

Solenis Combines a Startup Mentality with Established Leadership to Ensure Consistent Growth and Market Strength



John Panichella
President & CEO



Jeff Fulgham
*Senior Vice President
and CMO, Global Marketing*

Hydrolysis is a common chemical reaction in which bonds are broken, releasing energy. The acquisition of Ashland Water Technologies by private investment firm Clayton, Dubilier & Rice (through a fund managed by CD&R) was, in many ways, a type of hydrolysis, cleaving the Industrial Water and the Pulp and Paper business units from Ashland Inc. to form Solenis, a standalone specialty chemical business. The energy produced by the transaction propelled the new organization forward and enabled it to establish a strong corporate foundation while preparing for future growth and innovation.

Building a Growth Culture

Everything began with the emerging Solenis culture. Solenis is grounded in a strong heritage that includes Ashland Water Technologies, Betz Laboratories, Drew, Stockhausen and Hercules. While that heritage comes with a number of benefits, it also encourages employees to embrace legacy brands and belief systems. According to Jeff Fulgham, Senior Vice President and Chief Marketing Officer, “There was a lot of debate about the kind of company we should be, even the name we should use. Some people wanted to go back to Hercules, but we felt strongly that we needed a new name. It gave us a chance to start fresh.”

Beyond the name itself, starting fresh meant creating a single unified culture with common goals and values. Driven by Solenis President and Chief Executive Officer John Panichella’s vision of an organization commercially focused around customers, the company embarked on an intensive culture-building initiative built on 12 core beliefs organized around three priorities — People, Performance and Results. Every belief is driven by experiences that support that belief, which in turn cultivates behaviors and actions to drive results.

The culture work began in September 2014, soon after the new company was formed, and by June 2015, the core beliefs were vetted and approved. By October, the company began broadcasting videos — 72 in all, with scripts translated into nine languages — featuring employees who could share experiences directly tied to each of the beliefs. A series of surveys have since measured the pulse of the Solenis employee population, and participation rates have been as high as 93 percent.

The ultimate goal, however, is not simple participation but acceptance and internalization. As Katy Abernathy, Director, Global Marketing and Business Communications, points out, “Safety is a metaphor we use all of the time. We are one



Solenis R&D facility in Krefeld, Germany

of the safest organizations in our industry, thanks to a conscious and deliberate campaign we have executed over the years. Now, safety is part of the daily routine of our employees. That's where we want to be with the Solenis corporate culture."

Even though there is still work to do on the culture front, the progress has been impressive. In fact, speed and agility have been equally important watchwords. Consider that the new Solenis organization began with no HR department, no financial officer and no IT infrastructure. Some companies can take a year or longer to get these new functions established and staffed, but Solenis was able to do it all in just a few months. One of the biggest accomplishments was establishing a robust recruitment and training program to attract and retain talent.

According to Iris Melendez, Director of Global Talent Management, Solenis put some stopgap recruitment measures in place to keep the organization moving forward. "That got us from point A to point B," Melendez notes. "Now we have a recruiting manager in place, and we're somewhere between point B and point C — looking at recruitment with totally fresh eyes, figuring out how we want it to work in the new Solenis culture. Same thing with training: We stopped training in the transition from Ashland, but now we've launched an extensive global leadership curriculum, as well as a global sales curriculum, and we're investing heavily in the professional development of all our employees."

Creating an IT team from scratch required another herculean effort. The company's approach, according

to Solenis Chief Information Officer Charles Wallace, was to keep the IT function small. "We looked for high-energy people who could see through the confusion, visualize an end state and then fight their way to it," he says. "We also decided that, while we wanted to own the IT strategies, we wanted to take advantage of managed services for key capabilities. This approach has enabled us to get a lot done — initiate the digitization of business processes, consolidate our enterprise resource planning platform to a single instance of SAP, assess and mitigate security threats — but has also enabled us to look toward the future so we can help the company grow."

Blueprint for Success

Growth, more than anything else, defines the still-coalescing Solenis. Building a sustainable business that is 100 percent committed to helping its customers succeed is an idea that permeates the culture and drives all of the key strategic decisions. "Growth is our number-one priority," Jeff Fulgham observes. "We need consistent top-line revenue growth, and to get it, our strategy must have several legs. Mergers and acquisitions are important — we've closed five deals in the last two years and we have a rich pipeline of deals in the works. Aggressive growth in emerging markets is also critical. And, of course, innovation — bringing new products to the market — has always been a high priority."

What's different today is how Solenis innovates. Coming from so many legacy companies, the organization didn't have a clear approach for early-stage innovation. Some

teams embraced one methodology, while others went in different directions. Also, there wasn't always a clear focus on customer needs. As a result, the business launched a number of products that received only lackluster attention from the market.

To re-energize its innovation strategy, Solenis adopted the Blueprinting framework and software, developed by the AIM Institute, and appointed Melinda Burn, Global Director, Strategic Marketing and Innovation, to lead the company's effort. "Blueprinting takes the voice of the customer and makes it quantifiable," Burn explains. "It's a two-phased approach that starts with Discovery Interviews to identify actionable problems, followed by Preference Interviews to discover market satisfaction gaps — problems that are felt across the market for which there are no solutions."

Over the last eight months, Solenis has engaged a significant number of its customers across all key segments, standardizing its approach to early-stage innovation while filling its pipeline with market-defined product development opportunities. At the same time, the company has looked closely at new product introductions — how to launch more effectively and how to evaluate NPI performance in the market. "We're really trying to understand our tracking process," Burn says. "For example, we're looking at both the percentage of products classified as NPIs — less than five years old — as well as the percentage of revenue coming from NPIs."

The focus on innovation is paying off. Solenis has recently introduced a number of products, technologies and services that have had significant impact — for customers and the company. On the water and process side of the business, as Vice President of Marketing, IWT, Jeff Ballew points out, the focus has been on execution. "We have a number of products — antiscalants, rheology modifiers, biocides — that are exciting." For example, the launch of new Polystabil™ scale inhibitors and Performax™ cooling water treatments have helped enterprises in a variety of industries improve operations, reduce downtime and still adhere to increasingly severe regulatory guidelines for chemical usage. On the pulp and paper side, introductions of innovative products, such as the Biobond. Improving the

Sustainability of PaperSM program and new Crepetrol™ creping adhesives, have enabled packaging, paperboard and tissue and towel manufacturers to truly revolutionize how they make paper.

Across all market segments, OnGuard™ controllers and analyzers, as well as a web-based service to collect data from those technologies, continues to impress customers who need to monitor system performance in real time. And the rollout of Solenis' Equipment Services Team, first in North America and then in Europe, makes it possible to deliver even better service to its customers by keeping Solenis-owned equipment online and running at peak efficiency.

Fast Forward

All of this adds up to make Solenis a strong company with a bright future. As Solenis Vice President of Marketing, Pulp and Paper, Ricardo De Genova points out, "We're really excited by the opportunities ahead of us. We're undisputed leaders in certain markets, but we have plenty of room to grow. And in certain markets, we think we can reinvent the industry. The overall scenario for Solenis is very positive."

Jeff Fulgham agrees. "We're doing well in spite of a number of big global changes. There's a lot of noise in the financial markets, a lot of deflation in oil markets, anticipated inflation in raw materials, yet we still have been able to consistently achieve top-line growth and deliver our products 98 percent on time — our best supply chain performance ever."

This positions the company well as it prepares for the future, now a smaller, stronger, more adaptable organization, thanks to its hydrolysis from Ashland Inc. 

