

# TECHNOLOGY, KEY FACTOR OF THE SUCCESS OF GRUMA.

- *In 1978 GRUMA was able to export technology to the United States.*
- *The successful incursion in the US market was the decisive step to ensure the prestige of the company worldwide.*

In the middle of the 70□ s, the degree of development of GRUMA operations in Mexico allowed the idea of extending operations beyond our frontiers because, among other things, the rigorous subsidy policy that controlled in that time corn and tortilla industry represented a serious obstacle for growth; a growth that also was practically impossible to stop at those days.

After beginning the consolidation in the Costa Rican market, a series of factors such as commercial and technological development ones prepared the ground for GRUMA to consider the United States as the following step in its expansion process.

In those days, Don Roberto González Barrera perceived the growing popularity of the Mexican food in that country; during a journey for California he observed that the industry in that state had some degree of technology; however, he also realized that GRUMA□ s technology was very superior and there were elements to compete there.

With that objective in mind, Roberto González Barrera committed himself to the task of introducing his flour to the tortilla makers in the United States, who showed very little interest in the beginning because they thought they had the best form of making tortillas and a better quality product.

In that time the tortilla industry in the United States was highly dispersed into small companies, whose owners were struggling not only to seize a share of the nascent market but also to be competitive using an inappropriate technology, which eventually would render insufficient to an ever-increasing and more exigent



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demand. □ Then I thought my task was showing them that very good tortillas could be made with Maseca flour. But how would I demonstrate that? Well, by doing them myself□ , Don Roberto recalls, who was successful almost immediately by producing his own tortillas, and in no time he already owned several tortilla shops.

In 1976 he acquired a small tortilla factory that sold US\$ 2 million per year, with a name that may sound familiar to more than one person: Mission Foods, a name that this subsidiary of GRUMA still conserves.

In this stage the strengthening of the technological component became a prevailing issue, which would eventually have in important influence to penetrate the North American market, according to the testimony Mr. Manuel Rubio Portilla.

GRUMA□ s current General Manager of Engineering and Technology commented to the □ AL GRANO□ magazine Special Edition that in 1978 he worked in the development of a machine that could produce 600 tortillas per minute, and whose operation in Mexico was not cost-effective given the effect upon the industry by the application of a subsidy. This fact encouraged them to transfer such machine to use it in the United States.

However, it was not that simple, because some difficulties and setbacks were faced to introduce this Mexican technology into the American market. The strategy used to introduce such machinery into North American territory showed again Don Roberto González Barrera□ s venturesome spirit and personality. Along with Mr. Rubio□ s advice, he decided to purchase Elecktra Food Machinery Company with headquarters in El Monte, California.



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Mr. Rubio himself explains the reasons of this acquisition: □ Apart from the technological aspect, the purchase had a merely commercial reason that allowed us to win some time, because it is not the same to compete alone in a market than buying an established business with its own customer portfolio and to whom the approach is with greater confidence□ .

Once the technology with Mexican design and patents was applied to the machines built in Elecktra Food Machinery, and complying with all the specifications imposed by the government of the United States, the company was transferred to Monterrey N.L., and the company became what now is TECNOMAIZ.

For one of the main responsible people behind GRUMA□ s development, the incursion in the United States is perhaps the most important step of the company in its first 50 years of life.

*In my opinion, says Mr. Rubio, □ the biggest step that this business made to gain the importance now it has was when we went into the United States, because we are of the few ones, or perhaps the only foreign company that could enter this difficult market with technology of its own□ .*

*Had we failed there, Mr. Rubio reckons, today the company would have a different magnitude and a different type.*

More than 20 years later, GRUMA is leader in practically all the local markets and products with which the company takes part in America. The prestige and experience acquired by the company when it first entered and stayed in this market, with a technology of its own and with a Mexican origin product, are now



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one of the valuable assets for the development of the company in the diverse regions of the world where it holds operations

