

Fostering Innovation and Collaboration

Sustainability and Digital Transformation Are Cornerstones of Specialty Chemicals Distributor IMCD's Strategy

Valerie Diele-Braun, CEO of IMCD, a leading global distributor and formulator of specialty chemicals and ingredients, sits down for an exclusive interview with CHEManager International's Christene Smith and Ralf Kempf. As she marks her first year in this pivotal role, Diele-Braun shares her vision for IMCD, the significant changes and achievements under her leadership, and the company's strong focus on sustainability. She also discusses IMCD's recent global expansions and how these efforts align with IMCD's overall strategic vision. She explores IMCD's strategic direction, accomplishments, and the challenges that lie ahead, offering a unique perspective on the dynamic trends currently shaping the market.

CHEManager International: Now that you are a year into your position as CEO, what have been the most significant changes and achievements under your leadership?

Valerie Diele-Braun: The company has excelled over the past 20 years, and I therefore see my mission as inducing

more of an evolution than a revolution. Understanding the company correctly was crucial, and as a former board member, I had some insight already. Fine-tuning areas like sustainability and digital leadership are key to achieving even more excellence. We have established a sustainability program with a portfolio of products based

on deep market understanding and innovation, and we are implementing ever more digital tools to enhance efficiency. Additionally, we have introduced a cultural value of continuous improvement to ensure we stay agile and ahead of the game. We continued our M&A track record, acquiring 12 companies last year, and developed numerous business opportunities with both new and existing principals, expanding geographically and adding new principals to our portfolio.

Given your extensive international experience, how do you see the global market for specialty chemicals evolving, and what role do you envision IMCD playing in this landscape?

V. Diele-Braun: We need to be at our best in whatever field we operate because we are living in a VUCA (volatile, uncertain, complex, and ambiguous) world. In this chaotic environment, we must be the partner of choice for our principals and customers, which



Valerie Diele-Braun, CEO, IMCD

means being agile and responsive to ongoing changes. Consumers and governments are torn between the dual challenges of the economy and climate change, as seen with recent events like the LA fires and floods in Spain. The chemical industry needs to offer viable solutions, and distributors like IMCD must provide appropriate and cost-effective options to stay competitive. IMCD can play a leading role in digital transformation due to our speed, agility, and e-commerce tools. We are probably the only distribution company with a single CRM and ERP platform, and agility is crucial for success. This ability to adapt was one of the reasons I joined IMCD.

At the past two FECC congresses, Boston Consulting Group experts were positive about the chemical distribution market, forecasting around 2-3% growth. Do you agree with this forecast, or are you more cautious about the sector's development?

V. Diele-Braun: I can't comment on specific numbers, but we are very positive about our industry and capabilities. The outsourcing trend continues, and our strong commercial relationships make us an effective and cost-efficient partner. Principals focus on innovation and efficiency, often investing in digital capabilities. Having IMCD handle commercial and supply chain aspects efficiently is a significant benefit. Our am-





dition is always to outperform the market.

IMCD has been actively expanding its presence in multiple regions, including its recent acquisition of Blumos in Latin America and Signet in India. Can you share more about these global expansion efforts and how they align with IMCD's overall strategic vision?

V. Diele-Braun: First, I'd like to comment on our acquisitions in 2023, such as Blumos in Chile, Daoquin in China, and Gova Ingredients in the Benelux. We have eight business lines, and our ambition is to be number one in each of them and in every country we operate. While we are one of the largest specialty chemicals distributors, we still have some way to go to achieve

specific initiatives IMCD is undertaking to promote sustainability and how these efforts are impacting your operations and partnerships?

V. Diele-Braun: We aim to be a force of influence by implementing sustainable solutions, developing a product portfolio with a better footprint. Examples include plant-based food and nutrition, dissolvable cosmetics, and lightweight materials for electric cars. We work with Tfs (Together for Sustainability) and use EcoVadis methodology for our supplier screening. As a competitive employer, we offer good compensation and local ESG initiatives through our IMCD Cares Program. We focus on the total benefit of ownership and the overall benefit a product provides, rather than just comparing individual products. This approach helps us address potential

find the best solutions, promoting our principals' products and suggesting additional beneficial products. Similarly, tools are being developed to enhance the company's ability to support customer needs with for instance AI-powered guided product search and product recommendation, in just a few clicks. We also use AI to support various tools and initiatives to stay efficient, and we provide seamless logistics solutions through our integrated supply chain platform.

Digitalization and digital transformation have been part of IMCD's journey since 2001. Despite challenges, we continued to invest in digital initiatives, showing our commitment. These tools enhance the expertise of our innovation labs and support our customers. With more than 80 labs worldwide, we invest in providing added value and we do that by sharing knowledge and

strong collaboration among employees. Each year, we welcome approximately 500 more employees, embracing newness and strengthening our DNA.

What do you perceive as the major hurdles and opportunities for the specialty chemicals and ingredients industry as a whole over the next five to ten years?

V. Diele-Braun: I don't see hurdles as obstacles but as opportunities to help our suppliers and principals. The ongoing consolidation of our principals means they need efficient and adaptable partners like us to remain commercially successful. Changing demographics, such as Generation Z's preference for digital interactions, present amazing opportunities for us. We have the tools to meet these new ways of working and demands. Competitiveness with suppliers from other regions also offers a chance to build additional services and solutions for our customers, maintaining close relationships and staying competitive.

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IMCD emphasizes the importance of collaboration, fostering connections and community.

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You mentioned the importance of collaboration within the company, but what about with customers and competitors? Your sector is evolving from logistics to innovating and advising customers. In this VUCA world, collaboration is essential for survival. How do you see the role of collaboration in addressing industry challenges?

this. We strengthen markets through a combination of organic sales, cross-fertilization, new product lines, and M&A. Our acquisitions and investments allow us to quickly create critical mass in market segments, benefiting from economies of scale. This also helps our principals rationalize their structure and work with fewer distributors. For example, acquiring the last 30% of Signet Excipients made us a top company in India's pharma sector. With more than 80 Technical Centres worldwide, we have invested significantly over the year in lab work and product development, allowing us to roll out global trends quickly. We see ourselves as key partner for the digital infrastructure for our principals and customers.

IMCD has embedded sustainability into its business model, addressing global challenges for our planet and society. Could you elaborate on the

customer reluctance to use sustainable materials by highlighting the broader benefits.

IMCD is enhancing services through digitalization. Can you elaborate on these efforts and their impact on customer experiences? What future digital innovations can we expect from IMCD?

V. Diele-Braun: For many years, we have had one global IT platform, ERP, and CRM. Our MyIMCD customer platform, which is integrated with our website, provides a seamless commercial journey for customers. It provides a unified space for customers to access technical documentation, manage orders in real time, and explore IMCD's product and knowledge portfolio.

We are now launching the SalesAssistant, a guided product selection tool, allowing our sales experts to quickly

best practices through unified digital tools and processes. IMCD focuses on growth, continuously seeking ways to support this growth and make our principals happy, and we believe that digital transformation is key.

IMCD operates in various, often fragmented market segments across multiple geographic regions. How does IMCD leverage synergies between its different business units to create value and enhance its overall performance?

V. Diele-Braun: One important aspect is our entrepreneurial spirit. We pride ourselves on our entrepreneurial people, who bring great ideas and new ways of working into the company. Successful ideas are shared as best practices, stimulating further innovation. Our matrix organization, which spans business groups and P&L in countries, fosters a can-do spirit and

V. Diele-Braun: The development of collaboration is here to stay, especially in areas like sustainability where working together is crucial. While we must be careful about collaborating with competitors and will always ensure full legal compliance, we all operate in the same environment and should aim to improve it collectively. For our medium and small customers, we provide support and share our expertise, building strong relationships, especially in tough times. Internally, we encourage innovation through processes that allow employees to suggest and implement improvements rapidly. This is essential for development, agility, and attracting the right experts. We've launched "Element E," which stands for entrepreneurial and employees, symbolizing our commitment to our people's development, innovation and continuous improvement.

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