

Chris Titmarsh

BASF Vice President, Automotive Refinish Coatings Solutions, APAC

CHRIS TITMARSH HAS BEEN INVOLVED IN THE COATINGS AND CHEMICALS INDUSTRY HIS ENTIRE CAREER, WHICH HAS SEEN HIM RISE FROM A YOUNG PAINT CHEMIST IN BLACKTOWN TO BECOME BASF'S VICE PRESIDENT AUTOMOTIVE REFINISH COATINGS SOLUTIONS, ASIA-PACIFIC WHERE HE IS REALLY MAKING HIS MARK ON OUR INDUSTRY, BOTH HERE AND AROUND THE REGION.



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NCR: So, who is Chris Titmarsh?

CT: Firstly, let me say I'm an Australian, born and raised in suburban Sydney where I initially studied polymer chemistry and gained a bachelor's degree in 1992. I subsequently completed post-graduate studies in Australia at the University of New England and more recently at the London Business School. I joined BASF in 2006 as a Research Chemist in our central facilities in Ludwigshafen, Germany and have worked in various roles in Europe and Asia Pacific. I am currently based in Hong Kong where I have lived for the past seven years.

NCR: In which industries have you been involved during your career?

CT: I worked as a paint chemist for what was, at the time, an Australian-owned paint company, Wattyl, although this has subsequently been acquired by Valspar, which has, in turn, been acquired by Sherwin-Williams. When I left Wattyl to join BASF, I had a couple of roles servicing the coatings industry in Europe before becoming the European Marketing Head for Polymers for Coatings in the Dispersions Division. I was transferred to Hong Kong to look after our Specialty Chemical Intermediates division with a focus on "hard-core" chemistry for the pharmaceuticals, agricultural, electronic materials and coatings industries. Following four very strong years, I was promoted into my current role in January 2015.

NCR: It's quite a varied background.

How did you take the step into the collision repair industry and what is your current scope of responsibilities?

CT: The transition was based upon my commercial experience running several businesses within the company, in addition to my background in polymer and paint chemistry. This put me in a position that was well-placed to take on a role in our coatings business, in this case servicing the collision repair industry. I have responsibility for our automotive refinish business for all of Asia-Pacific, which encompasses core countries such as Australia and New Zealand, China, Japan, Korea, India and the entire ASEAN belt.

NCR: You must have a solid regional team to enable you to keep on top of the variety of challenges. How is the business structured across APAC?

CT: The team is constantly evolving. We have a direct presence in Australia, China and Japan, and a direct importer model where we work with business partners in India, Korea and the ASEAN belt. We work well with these partners and utilise their business acumen and technical service capabilities to support the highly intensive service level requirements. This is a key part of our business model, especially given the geographic and cultural diversity of the region. If I look to the maturity of these markets, it really does vary from emerging markets to mature markets, and we have a business model with the flexibility to be successful across the region.

NCR: What can you tell us about your team in Australia and New Zealand?

CT: I am fortunate to have a very strong, passionate team here in Australia and New Zealand, headed by Tony Wiggins, and in terms of best practice, we look at how this team operates and how it continues to evolve. The influence they have is far broader than just here in Australia and New Zealand; they also impact the way we perform and grow in our emerging markets – it really is wonderful to work with the people here.

NCR: What have been the highlights across APAC since taking up the role?

CT: Primarily, the focus on both organic growth and growth-by-acquisition has been the key driver of our success. The acquisition of Chemetall (a global surface pre-treatment company) has been a great example of synergistic benefits to our division as pre-treatment in automotive OEM is critical. In 2016, we also acquired an automotive refinish manufacturer in southern China, which is now known as BASF Coatings Guangdong. This is the first real step in our sustainable growth strategy in the region and having a local presence in the China market is critical. More recently, in 2017 we created an innovation hub in Shanghai, which is very much focused on R&D (research and development) with the emphasis on the “R” – typically in BASF, the true research has been done in major hubs in Europe, but this new hub really recognises where the future lies for various markets – Asia-Pacific. We’ve been very good at establishing integrated manufacturing hubs (Verbunds), but it is testament to the rate of development in China that we have established the R&D hub in Shanghai. It is really exciting to lead a region that is growing rapidly, and it won’t be too long before we will need to stop referring to China as an emerging market.

NCR: What of the highlights in Australia?

CT: Well, probably one of the most contentious has been securing the AMA business in Australia. It’s a great partnership that came about through a combination of recognising the



opportunity and strategically analysing the market. We asked ourselves: where do we want to be in a market that is undergoing consolidation and is heavily influenced by the insurers? There are two options: sit and watch it, or play an active role. Our strategy was, and still is, to grow in a mature and declining market with a sustainable business model. There have been many highlights and, as mentioned, working with the local team here has been one of them.

NCR: How did this impact upon your relationships with your distributor network?

CT: Initially, there was a lot of surprise and some trepidation. However, our distribution model is not going away, and our distributors will continue to be a significant part of our business – the sheer geography really reinforces the importance of distribution. The surprise aspect comes from dealing with an ASX-listed company and the sensitivity of the information to which we have access which, of course, we treat with the utmost confidence. Let me reiterate: distribution is always going to be a core pillar and I don’t see that changing at all. We see our distributors as business partners who will always be supported with the strength of our brands. We have very strong brand recognition in the Australian market and, in fact, later this year the Glasurit brand will celebrate 130 years. As the company itself is just over 150 years old, the Glasurit brand goes almost all the way back to the roots of the company. This is just an example of

what we bring to the table. I have the privilege of being the current custodian of the Glasurit brand in the region – a responsibility I take very seriously.

NCR: How do you respond to the observation that you have been the driving force behind the changes at BASF Coatings in Australia?

CT: Although we have an excellent team and a business that is solid, as a team we were not happy to simply maintain the status quo – we are very focused on growth and in Australia, that means growing our market share. We have doubled our customer base in Australia and New Zealand over the last seven years, with a significant proportion coming in the last three years, and my expectation is that we will continue this growth.

NCR: How well received have these expectations been in a business that has traditionally been more conservative?

CT: At times people find that a challenge, but when you look at the strategic aspects of running a business, in a mature market you must fight for share and the more that we do so, the more successful we’ve proven to be. As you said, traditionally we’ve held share and now we are winning share and the market is responding very positively.

NCR: Colour development continues to be at the forefront of coatings technology. Where are you headed, say over the next five years?

CT: Our goal is to continue to be recognised and acknowledged as the market leader, supported by

innovation and an ongoing response and development to industry demands. When you look at what we have done with the R&D campus in Shanghai, you see the involvement we have in the OEM side of our business, which is constantly developing, and the refinish side of the business benefits greatly. The automotive industry is a core market for BASF and we are particularly well-positioned in China as their automotive industry has gone from being purely a domestic supplier to a true international player.

NCR: So, your position as a leading supplier of automotive OEM coatings has a positive impact upon the refinish business?

CT: Without doubt – the markets are inextricably linked. As a market leader in the supply of OEM coatings, it is self-evident that we have an insight into what is coming downstream. Our relationships with the car manufacturers form fundamental platforms for our refinish business. Understanding their strategies and the influence that has on local car parcs allows us to be better positioned for the developing trends in our markets. We have a group of design teams based in China, Japan, India, Thailand, the USA and Germany who meet annually and are advisors to the OEM industry – we are using the same raw material database, a fundamental building block of colour consistency and reproducibility. It is crucial to understand their colour trends as refinish is all about colour. As a direct result of our partnership with the OEMs, we are having a direct influence on the colour trends of the future.

NCR: The landscape in Australia continues to evolve – what do you see as the “hot issues” for the industry?

CT: There is no doubt that the consolidation process will continue, which in turn will further improve the professionalism in the industry. The insurers are also playing a role in this consolidation process and will continue to influence the direction of the industry. In addition, with the loss of Australia’s automotive manufacturing base, the trends will be driven by global and regional players and we see



our OEM relationships providing us a strategic advantage. It helps us understand the market trends and the impact on our product portfolio.

NCR: What else can we expect to see from BASF in this changing environment?

CT: As an industry leader, we believe we have a responsibility to contribute to the future and the best way to do this is in the development of future talent. We support vocational programs through the TAFE system here in Australia, including our Glasurit EDUCATE program that is designed to inspire and develop the next generation of technicians. We are committed to ensuring our industry is sustainable into the future. In addition to this, we’re extending our support beyond borders with our recently announced global industry partnership with WorldSkills, a further testament of our global commitment to the industry. The recent winner of the car painting category in Abu Dhabi was a BASF-trained young man from China. Something else that we see in China, more so than here in Australia and New Zealand, is the gender diversity with so many young women entering the industry. Our local educational programs in Australia, like Glasurit EDUCATE, are designed to encourage more young women to take up a refinish career. These programs are supported through our world class

Glasurit Refinish Competence Centre at Wetherill Park, which has become a model for future training centres within BASF. So, what you can expect from BASF is a commitment to contribute to the creation of an exciting, professional and fun industry and we are proud to be at the forefront of these changes.

NCR: So, you believe BASF and your distributors are well positioned for a strong future in Australia?

CT: Absolutely. We are very well placed for more growth in Australia and New Zealand and even greater growth in the region. We have great brands, a fantastic team and a strong product development pipeline. And finally, with the corporatisation and consolidation across Asia-Pacific, we take many learnings from our Australian business, which we see as a “lighthouse for the region” as we make a real contribution to the industry around the region.

Editor: *Chris is clearly a results-focused leader who has a track record of “doing what he said he will do”. He is also committed to the development and growth of a sustainable collision repair industry, both in Australia and across Asia-Pacific. It is refreshing to know that such an influential leader is so confident about the future of our industry.*