



Leadership Q&A

Transforming a Business

Mark Vergnano, President and CEO of The Chemours Co., talks to *CEP* about how his team is transforming the performance chemical division (which spun off from DuPont on July 1, 2015) into a higher-value chemistry company, as well as his own transition from an executive vice president to being responsible for the success of a brand new company.

What is it like going from being an executive vice president to CEO of a multibillion-dollar company?



Mark Vergnano:

During my 35 years with DuPont, I had the opportunity to take on roles with increasing responsibility and complexity. The executive vice president job was actually a demanding and challenging role

that prepared me in many ways for becoming the CEO of Chemours. After all, DuPont was a \$40-billion company, and nearly half of its employees reported up to me, so I expected this jump to CEO to be relatively smooth, just the next step in the evolution of my long career. Instead, I found it to be a really big leap. While my previous experience was valuable in so many ways, *nothing* could have prepared me for my current role. All at once, I became responsible for the entire company; interacting with a host of constituents — employees, shareholders, the community, customers. I realized that I am the face of Chemours. It's a daunting responsibility, and it hasn't been a year yet, so I can't say I'm a pro at it, but I can tell you that I am settling in and completely up for the challenge.

How did you have to change your approach to leadership?

MV: We were spun off from DuPont into a sizable public company, but at the same time Chemours began life with an interesting set of challenges. Along with all the excitement of a new enterprise and the assets came a significant amount of debt, and we went straight into a soft market for one of our leading products, titanium dioxide, which goes into paints, plastics, paper, flexible packaging, and laminates. So immediately, I focused on how to help the organization set a new direction and make very fast, but clear and well-considered, decisions on how to move through difficult times. I pulled my leadership team together, and

we developed our Five-Point Transformation Plan — our focused, robust plan for addressing these challenges and finding our way to growth. It is our guide to transforming Chemours into a higher-value chemistry company by reducing structural costs, growing our market positions, optimizing our portfolio, refocusing investments, and enhancing our organization. It is our roadmap to success.

How did you start framing and defining Chemours?

MV: My leadership team began framing and defining Chemours six months before the July 1 spin-off. We focused our attention on questions like: What do we want to be? How can we add the most value to our key stakeholders — our customers, employees, investors? It was important for us to keep in mind that we are starting this company as global market leaders in TiO_2 , fluoroproducts, and sodium cyanides for extracting gold out of gold mines. And we knew we wanted to stay there! We wanted to take the best of DuPont, but also try to figure out what we could do better. We decided what we wanted our company values to be ... values that would signal to both employees and the world outside Chemours the corporate culture we were going to establish and nurture. They are:

Customer-centered. We've got to be 100% focused on our customers, understand their needs, and make it simple for them to work with us. Whether it's creating a new product, improving a process, or operating more sustainably, helping our customers, or simply doing business better, we need to excel at it.

Refreshingly simple. We want to make it easier to get things done — that means giving people clear guidelines and the power to act, while eliminating unnecessary layers of review within Chemours. In short, we want to make getting to results faster and easier for everyone.

Collective entrepreneurship. We work together as a team, but it is important for each employee to feel a sense of ownership of outcomes and, in fact, the company as a whole. When great people have the authority and space to make a difference, they always get more done. By giving people greater ownership over their projects, we unlock talent and at the same time make Chemours a great place to work.

Safety obsession. We move hazardous chemicals around the world, and we must do everything we can to be sure we're the best at keeping our employees, our customers, and the communities in which we live and operate safe.

Unshakable integrity. Whether it's ethics or how we treat each other, everyone in the company must operate with absolute integrity. Always!



How do you take business units from a larger company and get them to operate as an independent company?

MV: When we were part of DuPont, our businesses were buried inside the big company. Now, they operate as three distinct business, but rather than being part of a much larger whole, they are the company. We have changed the structure a bit to give each of the business presidents more autonomy. These business lines are now the keys to our success as a public company, so they operate and act very differently. These three presidents are key members of a streamlined top leadership team comprising only eight individuals in total. They are visible to all of our stakeholders.

What has changed for you and for Chemours' employees — one day walking out of DuPont and the next walking into Chemours?

MV: Number one was getting everyone to understand our new company values. We were all about taking the best from our storied legacy and making the changes we all wished we could have made while we were part of DuPont.

In the beginning, we had a lot of people asking what's going to be simpler about Chemours. I was in a maintenance shop in one of our facilities in West Virginia and I asked one of the employees, "What's something that is very complex to you?" He answered, "Our safety manual is 150 pages and it doesn't have to be that large." I replied, "Why don't you rewrite our safety manual then?" At first, I got some disbelieving faces looking back at me, but they quickly realized I was serious. And now we're getting a lot of great input by letting people make those changes and then bringing them across the corporation.

Another big change we're working on is getting the decision rights down to the right level. Some had been frustrated that they didn't have decision rights; now they do. That may seem like a small change, but it's actually a pretty significant one. For some, it's about learning what it means to have decision rights as an accountable Chemours employee. But we're making great progress.

How do you see the global chemical industry today and how will Chemours navigate this landscape?

MV: If you look at the chemical industry, specifically in the U.S. right now, it's going through this unique time where input costs, oil prices, and natural gas prices are way down, perhaps the lowest they've been. That's probably going to last a long time. But while the chemical industry in the U.S. is going through this massive resurgence, I think it will return to being the world leader.

At the same time, we're seeing massive disaggregation

of the industry, with companies like DuPont spinning off Chemours. Dow and DuPont are coming together, only to split up into smaller companies. We're seeing a lot of disaggregation now, but I believe that history will show a turn toward re-aggregation again. By 2017, we want Chemours to be in a position to participate in that re-aggregation.

What are you most excited about when you think of defining and transforming Chemours?

MV: I am most excited about two things. First is the ability to invest in product lines that probably wouldn't be invested in at DuPont. For instance, launching the Opteon line of refrigerants, which is going to make a huge difference for the world. Not only is it zero ozone depleting, but it also has a very low global warming potential. It will be in every new vehicle in Europe starting in 2017, and over time, it will make its way around the world. I'm excited about being able to launch and invest in these kinds of products.

I'm also excited about our employees, who right now are being tasked with more challenging jobs and making more challenging decisions than ever before. And, I am so proud to say that our employees are rising to the occasion. They recognize the tremendous opportunity we each have — together — to make Chemours a resounding success. I'm thrilled to witness the personal growth of so many around me, seeing our evolution to nimble, focused entrepreneurs, acting together to achieve our vision of a higher-value chemistry company. **CEP**

How did you come up with the company name?

MV: Believe me, naming a company is a lot harder than you'd think. We started with just over 10,000 names — some generated by naming software, some reflecting our roots in DuPont, and some evocative of the kind of company we want to be. Next, the names were examined through a number of filters. Could we get it registered in all the countries where we operate? Does someone own the URL? What if it's too similar to other names in our industry or allied industries? Those kinds of considerations quickly narrowed the list to a reasonable size.

Next, we had to consider if the remaining names had unintended (and unacceptable) meanings in languages other than English. More names came off the list. We also looked at ease of pronunciation around the globe. We wanted a name that our employees and customers could easily pronounce. Ultimately, we got down to just a handful of names, and we picked Chemours. Our company is all about chemistry and it's ours — our customers', our employees', our investors' company. But there's an historic tie for us as well; the official name of our former parent company is E. I. DuPont de Nemours. So Chemours was selected; a single word, packed with a lot of meaning, reflective of our heritage and perfect for a 200-year-old start-up.