invest in new solutions such as Next Generation Greenhouse Cultivation and further developments in the area of management information for which we have developed the Priva Fusion management information system.

**Intelligent use of modern building control technology can help achieve energy efficiency. Buildings' intelligence is now your most important business in terms of sales.**

**Aren't you a bit frustrated to see that contrary to some places like e.g. California, and with a few exceptions of course, the development of "Green Tech" is very slow in Europe, partly due to the lack of capacity to quickly line up the cash to fund the development and the manufacturing of innovative products?**

I've often said in recent times: we are capable of much more than what we are actually doing. And that has a lot to do with the way in which, at any rate in the Netherlands, innovation is subsidized. Too often, subsidies are focused on the development of new technologies, but not for the

purpose of actually using them. As a result, we are getting increasingly more technology, increasingly less of which is being applied. With respect to the latter, in my view, government should definitely play a role. But this means that the government must think less in terms of rigidly defined categories, and must understand that innovation increasingly occurs at the interfaces where companies, sectors and countries intersect.

**Priva is a family owned business if I am not mistaken. Has the company enough means and financial capabilities to go on its own for a faster global expansion and if not, what kind of partnership would you rather favour: stock exchange introduction at a proper time, inviting a specialized investment fund to the shareholders table, etc?**

Priva has an important core value and that is continuity. Therefore, profit is not an end in itself but rather a means to ensure that continuity. In our cooperation, we are obviously also looking for parties who are willing to invest in e.g. innovations. For instance, we are currently developing in association with a group of growers a robot which will be working in a greenhouse. My motto is: you never engage in entrepreneuring all by yourself, and this means that you also bear the risks jointly. This, I believe, offers better prospects than attracting external financiers. They often have their own interests which do not always square with ours, so that you get different agendas. This is not conducive to mutual trust which is a basic condition for engaging in entrepreneurial activities!

and pH values, monitored and controlled by the integrated computer, can be adjusted where and when necessary.

### **ALREADY 40% SALES ABROAD AND GROWING**

The company has been established in export markets since a number of years, selling its products and solutions. Priva is developing a very special project in Shanghai, China. In cooperation with the Chinese SAAS agricultural research institute, Priva will realize a semi-closed horticultural greenhouse provided with heat and cold storage. In addition, heat exchange with the adjacent office building will be added in the future. The main object of the project is to show that the latest technologies in the area of greenhouse horticulture can be applied profitably in vegetable growing because they produce a higher yield per square meter, while reducing the use of water and energy. The total project comprises the construction of a semi-closed greenhouse with cultivation facilities and the realization of cold and heat stores in deep underground wells. The costs of the project are estimated at € 2.8 million and it will work as an impressive window on what Dutch technology and Priva in particular can offer to the rest of the world.



The headquarters of the company in the small town of De Lier (Westland) in the Netherlands also stand as an example of Priva's innovative spirit. In this CO<sub>2</sub>-neutral building the company shows what can be achieved in office buildings. However the place is much more than a showcase of technology. It also reflects a building concept that is quite unlike the usual. Due to its design and its interior, the building actually stimulates the birth of new ideas. Well done: it seems to work!