



# The Story of CHEMOURS

THURSDAY IS DECISION DAY at Chemours. Every week the senior team members, leading off with CEO Mark Vergnano, gather and, one by one, drive through the choices put in front of them. Then they decide.

You can count on it. If, for some reason, the team doesn't make a decision, the members hear about it -- from the employees waiting for that decision.

That's not a bug. It's a feature. The Chemours culture is designed that way.

From the self-imposed discipline of executing to the encouragement of feedback, Chemours is living up to the values it embraced when it

separated from the DuPont Company. Back in July 2015, when the spinoff took effect, Vergnano and his team knew things had to be done differently. While they all appreciated the DuPont legacy, they also understood employees, customers and stockholders -- the whole world, in fact -- expected more. Times had changed. New challenges loomed. A new style of leadership and a new culture were needed.

"An important part of the culture now is to push decision making further down the organization chart," Vergnano explains. "It is a way to simplify the running of the company.

“The senior team makes decisions on a weekly basis. We don’t wait for monthly or quarterly meetings. We execute. It used to be we had to make from 20 to 100 decisions a week. Now, because of making execution a priority, we only have to make three or four. But if we don’t make a decision, we hear about it. We get feedback.”

The company started under tough circumstances. We had to figure out where we needed to go, Vergnano says. Then how to do it. Most importantly, he says, the team then had to learn to execute.

The lesson took.

“We have become an execution machine,” Vergnano says.

That approach is paying off. Chemours is now frequently touted as a surprising growth company in the business press and it recently was honored with a “Great Place to Work” certification by a national organization. Vergnano says that success is due to the value system Chemours purposely developed and the employees embraced.

Two of the company’s five core values – unshakable integrity and obsessing about safety – certainly reflect its DuPont legacy. However, the other three values – customer centered, refreshing simplicity and collective entrepreneurship – home in

on what’s needed in tomorrow’s business world.

Chemours’ three businesses – titanium technologies, fluoroproducts and chemical solutions – are highly competitive. Leaders in those businesses must be ready to adapt to market changes, global politics, tougher environmental standards and a constant search for the best talent.

Vergnano says that has been the Chemours goal from the beginning. To achieve any of that calls for what Vergnano calls “massive transparency” so that everyone in the organization “understands where you are at every step.”

For example, he says, “We must be totally transparent in every community we are in.”

Part of that transparency is seen in its first Corporate Responsibility Report, which lays out the company’s progress in meeting its commitment to employees, customers, stockholders and neighbors. The company has also issued its 2030 Corporate Responsibility Goals, which outlines its determination to reduce landfill waste by 70 percent, cut greenhouse gas emission intensity by 60 percent, improve safety performance by 75 percent, and develop a diverse and cutting-edge workforce. The goal is that by 2030, half of the workforce will be female and 20 percent will be minority.

That commitment includes Wilmington and Delaware. Chemours recently announced its Future of Chemistry Scholarship program. Over the next three years, it will offer \$400,000 in scholarships to Wilmington-area students who pursue STEM fields of study at historically black colleges and

universities. In September, company scientists will start working at The Chemours Discover Hub at the University of Delaware’s STAR Campus.

And as part of its commitment to Wilmington, Chemours moves its headquarters into the DuPont Building in January.

Vergnano, who worked with DuPont for more than 30 years, is happy about that Delaware connection.

“We chose Delaware,” he says. “We chose to be here.”

Chemours faced a variety of challenges when the spinoff was announced. Vergnano says Chemours had to be sure it could grow in Delaware. He credits former Governor Jack Markell for his help in seeing that it would.

“When DuPont announced it was leaving the city to move to Chestnut Run, I went to visit Mark to inquire about Chemours’ plans. To his credit, he was very clear,” Markell recalls. “He told me that if we were able to accomplish a change in the tax laws from three factors to one factor, then Chemours would stay in Delaware. Otherwise, they would not.

“We had been discussing making that change for some time because it was a disadvantage to companies with a sizable employee presence in Delaware. Mark’s direction gave me something very specific to go to the legislature with, and to the credit of the General Assembly, it immediately understood the implications. There was bipartisan support on the bill and Rep. Valerie Longhurst shepherded it through.”

The “Delaware Competes Act” was signed into law in January 2016. It reformed how the state taxes corporations by removing what were, in effect, disincentives for investing in Delaware plants and hiring more people.

“Had Chemours left the DuPont building,” Markell says, “the impact would have been devastating. I bet it would have been empty for 20 years or more -- but because they decided to stay, that is providing the wherewithal for the building’s owners to do a massive redevelopment.”

Vergnano says Wilmington and Delaware make a good fit with Chemours.

“Our need was two-fold,” he says. “We needed a state that would allow the company to compete and a good place to live that would help to attract talent.

“We now have 1,000 employees in Delaware and we want to add more. We will be bringing in technically trained people. In the next five to 10 years, companies will be fighting for scientific talent. They want to live in an attractive place.

“Wilmington, now, is in a position to be that place,” Vergnano says.

Inevitably, stories in the press about Chemours lead with the words “spinoff” and “startup.”

Vergnano is philosophical about the labels.

“Although we are proud of our DuPont heritage, we don’t think of ourselves as a spinoff. From time to time, we have to explain to people who don’t know us that we are a spinoff from DuPont. But that is a matter of time.

“On the other hand, I do like to think we are a startup. That implies energy and creativity.”

He also likes the fact the same press coverage refers to Chemours as a “growth company.”

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## Cover Story

That is where we want to be, Vergnano says.

"We have pivoted to our growth chapter."

Vergnano sees that chapter expanding – and adapting.

Change, for example, is accelerating. Take automobiles, an important segment of Chemours' business. Where is it going? What will be the effect of the self-driving car? For one thing, Vergnano says the entire automobile is being rethought – from the engine to the car seat. What role will Chemours play?

He is not sure about the exact form, but he believes Chemours' role will be a big one.

"One reason I wanted to lead Chemours," Vergnano says, "is that I knew what kind of culture I wanted to create."

He adds, "Collective enterprise is now part of the company; it's part of our culture."

Exactly what he was looking for. ■



**John Sweeney** is a Wilmington writer with 35 years of experience covering politics, government and industry stories.



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James D. Taylor, Jr., *Office Managing Partner*  
1201 North Market Street, Suite 2300  
Wilmington, DE 19801  
(302) 421-6863

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