



Profile

Creating Value in Business and the Economy

For a chemical engineer, John Televantos has a unique job: “We try to look into the future to see what’s most likely to happen and then invest in businesses that can help make that future a reality,” he says. He is a Partner at Arsenal Capital Partners, a private equity firm based in New York, NY. By making careful and research-driven investments, Arsenal Capital helps smaller businesses in the chemicals and materials sectors grow — something that Televantos believes has a strong positive impact on society.

At Arsenal, Televantos leads the firm’s specialty chemicals and materials sector. He serves on the boards of several Arsenal-owned companies and Balchem Corp., a public company for which he is also Lead Director.

When asked to describe his work at Arsenal, Televantos explains, “We spend a lot of time thinking, talking to people, and doing research. What are the trends that are going to shape the demand and markets in the future?” He is adamant about one key point: “Technology is the most sustainable form of value creation in a business.”

For example, five years ago, before many engineers understood what horizontal drilling and multistage fracturing were, Televantos and his colleagues at Arsenal predicted that this new technology would have a big impact on the economy. After careful planning, they made several acquisitions — including companies that supply chemicals to oil wells. These investments are paying off, and Arsenal is now looking to expand its portfolio in this space.

Televantos recalls another example: “We recognized ten years ago that hybrid electric vehicles would become a big part of transportation” as lithium-ion batteries were evolving and becoming less expensive. Because the electrolyte is critical to Li-ion battery performance and energy storage, “we looked to make an investment in that supply chain,” he states. Televantos helped oversee Arsenal’s investment in Novolyte, and helped solidify the company’s supply chain with further acquisitions. “Putting all of that together allowed us to get multi-year contracts with major car companies,” he says. A few years later, BASF purchased Novolyte.

Private equity wasn’t on his radar when he initially began his career as a research engineer. “I never dreamt I would be involved in managing investments,” says Televantos.

“I grew up in Cyprus, a small island in the Mediterranean,” he says. “I remember having a chemistry lab in my parents’ garage from the age of ten.” His interests led him to a scholarship program that allowed him to finish high school in London. He attended Imperial College London and earned BS and PhD degrees in chemical engineering.

In 1977, he was recruited by Union Carbide for its research program in Charleston, WV. After less than four

years, Televantos was asked to manage a group of 30 people working on urethane and specialty chemical development. “It came as a surprise so early in my career,” he says. He quickly realized that managing people was much different than research. “I was 27, but I was supervising people in their late 50s. I felt I was disrespecting their years of service when I was giving them direction. I was thrown into the job with no training or tools,” Televantos continues. He persevered through that challenge — learning early on the importance of being a motivator and leader.

In 1990, ARCO Chemical Co. acquired Union Carbide’s specialty polyols business. Televantos was asked to move to Philadelphia, PA, and continue working with this business unit for ARCO as its Vice President of R&D, Urethanes.

With ARCO, Televantos helped invent and develop a technology that dramatically simplified the production of polyols. “We reduced the energy consumption by 90% and doubled the capacity of an existing reactor” by completely eliminating the refining step during production. The development also allowed for the creation of higher-performance polyurethanes. At first, “some of the management at ARCO couldn’t believe that it would work on a production scale,” he remembers. Most major global polyol manufacturers have since licensed this technology.

It was also with ARCO that Televantos transitioned from research to business development; from 1996 to 1998, he served as the Vice President of Strategy and Commercial Development. When ARCO was sold to Lyondell Chemical Co., he decided to move downstream to become CEO of Foamex International, one of Lyondell’s customer companies. He considers this position one of the best learning experiences in his career. “All of a sudden, I went from a huge company with a strong balance sheet, to a smaller company in debt — we needed to focus on monthly cash flow to make payroll and pay our debt obligations,” he says.

In 2002, Televantos transitioned to Hercules, Inc., where he served as the President of Aqualon Co. It was during this period that he became attracted to private equity, as several private equity firms were interested in acquiring Hercules.

He made the jump to Arsenal Capital Partners in December 2005. “With private capital as the main driving force, your business doesn’t have as many constraints,” says Televantos. “In private equity, you can buy any business where you have a strong conviction you can create value. It’s a good place to be creative and take on new challenges,” he states.

Televantos is a strong supporter of AIChE and is serving as a co-chair for the upcoming 2014 AIChE Gala, which will celebrate excellence in advancing diversity in the engineering profession.

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