

In conversation with Sudhír Shenoy
CEO - Dow Chemical, India | SIMSR Alum Batch 1997-2000



Mr. Sudhir Shenoy started his career as an Account Manager at Dow Chemical and has risen through the ranks to become the CEO of the same organisation. He is a self-confessed running addict and is one of the pioneers for the initiative I too can run-(i2CR).

Q. How has your experience been in Dow Chemical Company all these years and how has your journey been from the role of an account manager to that of the CEO?

A. The fact that I am here, even 20 years later, says that Dow is a great company to work with. I think the beauty of Dow is that the company has so much of breadth and diversity in terms of number of businesses, number of geographies we operate in, number of technologies we use. In my 20 years of experience I have had the benefit of working in different geographies, different roles, different businesses, different responsibilities which is collectively equal to having worked with at least 5 other companies. So, I have never felt that I have been in one company, doing one job. I have also had the opportunity to work in different parts of the world like Europe, USA, China and of course India. I have worked in some specialty businesses, some commodity type businesses, and some highly complex operations which were highly integrated, along with others that were very niche like Pharma etc. It has been a fantastic journey. I can't complain about it.

Q. Now-a-days young generation tends to switch their jobs very frequently but you have stuck to Dow for more than 20 years. What is your view on this? Is it good or bad?

A. This is a completely different generation, there is a rush and a hurry to achieve success but there is no right or wrong. Clearly different generations have different ways of looking at things. When we grew up we joined a company looking for a career not for a job, we had the patience to work our way up. I think today's generation is far more talented than we were in those days. They bring in the kinds of skill sets which took me perhaps decades to learn. Understandably their aspirations are high; they are in a hurry to achieve success at the same time. I think you can't rush things beyond a point as well. So people have to figure out what is it that they are truly looking for. Some people come in looking for quick changes in roles and positions, some people want to work outside India. Each one has his or her aspirations which is not

necessarily uniform and depending on that they choose what to do and where they want to go. So it is different strokes for different folks. There is no one right answer.

Q. What are the business opportunities in the textile industry right now? Specially comparing India's to that of other African and European Companies?

A. Textile is only a small part of what Dow does. But if textile industry is considered, India obviously is a large processing house for textiles. There is large labour and talent arbitrage that India offers that too at low cost, however we are still behind countries like Bangladesh, Vietnam. It is also a very polluting industry which is why in the west; the cost of operating is very high. India offers an easier ecosystem in which you can operate at lower costs. But what we would like for India to be is not the mass, 'low-end textile' producing nation that you can just get away with by using the harmful dyes and other chemicals and by being able to dump it without necessarily treating it in an eco-friendly way. We can truly add value, bring the more differentiated fabrics into the market because of the expertise that we can bring in whether it is from the garment perspective or the fabric quality perspective. So there is a need to upgrade our textile industry to compete with that of China, Vietnam etc.

Q. Which sector do you think specially in chemicals can go ahead in India as compared to other nations?

A. I don't think there is one sector that has disproportionately high capabilities than the rest. We work in wide cross sections of industries. So it may be automotive in one hand and water purification space, paints, oil and gas, packing on the other. Packaging is perhaps the most exciting space right now especially food packaging. Now you get milk, vegetables and fruits all packed which is driving economies of scale along with better environmental footprint because now the food doesn't perish faster, it is fresher and safer. We can see growth in this trend by around 30-40% and it still has a long way to go.

Q. Government is setting up provisions to set up reverse SEZs, a concept through which Indian Chemical and Petro Chemical companies are encouraged to set up plants in other countries to manufacture basic raw materials. So how important is this step for Dow's future plan?

A. It is not only important for Dow's future prospects but also important in the context of India's future. This is because our country is short of enough hydrocarbon and we have to access feedstock from resource rich countries like Middle East, Africa or Latin America and convert it into a form that makes it easier to process this. This can be made possible by the reverse SEZ concept. We still want the downstream manufacturing to be in India so that we can create jobs in India and flexibility. Ideally a company like Dow can integrate all the way down but in India you can't integrate all the way back because you don't have the feedstock. So alternative was to go to place where feedstock is available and create a Reverse SEZ. It is almost like a part of India from where you can still import without duties.

Q. Many in India still perceive the Chemical Industry as harmful, polluting, affecting the environment with emissions and effluents. How is the perception being changed? Also what steps are being taken to meet your company's 2025 sustainability goals?

A. 'Anything which is abused is harmful', it doesn't just have to be chemicals. Chemicals are not harmful but it can be harmful if you don't treat it with respect. Like crossing a road can be harmful if you are not respectful of the rules. So, everything in life has two sides. What chemical industry has partly been guilty and unfairly labelled of is the fact that it can be polluting if we are not careful about it. And in the Indian context the lack of proper regulations and controls has certainly lead to the sense that this industry is

polluting. People feel proud to sell or advertise something by saying it is chemical free, but reality is that nothing can be done these days without the touch of chemicals in some shape or form. Chemicals are the enablers in every industry and they deserve that respect. But the producers and users should maintain standards and follow regulations when they use these chemicals - not only when the goods are in course of production but also when the goods are in use with the consumers. We at Dow refuse to ship the goods where we feel that the goods won't be handled with care. We audit even our consumers; we want them to have certain standards of environmental health and safety.

Q. Dow has been awarded the prestigious U.S. Water Prize by the U.S. Water Alliance. What do you think sets you apart from other companies? And how does it feel to receive an award that motivates and appreciates your efforts?

A. In the Indian context what sets us apart is our ability to innovate for local needs i.e. applying the global capabilities and global might of Dow to the Indian context. For example - drinking water in India is becoming more and more difficult to access from big cities to rural towns and we use ground water more and more which contains high amounts of dissolved salts. The only technology that can remove salts from water is desalination - whether it is thermal or using reverse osmosis. Dow is the leading company when it comes to reverse osmosis. India has a huge market for home water purification like Kent, PureIT, etc. even in rural areas. We are now developing innovative products for these small units of purification that removes high concentration of salt content at reasonable cost by applying globally advanced and developed techniques.

Q. Dow was also associated in the upgradation of the Jaipur foot from wooden foot to polyurethane foot. What do you want to say about that?

A. We believe in bringing innovation for societal benefit. So we collaborated with Dr. D R Mehta to create flexible and economical foot for victims who lost their limbs. We worked with them, made many iterations and tried creating a foot which is lighter and can be mass produced. This is because the number of the people who need artificial leg is immense. We also work with them and run camps in other countries like Bangladesh to provide these services. We are also trying to develop and innovate the foot so that it can be sustained for a longer time. In this case we work on the aim of 'Giving Back to the Society'.

Q. You are a member of advisory council of GBCI (Green Building Construction Inc). Any plans on how to work in this regard?

A. India has an opportunity to leap forward a few generations on getting our standards to that of the other advanced geographies in terms of construction and environmental footprints. We are targeting those standards that can be upgraded at low cost and that can bring huge innovation and change in the current construction and building methodologies.

Q. You are a self-confessed running addict and you have been one of the pioneers of I too can run (i2CR). How has running helped in your work and in life and what was the idea behind this initiative?

A. What motivated me in this aspect was my deteriorating health. I almost got into the border line of the diabetic territory. But that was just a trigger, what made it sustainable and made it grow to the size where it is today is that I enjoyed running. It changed me as a person; I made friends while running together. We enjoyed exploring places to run. It is no longer only about health but it is more about passion now. It

changed me for who I am as a person; it changed my personality, my outlook to life, made me more open as an individual, as a professional and more self-aware. I really enjoy it.

Q. Chemical Industry is vast and has a lot of potential but it is an unfrequented sector? So what will be your advice to young Alumni who want to pursue their career in this sector?

A. If you have a Chemical or Chemistry background that would be an obvious fit, but that is not what is necessarily needed. We need people who have the right attitude, who want to learn, who are interested in exploring things. Only 30% of our employees are from Chemistry background. We don't need chemical engineering in many disciplines such as supply chain and HR but yes, it helps. When you get up to a certain position of influence and span of control it is not about what you do, it is more about how you get the things done by & through people.

First be true to yourself and figure out what do you really aspire for. Do not be ashamed of what you want. If you want to grow in every two years find a right fit, not every place is a right fit for everyone. So do not frustrate yourself and others by getting into the wrong place for the wrong reasons. Just figure out what you value and be after what you want to pursue with determination and purpose.

Rapid Fire Questions:

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| a. Favourite Movie: 3 Idiots | f. Favourite Food: Japanese |
| b. Favourite Holiday Destination: Bled, Slovenia | g. Role Model: Nelson Mandela |
| c. Favourite Quote: Lead, follow or get out of the way | h. Success Mantra: Success is Attitude |
| d. Favourite Book: 'Leaders eat Last' – Simon Sinek | i. Most Rewarding Advice Received: Sometimes it is better to ask for forgiveness than to ask for permission |
| e. Favourite Car: Audi Q7 | j. Frequently used Word: 'Der hain Andher nahi' |

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