

# Growth Opportunities in Distribution

Growth is the dominant topic in this edition of "CHEManager Distribution & Logistics". On the previous pages, our authors discussed the market situation, challenges and opportunities for the chemical distribution industry. Now it is time to ask the distributors

themselves. Our expert Dr. Birgit Megges, editor Distribution, asked industry specialists and company spokespersons about their opinion. These are the questions we put up for discussion:

- What kind of growth do you aspire to in the next few years?

- In which sectors, markets or regions do you see significant growth opportunities?
- How do you intend to implement these plans and seize these opportunities?

On this double page you can read excerpts of the answers we received. You will find the complete statements online on [www.chemanager.com/en/tags/cdl-opinions](http://www.chemanager.com/en/tags/cdl-opinions).

## STATEMENTS

### Close to Our Customers

Our strategic plan shows a focus on our traditional core activities, like food and nutrition, pharmaceuticals, personal care and animal nutrition. On average, we strive for double-digit growth, but I have to add to that that we differentiate our ambitions region-by-region and market-by-market. In our strategy, we have a focus on three regions — Europe, Southeast Asia and the Americas — to expand our business. We have a well-developed strategic planning process and we are lucky to have been in business for more than 60 years, so we have a very good network all over the world. We have a small team in charge of new business development and these people have a keen eye for market developments and good people. Our implementation plan is always to have local people on the ground in every country we operate in, so we immediately can leverage their knowledge and network. Another important element of our strategy in new markets is that we want to be supported and backed by our principals in these markets, so we can go to our customers with a complete product portfolio.



Pavel Kratochvil,  
executive vice  
president,  
Barentz

### Strengthening Partnerships; Exploring New Markets

After a dynamic business year of 2013, we aim at further growth by tapping into new markets, intensifying existing partnerships, by acquiring new suppliers, as well as through expansion of our product portfolios and service activities, both across Europe, and in the international market.

Furthermore, Eastern and Central Europe provide interesting markets for us, with strong growth, and they will remain attractive for the future. We will grow further in Western and Northern Europe, and we see significant opportunities for growth in emerging global markets like the BRIC countries and Southeast Asia.

Already in January 2014 we have started our activities within Biesterfeld Petroplas in the U.K. and Ireland. We plan further strategic alliances. We see a significant boost through continuous expansion and optimization of the challenging product portfolio. Permanent adjustments to the changing market demands are a must. The expansion of our service offering and the communication — both with suppliers and customers — is top priority for us.



Thomas Arnold,  
managing director,  
Biesterfeld  
Spezialchemie

### Looking to Capture Strong Growth in Emerging Markets

Our focus is on expanding our presence in emerging markets to capture the expected strong growth in demand for chemicals in these regions. Today, we already generate almost 30% of our total sales in these emerging markets. In the established markets of Europe and North America, we continue to further develop our product and service portfolio as well as to optimize our national and international distribution networks, also through acquisitions. The systematic implementation of our strategy is based on global and regional initiatives. We seek to effectively leverage our capabilities through accelerated and targeted growth in the particularly attractive industries: water treatment, personal care, pharmaceuticals, food and beverages, oil and gas, as well as adhesives, coatings, elastomers and sealants. We focus on expanding business with regional, pan-regional and global key accounts, sectors where our broad product offering and far-reaching geographic network provide unrivaled service capabilities.



Steven Holland,  
CEO,  
Brenntag

### Good People, Innovative Ideas and an Excellent Service

Cornelius will continue to focus on its core sectors of industrial, personal care, health and food, and medical devices, and we certainly see further opportunity in those sectors. We continue to see exciting opportunities in Europe for market penetration, particularly as the region looks toward a general improvement in economies. The revitalization of the industry in the USA, on the back of cheap energy and a global economy that is in recovery mode, will make it an exciting region over the coming period, whilst the emerging markets in Asia, Africa and South America will continue to fuel a growing world market.

Success in this industry relies on having good people, innovative ideas and an excellent service, all things that Cornelius has, and will continue to build upon. Customers look more and more to their top suppliers to bolster their own innovation, and we do and will continue to look at how our portfolio can help our customers to enhance their own business, and alongside that, ours.



Dr. Neville Prior,  
chairman and CEO,  
Cornelius Group

### Building the Know-How to Meet the New Requirements

If you succeed in building the know-how to meet the new requirements, then there are plenty of opportunities to grow the business. By offering a better and broader service to both suppliers and customers, it is possible to gain more business.

For us this means to grow continuously to further regions, like the Benelux or Scandinavia with our coatings division, as well as to increase the abilities to meet the requirements, for example, of the food, feed or cosmetic industry.

On the one hand, we are looking for new young talents to increase the specific know-how of our specialty divisions, like lacquer and coating, surface and parts cleaning, life science and water treatment. On the other hand, we develop our abilities to sell and source on an international basis. We gained the status of a full AEO (authorized economic operator) as well as a "known shipper" to ease airfreight, for example. Another important task to work on is to improve our networking. Sustainable growth is always a matter of continuous improvements of our abilities.



Robert Späth,  
CEO,  
CSC Jäklechemie

### Strategy for Sustainable, Profitable Growth

Regionally we are focused on Western Europe, and the outlook for this region has definitely improved since last year. We aim to continue outgrowing the market in our key industries based on our strategy for sustainable, profitable growth. Its execution is supported by investments done during the last years into technical sales, formulation services and regulatory support.

Many applications we developed with our customers will be commercialized in the next years. The environment continues to become more challenging in terms of regulatory needs, while our customers dedicate their R&D capabilities on value-added and innovative products. We are confident that our strategy to focus on these areas was, is and will be the most promising one. We will continue to invest in dedicated specialists for our global sourcing organization that today covers all major regions in order to add innovative and cost-efficient suppliers to our product portfolio.



Thomas Sul,  
co-head of Performance  
Materials  
business unit and  
member of group  
management,  
DKSH