

Smit & zoon launched its Product Passport in May 2017. It has described it as "an easy-to-use overview with data on the performance of wet-end chemicals on both leather and on the environment".

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Smit & zoon has big plans for India

At the recent India International Leather Fair (IILF) in Chennai, World Leather sat down with the CEO of Smit & zoon, Hans van Haarst, to discuss the leather chemical manufacturer's plans for the Indian market, its Product Passport and the motivations behind its acquisition of Italian chemicals producer Codyeco.

Q: Why did Smit & zoon choose to open a new sales office in Chennai, India in April 2017?

A: We are adjusting our strategy. In the past, all Smit & zoon's operations were concentrated in the Netherlands, where we had our offices, research and development operations and production. We worked with agents around the world to do our business, but we've come to realise that, more and more, you need to be closer to customers. The dynamics of the industry are changing; much more speed is required, much more direct feedback from our customers is required, which feeds into R&D and the commercial side of the business. This is why we are adjusting our model to where we have our own organisation, our own people on the ground where the customer base is, working shoulder to shoulder with our agents and distributors. The company is going through this transition now.

Is India an important strategic region for Smit & zoon?

The region of India, Pakistan and Bangladesh is very important; there is a very large capacity base here. After China, where we have had a manufacturing location for 10





years, we decided to put our own team here on the ground. We started by appointing a country manager, Arun Janakiram, at the end of 2016. If you want to do anything meaningful here, you need to have a legal entity, a sales office, customer service people.

We are gradually taking steps; over the past year we have established a legal entity here, we have established a sales office in Chennai. At the start of February, we opened our formulation plant here in Chennai, so that we can formulate products locally. In 2015, we established an application laboratory in Ranipet, which we are going to upgrade during 2018, notably adding finishing capabilities. In the first half of this year, we will open similar centres in Kanpur and in Kolkata. Everything is aimed at being closer to customers and getting much more direct feedback from our customer base. We want to work shoulder to shoulder with our customers and agents to develop innovative articles using sustainable products.

How was Smit & zoon's 'Product Passport' been received in India?

We've had great feedback on the Product Passport here in India. We are not only working on the products, but also on the tools for our customers, supporting and facilitating sustainability throughout the value chain. With the Product Passport, we bring together the properties of the chemicals and what they do for leather articles, but also the environmental footprint. We bring this information together, so the tanneries have the tools to optimise cost, the properties of their articles and the environmental side when deciding which products to use.

Was the Product Passport launched in response to industry feedback or was it Smit & zoon's own initiative?

It was a combination of the two. We have always been advocates of transparency throughout the supply chain. As a family-owned business, we take a long-term perspective in relation to leather and leather chemicals. It is very important for us that there is continuity in this industry. We believe transparency and the education of tanneries about the chemicals being used are important to guarantee this continuity.

Hans van Haarst took over as CEO of Smit & zoon in 2013.

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Can the Product Passport be a useful tool against the negative publicity related to the leather industry and its use of chemicals?

We try to use education and the Product Passport is a good tool in this respect. Smit & zoon recently joined the Zero Discharge of Hazardous Chemicals (ZDHC) group. It is an initiative with the same end goals in mind of education, providing transparency and fighting back against the negative stories which are too often in the media. A critical perspective is not necessarily a bad thing, but it needs to be balanced.

What was the thinking beyond Smit & zoon's acquisition of Codyeco in November 2017?

Smit & zoon and Codyeco are complementary companies. Traditionally, Smit & zoon is known for fatliquors and an important part of our business is in upholstery and automotive. Codyeco, on the other hand, is located in Italy, in the centre of fashion, and is focused on shoe uppers and leathergoods. This made it the perfect fit for Smit & zoon. We want to be relevant in the industry and we want to have an impact on the industry. In order to do that you need to have a certain size. It is not that bigger is always better, but you need to have a certain size to have the financial room to have an impact.

We definitely want and need to grow. Codyeco is a very good fit in our portfolio, with very little overlap in product portfolio or customer base. With one step, we get access to new segments. The way Codyeco is selling is also different from the way we were selling in the upholstery and automotive segments, where the approach is by product. In shoe uppers, it is more about selling by complete articles and complete systems. We are bringing those skills and capabilities into Smit & zoon. Codyeco is also working on sustainable products, so we have brought in new perspectives and new competences. We plan to operationally integrate it into our business. It really is the perfect fit. ☺