

# How Digitalization is Reshaping the Plastics & Chemical Industries

*From sales and marketing to recruitment and supply-chain management, digital forces are changing how we do business*

By Robert Grace

**D**igitalization, in its many forms, is disrupting many traditional business practices – from hiring workers to attracting and serving customers.

Christophe Cabarry, chief executive officer and founder of Paris-based SpecialChem S.A., the popular online portal for chemicals and materials, has had a front-row seat for this transformation for years now. A former official with French chemicals and materials supplier Arkema Group, Cabarry in 2000 launched the SpecialChem platform, which now has more than 500,000 members and 3 million annual online visitors.

In a recent telephone interview from Paris, he shared some of his views on the changing business landscape. Cabarry sees digitalization impacting the entire plastics value chain. Consider the typical interactions now between companies seeking to fill open jobs and digitally savvy talent.

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pond” for finding and attracting the most relevant people. Candidates also use the professional networking site to learn more about companies to which they may apply. These potential hires also often use websites such as Glass-Door.com to help vet and review their prospective employers.

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In some states, companies struggle to find skilled, qualified workers, Cabarry said, noting that going digital can play an important role, and help to get your job offers seen more widely.

Additionally, he noted, it’s very easy to set up a LinkedIn company page. It costs nothing. In a couple of hours, you can create a company profile that tells what the company does, and outlines the organization’s strengths, products, markets, etc. He suggests also including a section that focuses on current employees, or that may even feature content created

by employees, in which they discuss the company's benefits and advantages. Every business is a people business, so show human faces on your company website, Cabarry counsels.

That said, he added, it may be better not to do anything than to do it badly, and broadcast to the world how old-fashioned and out-of-date you are.

Separately, when it comes to Industry 4.0 – the move toward interconnected, cloud-based networks on the factory floor that capture huge amounts of actionable data – Cabarry noted that the topic is incredibly broad and vaguely defined. He sees most companies currently focusing on leveraging Industry 4.0, or smart manufacturing technology, to implement changes within the company – managing machines, doing predictive maintenance, reducing scrap and downtime, and generally making manufacturing more productive.

Reaching outside the factory walls, virtually every company in the supply chain now is operating digitally. As a result, all relevant supply-chain data needs to be easily accessible, up and down the chain, without hurdles, on desktops, laptops, tablets and phones.

“What we see now at SpecialChem very strongly in the plastics and chemicals industries is the digitalization of the interactions with the outer world, with customers,” Cabarry said. “Previously, those of us who had something to sell, would go out into the market, visit the customers and show them our products. But with the Internet, the initial contact is made not by the supplier, but by the potential customer. And most of this contact is taking place primarily via the Web.”

Now, the No. 1 challenge is to be found first online by the people seeking a product or service — especially by those who have big or short-term needs, and are searching for a solution. “These have become the most important people for the plastics industry. How to be found by these guys?”

This is completely reversing how typical customer interactions got initiated in the past. “This is a very, very big change,” he said. “And many organizations are not ready, because they are still relying on salesforces to visit customers.” These firms often are not organized well, or producing enough content, to be found on search engines. And they frequently are not properly staffed or trained to react immediately to urgent, incoming online inquiries. Such responses should be handled by specialized experts – not by sales people.

“In most companies, this is below the radar,” Cabarry claims. “For me, it is absolutely fundamental to understand this reversal.”

Until fairly recently, he said, most companies relied on sales people, trade shows and magazines for their customer-based contact. But now, other channels must be taken into consideration. These include company websites, as well as intermediary industry platforms such as UL or SpecialChem,

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or magazine portals, newsletters and social networks. Companies have no choice but to be present in these new channels, because that's where their customers are.

“It becomes multichannel,” Cabarry said. This means you need a lot of content, and you need to pay close attention to how you present that content to ensure you provide a consistent experience for your customers across these various channels. “The data you capture about a customer on one channel, you need to store it somewhere so that accessible so you can build upon it for the next interaction with that company. This makes things more complex to manage. But it's a must.”

Cabarry related how one of SpecialChem's customers didn't believe in social networks. They said, “Our customers aren't there, they don't care”. And, while that may be true for a chunk of the industry, he said, his team was able to demonstrate how that firm was allowing others – competitors and the like – to talk about their products in the market. “By not being present on social networks, you are yielding the floor to others who fill the void and define you.”

So, for defensive reasons, that company reluctantly began to create a presence on social networks. To their surprise, they then started interacting with brand new customers through Twitter, for example, and now are managing a new digital channel to the market.

“I see this happening all along the value chain in the plastics industry,” Cabarry said.

During May and June of 2016, the global consulting firm Deloitte surveyed 102 executives from 50 chemical companies worldwide. The resulting report, the “Deloitte Global Digital Chemistry Survey,” noted that almost 40% of executives want their company to be digital trailblazers or disrupters, but that more than half the companies surveyed lacked a digital strategy and transformation roadmap.

Organizational agility (55%) and flexibility (39%) were seen as the biggest barriers to enable digital transformation and disruption. And, as Cabarry noted, most of those companies (75%) currently appear to be focusing on digital initiatives for incremental, organic growth and margin improvement.