

# Shisha Masters

Magazine

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**Come  
to  
where  
the  
flavor  
is....**

...made by

**Philipp  
Hertz**

Managing  
Director of

**Hertz Flavors**

**It's a fact that most people are first drawn to shisha due to its unique social characteristics but a key feature for aficionados are the unlimited combination of flavors that are available. This month we speak to the Managing Director of Hertz Flavors, a family business founded in Germany in 1954. Today, Hertz produces over 20,000 unique flavors and each year sell enough to fill an Olympic sized swimming pool to customers all around the world.**

Philipp is the Managing Director of Hertz Flavors, a family-owned business established in 1954 in Hamburg, Germany, which has its headquarters in Reinbek, near the Hanseatic city, and two other locations in Dubai (U.A.E.) and Indonesia. Philipp studied Information Technology and Electrical Engineering in Zürich where he earned a Science Doctorate in Technology & Economics.

**What is your business all about?** Hertz Flavors is the leading supplier of flavors and related services to the tobacco and nicotine industry. We create flavors that are paramount to successful brands and provide superior taste. Our integrated holistic product design considers the product as a whole, as well as legislative and compliance requirements. Nothing leaves our R&D facilities, until our customers and we are absolutely satisfied with our work.

**Do you make flavours for non-shisha businesses as well?** We are dedicated to the tobacco and nicotine industry. We create flavor solutions for conventional tobacco products (cigarettes, shisha, cigarillos, snus, kretek etc.), as well as new generation products (Heat not Burn or HnB and vape). Our focus on this segment results in better products, due to the combination of our extensive flavor expertise with technical product and market knowledge.

**Do you supply shisha companies only in the Middle East and Europe?** The middle east, as the origin of Shisha and home to market leaders is a very important market for us, but we support companies and brands all over the world. Europe, the CIS region as well as certain countries in South America, Asia or Africa have developed their own Shisha ecosystem.



**“NOTHING LEAVES OUR R&D FACILITIES, UNTIL OUR CUSTOMERS AND WE ARE ABSOLUTELY SATISFIED WITH OUR WORK.”**

**Roughly how many gallons of flavor do you produce a year?** We produce more than 3.000 tons of flavor per year. More than 5.000 products (out of >20.000 flavors) ranging from 5kg to >100tons.

**What is the most successful flavor you ever produced?** In collaboration with our customers, we have created signature flavors that have been experienced by millions in successful brands. These flavors have been developed specifically and exclusively for individual key accounts. As confidentiality is an integral part of our business, I can only say that some of the most popular traditional and new generations products are using our flavors.

**What is the most unusual flavor that you have been asked to produce?** I think that is a long list. Each sales manager has their own stories about that. Especially in vape and shisha there have been now limits to creativity. What comes to my mind are for example savory (e.g., garlic, spicy) and dairy (e.g., cheese) flavors. But in combination with our marketing experts even these requests sometimes result in successful (and delightful) products.

**Have you always supplied flavors to the shisha sector?** Since the early beginning of flavored molasses, in the early 2000s. This was a totally new segment at that time, and we have been at the side of our customers from the beginning.

**When and why did you first decide to enter the world of tobacco and nicotine flavors?** We have vast expertise in the design of flavors for inhalation and tobacco products. Shisha was a perfect fit. If you think about the product, it was actually the first “kind of” HnB tobacco product.

**Have you ever tried a shisha and can you remember the first shisha flavor or product you ever tried?** I don’t know how many products and flavors I have tested. Must be hundreds. But I also enjoy shisha privately, especially in a social setting.

**What is your favorite shisha flavor and why? Is this a shisha flavor you make?** My favorite flavor is “Two Apples” from Al Fakher, but I also enjoy Grape-Mint and modern fusions from different brands. It makes one proud to have been involved in the development of successful flavors, but that is not a requirement for me to enjoy them heartfully.

**What challenges have you had to face in building your business?** I love what I do, but clearly there are many challenges. A strong team, where each team member contributes to our company culture with customer-service mentality, is important.

There are positive challenges such as managing growth and expansion, but clearly also some negative ones as for example navigating through the covid-chaos and supply chain disruptions.

We strongly support science-based regulations to make the products as safe as possible and to prevent youth consumption, but I do think that flavors have an important role in shisha that needs to be emphasized. That is also an important challenge the industry faces and that we support.

**“Shisha is actually the first Heat not Burn tobacco product.”**



**“WE STRONGLY SUPPORT SCIENCE-BASED REGULATIONS TO MAKE THE PRODUCTS AS SAFE AS POSSIBLE AND TO PREVENT YOUTH CONSUMPTION”**

**How have you managed to survive through the pandemic?** International travel and business are a great early warning system. I was visiting China at the end of January 2020, just when Wuhan went into lockdown. In China I could feel the seriousness about this outbreak early on (with the experience of SARS the region was much better prepared and aware). When I returned, we increased our safety stocks and monitored the situation. We were early to send our team into home-office (where possible) and start social distancing. But that all was clearly a team-effort and I think we have done great (without any internal infection). In addition, our recent focus on digitalization and automation facilitated the transition into remote-work. Everything was in place – though we clearly needed to order a few more laptops!

**Where do you see the shisha business in 10 years? Have you noticed any trends in how flavors will evolve?** The shisha industry has experienced fast growth. Shisha production nowadays is highly automated and there is a lot of innovation on flavors but also on the product in general. Though the most important traditional flavors will remain popular, people are eager to experiment, and flavors are becoming more complex (fusions, respectively combinations of multiple profiles).

**If you could choose any company or business person in the world, which do you admire the most? And Why?**

First of all, I admire my father for building a business and more importantly a reputation that created the foundation for my professional future. I am also really proud to have been part of the journey of specific customers that have managed to grow from a small team to international market leaders. Apart from that I admire people who have built great businesses solving substantial problems and that have actively contributed to a better world. And that is a long list.

**How would your colleagues or employees describe your business and management style?**

Always difficult to answer for others, but I hope: Customer-centric and dynamic; ambitious, passionate and innovative; transparent, fair and honest.

**What goals do you have for your life business?**

We have already achieved quite a bit, but at 36 years old there is still room for ambitious goals. I want to build a business that is seen as “best-in-class” by its customers, with a motivated team that identifies itself with our values and culture. Our group of companies should be a great place to work with the aspiration to take a leading role in their respective market segments. I wake up every day to take the next steps.

**What do you think one should be like if one wants to be successful in the flavors world?**

There are many different approaches, and I cannot judge which one is the most successful one. I think you need great people that love the products they design and the customers they work with and are excelling in what they do. In addition, you need to have a good mix of creativity and efficiency.

**What changes have you made to your business strategy during the last years?**

Our strategy is yearly reviewed, and we are continuously refining it. As the company in growing double-digit in terms of business and organization, we are heavily investing into new infrastructure (digital and physical) as well as our capabilities and teams internationally. We think that the future of tobacco requirements is beyond food standards (our current environment) and want to lead the transition to reduced risk products and a new generation products in terms of flavor.

**What is unique about your business?**

Our never-resting, customer-centric mentality and ambition to develop flavors and products that are world-class.

**Which qualities do you look for in new employees?**

There are basic but essential requirements such trustworthiness, shared moral values as well as professional capabilities. On top of that ambition and drive as well as diligence and the ability to achieve the best results in a team.

**What is the secret to keeping your regular customers loyal?**

Basically, to be at their side 24/7 and to support them as good and as fast as possible while not stopping until they are satisfied. Clearly there are other factors as well, as each customer is unique and needs to be treated that way.

**What 3 things can you NOT live without?**

My family, work and my friends.

**What three skills are needed to be successful in business?**

I think its more than three skills, but spontaneously I would say that it is of utmost importance to understand and focus on your customers and to have the highest of standards that never make you rest, respectively continue to improve and innovate.

**What has been your most satisfying moment in business?**

There are many. When your own customers or team members become “company fans” and value your teams or your own efforts. I think those are beautiful moments.

**Can you describe your typical day? How many hours a day do you usually work or think about work?**

There are no typical days. I am travelling a lot and try to keep a good balance between private and business, but clearly that border is blurry (or in case of a family-owned business like ours non-existent). When I am with friends, family and especially my son I focus on them. But I invest a lot of my time into my work life and love to reflect when idle (e.g. while traveling). One thing is guaranteed: my own To-Do list is never empty. Apart from that I try to work out (regularly) and grow in terms of my own capabilities and knowledge.

**ESCA works to promote shisha and to educate the public and political leaders about the tradition of shisha and those who use it.**

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