



Services Business



The Benefits of Transition Services in a Divestiture: Styron

In today's dynamic business climate, companies are being formed at an ever increasing rate to enter new markets, capitalize on a technology, gain access to raw materials or supply, or to enable a more unique business focus. Whatever the reason, newly formed executive teams are faced with quickly establishing new business and operating models, new cultures, and new strategies. For some, this is on top of managing the company's day-to-day operations in an environment where competition is intense and expectations for growth are high.

Take Styron, for example. Styron was formed in June 2010. Formerly a business of The Dow Chemical Company, it was sold to Bain Capital Partners and became a fully independent, stand-alone materials company. While Styron leaders focused on a new business model, new strategies for growth, and a new culture, Dow Services Business was enlisted to assist in the operational transition.

Having a partner to work through the transition of a company can increase return-on-investment much faster than normal. Typically, companies using a service provider for business operations move from start-up phase and into stable operations within a year; much faster than if the company tries to build the services in-house.

Daily operations like procurement, supply chain operations, site manufacturing infrastructure, information technology, and environment, health and safety are critical to keep a materials company running. Dow Services Business was able to provide these necessary business and manufacturing services and solutions to Styron.

"Having these capabilities right at the start allowed us to work on building our company and not having to worry about whether product would be shipped or customers would be invoiced. Dow Services Business already understood our business, the market and what our business needed. This was extremely helpful for us so we could continue to focus on establishing a new company and implementing our strategy," said Jeff Denton, vice president, Feedstocks and Corporate Services, Styron.





"It's important to note that we were able to help save start-up time for Styron by having experienced people ready to deploy so they did not have to staff and train people first. We were able to ensure there were no missed orders, and no permitting issues. This is critical in the chemical industry. If this is done wrong, it can quickly stop a company," said Sam Elfawal, Global Commercial director for Dow Services Business.

Dow has put in-place a Customer Account Team dedicated to Styron. The team is focused on understanding Styron's business challenges so they can identify the services and solutions needed to best support their business strategy. This happens by understanding the business drivers and potential issues, in addition to knowing how to implement and manage business and manufacturing services.

After the formation of Styron as a stand-alone company, some strategic services were moved in-house while other services and solutions continued to be provided by Dow Services Business. For example, while Dow provided Human Resources services and solutions during the transition, Styron will be performing all Human Resources activities in the future.

"We know there are some functions within a company that need to be sourced and run in-house, not through an external service provider. Though we may run something like a Human Resources department short-term, we can help set-up the solution based on our experience for the long-term," said Lisa Hutson, Customer Account Team director.

"We continue to have very close dialogue and collaboration with Dow to ensure that we're getting the services that Styron needs," said Denton. *"Dow's very committed to being a responsive service provider and continuously improving our strategic relationship."*

By offering this broad array of services, Dow Services Business can ease customer business model transitions and improve operations. As the single commercial interface for services, our regional and account management teams work to understand customer business challenges and provide solutions. This is all aimed at freeing customer leaders to focus on what is most important to them – their business growth.

"The real objective we have going forward is not just to figure out how to cut time and money for our customers, but also how to best bring value via our knowledge, expertise, solutions, and infrastructure capabilities to an independent company. These capabilities will set Dow Services apart from the other services providers in the chemical industry," said Elfawal.



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For a full list of services provided by Dow Services Business, please visit
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