

Fueling Growth

WeylChem Advanced Intermediates Broadens Scope of Market Activities

WeylChem, part of International Chemical Investors Group (ICIG), has extensive experience in the field of chemistry related to advanced intermediates and reagents. The Frankfurt, Germany-based chemical group uses this expertise to develop new molecules for several applications such as agrochemicals, personal care products, pharmaceuticals, polymers, and specialty chemicals. CHEManager asked Antti Koivisto, managing director and vice president of Sales, Marketing & Sales, and Michael Badine, technical marketing manager, both representing the Advanced Intermediates business line of the commercial platform of WeylChem International, to discuss the strategy for their business segment.

CHEManager: *WeylChem has consistently developed the Advanced Intermediates business area in recent years. Can you briefly explain the growth steps and the strategy behind them?*

Antti Koivisto: True, although WeylChem is well-known of its capabilities, especially in custom manufacturing, we have also been able to

gradually strengthen our market position for a number of line products, i.e. advanced intermediates and reagents, the last few years. Aligned with our first two strategic growth pillars, not only have we improved the business relationships with many important global key accounts, but we have also further developed the group's presence in our growth markets in the Americas and Asia.



Michael Badine, WeylChem



Antti Koivisto, WeylChem

As a major enabler for the above, we made some changes to the organization. When we centralized our marketing and sales organization under the WeylChem International umbrella in 2019, we also launched a few new roles aiming to further support our strategy of broadening the scope

of our market activities and fueling growth. In addition to “traditional” sales and business management roles, we, for example, launched roles focusing more on new business development in markets we had identified as growth regions and/or applications for the AIR business line.

In addition, we also launched a new role of technical marketing manager in the sales & marketing team, focusing on combining market needs with our product development as well as further supporting our application know-how enabling us to serve our customers even better. I am happy that Michael Badine was up for the challenge. This has all been part of a strategy of strengthening new product development and increasing the emphasis on the technical interaction with customers. We have already started to see benefits of these activities.

Advanced Intermediates offers a broad range of molecules for several applications starting from the development up to commercial scale. Which applications are most important for your business today, and do you plan to shift focus in the future?

A. Koivisto: Indeed, the diverse mix of end-market applications is one of the keys to the resilient performance of our business in the last years. We



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have a strong foundation in market segments such as agro and pharma. These will likely continue being strong going forward while we expect pharma to grow in significance in the future, especially our growing regions of Asia and the Americas and likely a number of value chains coming back and/or further strengthening in Europe. To further support the growth in Pharma, we have plans to provide our customers a more comprehensive, cross-departmental offering. Already today, we have a lot of know-how, ever developing product offering and services in the Weyl-Chem Group. In addition, we also have growing shares in polymers, coatings, and a wide variety of industrial applications. All this diversity and growing presence gives us a good basis for the future.

Are there other changes ahead for the Advanced Intermediates business, perhaps in light of the ongoing Covid-19 pandemic or changing market conditions?

A. Koivisto: There are a lot of exciting changes coming up in the AIR business but not so much related to Covid-19. What makes me especially happy is that these activities will strengthen our third and last growth platform built around new product development.

We are currently investing a lot of efforts in finalizing our update on Aromatic Ring Chlorination and Halex production assets. At the same time, our sales and marketing teams are working together with the customers to finalize plans for delivery and identifying additional global business opportunities.

Michael Badine: Even though the macroeconomic situation is currently difficult, we still believe that this year will be a very exciting one for us based on our growth initiatives.

We have also developed new products for pharma and personal care applications at our facility in Lamotte, France. We will be launching the first of these products a little later this year. More information will soon be provided on our communication channels (you can follow us on LinkedIn).

“Customers are increasingly showing interest in sustainability and materials based on renewable feedstocks.”

We are looking to expand growth opportunities in the USA, and as part of my role I will be contributing to this initiative.

We have also launched an initiative to identify new building-blocks we can produce which would capitalize on the strengths of WeylChem and thereby help our customers building their end-products more efficiently.

Additional new product development projects together with the customers that may have been put on hold in 2020 due to Covid-19 will resume, giving us also added benefits and possibilities for longer-term growth. Given the likelihood of Covid-19 being brought under greater control by 2022, we want to get ready with the right portfolio for growth already in 2021.

We have finalized upgrading our digital platforms. We are in the final

stages of having a harmonized group-wide installation of SAP S/4HANA and an improved CRM platform, this is part of our continuing investment in digitization.

One of your latest investments is a production plant for aromatic ring chlorination in the Industrial Park Höchst in Frankfurt. Why is this plant important for your business?

M. Badine: We want to participate in the markets' growing need for halogenated aromatic compounds. These compounds are key building blocks for a range of sophisticated end-products, for example in Pharma and Agrochemical Active Ingredients. Not only can we sell chlorinated products to the market, but we can also convert these via our HALEX plant to fluorinated analogs which are also valuable intermediates. We have extensive halogenation production know-how, which we can now better use to serve the market, opening doors for new applications and customers.

What are the environmental benefits of this investment, and to what extent can this plant improve the offering for your customers?

M. Badine: With this investment WeylChem will optimize its use of resources. For example, 4-chlorobenzotrichloride, a by-product of side-chain chlorination, can be elaborated by aromatic chlorination to 2,3,4,5-tetrachlorobenzoyl chloride in the new plant, and therefore will not need to be disposed of anymore. As all the other by-products are already being

used or sold, the side-chain chlorination will then be almost waste-free. Customers will have the peace of mind knowing that they have a competent partner that is producing these complex building blocks sustainably, to the highest environmental standards, with chemistry that is actively contributing to a circular economy.

In general, which trends are driving chemistry innovation in the advanced intermediates segment, and how do you position the business in order to fulfill the requirements and offer value to your customers?

A. Koivisto: Customers are increasingly showing interest in sustainability and materials based on renewable feedstocks. This is a trend we are following, for example with our Velvetol bio-based poly-1,3-propanediol and our bio-based glyoxylic acid product ranges. It goes without saying that lifecycle analysis and carbon footprint analysis are key elements we use to support our customers sustainability goals.

M. Badine: We are striving to be a partner that can understand customers' applications and develop chemistry to suit them. The challenge is for us to “walk in the customers shoes” and understand how our materials are performing in their applications and how we can use our chemistry to solve their problems. We are eager to rise to this challenge by, for example, investing in front-line sales resources with more technical profiles to serve customers even better.

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