



More info at [www.goole-on-the-web.org.uk](http://www.goole-on-the-web.org.uk)

Croda in the UK is divided into three sub-groups. The letter in the right hand column below, indicates the sub-group into which that location falls.

O = Oleochemicals Group  
 F = Food Ingredients Group  
 P = Polymers Group

Key	Location	Product/activity	Group	
1	Edinburgh	Glasgow Road	Paste inks	F
		Granton	Liquid inks, Pigments	P
		Jane Street	Paints	P
2	Newcastle-on-Tyne	Bone collection, Degreasing Contracting unit, Industrial painting	F	
3	Workington	Animal processing	F	
4	Kendal	Fat processing	F	
5	Mid-diesbrough	Gelatin & dipping production	F	
6	Preston	Pet foods	F	
7	Blackburn	Pet foods	F	
8	Birkenshaw	Contracting unit, Industrial painting	P	
		Decorative paints, Coemedia	P	
9	Goole	Walsopiers, DIY products, Shop	P	
		Smiths	Metal treatment products laboratory	O
		Cowick Hall	Head Office - Croda International Limited	O
		Rawcliffe Bridge	Sales Office - Croda Chemicals Ltd Laminin & derivatives, Road preservatives, Rolling oils, Ethoxylates, Cosmetic products laboratory	O
10	Hull	New Cleveland Street	Contracting unit, Industrial painting	P
		Barkside, Air Street	Processed vegetable oils, Edible oil bottling	O
		Barkside	Industrial, decorative and marine paints	P
		Morley Street	Edible oil refining	O
		Ann Watson Street Oak Road	Head Office - Oleochemicals Group, Castor oil production, Sales Office for bulk edible oils Fatty acids, glycerine, ground sulphur and fucose, Nitrogen chemicals	O
11	Wigan	Animal glues	P	
12	Radcliffe	Inks, Graphic supplies, Paints depot	P	
13	Oldham	Egg processing	F	
14	Doncaster	Contracting unit, Industrial painting	P	
15	Grimsby	Fat refining	F	
16	Widnes	Ditton	Gelatin production	F
		Mass Bank	Sales/Head Office for Food Ingredients Group. Also production of Food Addulants, EDTA, Heptonates	F
	Runcorn	Sulphated oils	F	
17	Sheffield	Laminating varnishes, lacquers and paper coatings	P	
18	Leek	Edible emulsifiers, Low-boiling esters, Plastisizers	O	
	Hanley	DIY products	P	
	Longton	Caligned book works	F	
19	Alfreton	Private label soaps and other private label packaging	P	
20	Newark	Synthetic adhesives, Animal glues	P	
21	Burton-on-Trent	Sound proofing materials for automobiles	O	
22	Ashby-de-la-Zouch	Private label soaps	P	
23	Wolverhampton	Soluble oils & motor oils, Paints depot, Edible oil depot	O	
24	Tanygroes	Bone processing and rendering	F	
25	Haverfordwest (Camrose)	Animal processing	F	
26	Merthyr Tydfil	Rolling oils & RP's, Edible oil depot	O	
27	Newport	Portskeyett Street	Bone collection & degreasing	F
		Rogerstone	Egg processing	F
28	Bristol	Edible oil distribution centre Inks & Paints storage depot	O	
29	Market Harborough	Bone processing, Fat rendering, Pet foods	F	
30	Wellingborough	Glues & DIY products	P	
31	Becoles	Chicken portions	F	
32	Luton	New Bedford Road	Gelatin production	F
		Toddington	Edible oil distribution centre	O
33	Harefield	Inks & paint production, Glue sales, Polymers Group HQ	P	
34	London	Bermondsey	Edible gelatin	F
		Berkhins House	London office	
		Stratford	Bone collection & degreasing	F
		Colliers Wood	Inks, Graphic supplies	P
		Winton Road	Inks, Graphic supplies	P
		Carborawell	Edible oils, Drilling aids	O
		Creekside, Deptford	Edible oils	O
		Bermondsey Street	General warehousing	
		Hackney Wick, Poplar	Resins	O
		Beckton	Fat rendering	F
Barking	Processed oils	O		
Handbrough	Edible oil refining, Vehicle body repairs	O		
	Greenwich	Paint sales office and warehouse		
35	Belvedere	Resins	O	
36	Plymouth	Bone depot, Spray drying plant	F	
37	Portsmouth	Edible oil distribution centre	O	

Continental depots at Birmingham, Bovey Tracey, Crowlme,  
Dorfield, Dudley, Faversham, Glasgow, Lantlog, Liverpool, London,  
Manchester, Northampton, Sheffield, Thurston, Wetherby.



## **Croda-the fastest growing name**

A history of the first 50 years of a Chemical company

by FAS Wood and S Cressey

The authors gratefully acknowledge the help of the many people who contributed information, photographs and documents used in this book, particularly Mr E Cannon, Mr L Duckels, Mr E S Lowe, Mr W Shand, Mr H Young, Mr F Ford, Mr J F Stones and Mrs M Corrigan.

"In October 1950 I found myself in New York with a briefcase, a small desk, and a mandate to start up a Croda subsidiary in America — but no capital. Back home in England, Croda had survived a crisis and was a sturdy growing enterprise so I felt justified in printing an introductory advertisement which said: — 'Croda — the fastest-growing name in fatty chemicals'. This was, of course, whistling in the dark. It was the child sticking his chest out in the world of giants, but in fact the child grew faster during the ensuing 25 years than any of its competitors and thus justified that outrageous statement."

F A S Wood  
Chairman  
Croda International



## Introduction

by F A S Wood

I conjecture that the people who are likely to be interested in reading this history are largely those who know of or have heard of or have any interest in Croda. It is essentially a business that serves other industries and is not well known to the public. You can stop a hundred people in the street and there is probably only one of them who has the remotest chance of having heard of Croda. The people who know Croda are the Company's employees, some members of the Company's customers, the shareholders, local people who live around or near the factories or are related to our staff, City & Institutional investors and the general investing public to a lesser extent. I suppose this would boil down to some 20,000 people who know a good deal about us or are significantly interested in Croda and perhaps another 100,000 people who have casually heard of the Company's name. Those are the people who are likely to be interested in this book; not a very large audience. In addition, however, there is another category to which it might prove of interest, and that is the student or the enthusiast for business because the story of Croda, so far at least, is a successful one, and one useful way towards success is to try and analyse how other people have been successful. So if students were to follow my advice they would read this book to see if somewhere in it there is a clue to that particular spark or combination of circumstances which made Croda one of those one-in-a-thousand companies that succeeds to break through the barrier of mediocrity to success.

This growth from 1967 onwards was not simply straightforward organic growth in the way that can be compared to the growth of a tree, a family or a nation as in that year Croda started to acquire other companies. Much of the growth achieved in the ensuing years was due to the acquisition of, or merger with, other companies and the substantial organic growth of the combined enterprises.

This itself is relatively easy to describe but obviously creates problems when writing the

history, as a number of constituent parts of the company are older than the main company itself. Indeed many of them may have been larger when they came into the Group than the company itself and may have had much longer histories. Obviously it would be impossible in one book to go back to all the different roots of Croda and to follow these through to the end and so the story is restricted to that part of the Group that has operated under the name of Croda and the references to other companies that have entered the Group are relatively short.

Because my own personal history is so closely intertwined with Croda's it may tend at times to read like an autobiography. To avoid making constant apologies for this, I should perhaps deal in this introduction with my own role in Croda's development.

My father dominated the early Croda and his name was more or less synonymous with Croda's for a good part of the first 25 years. I have played a central role in the development of Croda in the second 25 years but that is not to say that Croda is or ever has been a one-man band. It is difficult to find a reasonable analogy for a business but if we think of it as a clock, there is no doubt about it that from time to time I have been the main spring of Croda's development and sometimes I have been the face of the clock at which people look to read the time. But I have at all times only been one of a team and my own role has been in fact no more important than that of many of my colleagues. I am certainly less industrious than some of my colleagues, less knowledgeable than others, less tactful, less persistent and less capable. Croda has been built up to the organisation it is by the efforts of a very large number of people; by the intense efforts of a smaller number, and by the less intense efforts of a very much larger number. On the other hand, I have played my part in the development of Croda and perhaps Croda would not be what it is if it were not for my own vision some 25 years ago of what I wanted the Company to

become. Broadly speaking, Croda has become what I wanted, only very much more than I ever expected. I am conscious of the personal references that occur frequently in this booklet and I hope the reader will not find them too boastful or immodest.

Cutting from the 'Goole Times' for April 26, 1925

## POLICE SENSATION.

### WARRANT FOR ARREST OF EAST RIDING OFFICER.

Superintendent Fred Cooper, of the East Riding Constabulary, is reported to be missing, and it is believed to be in London.

He has twenty-six years' service to his credit, and was due to retire on superannuation at an early date, his pension having been already formally approved, it is stated, by the East Riding Standing Joint Committee.

According to an official statement made at the police headquarters at Beverley, Superintendent Cooper has been missing since Monday night.

A letter bearing the London postmark has been received by his wife, who, together with her child, lives at Leven.

Developments are expected. The Chief Constable states that a warrant has been issued for Cooper's arrest for alleged misappropriation.

## RAWCLIFFE WATERWORKS.

### TAKEN OVER FOR THE MANUFACTURE OF GREASE.

For some time rumours have been afloat with regard to the ultimate fate of the Rawcliffe Bridge Waterworks. For some time the impression has been that these buildings had been taken over by a large yeast company, which would have been of great value to the district. This, however, is not the case. The works have passed into the hands of a director of the Crow Manufacturing Co., London. There is, we understand, the possibility of a new company being formed for the manufacture of grease. The Goole Urban District Council have leased the waterworks to this company for three years.

The buildings have already been taken over and will soon be ready for use. It is understood that few drastic structural alterations will be necessary to equip the works for the new manufacture.

A good market was last, when there was and some excellent of a large number of b including five or entrants were as follows:

Mr. T. P. Cund £24, heifer £24 10s.

Mr. H. E. Cowling £23 5s.

Mr. T. Drayton, b £29 5s.; heifer £25

Messrs. Co-operative Ltd., bullocks £36, £32 10s.

Mr. A. Knapton, b 15s.; heifers £32 and

Mr. F. Cook White, Mr. Wm. Stones,

£35, £27 5s. (two), 1

Mr. J. H. Stone bullocks £33 10s.,

heifer £23.

Pork pigs were sold

Mr. A. Backhouse

(two) and £2 12s.

Mr. V. West, Raw

£4 8s. and £4 7s.

This photograph was taken in the garden of the Wood family house in Patras, Greece in 1903. Although taken twenty-two years before the founding of Croda it includes four figures destined to be directors of Croda. Fourth from left, rear row is Sir Edward Crowe. Sixth from the left rear row is the founder, G W Crowe. His son Louis is on the right of the front row and A P Wood is the baby being held by his mother, in the middle of the centre row



## Early days

The Goole Times is the weekly local newspaper for the town of Goole in Yorkshire. The edition for 26 April, 1925 carried a brief announcement that the disused waterworks, some seven miles from the town at the village of Rawcliffe Bridge had been acquired by the Crowe Manufacturing Company "for the manufacture of grease".

That was probably the only press report on the founding of Croda Limited.

Like so many other companies Croda owed its start to a man with an idea, Dawe, meeting a man with money, Crowe, from which the derivation of the name Croda will be obvious.

But to get the origins in perspective it is necessary to go back to the year 1840 when a wool trader and merchant banker called Samuel Barff, from Wakefield in Yorkshire, was persuaded to go out to Greece and help Byron with the financial organisation of the Greek War of Independence. Barff liked what he saw and after the struggles were over settled down in the country. In due time he persuaded his brother-in-law Benjamin Wood, also of Wakefield, to go out and establish himself in Greece as well.

At about the same time a George W Crowe who had originally been an army officer and then later served as Consul General in Tripoli also decided to settle in Greece. Soon afterwards Benjamin Wood's son married George Crowe's daughter.

These three families, the Barffs, the Crowes and Woods all adopted a pattern of part-time Consular work, combined with shipping and merchanting. Naturally as large Victorian families in a foreign country, it was only to be expected that they would inter-marry and as a result of four marriages between cousins over a 50 year period the three families tended to merge into one big family. A typical family gathering is shown in the accompanying illustration.

By the early part of the 20th century most of the male members of the family were partners in a flourishing merchant house known as Barff & Company. One man, however, was not. He was George W Crowe, grandson of the earlier G W, born in 1870 who was of an independent mind and made his own way as a ship owner. The firm of Barff & Co hit stormy weather just before the First World War and in consequence George Crowe was left as the only member of the family with reasonable wealth. As a result of this in the dutiful way of the times he helped to pay for the education of several of his nephews of which one was Alfred Philip Wood, a great-grandson of the Benjamin Wood who had gone out to Greece in 1850.

In the period after the First World War when young Wood had left school he engaged in a variety of projects for his Uncle George, none of which to that date had been successful, but in April 1925 there was another assignment waiting, one that was to occupy Wood for the rest of his life. George Crowe had been approached by a Mr Dawe about the possibilities of manufacturing lanolin in England and he had decided to back the idea.

Many people have heard of lanolin but a large proportion have probably not the faintest idea of what it is. It is a unique and rather curious wax obtained by refining the natural grease of sheep's wool. After the sheep are sheared and before the wool can be woven, the wool grease has to be washed out, an operation generally undertaken at the woollen mill. The resulting greasy and dirty water is then treated either by centrifuging or in the older process by addition of a strong acid, to recover the wool grease which is a yellow-brown fatty material with a characteristic smell.

From the 1880s onwards, processes were developed on the Continent to refine wool grease into lanolin. Such processes consisted of neutralising any excess acidity and improving the colour and smell. The resulting products

became known as lanolin and found a variety of uses. The better grades of lanolin were and still are used in cosmetics and ointment bases; the darker technical grades were used in leather dressing, textile waterproofing and rope lubricants.

Manufacture was mainly in the hands of the Germans and Belgians but Dawe had by some means not now known, got hold of or devised a process. Crowe and Dawe formed the company and leased the old waterworks near Goole as a manufacturing site. Crowe then sent for his nephew A P Wood who was back in Greece, and hired him as manager at a salary of £7.00 per week. Wood immediately set off for Yorkshire to get to work.

The shell of the building needed little structural alteration. There was a house close by, formerly occupied by the waterworks manager and here Wood took up residence. The site was, as a local farmer recalls, a pleasant enough location — mostly fields, a pond and the Goole to Knottingley canal running straight by. Rawcliffe Bridge was a small village, none too prosperous with most of the men working

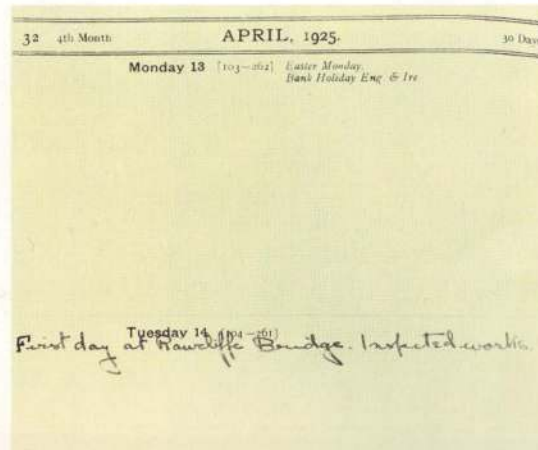
at the local paper mill or farming or in many cases not able to find work at all. A Belgian, chemist, Felix Desmedt, was engaged to supervise the process and the arrival of these 'foreigners' was watched with great interest by the villagers.

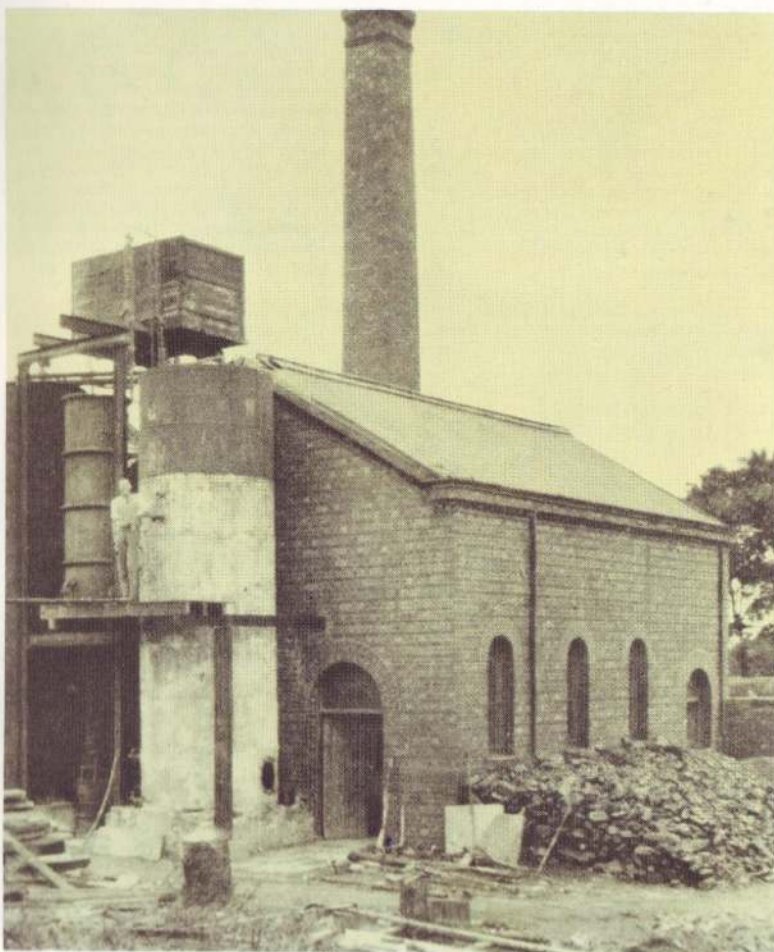
It was here that A P Wood arrived on 14 April, 1925. His diary entry for that day reads 'First day at Rawcliffe Bridge. Inspected works'. He was then twenty-two years old.

Not yet married, he had a restricted life being fully occupied during the day first in the supervision of plant construction, then in the making of the first batches of lanolin, and in the evening writing direct mail circulars and trying to teach himself to type on a battered old machine. It was the beginning of a philosophy he maintained throughout his life on the paramount importance of selling.

Wood was, as many good businessmen are, born with the belief that selling is the key to business success. His view was 'it is always relatively easy to make things but the really hard job is to get enough people to pay you good money for what you are producing'. Hence he always equated running the business with running the sales department. He liked to keep an eye on the works although later he delegated this function to a Works Director. He was not particularly technical and he did not understand accounts all that well either. Sales, therefore, was where he put his main efforts which often meant, of course, developing the product range to sell. Strangely enough he was not a particularly good salesman himself as he was rather shy and this perhaps explains the high value he placed on the acquiring of good representatives throughout the years.

Entry in A P Wood's diary for April 14, 1925





Construction of the plant at Rawcliffe Bridge. The figure on the staging is A P Wood

The cash book used by Mr Stones the haulier showing delivery of raw materials, packages and building materials. Note the entry for October 20 '3 barrels of Grease to Station'. This was the first batch made and consigned

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As a sales orientated Managing Director, orders were what he wanted and in the hard times of the 1930s when he had married and had children, they were often enjoined to 'pray for orders' before going to bed!

But to get orders you must first stimulate interest. Representatives may sometimes succeed by cold calls but more often they need an enquiry to get them into the likely customer and in those early days the firm could not afford representatives anyway. Wood's medium for generating enquiries was industrial direct mail or circularising.

He believed in an attractive, by current standards even flamboyant, letterhead and pursued this policy so that in the period before 1939 the firm had an attractive letterhead for each major product range. The message in the circular would be simple and straightforward. The real art was to direct the circular properly. Members of the staff and relatives were recruited to address envelopes in their own

time at 10d. per 100 from directories and lists that had been selected by Mr Wood. Nor did many weekends go by when, armed with Kelly's Directory, he did not address a few hundred envelopes himself, a habit that persisted throughout his life even when he had become a relatively successful man. Much of Croda's early success was founded on direct mail.

Another characteristic of A P Wood was persistence combined with optimism. The persistence must have been very necessary in the gloomy days of the late 20s and early 30s.

The Crowe and Dawe partnership which had provided the name, did not survive many months and Dawe's idea never worked properly. Wood was left on his own to manage as best he could but he did manage to get hold of a workable process and on 20th October, 1925 the first order, 3 barrels of lanolin left the works by horse and cart to Rawcliffe station. The staff consisted of three men running the

Part of a letter from Eric Cannon to A P Wood

Telephones: SNAITH 34 (2 lines).  
WILLESDEN 0731.  
BRADFORD 1798.

Telegraphic Address: "CRODA, GOOLE"  
Codes ABC, 5th & 6th Editions,  
and Bentley's.

Directors:  
G. W. Crowe.  
A. P. Wood.  
F. C. Goodwin.  
E. Cannon.

**CRODA, LIMITED,**  
Chemical Manufacturers,  
CRODA WORKS,  
RAWCLIFFE BRIDGE,  
GOOLE, YORKS.

London Office: BURNLEY HOUSE, WILLESDEN, LONDON, N.W. 10.  
Bradford Office: 40 ASHGROVE, MORLEY STREET, BRADFORD.

LANOLINE ANHYDROUS B.P.  
LANOLINE HYDROUS B.P.  
LANOLINE COMMERCIAL.  
NEUTRAL WOOL FAT.  
WOOL GREASE FATTY ACIDS.  
WOOL GREASE.  
DISINFECTANTS.  
RUST PREVENTATIVES.  
ROPE BATCHING OILS.

24th. OCTOBER, 1929.

Messrs. Hancock & Wood Ltd.  
PARIS. Grease.

Dear Phil,

Very few orders in to-day, consisting of -  
1 gallon of CRODA FLUID for Besouster Bros through

plant, the chemist Desmedt, a bookkeeper, a typist and Wood himself. Trading was difficult and already there was the threat of the miners strike. This materialised in 1926 followed by the General Strike, and Croda was badly hit, not only by lack of sales, but by lack of coal to fire the boiler.

But in July 1925 Wood had married and had been joined by his wife at the small house at the works. In May 1926 a son was born there, christened Frederick Ambrose Stuart Wood, later to become Managing Director and then Chairman of a business that Wood senior could hardly have dreamed of.

Trading conditions continued to be very difficult and the original capital was running away at an alarming rate. By early 1927 the strain was beginning to tell on Wood, and his doctor advised him to get away from the house at the works. He and his wife moved to a house in Doncaster and found themselves next door to a young couple of similar age, a Mr and Mrs

Eric Cannon. The two couples got on well and later that year Eric Cannon joined Croda as Secretary. Wood, slightly introverted and given to worry was complemented by the self-confident and eternally optimistic Cannon. Cannon having little technical knowledge decided he ought to put the matter right and treated himself to five one-hour lessons with the Public Analyst at Hull, where he learned how to perform the five tests needed to test lanolin to the BP Specification. Armed with this knowledge he soon felt confident enough to replace the Belgian chemist who had decided to leave anyway. Trading conditions improved slightly with lanolin being sold all over the world and a considerable trade in 'huile de suint' being started. This was a mixture of the fatty acids produced as a by-product in the lanolin process, with mineral oil and water and was sold to chamois leather manufacturers most of the production going to France. Indeed at that time and right up to the Second World War a very high proportion of Croda's production was exported.

### LANCASHIRE

Albany Grange Ltd. Seamus Mills, Stanhill Works, Oswaldtwistle Accrington  
 Olive Oil  
 Albin Bridge Chemical Co. Ltd, 88, Mosley St, Manchester What Grease  
 E.C. A. Porek (Medical Products) 14, Green St, Liverpool Lano & Hard Fat  
 W.T. Alexander & Sons Ltd (Vanil) 11/12, Chase St, Red Bank, Manchester.  
 H.G. Alford & Co. Ltd (Oil Mills) 20 St Ann's Sq. Manchester Lano.  
 Alkermat Mills Co (Cosmetic Mills) 4-8, Argyll St, Birkenhead. Oils Lano.  
 Alkermat (Disinfectants) Ltd, Lear Road, Old Swan, Liverpool. Wad Grease & High Oil  
 Alkermat Co. Ltd (Chemical Mills) Canal Dock, Widnes. High Oil  
 Anchor Chemical Co. Ltd, Clayton Lane, Clayton, Manchester. Lano. Hart & Skelton  
 D. Anderson & Son Ltd, Park Road Works, Salford, Manchester. W.G.  
 Angelium Oil Co. Ltd, 186, Southbank Road, Southport. W.G.  
 Annes Products Ltd, Leig W Road, Worsley, Manchester. Hartston.  
 Anker Ltd (Polish Mills) 85, Malesworth St, Rochdale. Hartston.  
 Anselm Lubricants Ltd, Manchester Road, Hyde. W.G.

A page from A P Wood's mailing list copied in his own handwriting from Kelly's Directory

But despite the developing business in lanolin and 'huile de suint' the business was still not profitable. In fact, it was virtually insolvent by 1930.

Crowe and Wood were original directors of the company with Crowe's son Louis and Goodwin, the solicitor who formed the company. Goodwin resigned within a year or so. Louis Crowe remained a director until his death in 1952 but he was non-executive and lived abroad most of the time.

Eric Cannon joined the Board in 1928 and that Board of four was destined to remain unchanged until 1946.

George Crowe was already a retired shipowner when Croda was formed and never played an executive role in the company although as Chairman and principal shareholder for the first thirty years of the company's history he obviously took a keen interest. His original investment was £7,707 of the £9,172 which was the total capital of the business until 1930. However, the accumulated losses of the first five years trading exceeded the capital (see Appendix I and the company was only sustained from insolvency by personal guarantees to the bank from Crowe senior and Wood.

It was timely, therefore, that in 1930 fortune smiled. The National Physical Laboratory produced a report on temporary anti-corrosives which showed that a simple film of lanolin was a good means of preventing rust on ferrous surfaces.

The product recommended by the NPL was a 30% solution of lanolin in white spirits. Wood's first idea was that the big oil companies would be interested in making this type of product and Croda could sell them the necessary lanolin. However, this met with a fairly cool reception so it was decided that Croda would make the solution themselves and would try and sell it to the engineering and bicycle

industries. The method of manufacture was simple to say the least. The lanolin was melted in an empty 40 gallon steel drum standing on a few bricks over an open fire. When it was melted the fire was put out and white spirits quickly poured in and mixed.

The solution was christened Croda Fluid No 3 and the range was extended by making solutions of different concentrations of lanolin in white spirits.

The developing steel using industries such as car plants and assemblers of consumer durables, needed to be able to apply some simple, cheap and effective coating to their products during assembly to prevent rusting. This coating, however, needed to be easily removable before the final stages of painting or finishing. The lanolin-based rust preventive, of which Croda Fluid became the market leader, satisfied this requirement very well.

The rust preventive solution developed in sophistication with the years and also the range of uses expanded particularly as the darkening war clouds turned more and more manufacturers to armament production where freedom from rust was essential.

So the early thirties saw the turn of the tide. 1931 was a profitable year and Croda never failed to make a profit every year after that date.

The original lanolin business had been suffering considerably from the effect of competition as two other companies had taken up manufacture in the UK in the late twenties. After battling it out fruitlessly for some time, Croda made contact with their competitors in 1930 and started rationalisation talks which led to the formation of a Lanolin Pool which lasted some twenty years until it was broken up in 1950. This pool enabled the lanolin manufacturers to make a small profit on their production and aided further Croda's steady move towards profitability.

With the increase in business and marginally profitable returns, came a modest expansion and the works staff grew to five people with an office staff of 4 typists and a bookkeeper.

One of the typists at that time recalls that on a typical day her first job was to make a fire and then tidy up as funds did not run to a cleaner. Wood generally arrived early and would sit at his desk seemingly oblivious to the clouds of dust caused by the cleaning operations, and would go through the mail.

He usually brought with him a huge pile of circulars which he had hand addressed the night before, generally working into the early hours of the morning. He would also bring hand written circulars to be typed and duplicated. Having digested the mail he would dictate shorthand often for two to three hours at a stretch.

Cannon, if he were not out selling, would be working in what was euphemistically called the laboratory, actually the kitchen of the house in which Wood once lived, and which was now being used as offices.

In 1932 he had been joined by a 14 year old local lad who had instructions to wash the pots and the floor and make himself generally useful. This boy, Edgar Lower, displayed an almost fanatical determination to master every aspect of lanolin and associated products and eventually became a World authority on the subject. He retired in 1974 after 28 years as a member of the Board of Directors.

But that was all a long way off in the mid-thirties when he gradually took over the laboratory from Cannon and assumed the role and later the title of Chief Chemist.

Much of the early product range of Croda was devised in this period by Edgar Lower. Because lanolin was a natural ingredient for cosmetics, he became interested in this field and

developed a wide range of bases and mediums for cosmetic manufacture.

In 1934 and 1935, Cannon and Lower started experiments to chemically separate lanolin into its two major components lanolin alcohols and lanolin fatty acids. This was already being done in Germany and it was known that the alcoholic fraction was a most superior emulsifying agent for cosmetic creams.

Despite the extremely crude laboratory conditions and their lack of technical expertise, they did finally isolate the alcoholic fraction which Wood named Hartolan (as supposedly containing the heart of lanolin).

The ensuing development of this ultimately highly successful product shows an early sense of ingenuity which was to characterise Croda's progress. The plant needed to make Hartolan in bulk was most expensive and elaborate and Croda had no money. Wood and Cannon were, however, uncomfortably aware that a large and prosperous Bradford wool mill, W & J Whitehead (Laisterdyke) Ltd, were planning to enter the lanolin business. A simple but elegant solution occurred to Wood and he proposed to Whiteheads that instead of making lanolin and thereby creating wasteful competition, they should make instead the new product Hartolan which could be marketed by Croda. This plan eventually matured and a partnership was created which has continued with hardly a change to this day and to the satisfaction of both parties. This demonstrated Wood's early preference for marketing and a willingness to let others do the manufacture, which was to appear again and again in Croda's history.

The years from 1930 to 1938 were in general poor ones for business although Croda managed during these years to increase profits slowly and by small increments each year. But overall the firm grew slowly and there were frequent slack periods. Lanolin and the new derivatives sold fairly steadily, but the

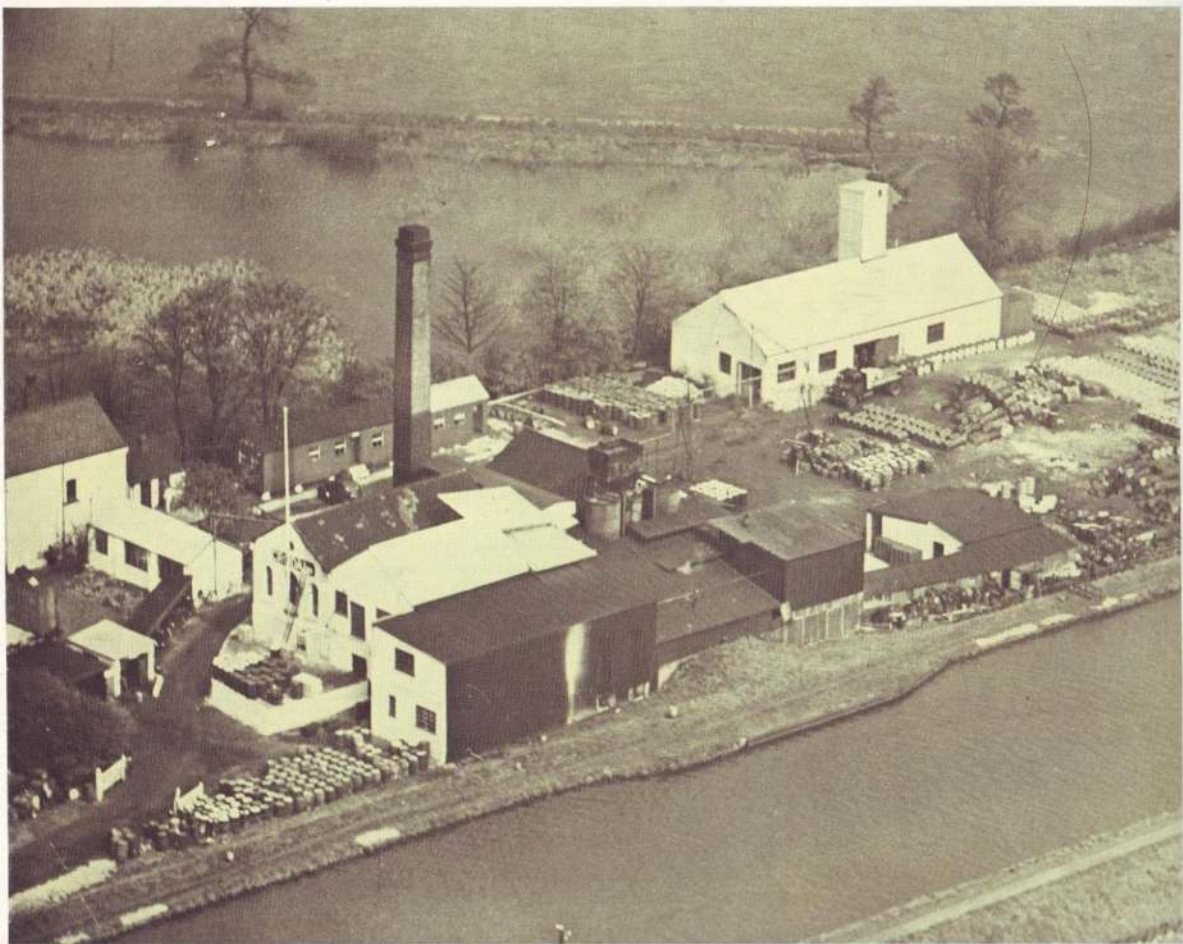
by-product of woolgrease fatty acids (which often represented the profit) did not and embarrassingly large stocks often built up. During these times the process had to be stopped and men were laid off. Diversification was tried. A company called Charlotte Toilet Lanolin Co was set up to pack lanolin in small tubes and pots for the retail market. This was not successful and failure brought home the realisation that there was a world of difference between industrial selling and retail marketing and for decades the Company kept strictly away from the latter field.

But Croda was just managing to stay in business. There is no doubt that the management was deeply conscious of the effect of slack periods on their employees. An indication of the austerity of the times is that it was common practice for the bosses to pass down their clothes to the workers. The work force was not much bigger than a large family and was treated as such — complete with annual one-day trip to the seaside.

Almost the whole of the staff at the outing to Scarborough 1937. Left to right Marion Lindsay, Walter Shand, Vera Jennings, Nora Britton, Margaret Webber, Eric Cannon, Max Munden, Chas Miller



An aerial view of the Rawcliffe Bridge works in 1937.  
The white building with the tower (upper right) is the  
newly built olive oil refinery



But eventually the relentless quest for new markets began to have its effect. The general economy started to improve and Croda's fortunes improved with it. By 1938 the number of men employed in the works had crept into double figures (wages were 1 shilling per hour). The office staff was augmented by an assistant for Wood and by an advertising man. But Cannon was spending more and more time out selling, particularly in the south of England. The company had reached the stage where it needed a sales office in London and Cannon moved south to set it up in 1937. He also travelled regularly to Europe where by now Croda had established important markets.

For many years Croda had imported odd lots of olive oil which was useful semi-barter business for wool grease with the woolcombers who used the olive oil as a processing aid. In 1937 it was decided to expand this type of activity by blending and refining imported crude oils and a separate building was constructed at the works, complete with several large storage tanks and modern filtration apparatus.

This was to be the last major development before the outbreak of war which radically altered Croda just as it did most other chemically-based companies.

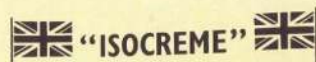
Import and export business almost disappeared and so the new development in olive oil was aborted as was much of Croda's traditional export business. Luckily Croda's existing plant, although mainly simple was ideally suited for blending operations. The firm had already in a very small way started to supply the Government with rust preventives and this increased rapidly with the Services also requiring supplies of rust preventive approaching a paint in composition.

This required the installation of paint manufacturing machinery which would become a valuable asset in the post war shortages. However, at this stage it was used to make rust preventives and to supply huge quantities of

camouflage paint used throughout the country. Encouraged by the success in meeting Government specifications, Edgar Lower made a study of the whole range of Government specifications and the Government was informed which ones Croda could tackle. The offer was accepted and the factory worked day and night supplying dubbins, footsoap, camouflage cream, anti-gas oil, gun cleaning oil, soldering solutions, de-icing fluids for aircraft and barrage balloons. The refining of large volumes of contaminated mineral oils was also carried out using much of the plant which had been acquired for olive oil refining. As the war moved into the East yet another new product was required — insect repellent. Over six million tins of this were supplied before the end of hostilities.

Croda co-operated closely with the Government technical staff and developed much useful 'know-how'. As supplies became short the Company became particularly adept at making substitutes, even substitutes for substitutes, a talent that was to serve them well in the shortages of the immediate post war years.

Gradually almost all the men in the works and the office were called up for the Services and by the end of the war much of the actual process and manual work and all the office work was being done by women.



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Croda advertising. The smaller advertisement appeared in 1933, the larger one in 1938.

A P Wood. A photograph taken shortly before his death in 1949



## Post war recovery

When the war finished and the boys came home, Croda was a very different firm from the one they had left six years earlier. The war years had been busy and the firm had expanded in plant facilities and when the men returned, in human resources as well. But financially it was still very small. The activity of the war had not, of course, produced profits and in fact Croda had been held by Excess Profits Tax legislation to the low level of its 1938 profits. The company was therefore of a reasonable physical size but was grossly under-capitalised which did not bode well for the difficult years that lay ahead as the newly developed wartime markets all fell apart.

For a time, however, all was well. Sales were booming to the extent that a new home was needed for the sales office. This was still embedded in the middle of the Rawcliffe Bridge works and Wood was not happy about it. As already mentioned, many of the products sold by Croda were not manufactured at Rawcliffe Bridge so there was no particular point in the sales office being there — in fact it often caused confusion. In addition, throughout the busy war years there had been a tendency to check stocks by simply walking out and checking physically rather than keeping proper records. Wood had determined during the war that this was going to be solved by establishing a separate office and decided to take action in 1946. No money was available, however, to build a new office and so the company looked round for an existing building. It so happened that a large old Georgian vicarage in the village of Snaith where Wood was now living was empty. It was some five miles away from the works and therefore whilst quite separate, was not too far away as to cause inconvenience. Negotiations with the church authorities took place, the vicarage was bought and quickly turned into a satisfactory and rather pleasant office which was the company headquarters from 1946 to 1955.

The plant was coping quite adequately with the sales boom. Some of the wartime facilities

could be used in the peacetime world. For example, Croda had been making crude camouflage paints during the war and the machinery was easily converted to the manufacture of paints which could be sold readily to a public starved of consumer goods. There was therefore a sort of commercial honeymoon which Croda shared with many other firms when the run-down of Government contracts was softened by the demand from the domestic market.

But this honeymoon was to last no longer than most. Croda's paint using substitute raw materials was of poor quality in the main as indeed were the products of other manufacturers. By 1947 and 1948 supplies of good quality material started to come on to the market again and Croda, like others who had come into manufacture in the period of shortage, found themselves largely out again.

The later 40s, therefore, were mainly occupied with recovering a normal peacetime stance. The war had been considerably beneficial to business expansion but this as mentioned was of a largely profitless nature. 1948 was a difficult year for Croda and in fact the last quarter of 1948 saw the company actually trading at a loss for the first time in over a decade.

The Board which had remained unchanged since 1928 was now augmented by Norman Duckels, the pre-war secretary who on his return from war service took over production. Edgar Lower joined as Technical Director and Norman's younger brother Leslie joined the company as Secretary. This new Board was faced with a very difficult problem brought about by the hot-house growth of the war years. Should they deliberately cut back to something like the pre-war size or should they go forward? Leslie Duckels prepared a document 'The diagnosis and the remedy' suggesting that they aim for a profit of £1500 per month and suggesting they should go ahead using Croda's traditional method — increasing sales.

Those disappointing quarterly management accounts were the last ones A P Wood was to see.

In March 1949 he made a hurried and tiring trip to New York in an attempt to draw together the old pre-war lanolin business. He came back to go into hospital for an operation to correct an arthritic condition of the spine. Like many businessmen at that time he was in bad shape. The constant worry of running a business during the war without much help — working for almost ten years without a break with hardly a day off, had taken its toll. He survived the operation but died the following day at the early age of forty-six.

To the management of Croda his early death seemed an overwhelming catastrophe. Wood had had no time to delegate much of his work, a crucial decision of whether to expand or contract had still to be taken. Things looked black indeed in late 1949 as the first twenty-five years of Croda's history came to an end.



The twenty-fifth anniversary dinner, Walter Shand, buyer replies to a toast 'The Employees'. In front of him are Mrs E Cannon and Mr G W Crowe

1949-1964

George Crowe had for the first twenty-five years of the company's history left the running of the business to his nephew but he was, of course, still Chairman. Now old, 79, and in poor health, he found himself without a successor for A P Wood and had to try to try and draw the management team together.

Young Freddie Wood had been working for two years as his father's assistant on the sales side and he was recruited to the board as Sales Director. Lacking a clear leader, Crowe and the board settled for a committee management and did not name a Chief Executive. This management structure was to last for four years.

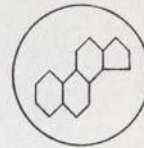
The new board decided that they must press ahead but as was only to be expected the firm was shocked by the sudden and early death of the man whose name was synonymous for many with the firm itself. Recovery was slow but by April 1950 it was sufficiently advanced for a celebration to be held in the Co-operative Hall in Doncaster where practically the whole firm gathered. A comparatively prestigious anniversary booklet 'The first twenty-five years' was produced making no reference to the firm's troubles and concentrating only on its growth.

The valuation placed on Wood's shares on his death for death-duty purposes notionally capitalised the whole company at about £50,000 but it is fair to assume that an open market value was probably nearer £100,000. The nett book value was £85,000 and pre-tax profits were running at about £12,000 p.a.

Some 125 employees attended the anniversary dinner and the total staff at that time was probably a little more than 130.

## Croda Limited

RAWCLIFFE BRIDGE



## Dinner-Dance

—♦♦♦—

in Celebration of the 25th Anniversary of  
the Company

On WEDNESDAY, 31st MAY, 1950

at the

Doncaster Co-operative  
Ballroom

• • •

Chairman • G. W. CROWE

Front of the programme

0  
Ernest Fenwick

Comments & Notes on  
Estimates

The object of any measures adopted must be the achievement of a reasonable profit (net) per month, say £1,500.

To decide what measures should be adopted needs a true appreciation of approximately the worst conditions which may have to be faced.

These can be envisaged as follows:-

Joint, owing regard to the death of Mr. King, should produce £200 per month

Olive Oil, - as a result of the necessary uncertain conditions could fall to, say, ----- 500.

Parish Dept. if the present state is maintained and there are no further set-backs would produce (per month) 400.

Coalition, Rice, Fuel, etc. should not fall below 900.

£2,350.

Thus to cover an average of £1,500 per month a Profit & Loss Account a further £1,500 would have to be required from General Trading Account to ensure that we hold over on any particular

The firm was small but had survived the crisis, it had a fair reputation with bankers and it had achieved what most small firms fail to do and that is to survive the early years.

Most human groupings, organisations and institutions share certain attributes and need certain ingredients to grow and succeed. Moreover, these groupings whether they be tribes or nations, trade unions or religions, clubs or communes, grow, live and decay at a rate determined often by the qualities of the members and their leaders. A private limited company in Britain in the nineteen-twenties and thirties needed a patron or backer to provide the capital, it needed an ideas man or an inventor to provide the ideas and finally it needed a manager. As we have seen, Croda had had all these but by 1950 Dawe had been gone from the scene many years, Wood had just died and Crowe the backer, although still alive, was past 80 and was about to have the first of a series of strokes from which he died a few years later.

The original team that had started the firm twenty-five years before had virtually gone. The trauma that followed Wood's death produced a revolution in management style which was to be the keynote of the next twenty-five years — a move from a personal and individual style to a corporate and managerial mode.

The sales settled down to around £500,000 level with profits before taxes annually of something like £10,000 — £15,000.

The pattern of trade returned to the basic one of lanolins and kindred or derived oleochemicals developing in two main directions. The first was as a supplier of specialised raw materials for other manufacturers products, the simplest example of which would be lanolin in cosmetics, but which was varied in many ways to provide an ever-growing list of products for many other industries.

As in the example of cosmetics, this led to pharmaceuticals and veterinary products, thence to household products, polishes and so on.



The former vicarage at Snaith which as 'Croda House' was the company's headquarters from 1946 to 1955. It is now converted to laboratories engaged in development work on metal treatment products  
Photo: Norman Burnitt



'Crocell' a hot dip strippable coating being demonstrated to customers during the early nineteen fifties

The other main stream was the manufacture of simple industrial products from lanolin and similar material which were intended for use by other industries as a manufacturing aid. This had already been done by Croda for many years before the war for example with simple rust preventives but in time these became more sophisticated developing into industrial paints, lacquers, strippable plastic coatings and branching off into specialised lubricants and steel rolling oils.

The driving force for this policy was the marketing system which in turn relied on intelligent and ambitious local sales representatives. For its size in the post war years, Croda had a reasonably large force of high calibre. Many of these were young employees who had gone into the Services and returned as mature men anxious to make headway in the post war world. These men were motivated partly by a large degree of independence, partly by a reward system to which there was practically no upper limit. It was the system often used by small firms of providing reasonably sized areas, fairly low basic salaries and an over-riding commission on all sales in the area. For larger and more complicated firms this is not always a satisfactory system but for the smaller firm, anxious for growth, it often works and it certainly did for Croda. The results were apparent in the steady increase in sales during the years and in the fact that many of these representatives have gone on to take senior management positions within the company, notably Ernest Tyerman, Chief Executive of Croda since 1973 and Rex Kirkby, director in charge of the Chemicals Division.

The marketing system which gradually grew up has been used by many parts of Croda since then in the UK and abroad. The sales office in conjunction with the laboratories would initiate a product and quite probably immediately run a direct mail campaign or advertising campaign on it. It is important to remember that these products would rarely be very specific

chemicals but rather blends, the composition of which could be varied fairly simply.

The representative would then contact a customer, either as a result of an enquiry received at the sales office, or even by cold call, and he would be ostensibly offering the product but his primary task was to build a relationship with whoever would make the buying decision. Quite often this man would not in fact be the buyer but might be a formulating chemist or an engineer. Quite often also the product being offered was not suitable. This did not matter all that much. The idea was that the customer would tell Croda's representative what his problem was and the representative would hasten back to the laboratories to see if they could devise a product that would solve this problem. If they could, then that product would be offered to the customer as a tailor-made product. If accepted, the customer would be satisfied and the business reasonably secure.

Croda was essentially a market-orientated company before anyone at Croda knew what that meant. The management was preoccupied with the sales range in quantity and quality and not always too concerned whether the firm actually made the product. In fact often neither the plant nor technology were available to make some of the products dreamed up in the laboratories and by 1950 half of the Croda range was being made for them by other firms.

Exports were again beginning to build up and whilst there was a well-developed and extensive network of agents and representatives in most developed and semi-developed countries, there had been only one overseas manufacturing venture tried. That had been a joint operation in India to manufacture rope batching compounds. It was small and moderately successful but had to be sold out at the time of secession in 1948.

The directors were well aware of the potential of the North American market where most of

the World's leading cosmetic manufacturers are based. In 1950 as the result of an introduction by Commander Whitehead, Chairman of W & J Whiteheads, Croda was put in contact with an American wool magnate, Arthur O Wellman who wished to make lanolin in America from his by-product wool grease.

It was decided to establish a joint venture in the USA to develop the market but Croda was as always at this time so short of cash that no money was available for capital. A simple solution was adopted. The capital was equally held between Croda and Wellman but was purely nominal — about £50. Wellman agreed to pay a manager one year's salary and expenses and provide desk space against Croda providing the commercial know-how. A deal was struck and Fred Wood with his wife and baby daughter went to New York as the manager in October 1950. It was at this time that he published the advertisement in the US technical journal, Oil Paint & Drug Reporter referred to on the first page.

The US venture was very much a marketing effort. The sales office in New York, initially just Wood himself, offered the Croda range at first from UK supplies but gradually developed on to a product range made in the USA on contract or toll basis. The existing US lanolin producers were not too worried about Croda's entry, Jack Butscher who is now Vice President of Croda Inc was at that time working for Hummel Lanolin Corporation, a long established producer who were eventually acquired by Croda. He remembers attending a meeting of American lanolin producers in the early fifties and enquiring why Croda was not represented. He was told that they had not been invited, since a senior executive of one of the firms present had once visited Croda and 'they only have a collection of tin huts that they call a plant, they've never made any lanolin, and they're only nuisance value'.

However, the nuisance was doing very well for itself. By 1953 four separate manufacturers

were supplying Croda Inc with its required products.

The marketing was spearheaded by aggressive industrial direct mail campaigns much as the parent company had used a quarter of a century earlier.

The company was quickly viable even though it had virtually no capital and by 1953 sales were running at over £100,000 per annum and profits were almost equal to the parent company back home.

In mid-1953 it was agreed that Wood should return to the UK and take over as Managing Director. He was succeeded in USA by Michael Cannon, who had been training in the UK for a number of years and was the son of Eric Cannon, Wood's father's partner of 25 years earlier.

Croda Inc in New York continued to flourish and in a highly sporting gesture Wellman sold his half back to Croda in UK in 1955 for book value in recognition of the major contribution that Croda had made.

Croda in North America in 1974 had total sales of £3,788,000, profits of £435,000 and has been virtually built up without an original capital base although retained earnings now provide that base with a total of £770,000. The venture was not only good for Croda but good for the UK economy and each year over £1m worth of UK produced chemicals are sold through Croda to North America. This successful North American venture provides a good example of two Croda characteristics — the capacity to provide ingenious solutions to a basic capital shortage and the strength of the market orientation of the management.

Back in the UK in 1953 business had settled down on rather a dull plateau. Pre-tax profits for 1952 and 1953 were respectively £12,000 and £13,000 which in fact were lower than the average of the previous decade.

The sales picture was strong and growing but margins were poor. The sales were split into those products made in the only factory at Rawcliffe Bridge and those made by other manufacturers including lanolin alcohols made by Whiteheads, Fatty Acids made by Universal Oil Company (see more later), Castor Oil made

by Premier and esters made by C M Keyworth & Company Ltd., of Leek, Staffordshire. In the UK the latter firm was becoming an increasingly important supplier of products to Croda. It was headed by Maurice Keyworth, a brilliant chemical engineer who had started to trade with Croda in 1946 when chemicals were in short supply. A good relationship quickly developed and a two-way business was well-established by the early 50s.

Maurice Keyworth has recorded that his first impressions of Croda were as a medium sized company anxious to please its customers. He regarded the directors as all dedicated men, not only working directors but hard working directors and this attitude appeared to prevail throughout the firm. Keyworth was strong on technology and manufacturing but short of marketing strength. Croda was the reverse and the arrangement was therefore extremely complementary. The important Croda business in fatty acid esters was built up by this combination.

In 1953 Maurice Keyworth decided to sell out and although he would have liked to sell his company to Croda, he was under the impression (with some justification) that Croda could not raise the £200,000 he required. He was indeed very close to completing a deal with the English subsidiary of a large American chemical manufacturer when the Croda board held a hurried meeting and despite grave doubts and uneasiness by some of its advisors, decided to bid for the company. The purchase was indeed a severe problem but a combination of friendly assistance from the bankers, some careful financial footwork and the co-operation of Mr Keyworth enabled the transaction to be satisfactorily completed.

This first major merger proved to Croda the significant benefits that can arise from a blend of logical industrial mergers or acquisitions with organic growth. However, the lessons learnt were not to be used for more than a decade. The years of the late 50s and early 60s were ones of steady organic growth. The cash flow

was all the time used up in capital expenditure and the growing Croda simply had no coin with which to acquire other companies, even if it wished to.

The gradual emerging corporate ambition was to build the company up with a view to securing a public quotation and being able to use shares in part at least for acquisition.

Croda advertising in the mid 1950s

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Cowick Hall, Croda's headquarters

The slow but steady growth brought an accommodation problem. In 1946 the headquarters had moved to a former vicarage in Snaith, known as Croda House but this too now became cramped to the extent that a collection of rather tatty huts had to be erected in the garden to contain the gradually increasing staff. Nearby was a large and beautiful but somewhat neglected Georgian mansion known as Cowick Hall. Until the middle of the 19th century it had been a country seat of Viscount Downe, but since then had had a succession of owners and by 1955 had not been lived in for some years, being mainly used for storage. It came to Croda's notice that the existing owner intended to tear it down, but was being prevented from doing so by the Historic Buildings Council. Negotiations were entered into with this Council and the owner and very soon Croda had a satisfactory lease with an option to purchase so the headquarters was established at this beautiful building with its historic associations and lovely surrounding park, and it has remained the headquarters ever since.

A further overseas base was established in 1955 when Croda started a lanolin manufacturing operation near Milan in Italy in conjunction with Marzotto, the giant Italian textile concern. Croda's manager was a young Englishman, Harry Rosson, who with his Italian wife built up the business. As in America it was found better after a while to go it alone and the manufacture was moved to a new site outside the village of Mortara. Completely new plant was installed and today, that factory greatly enlarged, manufactures a wide range of Croda products, still under the care of Harry Rosson.

But not every move was a success. The experiences of America and Italy might have taught Croda that joint ownership of companies, however amicable at first can lead to severe problems. The lesson was, however, brought home within the next move overseas which was a bid to establish a lanolin manufacturing company at Verviers in Belgium.

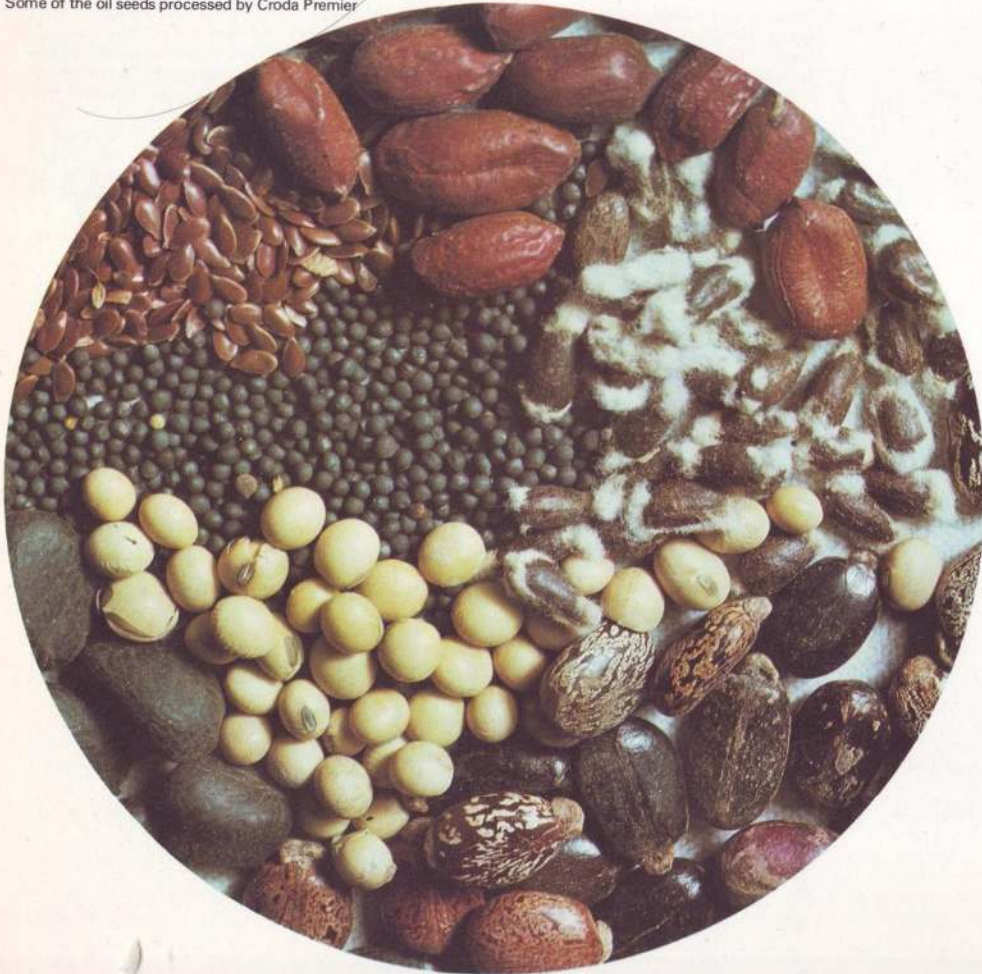
Croda's partners in the venture were six local woollen manufacturers and although the plant was duly built and operated, the administrative problems became complex and Croda sold its share in 1959. In the same year, however, still determined to have another base in the EEC, Croda started a sales operation in Germany near Düsseldorf. This venture, Croda GmbH, was successful and sells a full range of Croda products in Germany and its neighbouring countries.

The venture was modest in that one man, Maurice Thwaite, at that time sales representative in the Midlands, was sent out to see what he could do about selling in Germany. For a long time he was practically on his own but gradually built up a strong sales team.

During the late 1950s also, Croda had a brief flirtation with diversification when providing backing for a small firm making ultrasonic homogenisers and other ultrasonic devices. Although the company was not unprofitable, it was not without its share of problems, both technical and commercial.

It was operating in a field that Croda did not really understand. Selling out became almost inevitable and duly happened but another valuable lesson had been learned and in future the cobbler would stick to his last.

Some of the oil seeds processed by Croda Premier



## The public company

George Crowe died in 1954 and was succeeded for a few years by his brother Sir Edward Crowe, a former diplomat. He too died in 1960 and Wood became Chairman as well as Managing Director, now firmly at the helm and able to push forward his ideas. In 1959 he had made a sweeping reorganisation of the sales team, rapidly promoting some of the company's younger men. The effect on profits was almost immediate. In 1960 they leapt to £134,000 and in the next three years grew dramatically so that by June 1964 Croda could go public on a forecast of 1964 at £160,000 pre-tax and an actual of £230,000.

The shares were offered for tender by L Messel & Co and went at the today's equivalent of 10 5p each, the issue being four times over subscribed. Press comment was reasonably favourable although not over enthusiastic. One notable exception was John Davies of 'The Observer' who had earlier spent many years on the 'Financial Times' and had developed strong views about the ingredients of a successful company. He saw in Croda many of these factors — a specialised range that would not bring Croda into conflict with the giants, sufficiently tailor-made to provide security of business and a degree of price flexibility; a proven ability not only to survive but to grow across international frontiers; a management obviously strongly inclined towards marketing and very much aware of the profit factor, and not least, the right sort of leader in Wood himself. A further bull point was the use of Messels as brokers. But strangely enough in 1964, now that Croda had paper to use, it did not use it, but grew strongly by organic development.

A new venture overseas was undertaken, this time in Japan. Croda had for many years had very friendly relations with Sansho Oil Fat & Trading Company who specialised in lanolin derivatives. Early in 1964 Wood had visited Japan and after talks with Mr Hasebe the principal of Sansho, had decided to set up Croda Nippon as a joint venture. This joint

venture, unlike some before it, was successful and was headed by Hasebe's son-in-law, Taki Tanabe, joined later by Tony Chell, a young Englishman who had come up through Croda's trainee scheme.

By 1966 then Croda had started to become a name to conjure with in the chemicals field. The rating of the company was good and the market view of the management was so favourable that a takeover or merger of significant size became a distinct possibility. An informal list of merger or take-over victims was compiled although many of the names seemed to be too large and famous to be persuaded to join Croda.

The first name on the list was a public company known as United Premier Oil & Cake Company Limited. This was a fine old company formed in 1919 by a combination of several old-established companies concerned with oil seed crushing and refining. The company crushed and extracted castor beans but its main activities were in the crushing and refining of other seeds, particularly soya bean, groundnut and rapeseed. The extraction plant and refinery was badly damaged during the intensive enemy bombing of Hull in 1941 but had been largely rebuilt in the early 50s with modern machinery.

One of the companies in the group was the Universal Oil Company which manufactured fatty acids. These fatty acids are themselves one of the vital building blocks of the oleochemical industry and are sold to a wide range of industries. Fatty acids are made from natural fats and oils, which chemically are known as tri-glycerides. A 'splitting' process is carried out which means that the molecule is split into the two major components, glycerine and fatty acids. Any one natural oil contains a mixture of several fatty acids. A further major operation carried out by the Universal Oil Company was to take these mixtures of fatty acids and separate them into the individual fatty acids of high purity. Much new plant had been installed after the war and the firm was very well versed in the technology of fatty acids. Croda had had a tenuous relationship with the Universal Oil Company since before the war, as it resold some of the fatty acids produced as part of its own range of cosmetic raw materials.

After the acquisition of C M Keyworth & Company in 1954, fatty acids became a much more important material since many of the products made by Keyworths used fatty acids as a main raw material.

The fatty acids were being used at the Leek factory to make esters. Croda's major competitor in this field already had a captive source of fatty acids and Croda felt itself vulnerable to this competition. A link-up with Universal Oil Company seemed to be the answer but although a tentative approach was made this was not completed. Instead Croda began to look again at the whole United Premier group of companies although very little was known about the main activities concerned with the crushing of oil seeds and refining of oils, nor indeed the markets for these. However, by the early summer of 1967, Croda was fit and ready for a bid. 1966 had been a good year and 1967 looked like being better. Croda's reputation as a small but dynamic and growing company was high in Stock Exchange

circles and its share price had topped 20p compared with the 10.5p of June 1964.

United Premier Oil Company Limited, on the other hand, had just returned its lowest profit for some years and was generally in rather poor regard with the institutions and the investing public. Despite the disparity in size, Wood thought a merger might be possible and called a quick meeting of the Croda board, who readily agreed. Messels were consulted and they emphasised the need for a merchant bank suggesting S G Warburg & Co Ltd. Warburg's apparently liked both Croda and the scheme, as they got down to work right away and an offer to acquire UPOC was made to the latter's merchant bank, Schroders, on May 23, 1967. This valued the UPOC shares at about 66p.

The offer came as a complete surprise to UPOC and caught the board in some disarray. The Chairman was ill and two other directors were abroad. Mr C T Manson, now a Croda managing director, was at a conference at Gleneagles from which he promptly headed back. There followed a series of meetings of the UPOC board resulting in a rejection of Croda's terms couched in rather frigid language. The bid had come as a blow to pride.

However, after the initial rejection UPOC did invite a party from Croda to discuss the situation in Hull, at the Station Hotel. Unfortunately it was none too cordial. Don Jackson, now Deputy Chairman of Croda, but then Financial Controller of UPOC, recalls that he knew little about Croda but was inclined to regard them as a mushroom growth company largely built up on public relations. He had little time for Croda's ideas and methods and confesses that he would probably never have joined Croda had it not been for his personal regard and admiration for Wood which developed at that and subsequent meetings. He also came to realise that Croda's views and management systems had arisen from a completely different background and ambience.

But this was in the future. Relations between the two boards were strained, and UPOC board advised its shareholders that they were 'not satisfied that the Croda board has the experience to deal with the various production and large scale marketing in which your company is engaged'.

On June 15 the Croda offer was raised to 77.5p. Again it was rejected but at about this time both sides began to realise that one way out of the deadlock might be an equal merger. On June 28, Premier sent out a circular setting out proposals for an equal participation at a higher price. The two sides met with their advisers and a deal was sealed on June 30, the terms being forty Croda ordinary shares and £15 of 7½% convertible loan stock for every 30 shares in UPOC, an effective price tag of 90p per share which put a total value on UPOC of £2,923,000. During the bid, Croda's shares had moved from 22.5p to 31p.

Apart from the disparity in size and management attitudes, there was much of a complementary nature in the two sides of these first examples of a major Croda merger. UPOC was more basic — being a bulk producer of vegetable oils and fatty acids — whereas Croda was more specialised as a manufacturer of oleochemicals and was in consequence a large user of the basic UPOC products.

Fatty Acids were particularly important to Croda for its ester plant at Leek and the position of UPOC through its Universal Oil Company subsidiary as one of the 'big three' UK fatty acid manufacturers made the merger compellingly good sense.

In the early days after the merger, Wood visited the fatty acid plant at Hull with Cecil Manson to discuss a major new capital investment and during their talks they discussed the fact that Universal needed over 15,000 tons a year of tallow and other animal fats as raw materials.

As they were walking around the yard they

saw a drum of tallow marked 'British Glues & Chemicals' and the possibility of this company as a suitable acquisition was discussed briefly.

Wood had assumed that the merger would need a two-year shakedown period, but so well did the two managements knit together that by early 1968 there was a general feeling that they could afford to think of another merger or acquisition.

British Glues & Chemicals had been on Croda's 'takeover list' for some time — mainly because of its position as one of the two major UK producers of gelatin. Gelatin — used extensively in foods, pharmaceuticals and photographic film — looked the type of product that Croda would like to market. BGC was also big in animal glue and synthetic adhesives, which could also enlarge Croda's product range and, of course, there was the production of some 18,000 tons per annum of tallow — more than enough to hedge Croda's needs for fatty acids. BGC had a dozen or so factories round Britain with bone processing works in Austria and Holland (both glue and gelatin which are chemically similar are produced from bones and hides).

It was a large firm for Croda to take on, bigger in assets, turnover and employees than Croda, even after the UPOC merger. British Glues & Chemicals was itself the result of the amalgamation of a large number of companies which had drawn together much of the United Kingdom gelatin and animal glue industry into one group.

A quick survey of BGC indicated that it was technically orientated and that it was old established. These two attributes are, of course, far from being wrong in themselves, but in fact they did lead directly to the weakness in BGC's performance which made it possible for Croda to take them over.

BGC had to be technically orientated because of the variety of technical problems that arose

in this difficult line of processes. The technical orientation, however, went too far up the management ladder and certainly it seemed that major decisions were influenced by technical rather than commercial or economic considerations. They were old established which was historical fact but some of their management attitudes were also old fashioned which in this case was a grave disadvantage.

Croda formed the impression that BGC had no individual style, little flair or imagination and that the top management was rigid and autocratic to a degree which inhibited free expression or the flow of ideas. These impressions were largely confirmed afterwards by the people who had operated under this management and who joined the Croda team.

Furthermore, the Croda board reasoned that BGC had not got the ability to get itself out of the poor state it was in and was inevitably destined for either bankruptcy, a take-over or a coup d'etat. If a take-over was to be made there seemed to be good grounds for Croda making it because whilst gelatin was certainly a fresh field, Croda was very familiar with specialised chemicals derived from natural raw materials. Additionally BGC was one of the UK's largest producers of tallow and Croda had become through the UP merger a large user of tallow. Finally there was the challenge of taking over another chemical company that apparently badly needed improved management.

**THE GUARDIAN** Saturday July 28 1966

**Croda makes £5M bid for British Glues**

The acquisition of Croda Plastics has been announced by the bid maker, British Glues and Chemicals, which has a 20 per cent stake in the £40 million firm on the London Stock Exchange.

The takeover of the plant will be completed by the end of the year, and the new company will be known as British Glues and Chemicals. The takeover is being financed by a £5 million loan from the Bank of England.

**The Financial Times** Monday July 22 1966

**BIDS AND DEALS**

**British Glues Board rejects offer**

The Board of British Glues and Chemicals has rejected the offer of £5 million for the company by Croda Plastics. The offer was made by Croda Plastics, a subsidiary of the Croda Group, which is controlled by the Croda family.

The Board's decision was based on the fact that the offer was not in the best interests of the shareholders. The Board also stated that it was not prepared to accept the offer because it would result in a loss of control of the company.

**Croda extends the offer**

Croda Plastics has extended its offer for British Glues and Chemicals to £5 million. The offer was first made in July 1965, but was rejected by the Board of British Glues and Chemicals. Croda Plastics has now extended the offer to £5 million, and has also offered to pay a dividend of 10 per cent on the shares.

The offer is being made by Croda Plastics, which is a subsidiary of the Croda Group. The Croda Group is controlled by the Croda family, and has a long history in the plastics industry.

**Croda hits back**

Croda Plastics has hit back at the Board of British Glues and Chemicals, saying that the Board's decision to reject the offer was a mistake. Croda Plastics says that the offer was in the best interests of the shareholders, and that the Board's decision was based on a misunderstanding of the facts.

Croda Plastics also says that it is prepared to pay a dividend of 10 per cent on the shares, and that it is willing to accept the Board's decision. However, it says that it will continue to make its offer, and that it will continue to work towards the acquisition of British Glues and Chemicals.

**THE FINANCIAL NEWS** Thursday, July 13 1966

**GLUE TALKS MAY SEAL MERGER**

Mr. D. Wallin, chairman of British Glues and Chemicals, was believed to be in talks with Croda Plastics over a possible merger. The merger would result in a new company, British Glues and Chemicals, which would be controlled by Croda Plastics.

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**Croda lifts bid for British Glues' defence stick**

Croda Plastics has lifted its bid for British Glues and Chemicals to £5 million. The bid was first made in July 1965, but was rejected by the Board of British Glues and Chemicals. Croda Plastics has now lifted the bid to £5 million, and has also offered to pay a dividend of 10 per cent on the shares.

The bid is being made by Croda Plastics, which is a subsidiary of the Croda Group. The Croda Group is controlled by the Croda family, and has a long history in the plastics industry.

**Croda's third offer rejected**

The Board of British Glues and Chemicals has rejected Croda Plastics' third offer for the company. The offer was made for £5 million, and included an offer to pay a dividend of 10 per cent on the shares. The Board's decision was based on the fact that the offer was not in the best interests of the shareholders.

The Board also stated that it was not prepared to accept the offer because it would result in a loss of control of the company. The Board's decision was based on the fact that the offer was not in the best interests of the shareholders.

**Final broadsides in Croda's bid battle with British Glues**

The final broadsides in the bid battle between Croda Plastics and British Glues and Chemicals have been heard. Croda Plastics has accused British Glues and Chemicals of misleading the market, and of making false statements about the company's financial position.

British Glues and Chemicals has responded by saying that Croda Plastics' accusations are unfounded, and that the company's financial position is sound. The bid battle has been a long and bitter one, and it is expected to continue for some time.

**THE TIMES** FRIDAY AUGUST 9 1966

**British Glues seen says 'no' to Croda**

British Glues and Chemicals has said "no" to the offer of £5 million for the company by Croda Plastics. The offer was made by Croda Plastics, a subsidiary of the Croda Group, which is controlled by the Croda family.

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**By LEX**

**Croda-British Glues**

Croda Plastics has made a bid for British Glues and Chemicals, but the Board of British Glues and Chemicals has rejected the offer. The offer was made for £5 million, and included an offer to pay a dividend of 10 per cent on the shares.

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**BY THE CITY EDITOR**

**British Glues to do capital reig**

British Glues and Chemicals is expected to do a capital reorganisation in the near future. The reorganisation would involve the issue of new shares, and the cancellation of existing shares.

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**Croda's bid for British Glues**

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**British Glues and Chemicals**

British Glues and Chemicals is a public limited company, incorporated in England. The company's registered office is at 10, Abchurch Lane, London EC4N 3DF. The company's principal business is the manufacture and sale of adhesives and sealants.

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**THE GUARDIAN** Wednesday September 11 1966

**Croda hits back**

Croda Plastics has hit back at the Board of British Glues and Chemicals, saying that the Board's decision to reject the offer was a mistake. Croda Plastics says that the offer was in the best interests of the shareholders, and that the Board's decision was based on a misunderstanding of the facts.

Croda Plastics also says that it is prepared to pay a dividend of 10 per cent on the shares, and that it is willing to accept the Board's decision. However, it says that it will continue to make its offer, and that it will continue to work towards the acquisition of British Glues and Chemicals.

**THE SUNDAY TIMES**, 16 SEPTEMBER 1966

**Countdown on £8m Glues bid**

The countdown to the £8 million takeover of British Glues and Chemicals by Croda Plastics is under way. Croda Plastics has made a bid for the company, and the Board of British Glues and Chemicals is expected to make a decision in the next few days.

The takeover would result in a new company, British Glues and Chemicals, which would be controlled by Croda Plastics. The takeover would result in a new company, British Glues and Chemicals, which would be controlled by Croda Plastics.

**The Financial Times** Thursday September 19 1966

**Croda adds 2s more and wins**

Croda Plastics has increased its bid for British Glues and Chemicals to £8 million. The bid was first made in July 1965, but was rejected by the Board of British Glues and Chemicals. Croda Plastics has now increased the bid to £8 million, and has also offered to pay a dividend of 10 per cent on the shares.

The bid is being made by Croda Plastics, which is a subsidiary of the Croda Group. The Croda Group is controlled by the Croda family, and has a long history in the plastics industry.

**COMMENT**

The bid for British Glues and Chemicals by Croda Plastics is a classic example of a takeover bid. The bid is made for a large sum of money, and the offeror promises to pay a dividend on the shares. The offeror also promises to pay a dividend on the shares.

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On July 15, 1968 Freddie Wood and Ernest Tyerman went to see the then Chairman and Managing Director of BGC and informed them of Croda's interest in making a bid. An offer was made on July 19 of one ordinary 25p Croda Premier share and £2.50 nominal of 7% Convertible Unsecured Loan Stock 1988/93 in Croda for every twelve ordinary 20p stock units in British Glues.

This effectively valued each BGC stock unit at 52p and the board of BGC immediately rejected the offer as 'totally insufficient' adding their opinion that the commercial reasons put forward for a merger were minimal.

The offer was widely reported, the consensus of press opinion being that it was not enough. By August 8 a formal offer was circulated and Croda increased its offer to one ordinary 25p share plus £2.90 nominal of the Loan Stock, effectively increasing the valuation of each BGC stock unit to 60p.

Again there was a speedy rejection and on August 20 BGC in defence forecasted pre-tax profits of about £800,000 for the year (the 1967 figure was £453,000) and promised to restore its dividend to 19% from 10%. Croda retorted by openly deriding BGC's forecasting ability, pointing out that increased profits had been forecast for each of the previous four years and in the event had fallen each time. The offer was extended until September 6, but on September 4 was again increased. This time one ordinary 25p Croda share plus £2.00 nominal of the Loan Stock was offered for every eight stock units of BGC, an effective valuation of 81p. Again the directors of BGC advised shareholders to reject the increased offer and proposed a capital restructuring of BGC in defence.

Accusation and counter accusation grew increasingly acrimonious with the press giving full coverage and now beginning to take sides.

On September 14 the Croda increased offer

was extended to 3 p.m. on September 18 after which the offer would lapse. At 2.45 p.m. on that day, acceptances still fell slightly short of 50% with two or three institutional shareholders holding out. A hurried last minute conference was held and it was decided to add 10p in cash for every BGC stock unit to the offer. It was enough, and an announcement was made that the offer was accepted on behalf of 54.5% of the issued stock. The increased offer, which effectively valued each BGC stock unit at 92.5p was extended to all stockholders who accepted or who had already accepted. The directors of British Glues unanimously recommended stockholders to accept the increased offer which valued the company at £8.7m. A long and often bitter battle had ended.

When the shooting was over the board members of BGC who remained sat down with the Croda board to get their views on the future. One of the BGC directors concerned remembers clearly how impressed he was that there were no recriminations even upon those people who had so strenuously opposed the bid. Instead the re-structuring of the company was commenced, particularly the breaking up of the strong bureaucratic centre which had been a feature of British Glues and probably a symptom of its problems. This did involve a number of inevitable personnel changes but as had happened in the UPOC merger, opportunities in the main Croda organisation were open to many British Glues personnel. Peter Bewley joined the Croda board responsible for gelatin production. Douglas Paines formerly BGC secretary also joined the Croda board being responsible for all aspects of bone collection and treatment and George Bates who was BGC's assistant secretary became Croda's secretary and later a director.

The battle received much publicity and is well remembered. Many commentators could see little point in the bid at the time. Mike Hyde, now publisher of 'Chemical Insight' and at the time editor of 'Chemical Age' recalls "Although I have known of the Croda group for the best part of 20 years, my interest as a chemical commentator was not really aroused until the 1960s. I had not appreciated why any company should have wished to have acquired United Premier & Cake Mills, but when the bid for British Glues & Chemicals came in 1968 I was taken aback. My initial reaction was to see this as a purely asset-stripping operation as it seemed inconceivable to me that any company in its right mind would wish to spend shareholder funds on acquiring what I regarded as a somewhat run-down business, signs of visible merit not being apparent to an outsider. This surely seemed a case of aggrandisement for the sake of it; BGC were a large acquisition and my impression was that Croda had on this occasion bitten off more than it could readily digest.

"In fact, it was during that bid that I learned from Mr Wood his business philosophy — he was clearly no asset-stripper. Subsequently, the trend of events proved him right; in my mind neither United Premier nor British Glues would have survived left to their own devices.

"The ability of Croda which I most admire is that of seeking out the hidden talent in acquired companies; finding the able, but frustrated middle managers on which the future of the company could be built. That to me is a positive contribution, both from Croda's own point of view as well as from that of the national good. Croda have in fact proved their ability to take over run-down companies and make something out of them, without in any way impairing their own management structure. This is the acceptable, positive face of capitalism."

It is in fact an important feature of Croda's acquisition policy that opportunities should be

available for personnel from acquired companies and this has proved to be a rich source of management talent. It is dramatically illustrated in the composition of the fifteen-man Main Board. Five were with Croda prior to the first major acquisition in 1967, but the other ten have all come from various acquisitions since then.

Before the dust had settled in the BGC battle it was announced that a small Yorkshire firm called Glovers Chemicals Ltd were making a bid for Bowmans Chemicals Ltd of Widnes. Bowmans were also on Croda's bid list (as were Glovers themselves). The firm had been in business since 1905 mainly concerned with lactic acid manufacture although after a crisis in 1948 they had diversified into specialised chemicals for the metal finishing industry and for tanning and they had developed another important food acidulant, malic acid. Shortly before the bid from Glovers there had been dissension on the Bowmans board which had resulted in the then managing director leaving the company, his place being taken by Derek Mather an accountant and lawyer by training who had originally joined the company as a consultant. On hearing of the Glover's bid, Croda immediately got in touch with Mather and it became quite clear that at the right price for the shareholders, Bowmans would rather join Croda. Rapid discussions took place followed by another offer and by late 1968 Croda had not only acquired the hefty BGC but also the not inconsiderable Bowmans Chemicals. Derek Mather joined the Croda board and is now managing director in charge of the Food Ingredients Group.

Early in 1968 an important move was made overseas in Australia. Throughout the early sixties Croda had been considering the possibility of manufacturing lanolin in Australia because of the large local production of wool fat. An alternative to starting from scratch was to acquire the only lanolin manufacturer in Australia — Lanoline Products Limited. Lanoline Products had been started just after

the Second World War by an Australian chemist called William Barry and he had built up a small but exceedingly effective business in the manufacture of high quality lanolin which he exported throughout the world. On visits to Australia, Wood had proposed to Barry that his organisation might join up with Croda, but although he was sympathetically inclined he never actually committed himself to a complete merger.

In the summer of 1967 Edgar Noble — a textile chemist turned businessman (who had originated from Bradford and gone to Australia many years earlier) arrived in England with the thought in mind of selling the Australian chemical distribution business which he had developed. Amongst the people he visited was George Hembrough, at that time in charge of Croda's Leek plant, but who would shortly find himself in charge of a sizeable new operation in Australia. Hembrough was immediately interested and took Noble to see Wood. A short discussion followed about the possibility of buying his business in Australia. Noble also mentioned at the same time that he was a director and shareholder of a small public company in Australia — known as Federal Chemicals Holdings Limited — which made a similar range of products to Croda and which might be open to merger approaches. It was agreed that a party from Croda would go to Australia in the near future to look into the possibility of acquiring these companies. At about the same time, sadly, William Barry died and after some months of consideration on whether she should carry on the business alone, in late 1967 his widow Rae signalled to Wood that she was interested in negotiating the sale of the business.

After a quick exploratory visit in December 1967, Wood again visited Australia in early 1968 with Don Jackson and George Hembrough to see whether a deal to put together these three firms was possible. They stayed some weeks and, in fact, a deal was quickly brought about.

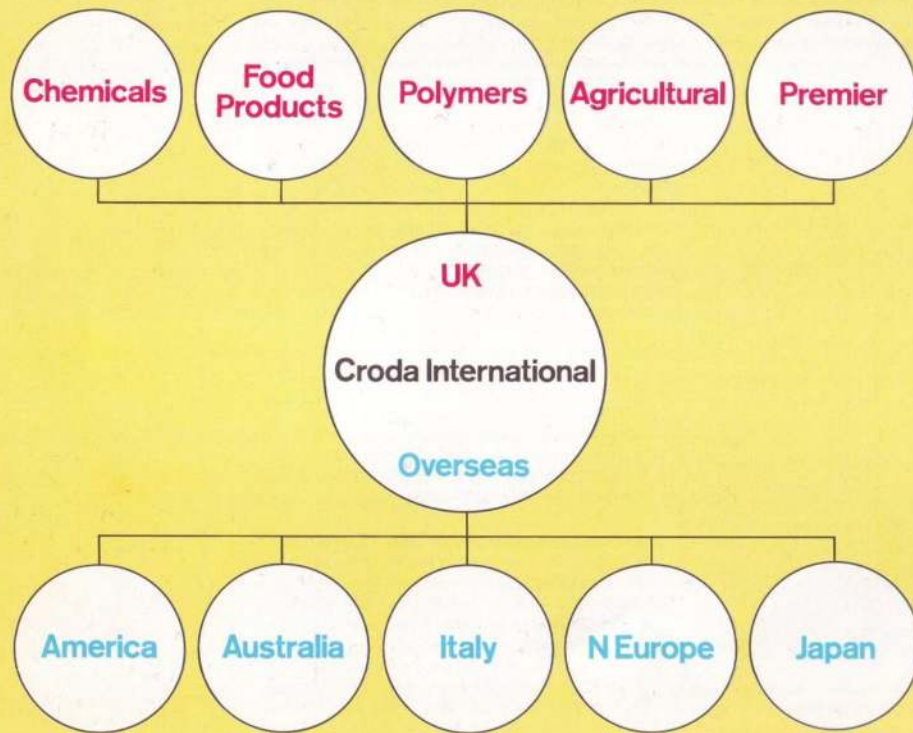
The three businesses concerned were Lanoline

Products Limited, E I Noble & Co Ltd and Federal Chemicals Holdings Limited with Lanoline Products owned by the Barry family, E I Noble owned by the Noble family and Federal Chemicals Holdings a public company quoted on the Melbourne Exchange. Croda agreed to acquire the two family businesses for cash down and part payment over a number of years and then immediately sold these two businesses to Federal Chemicals Holdings for an exchange of shares — ending up with a controlling holding in Federal. Federal Chemicals Holdings' name was then changed to Croda Federal Chemicals Limited and it became the parent company in the Australian Group of Croda companies.

The merger was made possible because each of the three companies had a severe management problem. Bill Barry had died, Edgar Noble was wanting to retire and the directors of Federal Chemicals were also getting very near to retirement age. Croda — by rapid footwork and timely judgement — had in a period of three short months acquired a substantial position in a public company operating in its own field in Australia. With the injection of more money and Croda expertise the company was shortly to enter a period of solid progress and growth and to become a significant factor in the Australian chemical industry.

Thus 1968 saw Croda grow in terms of turnover from £17 to £27m, in pre-tax profits from £743,000 to £1,490,000, in assets from £5.2 to £12m, in employees from 1,500 to 3,000 whilst the share price increased from 47 to 98p (in present terms).

Croda's organisation chart in 1969



## Consolidation

After the hectic events of 1967 and 1968 it was necessary to have breathing space and to re-organise the management structure to take care of the explosive growth. This was done by splitting all trading activities into five major divisions (see chart opposite). The Chemical Division included Croda's original activities at Goole and Leek plus the fatty acid plant at Hull that had formerly belonged to Premier. The Food Products Division consisted of the Gelatin factories that had been part of BGC, the various acidulants that had been part of Bowmans Chemicals combined with Croda's existing fairly small operations in food emulsifiers. The Polymers Division had perhaps the hardest task. It was created out of the former glue manufacturing plants of BGC and the former Croda Paints operation at Luton. Unfortunately the glue manufacturing plants had been having a bad time, the sales force was largely indifferent and there were grave problems of morale as well as money.

The two remaining divisions were Agricultural Division which had taken in the activities of BGC concerned with the collection and processing of bones before they were turned into either gelatin or glue and the Premier Division which covered the edible oil activities of the old UPOC Group. The progress of this Division is interesting in that the selling of edible oils had always been regarded by UPOC as a largely cyclical business. After the formation of the Premier Division and some major management changes, the profit had increased year by year. The division is run by two former UPOC men, Michael Foster and David Jewsbury who are both on Croda's Main Board.

Besides these major divisions there were one or two small operations which did not conveniently fall into any division, among them Standard Soap Co Ltd. This business had been part of BGC and after some years of patchy results a new managing director, Mr Donald Townsend had been appointed. He had decided on two bold steps. The first was that the traditional manufacture of soap from tallow

must cease. Instead ready-made soap chips of consistent quality were bought in, and the manufacturing operations were confined to milling the soap and adding perfume and colouring, then packaging. However, although the manufacturing operation was thus considerably simplified, he insisted on an absolutely first rate product whatever the price. The second step, probably even bolder was to dispense with all the company's existing trade and to concentrate only on private label work i.e. the making of soap for other people, in this case the leading cosmetic houses. These steps had already begun to justify themselves by the time Croda came on the scene in 1968 but the process was given extra encouragement and extra capital was provided after the take-over. Standard Soap was to become one of the fastest growing operations in the Croda set-up.

The group now had quite a wide spread in the UK and Europe, and executives were faced with an increasing amount of travel. Since quite a number of Croda executives had had service in the RAF or Fleet Air Arm during the war it was not unnatural that Croda was aviation minded and purchase of a Company aircraft seemed to offer several advantages. Some experiments had been made with chartered aircraft in the early 1960s, but the first definite step was made when Freddie Wood purchased his own light aircraft and learnt to fly in the mid 60s. He quickly found that whilst this was an admirable sport it was used relatively little for business purposes because of the administration and time involved in flying oneself. The idea of having a Company aircraft and professional pilot became increasingly attractive and in early 1968 Croda committed itself to the purchase of a twin-engined Cessna 336, engaging a recently retired RAF Squadron Leader, Bill Olsen, as the Company pilot. Since then Croda has become an enthusiastic user of executive aircraft and now has two planes and two pilots.

Overseas too, 1969 was a year of consolidation. The British Glues activities in America which

really consisted of a sales operation for gelatin and glue were combined with Croda's existing operation in New York. The Australian operation, started the previous year, was tidied up and via the BGC take-over Croda had gained factories in two more countries, Holland and Austria. In both countries BGC had set up an organisation to collect bones and carry out the de-greasing operation prior to shipment to the UK. The intention was good in that it removed the almost total reliance on UK bones which has caused difficulties in the past and the new factory which had been set up in Holland was working well. Austria, however, was a very different story. Far from being housed in a modern factory the de-greasing plant was in a very old building; worse still the operation was a joint agreement not at all favourable towards Croda. Even worse, the quantity and quality of de-greased bone emerging was wholly unsatisfactory. No easy solution was forthcoming. After some time trying to negotiate with the Austrian partners in the venture, Croda eventually resorted to buying out the partners and was eventually able to set things right.

The two Croda aircraft at Brough, 1975. Left is the Cessna 336, right the Cessna 414  
Photo: Norman Burnitt



The breathing space of 1969 was badly needed. Within a year Croda had changed from a relatively small company to at least medium sized and it had to start thinking about itself in different terms.

The first of a series of management conferences was organised at the University of Manchester Institute of Science and Technology in conjunction with Professor Roland Smith. These seminars which still continue are not only aimed at keeping people up to date with current management ideas but also give delegates in a widely spread company the chance to meet and talk over common problems. Roland Smith himself recalls Croda in 1968 as a supremely confident even brash company, yet still with enough commonsense to realise that it didn't know quite all of the answers. He believes that in the years since, the company has matured considerably — but retained the priceless asset of critical self examination.

Croda's corporate identity was well established by 1969 but it had not been done without effort and it had to be applied to the companies resulting from the mergers and acquisitions. Right from the days of A P Wood, much attention had been paid to items like stationery, packaging and literature, but these had tended to be treated individually with fairly rapid changes of style. In the early 1960s it had been decided to go for a definite house style and the company retained a Manchester design consultant Norman Wilson to consider its corporate identity problems.

This meant a total look at all the visual aspects of the company, anything the public might see, establishing a consistent design standard that was interrelated to produce a cumulative impact on the observer. Before this could be done, however, Croda had to determine what kind of identity it wanted to achieve in the future.

Organisations have the same problem of visual

identity as individual people do in their clothes and appearance. On first contact with another person an image is formed by that person's appearance. An impression may be conveyed for example of untidiness or neatness, flamboyance or conservatism, alertness or slackness. This impression can be important and lasting. To be effective, the outward appearance of a company should amplify and enhance the company's strong points.


The new identity then would have to express a dynamic, modern thinking, efficient and larger organisation. It would also show that the company was able to solve its more sizeable design problems. A symbol was designed incorporating a logotype of the company name to appear in a consistent form with a standard house colour — green. The symbol was based on the now familiar hexagons reversed out of a square. This device had been used by Croda for many years being derived from the chemical formula for cholesterol, but its application had been in a variable and loose form.

The next problem was implementing the symbol and standard green throughout the varied forms of visual communication, vehicles, stationery, packaging, signing, advertising and printed publicity. This meant not just indiscriminate use, but application with creativeness and sensitivity, so that a total Croda style would emerge and be apparent to the viewer. It also meant the active involvement and interest of senior management in design matters.

Design manuals, showing guidelines for use were produced so that Croda world-wide could produce a recognisable 'face' on an international level. The corporate identity was not produced as a strait-jacket and has tended to evolve over the years, rather than be a rigid directive for eternity.

The changing style of letterheadings over the years

**CRODA LIMITED**  
ORGANIC CHEMICALS DIVISION

  
 CRODA HOUSE  
 SNAITH  
 GOOLE

21st October, 1947.


Dear Sirs,

W. J. Harby, Esq.,  
 3, Church Crescent,  
 Kingston,  
 Essex, S.E.


With reference to our telephone conversation of today, I have spoken to the Manager of the Leeds Employment Exchange, which is at Leeds, and he has assured me there will be no difficulty whatsoever if the Labour Exchange at Leeds speak to Smith on the matter.

The Telephone Number is: SNAITH 50.

If you should have any difficulty, please do not hesitate to telephone me, as we have the full co-operation of the Employment Exchange at Leeds.



Yours faithfully,  
  
 E. D. Smith,  
 Sales Director.

**CRODA LIMITED**  
ORGANIC CHEMICALS DIVISION

  
 CRODA HOUSE  
 SNAITH  
 GOOLE

**CRODA LIMITED - CRODA HOUSE - SNAITH - GOOLE - YORKSHIRE**

Mr. J. Harby 3, Church Crescent Kingston Essex, S.E.	Mr. J. Harby 3, Church Crescent Kingston Essex, S.E.	Mr. J. Harby 3, Church Crescent Kingston Essex, S.E.	Mr. J. Harby 3, Church Crescent Kingston Essex, S.E.	Mr. J. Harby 3, Church Crescent Kingston Essex, S.E.	Mr. J. Harby 3, Church Crescent Kingston Essex, S.E.
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**CRODA LIMITED**  
ORGANIC CHEMICALS DIVISION

**CRODA HOUSE - SNAITH - GOOLE - YORKSHIRE**  
 ORGANIC CHEMICALS DIVISION  
 FOUR STORES

Dear Sirs,


In view of our long standing business relationship with your organisation, we have pleasure in enclosing herewith several of our latest leaflets which are representative of our best British products.


Working samples of the items included in our range are always freely available and our Research Department is at your service.

Looking forward to hearing from you and to an opportunity of serving you.

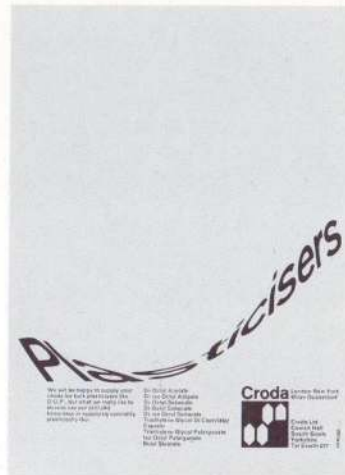
Yours faithfully,  
 E. D. Smith,  
 Sales Director.

**Croda International Ltd**

  
 Croda House, Snaith, Goole, Yorkshire DN14 5AA England  
 Tel. Goole (0404) 800001. Cable: Croda House, Goole, Yorks DN14 5AA



Croda advertisement. Awarded a certificate of excellence by the International Centre for the Typographic Arts.



Annual Report cover 1972



## Growth again

By the second half of 1970 Croda was ready for further growth. With the acquisition of United Premier, Croda had acquired a 48% interest in a group known as L & H Holdings Ltd who were concerned with processed vegetable oils, particularly linseed oil. The raw vegetable oils were heat treated to turn them into material suitable for use mainly in paints and inks. This was done on two sites, one in Hull and one at Barking. The Hull site, under the control of Joe Adamson, had made an interesting diversification of its interests with the erection of a plant for the bottling of edible oil and then had gone one stage further by installing one of the first UK plants for the blow moulding of plastic bottles. Some of the small packs of oil were sold directly but the bulk of it was being sold under the labels of other firms into supermarkets, and the trade was growing satisfactorily. The remaining 52% of L & H Holdings were purchased and the two sites integrated into the group, becoming known as the Processed Oil Division. Joe Adamson was chosen to head this division, and joined Croda's Main Board. The integration proceeded smoothly and perhaps there was a feeling that Croda had now become adept at making acquisitions work. If so, they were due for a sharp reminder of the pit-falls and it came with the purchase of Wick Pure Foods in October 1970.

Wick was one of the major processors of raw eggs which were cracked out of the shells and were then sold as such or converted to frozen or dried eggs. Millions of eggs were cracked each week. Supply and disposal were no problem as the market was controlled by the Egg Marketing Board. It was known that the Egg Marketing Board might shortly cease to function but it was certainly not appreciated what disorder this might bring.

In the event the demise of the Egg Marketing Board was accompanied by a serious outbreak of fowl pest and the management was unable to cope. A profitable business was running at a

loss within a few months. Rapid and extensive surgery was called for, and was duly carried out but it was almost eighteen months before this operation moved into the black.

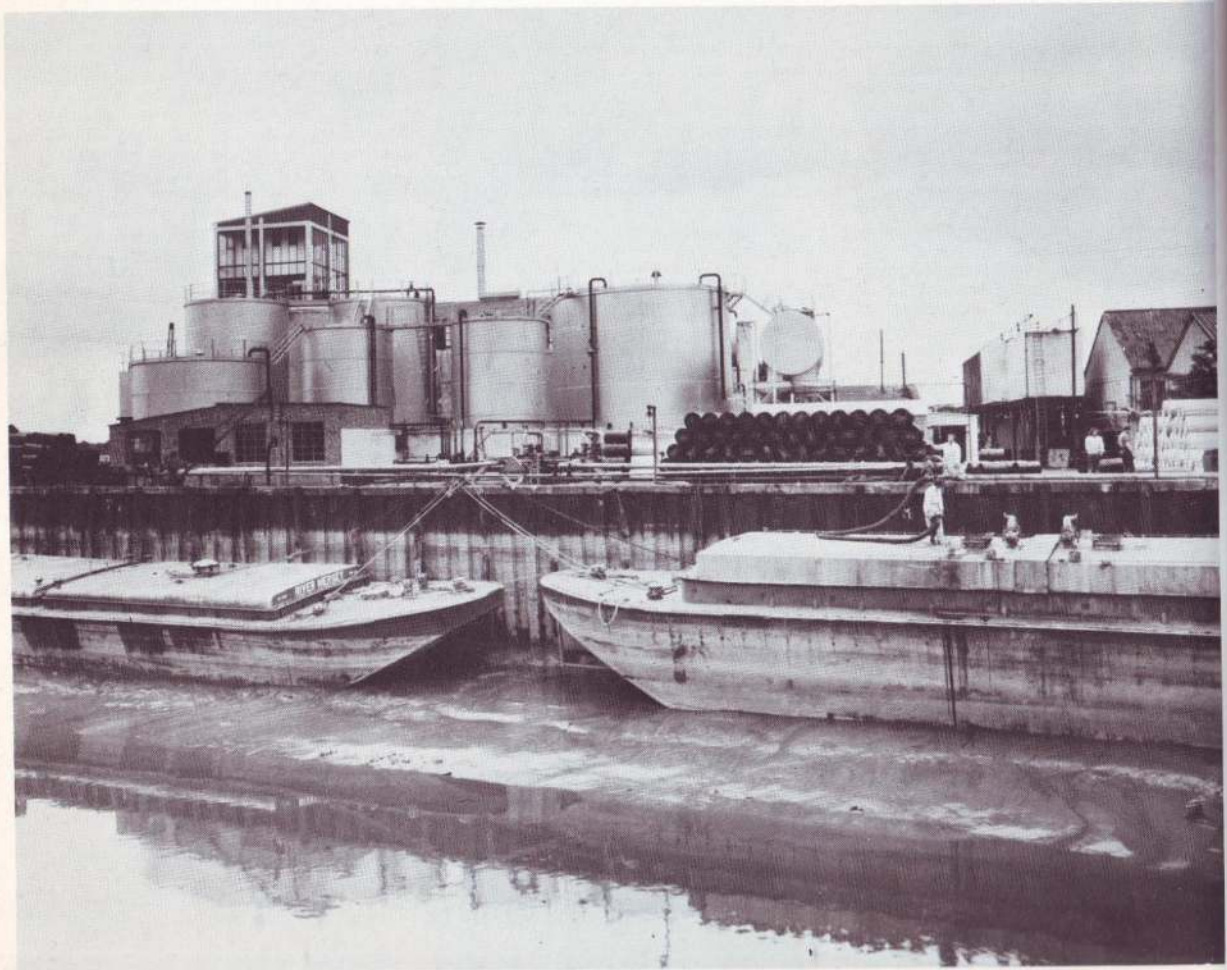
Croda had learned another lesson. Management which has coped with an orderly situation quite comfortably may be quite unable to cope with dramatic change. The Wick situation attracted a good deal of comment in the City, possibly more than it deserved, since it was not such an important part of Croda's total operations.

Meanwhile some further general re-structuring had been going on, resulting in the formation of three main sub-groups of the Company. The Food Ingredients Group besides the ill-starred Egg Division, now included all gelatin operations, all acidulant operations and all the

An egg breaking machine



bone collecting and de-greasing operations. The Oleochemicals Group, the biggest, took in all chemical activities plus the former Premier Division dealing with seed crushing and edible oil refining. The Polymers Group took in all the activities of the former Polymers Division plus the soap activities. This group also took in the one major acquisition made during 1971, that of A B Fleming (Holdings) Limited. Fleming was really a loose collection of four different operations all acting fairly autonomously. Printing inks were made in Edinburgh under the Fleming name, a similar range was made in Harefield, Middlesex, under the name Winstones and yet another similar range was made in Colliers Wood, London, under the name Gilby. Each operation had its own sales force and technical resources and there was naturally much duplication of effort which the Board seemed unable to co-ordinate. A fourth major member of the group was Plastanol Limited, based at Erith in Kent, who made synthetic resins. Although the autonomy of operations may seem a strange state of affairs, in fact the company was well regarded and contained some very able executives. The merger proceeded exceptionally smoothly and Pat Ross, formerly a Fleming board member was put in charge of Croda's ink operations, subsequently becoming a member of the Main Board. It is perhaps an outstanding example of Croda's acquisition and merger philosophy. For a start there was much common ground in that the manufacture of printing inks and the manufacture of paints, which Croda was already in, have many similarities and indeed Fleming had a small paint operation of their own.



However, printing ink was something new for Croda to sell. But printing inks have a large outlet in packaging and so did the glues which Croda was already selling. Thirdly, Fleming had a well-run and well-established operation in South Africa based on several different towns and this fitted in very well with Croda's plans to expand into that country. This was a good example of the area of common ground coupled with the opportunity for expansion into new fields which Croda looks for.

By this time also Croda had acquired some invaluable experience in handling the human side of mergers and knew the value of quickly communicating its intentions. Russell Hamilton who was in charge of Fleming's operations in South Africa and is now in charge of all Croda operations there was in the UK at the time. Although he maintained good contacts with the head office at Edinburgh, no-one from the Fleming board had ever been to South Africa so that the management team in South Africa felt rather isolated. But a meeting was quickly arranged between Hamilton and Wood, following which Hamilton was able to re-assure his colleagues in South Africa who then happily accepted the situation.

By now the market had become accustomed to Croda's appetite for acquisitions probably to the extent that the amount of organic growth taking place was not appreciated. Yet in 1972, a year without major acquisitions, sales went from £51,000,000 to £54,000,000 and profit before tax from £3.5m to £4.5m. A start was made on a new malic acid plant. This acid, used to enhance the taste of soft drinks, pickles, etc., is made by a Croda exclusive process and the new plant, now on stream, is probably the only one of its type in the world.

Croda's refinery on the riverside at Barking

A start was also made on a new edible oil refinery at Barking to complement the existing one in the north of England, at Hull, and this too is now fully on stream.

By early 1973, however, acquisitions were again taking place. In January, London Oil Medina Limited joined the Group. This company acts as a distributor of edible oils and other materials for the bakery and food industries, primarily in the south-east of England, and greatly strengthened Croda's marketing of edible oils in London and the surrounding area. Overseas a speciality chemical plant known as DLS was acquired. Situated on the outskirts of Vienna it is strong in the field of detergent chemicals and trades actively behind the Iron Curtain.

In Holland a printing ink factory at Winschoten, Northern Holland, was acquired. Known as Gembo, this company specialises in gravure inks of high quality and sells both in Austria and Germany. Yet another printing ink operation in the Common Market was added towards the end of 1973, this time Vernicolor SpA of Milan. They were to be followed by a third, Springer & Möller of Amsterdam in 1975. In the East, Croda's existing Japanese company Croda Nippon merged with a leading Japanese chemicals company, Dai-ichi Kogyo Seiyaku Co Ltd to form Dai-ichi Croda Chemicals KK.

Not all projected acquisitions came off, however. The market had begun to expect Croda to carry through any bid it made, but in seeking to expand its printing ink activities Croda made an offer for Ault & Wiborg Ltd. The offer was rejected. Many City and press observers confidently expected Croda to increase the bid but the Company had decided to dig in its heels and would not pay more than what it regarded as a fair price. The bid lapsed, leaving perhaps some red faces. Again by early 1974 Croda was known to be interested in J & E Sturge Ltd mainly because of the latter's interest in citric acid, a food acidulant which would have nicely complemented Croda's

existing range. This company, however, was not receptive to overtures and Croda did not feel like going beyond its original offer especially in view of the fuel crisis and economic uncertainties which were then looming. Sturge, in fact, quickly passed into the control of a German company.

But away from the drama of headlines on the City pages, many small companies were willingly being absorbed — small paint manufacturers, dripping manufacturers, pet food manufacturers and so on. 1974 also saw further expansion abroad, this time in Australia when the Lusteroid group of companies was taken over, overnight doubling the size of Croda's operations in Australia. The Lusteroid group (by coincidence founded at the same time as Croda) produces printing inks and paints and will be expanded to form a Polymers Division of Croda Australia.



Board of Directors, Croda International Ltd,  
December 1974  
Photo: Norman Burnitt

## Summing up

At the end of 1974 Croda International represented a dramatically different picture, not only from the company that had been founded 50 years earlier, not only from the small chemical firm that had celebrated its 25th anniversary in 1950 in the Co-operative Hall in Doncaster, but also in comparison with the firm that had gone public only 10 years earlier in 1964.

The profits which had slowly and carefully risen from nothing to about £12,000 per annum in 1950 had risen by 1964 to £230,000 and by 1974 the profit figure was of the order of £12 million. During this period the issued capital had grown by some four times, disregarding bonus issues, but the shareholders funds had grown from £10,000 in 1925 to almost £700,000 in 1964 and to nearly £30 million in 1974. The turnover, which had risen so very slowly in the thirties and steadily increased in latter decades, had risen by 1974 to the substantial figure of £128 million per year, with sales being made to almost every developed economy in the world. Some 6,600 staff manned 36 plants throughout the world — compared with the 350 men in the four factories in 1964. Apart from a wide range in the UK from Edinburgh in the North to Bermondsey in the South, from Hull in the East to Widnes in the West, there are factories and Croda communities in a dozen overseas countries.

Human relations are very important to Croda. In the early years of struggle there was a comradeship and mutual respect which has survived the growth years. No longer can everyone know everyone else but Croda is still a friendly company. The house magazine, the Croda Way, reflects this spirit with its chatty informal style, plenty of pictures, but no 'messages from management'.

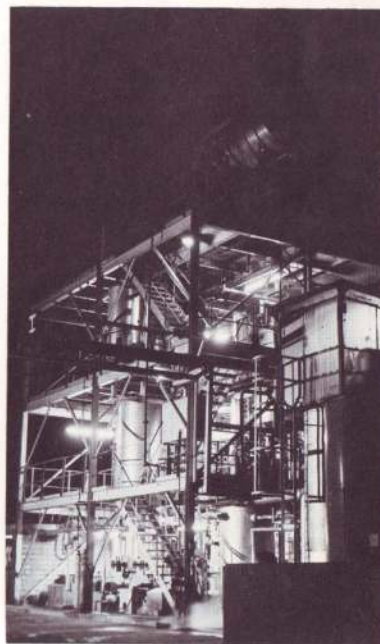
The results are obvious. Staff turnover is low. Many plants employ the second and third generations of the same family. Pensioners too are not forgotten. As far as possible some contact is retained, they keep in touch with the

company's activities via the Croda Way and in recent years each has received a substantial Christmas present. So too has each member of the current staff.

No one can tell what the future can bring in business as in anything else. Croda has been, by any reasonable standards, a remarkably successful company, but like a football manager a company is only as successful as its current record. Whatever the future does bring, however, the management, shareholders and staff of Croda can share pride in achievement of being part of a company that has not only grown faster than any other firm in the chemical sector in the world over the last 25 years, but has been one of the fastest-growing commercial enterprises of any industry in the UK for the last decade. In fact Croda has justified the epithet that it awarded itself in a moment of boastfulness — 'Croda — the fastest-growing name'.



Malic acid plant, Widnes



Nitrile plant, Hull

**Croda marketing  
throughout the world**

Acidulants to add taste to soft drinks  
Adhesives for packaging, furniture, books,  
paper and matches  
Animal feed supplements and pet foods  
Anti-staling agents for food  
Castor oil for pharmaceuticals and  
lubricants  
Cooking oils and salad oils, in bulk and  
small packs  
Egg products for large bakeries  
Fatty chemicals for detergents, rubber and  
plastics  
Gelatin for jellies, sweets and photographic  
film  
Glues for packaging, furniture, books,  
paper and matches  
Lanolin for cosmetics and pharmaceuticals  
Oils and synthetic resins for paints,  
varnishes and inks  
Paints for industrial and marine use  
Printing inks and printers' sundries  
Private label soaps  
Rust preventive compounds  
Sulphur for tyres and rubber products

**Croda International Ltd**



Cowick Hall Snaith Goole  
North Humberside DN14 9AA  
Tel Goole (0405) 860551  
Telex 57601

Key	Location	Product/Activity
1	North America New York Newark, NJ Lockhaven, PA	Sales office and HQ Lacolin esters, electrochemicals Ethoxylated products
2	South America São Paulo, Brazil	Sales office
3	Canada Toronto	Sales office and distribution centre
4	Australia Adelaide Albury Brisbane Melbourne Abbotsford Richmond Moonabbin Newcastle Perth Sydney Liverpool Mascot Rosebery Woolagong	Paints Depot Warehousing & distribution Lacolin and derivatives Fatty esters, Electrochemicals Paints Depot Warehousing & distribution Warehousing & distribution Inks Paints & lacquers, HQ, R & D Depot
5	Japan Tokyo Nagoya Osaka Shiga	Sales office Sales office HQ and Sales office Textile auxiliaries, Detergent products, Food Additives, Lacolin and derivatives, Metal treatment products
6	Austria Vienna Neudorf Ramsdorf	Detergents, Sulphonated products, Bone degreasing plant
7	Italy Montara Livate	Lacolin and derivatives, Ethoxylated products, Metal treatment products, Adhesives Inks and lacquers
8	Germany Kaldemünchen	Sales office and distribution centre
9	Holland Amsterdam Winchoten Dodewaard	Inks and lacquers Inks Bone degreasing
10	South Africa Cape Town Port Elizabeth East London Durban Johannesburg	Inks and chemicals Inks, Sales & distribution of chemicals Inks, Sales & distribution of chemicals Inks and chemicals Inks and chemicals
11	Rhodesia Salisbury	Inks and chemicals
12	Ireland Dublin	Printing inks
<b>Associated companies</b>		
13	Spain Barcelona	Resins
14	India Bombay	Chemicals
15	Ireland Lisburn	Spray drying plant
16	France Lille	Metal Treatment products
17	New Zealand Auckland Christchurch Wellington	Paints Paints Paints



