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Introduction to Bluestar Silicones

Bluestar Silicones is one of the world's leading fully-integrated silicone manufacturers. With more than 50 years silicones expertise, Bluestar Silicones offers a full range of silicone technologies serving diverse markets such as paper release coatings, textile coatings, moldmaking, engineered elastomers, healthcare, personal care and specialty fluids. Bluestar Silicones is committed to a sustainable development policy based on health, safety, the environment, transport, substances and regulations related to manufactured products. The company has more than \$600 million in sales worldwide, and 11 manufacturing facilities and more than 3,000 employees around the globe.

Bluestar Silicones' roots go back to Rhône-Poulenc, a French government-owned company, which privatized in 1993. By the mid-1990's, the company was looking to reinforce its position in pharmaceuticals. In 1997, Rhône-Poulenc merged its pharmaceutical business with Hoechst AG to create Aventis (now Sanofi-Aventis), and spun off its specialty chemicals business to form Rhodia, a publicly traded company.

Rhodia Silicones was one of 18 enterprises within the Paris-based Rhodia global business. Following a string of acquisitions and investments in the late 1990's and into the early 2000's, the Rhodia Group was strapped for cash and began to divest non-strategic businesses. While the technologies and market applications of the Silicones division were interesting, the business was unique and did not fit well with the overall business model for Rhodia. The Silicones business was on the market and Rhodia was looking for a buyer.

In 2007, a buyer was found in Bluestar National China. Bluestar is a spin-off of Chem China, the multi-billion dollar national chemical company of China. The union was ideal in that it combined BlueStar Corporation's upstream Silicon metal operations and capacity with Rhodia's downstream silicone market and applications expertise.

Sales & Marketing Career Path Shapes Management Style

With more than 20 years of industry experience, J. Christopher York's early career experience has shaped his strategic approach and management style today.

After graduating from Indiana University with a B.S. in Health Administration, Mr. York began his career with a sales position at Calgon Vestal Laboratories, a division of Merck Corporation. Mr. York embraced this challenge which involved selling a number of technologies for a diverse range of applications, from pharmaceutical companies to cosmetics to industrial. He quickly learned a basic philosophy he carries with him today...everything reverts back to sales and marketing. "If you don't sell your products and or services at a profitable level, everyone gets to go home," according to Mr. York.

A family move to Indianapolis brought about a change in jobs and Mr. York joined a Japanese joint venture metal working fluids company Yuma Industries. Toyota was his key account. According to Mr. York, this experience provided him an international flare, enabling him to learn about the Japanese methods of business and manufacturing.

Just five years out of college, Mr. York began his M.B.A at Indiana University concentrating on Marketing, while working for Henkel Chemical Corporation. During this time, Mr. York feels he really learned about the business world. Henkel was a terrific training company and focused on value-added sales, which would become the foundation of which Mr. York bases his business philosophy today. According to Mr. York, "It doesn't really matter what you make. Someone has to sell it and someone has to figure out why a prospect wants to buy it. The key is to figure out what the customer needs and create value for the customer."

Upon completion of his M.B.A., Mr. York was named head of marketing for a plastics division within Henkel. After a successful year in this position, he took on the automotive group as well, which included key accounts such as General Motors, Ford, Daimler-Chrysler, Toyota and other large automotive firms. During Mr. York's tenure with the group, a major paradigm shift occurred. Henkel shifted from a price per pound business to a service solution approach. Offering a complete service package made it easier for the customer and allowed Henkel to differentiate itself with high quality of service for each unique customer. The business grew exponentially demonstrating how a creative marketing strategy can achieve a win-win for suppliers and customers.

Mr. York joined Rhodia in 2000 as marketing manager and took on additional responsibilities every year. Mr. York brought with him to Rhodia the fundamental business concepts that had proven successful earlier in his career. Rhodia's style was much different than what Mr. York had experienced at Henkel. Rhodia was focused on a push matrix with regard to their selling strategy...'make certain products, they are the best and customers should buy it.' According to Mr. York, Rhodia was giving away value. Mr. York immediately saw an opportunity here where he could create value by changing this marketing and sales strategy mindset at Rhodia. At the end of the day, regardless of what **you** are selling, you need to make contact with the customer and find out what **they** want. Over time, Mr. York successfully changed his enterprises from being product suppliers to being solution providers.

Within just a few years at Rhodia, Mr. York was running three significant enterprises with well over \$100M in sales: Electronics & Catalysis, Silicas and Silicones. By 2006, the Silicones business unit was about to be divested to Chem China, represented as Bluestar Silicones, and Mr. York informed his management that he wanted the opportunity to go with the new business venture. "It was an exciting opportunity for me to utilize my skills and build new ones as part of a strategic business," said Mr. York. In his first year at Bluestar Silicones, Mr. York spent most of his time dealing with the human resource and legal issues related to starting a new business entity. In addition, Mr. York had to build a corporate staff, establish a stand alone entity in U.S. and Canada, and create a cohesive new culture across three existing manufacturing plants and a new corporate office.

Executive Management Philosophy

In 2007, Mr. York and the entire Silicones' management team left Rhodia and transitioned over to Bluestar to start something new. The team was given the freedom to run the business somewhat independently...an exciting opportunity for a business that was previously in the shadows of 17 other enterprises. The mission? Develop upstream and downstream capacities for the global entity and transferring technology between zones for capital growth investments.

Today, as President, Bluestar Silicones North America, Mr. York is responsible for nearly \$100 million worth of local business and continuously evaluates new ways to expand the business. He also is a member of the global executive management team and contributes to the direction of worldwide strategy development. As president, he leads approximately 125 employees and challenges them daily to find new ways to create value for the market.

Mr. York's view on value creation is "You don't really create value you extract value. Value is for others (customers) to interpret and for you to understand and deliver." As an organization, we try to resolve problems, concerns, issues, make things better faster quicker, more consistent for someone, no matter what it is.

According to Mr. York, his greatest challenge over the next few years is preparing the team for growth during a weak business environment. The strength of the Euro compounds this challenge for a company that sources many of its raw materials from Europe.

To demonstrate success regardless of the market conditions, Mr. York is building Bluestar Silicones piece-by-piece to turn the company into a more efficient and marketing-oriented business. Working closely with the training and R&D technology teams, Mr. York has re-developed his sales team to master their end applications with functionality that they understand. Customer feedback provides the development of the sales stories that in turn help the entire sales team. This is an ongoing process. He also is building up his marketing group to create the selling stories that can get his sales people excited about what they are trying to sell, adding value they can create for their customers.

Mr. York's team management philosophy revolves around four key values:

1. Safety – Care about yourself and the people around you. Safety is important in any industry, but particularly a manufacturing environment.
2. Double Digit Improvement – in all that you do year over year.
3. Simplify – Continuous process improvement, be more efficient and standardize procedures.
4. Customer Oriented - Focus on deliverables, get intimate with your customers and know their expectations and decision drivers.

As important as it is to know and understand our customers, Mr. York understands it is equally important to know and understand employees. At Bluestar Silicones, employees have ownership of their own processes. Once the team has the tools and the training, Mr. York expects each individual to expand and modify practices. Feedback is a two-way street and is given frankly and honestly. Mr. York's open door policy and plant visits help this process.

When hiring new employees, Mr. York looks for people that are interested in the business, energetic, ready to commit to understanding customers first and then their deliverables. Once armed with training, tools, best practices, quality control and management, it is up to the individual to be successful. So you either sink or swim...there is no coasting at Bluestar. Mr. York understands that training the organization in a single-focused way, requires understanding the people you deal with internally and externally and knowing how you relate to people to influence them. After two or three years of working through the program, employees understand how to get things done in their own organization, they understand our customers better and the value we can bring them, and overall are more effective in the field.

Mr. York enjoys the challenges he faces as the President of Bluestar Silicones USA and looks forward to leading the company to growth.

Mr. York's advice to new graduates entering the job market is that you have to be competitive and committed to excellence. Understand what it is you are doing and what you bring to the table. Find and cultivate that desire for change and improvement in all you do. You need to believe in yourself and have something to offer. College can provide you with intelligence and the foundation to be successful, but you have to understand the simple things in front of you. If you want to run or start a business, you have to understand why people buy products and services. You have to sell yourself no matter what you do.

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