

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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**00:01 Jacob:** Welcome everyone to another episode of The Future of Work podcast. My guest today is Daniel Martinez Valle, the CEO of Orbia. Daniel, thank you for joining me.

**00:13 Daniel:** Thank you for having me Jacob.

**00:15 Jacob:** So I have to confess, before we got in contact with each other I've actually never heard of Orbia. And I know you guys recently went on a name change, you had a previous name and you changed fairly recently. But maybe you can give us a little bit of background information about the company, what you guys do, and how many people do you have working at Orbia?

**00:50 Daniel:** So yeah. It's actually a fascinating story. Orbia was used to called Mexichem in the past. And it started as a Mexican chemicals company many, many years ago. Back in 2003 roughly 80, 90% of our business was based in Mexico, and mostly chemicals. Today, and we had an annual turnover back then of roughly \$300 million. Today, we're truly a global company, we sell our products and solutions in more than 110 countries. Our annual turnover is north of \$7.2 billion. And we operate in different industries ranging from precise agriculture to building and infrastructure and data com. And we're very excited to have launched a few weeks ago the new name, the new narrative, a new corporate team, a new strategy. And we actually believe we're one of the few companies that can truly help solve a few of the most pressing global challenges. Mainly, food security, water management, making cities more livable and lovable, and helping improve the well-being and healthcare of people around the world. So in a nutshell that would be the description of who we are today. We have 22,000 people very excited about being able to advance life around the world, which is our purpose.

**02:23 Jacob:** You guys are actually quite a large company. I was surprised to learn that you were indeed that large. And I found that your... Sort of this transformation that you're going is very fascinating, and that's one of the reasons why I wanted to talk to you. So can you help listeners understand... What is this transformation? And obviously it started with the name change, and I have a lot of questions for you about your Impact Mark as well, because that's one of the coolest things I've seen a company do, but we'll get into that later. So, why do this transformation, why do the name change, why this new corporate strategy, what's happening in the world that forced you or made you want to take this change? And what is the change?

**03:04 Daniel:** Yeah, that's a great question. So, I was appointed CEO of Orbia, on February of 2018, last year. And I had been very familiar with the company because I used to be before that the CEO of the holding company. In my first public appearance with the management team, with 200 people in a very large room, I was interviewed by a strategist whose name is Roger Martin and he

was asking me very, very fundamental questions about the business and how I saw the future unfolding. And it was back then and there when I actually realized that we had truly become a global company and that we had over the years invested both organically and inorganically via acquisitions, on a number of assets that could truly sort of be focused on really becoming more customer-centric and becoming more global and really focused on addressing these challenges that I was referring to. And I started thinking about the numbers on... Let me give you just a couple of examples. On food security, there's 800 million people today that do not have access to enough food, and by 2050 food production will have to increase by 70% if we have to increase, to satisfy that demand.

**04:34 Daniel:** There is no way with existing production methods in agriculture and with the existing water usage that we will be able to meet this targets and let alone solve the issue associated to these 800 million people that do not have access to food today. And then we can go back and explain how we can solve these issues. And in terms of water there's a fourth of today's global population that is facing scarcity issues around water. And by 2050, two-thirds of the global population will definitely suffer severe stress issues related to water. That's another one of the global challenges that we wanna address. And then the third one I was talking about livability and lovability of cities. Today, 55% of the world population lives in cities. And from a sort of surface perspective it only represents a little bit over 2% of the world's surface, so it's hugely sort of over-represented in terms of the number of people that live in cities, but the issue that we will be facing as we evolve in the next 30 years as a population or as an organization is we will have to help solve that. By 2050, two-thirds of the world's population will live in cities. So from 55% to almost 67%.

**06:07 Daniel:** And there's a lot of things that need to be addressed in terms of mobility, in terms of buildings, in terms of access to services, a lot of things that we can work on, and that we've been working on for the last many, many years. And last but not least, just a data point on well-being, there are seven million people today that die year-over-year by being exposed to particles, and pollution in the air.

**06:35 Daniel:** That's one of the things that we really sort of have been focusing on today. We touch 100 million lives, thanks to Propellant gas that is included in every single inhaler that is out there in the market. 80% of the market share is controlled by us, and that represents that we help people breath easier by the Propellant gas that we produce in the UK, every day. So just a few examples of the realization that we had back then when I was on stage with Roger Martin and he was asking me how do I see the future of Mexichem evolving over time. Again, global company, global challenges, we had a unique opportunity to transform ourselves to elevate our ambition and to really focus our capital focus our people focus or talent to solving or helping solve these global challenges. There's three components that are very, very important in this transformation.

**07:38 Daniel:** The first one has to do with articulating a very clear purpose, that people in our organization and our stakeholders can really understand and connect to. The second one, our values, which is very important as we move along, and as people make daily choices within our organization and within our extended organizations. And then the third one is to really transform our company and to become truly a customer-centric organization. Most companies that were operating in the industrial environment were very much focusing on building things assuming that people will come and buy them. Materials, solutions, systems, products, etcetera, we really wanna change that equation and move from the supply mentality to a demand mentality and really think how we can solve these human needs with a very, very human-centered approach in everything that

we do from a manufacturing perspective, from a design perspective, from an innovation perspective moving forward.

**08:44 Jacob:** It sounds like it's basically trying to become a more human company. One that cares about the world, the environment people society. Would you say, obviously, most businesses the traditional idea of a business is to make a lot of money, right? Make money, make the shareholders happy, as much profit as you can possibly make. Would you say that that narrative of a business is changing and is that one of the reasons why you are going through this transformation? You're sort of acknowledging that it's not just about profits anymore, it's about society and the world and people?

**09:19 Daniel:** The way we articulate it internally, yes, we do have an opportunity to be the best company in the world in what we do, and at the same time to become the best company for the world in what we do, and thanks to how we do things. And again, you were referring to our impact market. A very, very quick summary of why we don't see our logo as a traditional logo, is because we really wanna be transparent and show to the world that we're really focused on people, profit and planet through different metrics. And this is at the core of our founding Chairman, this is at the core of our Chairman today, this is how they've thought about business for the last 60 years, 20 years, 10 years, the controlling group that founded Mexichem had already been very much focused on making sure that they were doing the right thing in terms of the environment, they were really doing the right thing in terms of people and obviously they were doing the right thing in terms of delivering shareholder returns for the companies that were publicly traded and shareholder return, obviously for a company that at that point in time, were not publicly traded. So this is something that we don't see as an exercise in which we will have posters on the walls in all these countries where we operate, talking about our purpose and talking about our values. This is deeply enrooted in our DNA.

**10:54 Daniel:** This is deeply enrooted in the way we do business and in the way in which we make daily choices and something that was part of the DNA all the way coming back, all the way from when the company was founded many, many years ago more than 60 years ago. We articulate it in a more clear way, probably we have elevated the ambition and again, I think it's very, very clearly reflected in our Impact Mark, it has been for many, many years part of who we are and part of our DNA.

**11:31 Jacob:** One of the coolest things that... And I don't know if you guys are the only company that have done this or other companies have an Impact Mark. I've never seen or have heard of this before, but when I learned about it, and that you guys were doing it, I thought it was completely fascinating. So can you share what this Impact Mark is? It's not a traditional logo. So what is the Impact Mark, how does it work and what are the six areas that shape the Impact Mark?

**11:56 Daniel:** Yeah. So there's three major areas, as I was mentioning before, people, profit, and planet that's the easiest way to articulate it. We believe that we're the first corporation that has what we call a living or organic logo that evolves over time. So today we have three lines that maybe look a little bit amorphous, almost like an amoeba. Every single line represents, each line represents a year so 2016, 2017 and 2018, and we decided based on a number of conversations, workshops and surveys with hundreds of employees, what are the most material metrics that represent people, profit and planet in terms of the impact that we wanna have moving forward? So from a financial perspective, we're talking about return on invested capital, which is key in terms of how we

measure success for the company, we're talking about how much we're investing not only in R and D, what we call traditionally R and D, but what we call today human centered innovation.

**13:10 Daniel:** We have an innovation lab in San Francisco in collaboration with IDO, we're building our new ventures with human-centric design. We're also already launched our corporate venture capital in which we're going to invest \$130 million in start-ups, and we're doing a lot of efforts on open innovation with our employee base, so that's the second metric associated to "Profit". And then moving to the planet component, we're including two metrics. The first one has to do with how much are we gonna be reducing our emissions of gas in terms of the greenhouse effect, and then the second one has to do with how much we're reducing the generation of waste in our plants all over the world. And then last but not least, when we're talking about people, we decided to include two metrics. The first one has to do with what is the percentage of women in top management, and the second one is, how much are we investing in terms of developing our talents globally, on several fronts on leadership, innovation, digital capabilities, AI, machine learning, data analytics, things that are really, really relevant for our future talent.

**14:31 Daniel:** And again in a nutshell, these are six metrics. We're a company as any company is, conformed by individuals and people. No one is perfect, and I think there's no such thing as a perfect company. If we were a perfect company, our Impact Mark or our logo would be three perfect circles, but this is not the case. As we move along in the evolution of this transformation of Orbia, anyone will be able to see in our web page and in our digital estates how we are evolving, the impact that we're having on these six metrics. We might refine it over time, and make it a little bit more comprehensive, but this is the first prototype that we put out there as our Impact Mark.

**15:22 Jacob:** Where did you get the idea for this? Have you seen any companies do this? Like I said, I've never seen or heard of this before, but I think it's really great, because it's essentially the public representation of your brand and how you're doing across various metrics, which I think is fascinating. So where did this concept even come from?

**15:43 Daniel:** It was actually a very interesting process in which a lot of people were involved, and we have the advantage of having very creative people that participated in that process. And when we saw a few of the proposals for our new logo, some of them really looked like very traditional, boring, dull logo that could be adopted by any kind of company in any kind of space. But when we saw something that looked like an Amoeba, that gave me the impression that there has a very interesting component in how that was graphically depicted, that could be related to organic living organisms and things that can evolve over time. And then based on a number of discussions, we came up with this idea, and I think as you said, it really reflects who we are, who we wanna be, and how we can aspire to advance life around the world, and how we can literally reflect that in our logo, in our business cards, and everything that is represented through our brands all over the world.

**16:57 Jacob:** I know that this concept of purpose is also very, very important for you, and it's something that a lot of companies are starting to focus on. Can you talk a little bit about how you define purpose, and what are you doing as an organization to help employees get connected with that sense of purpose, to learn to discover that purpose inside of Orbia?

**17:20 Daniel:** Yeah, that's a great question. So for us purpose means what is the fundamental reason why we exist, and why we come to work every day, beyond sort of generating profits, generating dividends or having the ability to pay bi-weekly, or weekly wages. Why would people care if Orbia

ceases to exist five years from now, or 20 years from now? Why do we matter, why do we exist? And it's a combination of a number of individual reflections in terms of, how can we transcend in life, why are we here and how can we make sure that in our final hours we can look back and say, at least one life could breathe easier because we lived. And when we combine that as a collective, and when we move from a 'Me' mentality to a 'We' mentality, that's what purpose means. Why do we matter, and why do we exist beyond profit? And I'm sure you've been exposed to hard data all over the world in terms of companies that are really purpose-driven, companies that are not putting their purpose statements on the walls.

**18:45 Daniel:** Similar to what happened 20 years ago, 30 years ago, you saw mission, vision statements in manufacturing plants and in corporate offices. We do believe that we can't solve the world's biggest challenges alone, but we can take a collaborative, and this is a 'Me' to 'We' human-centered approach, which is what we're discussing before, to building a better future for everyone. And that is what marked our definition of purpose, and that's why we all believe that our purpose as Orbia is to advance life around the world.

**19:24 Daniel:** We implemented a very, very ambitious program internally to really activate purpose. So we sort of make sure that everyone understood via workshops and via fun events all over the world in which people could connect to this. This is not something that we came up with in a closed room in San Francisco, Mexico City, Boston, or Tel Aviv with a bunch of consultants. This is literally the product of discussions, surveys, workshops and meetings with literally thousands of employees worldwide. Where they now can see the purpose written on the walls and they can feel that their DNA is embedded in that purpose statement. So that's very important in terms of being able to effectively and efficiently activate our purpose, moving forward. And people understand that that is part of our culture and that is our North Star in terms of how we are gonna be allocating capital, how we're gonna be allocating people, how are we gonna take fundamental decisions and daily choices in terms of risk mitigation. And this is very important.

**20:29 Daniel:** And it's... When you look at the metrics and compare the S&P 500 returns versus the returns that companies that are truly purpose driven it's a difference between 211% versus 300% in contrast to the S&P 500 total shareholder return. So this actually matters. It's not something that people should perceive as "touchy feely". When companies really embrace their purpose and employees really embrace their purpose, at the end of the day the impact in terms of profit... But also and more importantly in terms of people and planet because we have to create this perfect combination of having an impact not just on one of these metrics but on the three, we can really move the needle under three different axis.

**21:23 Jacob:** Very cool. And can you talk a little bit about how does purpose manifest inside of Orbia? So I know you're going through a lot of different programs but maybe you can talk a little bit about what some of those things are. So for example, are you changing the way that you think about leadership? Is this being a part of the onboarding program or how you hire or interview employees? Training and development? How is this focus on purpose actually manifesting itself inside of Orbia?

**21:54 Daniel:** Oh so... I think it manifests in all of the above. Things that are probably not very visible but decisions in terms of what kind of cars should the company give to employees? Are we talking about traditional cars or are we talking about hybrid and electric vehicles? What kind of investments are we thinking of in the future? Are we thinking of building businesses that are best in

the world and best in the world or just best in terms of EBITDA or best in terms of return on invested capital? We really need to make sure that we have the right evolution in terms of our Impact Mark. Things like the kind of talent that we bring to the company, things like the training programs that we have. We had a fantastic training program for 45 executives a couple of weeks ago in Stanford. And the definition of the program was future fit leadership. And it was all about how leaders have to be future fit, how leaders have to be customer centric and very importantly how leaders have to be purpose driven. So in every single choice, every single decision how we show up to work, what kind of investments we make and how do we wanna mitigate risk moving forward. The purpose is our true North Star.

**23:24 Jacob:** I love it. So this is... So not to promote anything but you said future fit leader. This is exactly why... So I have a book that's coming out in January specifically called the future leader that looks at what it will take to be a leader in the year 2030 and beyond. And so it's specifically like you said, to figure out how do we create future fit and future ready leaders? So I really love that you're actually using that language internally and that that's kind of a big emphasis and a focus for you. I think far more companies need to be thinking about what is leadership gonna look like in the future instead of just what it looks like today. So, I love, love, love all the work that you guys are doing around this. So speaking of purpose, is this... I guess you have a corporate purpose and you have the individual purpose for the employees. How do you help employees find that purpose? What if an employee says, "I don't know what my purpose is. I don't know what I'm doing. I'm just kind of here working." How do you help them figure out what that purpose actually is?

**24:35 Daniel:** That's a great question, and let me tackle it in two ways. The first one is, Orbia is a combination of five different businesses that touch five different customer bases all over the world. Let me just mention a couple. The first one is our precise irrigation or precise agro business which is called Netafim. This was a company that was started more than 60 years ago in a Kibbutz in Israel. And it was basically founded based on the invention of the drip irrigation technology which has made Israel what it is today and transformed it from a desert into a blooming place, all over Israel. Netafim, which is this company has its own purpose but it has to have a nested purpose that is fully aligned with Orbia's purpose. So if you think of how we think about our purpose, we are talking about how we wanna deliver on our promise to advance life around the world and then we take to our precise agro business which is grow more with less. Just to give you one specific example. In Mexico, the average yields for corn is three tons per hectare. We have customers that have 17 tons per hectare and are reducing the water consumption by 80%. That's a perfect example of how we can grow more with less. With less water, with less labor, with less nutrients, with less pesticides.

**26:13 Daniel:** And this, again when you have a nested purpose that is perfectly aligned with a corporate purpose of advancing life around the world by growing more with less, people can really understand that. That's one. And then the other one is: How do we make sure that people can connect their own way of understanding how they can transcend in life individually, how can they can transcend and leave a legacy as a team in what they do in a few hours a day and in a lot of hours a day that they spend in the company. We engaged, as I was saying, thousands of employees in workshops that were very much human-centered, in terms of the process and the methodology, by asking them questions, by using what we call a purpose wheel, and by making sure that we understood what ticked each one of them, what made them excited about how they connect their day-to-day activities to their possibility of leaving a legacy. And then we rolled that up, in terms of our sort of corporate purpose, and that's the same exercise that we did with our five business groups.

**27:28 Jacob:** What is a purpose wheel? I heard you mention that, I'm quite curious about it.

[chuckle]

**27:32 Daniel:** So, it's a wheel of fortune similar to that with different options of purpose statements. And then you start narrowing down, in terms of whether you feel that you are more oriented towards being more caring, or more innovative, or more like a wizard. Different typologies and different archetypes that mark who we are as individuals and as companies. And then you start, again narrowing it down to what the consensus looks like, and that's how we end up choosing that we're fully aligned with this concept of advancing life around the world.

**28:13 Jacob:** What is it like to work at Orbia? And I know you have 22,000 employees all over the world doing different types of jobs and functions, but maybe you could just help listeners understand what it's like. I mean, maybe let's say if you're in an office, for example, do you have open offices or closed? Is it free food for everybody? What is the corporate environment like?

**28:39 Daniel:** So, that's a great question, because that's... Our transformation journey has been literally holistic. It's not just about changing the name, or changing the team, or changing the strategy, the narrative, the web page. I think we're touching almost every aspect of corporate life. And we used to have corporate offices that were the traditional corporate offices with closed spaces. I literally had to walk up three floors to talk to the Chief HRO. I had to walk two stories up to talk to our CFO. Today, I'm talking from our Mexico City headquarters, and we have headquarters in Amsterdam, and Tel Aviv, and in Boston. And this is a little bit of a reflection of our global transformation, but I'm talking from a very open space, no one has an office, not even the CEO, or the CFO, not even the CHRO. We share spaces, we have a common sort of kitchen where people can work, can chat, can eat, can drink, can spend time there. We have a meditation space where people can also have time for reflection and meditation. We have a mothers room where mothers can spend time and do their things.

**30:05 Daniel:** So, it's a completely different sort of environment. We spent a lot of time really focusing on what we wanted to give people in terms of this spatial experience, and it has completely changed the way in which we interact. And again, I think it's a good example of how we create the right space for people to thrive in a we environment versus a me environment in which they were locked in a room using, in a very inefficient way, a lot of square feet. And today, we're all in the same space, sharing our ideas, our thoughts, and our passion. And if you look up, you can see people working here in our office that come from India, that come from Israel, that come from the Netherlands, that come from Budapest, and Hungary. So a very, very global team. We have, as I was saying, five different business groups. One is led by someone in Israel, the other one is led by someone in Hungary, the third one is led by an individual in the Netherlands, the fourth one is led by a colleague in Boston, Massachusetts, and then the fifth one is led by someone in Mexico. So, a truly global company, truly global headquarters in four different cities across the world, and very open space and collaborative. Again, trying to foster this we mentality and staying away from a me siloed mentality.

**31:32 Jacob:** So, how do you make that shift? I mean, is part of it also how you incentivize and you reward and bonus employees as well? Because I know that that's something a lot of companies struggle with. How do you go from focusing on the individuals to focusing on the team to focusing

on the company? So, how do you change that culture? Have you made any processes or policy changes to reflect that?

**31:58 Daniel:** So, yes, I think it has to be reflected, again in the space and then the environment, the physical environment and the incentives, the kind of leadership that we bring in the training programs, and the compensation schemes, and how we show up as leaders, and how we make daily choices.

**32:24 Daniel:** Everyone in the organization has access to my email account. And it's me responding to every single email that I get from people from India, from France, or from any corner in the world where we have people working and advancing life around the world. So, again, I think the very basic analogy that I give very colloquially to people is if this were acupuncture, we have to insert a needle in every single pore of the skin. And if this is not sort of a truly holistic process, then the transformation will not be effective down the road. So, in everything that people see and every interaction, they need to feel that they need to see this transformation in order for this to be real. And at the end of the day, it has to transform itself into a social movement. It's not something that people in corporate offices can say, "This will happen." People have to embrace: What are our values? What is our purpose? Where do we want to take the company? How do we define success? How are we gonna make sure that we are making the right choices? How are we gonna embrace failure? And how are we gonna change the culture in order to make this transformation happen? And if I am one of those 22,000 employees, how do I need to understand my role in this transformation journey, and then that's when it becomes a social movement.

**34:01 Jacob:** Yeah, fair enough. Well, I know that internally, you're also focusing a lot on re-training and up-skilling in your employees in your workforce. Can you talk a little bit about what you're doing there and how that works?

**34:17 Daniel:** So I think the most basic aspect of the retraining is what we were discussing before about transforming an organization into a future fit organization that is customer-centric and that is purpose-driven, but let's focus on future fitness. And this has a lot to do with what people call ambidexterity in organizations. And the way in which we have simplified our concept of future fitness is: How can we make sure that everyone understands that we have to excel in both the optimizing for today and the optimizing cultivating for tomorrow? We have all... Every single one of us have been trained and have been educated in a world where you go to a plane and you're a two-year-old, and you can only have either fish or chicken, but you were never told when you were a two-year-old in a plane that you could actually have fish and chicken.

**35:23 Daniel:** That in a way is a Cartesian model that is very Western-dominated in which everything is a creative tension between: Should I do this, A, or should I do this, B? And most of the organizations out there and most of the leaders have traditionally been working in an environment in which their natural reaction is, "I can only do the optimizing for today and maybe. This means managing inventories, managing people, hiring people, looking at sort of the sales compensation, talking to customers. But don't tell me that on top of this, I need to cultivate for tomorrow, which means what am I doing in terms of building new ventures? What am I doing in terms of talking to startups in terms of thinking of the future of talent? What am I doing in terms of really investing in new applications, new business models, doing digital, doing AI, doing machine learning? I don't have time for that."

**36:25 Daniel:** 90% or 99% of the executives and employees have a natural tendency of saying, "I can't do both. It's either A or B." Our definition of a future fit leader is a leader or an employee that can actually undertake anything that has to do with both optimizing for today and cultivating for tomorrow. And that is a key component in which we can feel comfortable that five years from now and 10 years from now, 20 years from now, we'll not end up being a Kodak or a company that becomes obsolete, because we were focused only on the supply side of what we do, and not really caring about what our customers need and what our customers really want. We are really focused on making choices that are marked by our purpose, and we're really focused on making sure that we are a relevant company over time, and that's our sort of a very simple definition of what future fitness means for a leader, or an employee, or an organization.

**37:33 Jacob:** And how does the actual training work? So is this like a global wide initiative for all of your employees? Do they take courses? How does the actual up-skilling or training part of this happen?

**37:46 Daniel:** So it's a combination of up-skilling our existing workforce, and also bringing in different talents. So we have now our human-centered innovation team is based in Israel. We brought in someone that is running our corporate venture capital arm. Again, we have a innovation lab in collaboration with IDEO with very, very different capabilities and very different talent to what we were used to from an R&D perspective. We have people joining us in every single part of the world. We have a new person in Oman running our data com business. So again, it's a combination of up-skilling existing talent, but also bringing new talent and exposing our historical sort of talent with historical capabilities to these new ways of thinking and solving issues and addressing problems all over the world with our customer bases.

**38:48 Jacob:** What role do leaders play in all of this? So obviously we talked about a future fit leader, but how do you create a future fit leader? Because I'm sure maybe you had some leaders in Orbia who, yeah, let's call them old school. That they didn't agree with a lot of these new ideas and concepts, focusing on purpose. Maybe they thought all of this stuff was crazy. How do you teach leaders to become future ready? And what do you do for leaders who are just not willing to make that change?

**39:25 Daniel:** So my definition of old school leader and new school leader is someone that can, in their day-to-day look back and say, "I feel comfortable and I feel happy and I feel successful because I made ordinary people do extraordinary things," or "I made ordinary people just do phenomenal things." And I think that applies to both old school and new school. And if you combine that with what we define as future fit leaders, there's people that get it and there's people that don't get it. Statistically, there may be on average, 25% of people that can adapt to transformation, 25 people that can be actively disengaged and 50% that is in the middle. But when we really do this in a holistic way, when we really make sure that people feel that they actively participated in all these processes, I think we can really move the needle in terms of that 50% that is not really sure if they wanna be actively disengaged or truly engaged. And this is what we're seeing, we're seeing a lot of our leaders very enthusiastically embracing this journey, and I think it's our job as leaders to make sure that we maximize the probability of having as much people as possible at any level in the organization embracing this transformation journey.

**41:05 Jacob:** Are profits and purpose ever at odds with each other? Do you ever find a situation whereby focusing on purpose it means you have to sacrifice profits or are these two things not

opposing forces?

**41:22 Daniel:** I think if it is well understood and well activated and well embraced, at the end of the day there shouldn't be a creative tension. They should be fully aligned. Again, companies that were historically not purpose driven may have assets that may not be best for the world. And again, as anything in life it's a journey, it takes time and I think that it's not about just focusing on the destination, but really focusing on having a passion for the journey in the day-to-day. And it's in that day-to-day and then those daily choices where we really need to make sure that we allocate capital, we allocate people and we mitigate risk in a way in which we and other companies can actually move the needle in a very cohesive way both in terms of profit and in terms of purpose, and in terms of people and planet. So I personally believe that we can actually do both at the same time and not have this creative or destructive tension. But at the end of the day, it's not a CC, it's not something that happens overnight, especially for companies that have been out there 60, 20, 30, 40 years. But over time, I think that there has to be this perfect synergy or symbiosis between reaching our objectives in terms of what we can do and what we will do in terms of profit and what we can do and what we'll do in terms of purpose and people and planet.

**43:06 Jacob:** I realized one of the things that I forgot to ask you which I wanted to was, how did you get to become CEO? So I'm just curious of your story. I don't know how far back you wanna go but maybe you can give us a timeline of what your career was like and how did you end up in this position of CEO?

**43:31 Daniel:** Very briefly, I am an economist by training, born and raised in Mexico City and I ended up in my last year in the university undergrad working for the Minister and the Ministry of Finance in the worst economic crisis that Mexico had back then, 60 years when we had what we call the Tequila Crisis, a major devaluation and a major recession. And I ended up working in the office of the minister, working directly with him and with the deputy minister which was a fantastic opportunity. I always said that it was the worst time for our country but a fantastic personal and professional opportunity for me, ended up being in meetings with the secretary of the US treasury, with the head of the fed in Washington DC, with the IMF and ended up participating in the negotiations to bail out the country and take it to where it belonged back then in terms of capital markets and in terms of economic roles and prosperity, etcetera.

**44:44 Daniel:** Then I was exposed to the entrepreneurial activity in Silicon Valley in the late '90s and I decided I wanted to have an entrepreneurial activity, and I ended up starting a company after being a consultant at McKinsey for less than a year and after spending some time also at JP Morgan on Wall Street. I ended up doing some entrepreneurial activity and starting a company in Spain, I spent a few years there, then I did private equity, then I joined Cisco and I ended up being director for worldwide strategy and planning with a fantastic team and fantastic leaders. And then I joined back in 2008 Calus and was CEO of Calus until I was appointed CEO of Mexichem. So a combination of consulting, investment banking, public sector, entrepreneurship, a little bit of private equity before joining Calus. And now I'm a CEO of this fantastic company, embarking in a fantastic journey.

**45:52 Jacob:** So what did it take for you to become the leader of this kind of a company? Were there certain things that you did, certain skills, certain mindsets, were there huge challenges that you had to overcome? 'Cause just listening to you talk about it, it sounds like you made it there and you make it sound so easy, but I'm sure it certainly was not an easy journey. So what did you have to go

through to get to that situation, that position?

**46:22 Daniel:** So I think that's really an answer that should be responded by the Chairman or anyone who's a member of the Board of Directors, but I can only tell you that I have always been driven by doing good and doing well. I've always been very intellectually curious in terms of moving from the public sector to the private sector or figuring out what Wall Street is all about, figuring out what management consultancies, what it's all about and figuring out what being an operational person is about.

**47:00 Daniel:** And, really, at the end of the day when you combine all those experiences and when you see that you have a unique opportunity to solve, or help solve, in collaboration with other companies, with other NGOs, NGOs and with a fantastic team, help solve these challenges as we were mentioning at the beginning of our conversation: Hundreds of millions of people that do not have access to water, hundreds of millions of people that do not have access to food, millions of people that don't have access to clean air, and a lot of opportunities in terms of being able to live in a different kind of urban environment that it is, again, more livable and lovable.

**47:46 Daniel:** That is a combination of many of the fascinating challenges that I faced in my previous lives. And many of the people that I have been capable of learning from, have been exposed and have been instrumental in effecting change in all of these areas. And I ended up having this opportunity to lead this fantastic company with, again, the support, the leadership, and the mentorship, from my Chairman. And I think that we're all very lucky, but also we have a huge responsibility to our shareholders, to our customers, and to all our stakeholders to really move the needle in terms of what we described in our Impact Mark. And I think there's very few companies out there that have this opportunity of being best in and best for the world and we're one of them, and we're driven very passionately to making all these happen.

**48:46 Jacob:** What does a typical day look like for you? So as the CEO, 22,000 people all look to you for guidance. How do you spend your your day?

**49:00 Daniel:** So, yes, that's a great question. So we have a lot of global presence. In the next few months, before year end, I still have to go to China, I still have to go to Korea, Japan, Amsterdam, Israel, the US, and probably a country in South America.

**49:25 Jacob:** That's all before the end of the year?

**49:29 Daniel:** That's before year end, that's correct.

**49:29 Jacob:** Wow. So you're on the road a lot. [chuckle]

**49:33 Daniel:** I'm on the road a lot. I try to have as much exposure as possible to our customers, and I think that's the most important thing for a company. And I try to talk as much as possible to people that do not need to have exposure to me in the day to day in our organization. That's very important for me. And it's fascinating, you have a typical day, and you start the day talking about refrigerant gases in Europe, then you talk about potato and banana farmers in India and then you move to what's going on in our Oman operation and then you start talking to our Brazilian team. Obviously, most of this in the day to day when I'm in one of our headquarters is via video conferencing. But travel is very important and being there and talking to customers and talking to

our employees and talking to our colleagues is very, very important.

**50:36 Jacob:** I know we only have a couple of minutes left, so maybe to wrap up, you can give your advice for people listening who want to become better or more successful leaders. What advice do you have for them? What should they be doing or thinking about?

**50:56 Daniel:** So a couple of things. I think the best advice that... A few of the best pieces of advice that I've received and that I've really embraced is, "Beware of the 'what if' feeling." You don't wanna be 50 years old or 80 years old thinking at 1:00 AM, "What if I had made this choice? What if I had taken this risk? What if I had moved on and done something differently?" So really beware of the what if feeling at any point in your life and in your careers.

**51:30 Daniel:** I think that it might seem very common but really feel uncomfortable every day in what you do and in who you talk to and the choices that you make. If you feel comfortable with the people that's around you 100% of the time, you feel comfortable with a 100% of your choices and your decisions, and if you feel comfortable in 100% of the environment around you day by day, I'm sure there's something wrong.

**52:03 Daniel:** And probably last, be absolutely passionate about not the destination, but the journey. And bear in mind that everyone in life is fighting a battle and you have to feel empathy for everyone that's around you. And people may come across as arrogant, people may come across as nervous, people may come across as not diligent, but at the end of the day if you feel empathy in everything that you think and everything that you do and you realize that everyone in life may be fighting a battle when you're looking at them, when you're listening to them, and when you're talking about anything with them, that empathy will make you come up with the right choices and not the wrong choices.

**52:52 Jacob:** I love it. That is fantastic, fantastic advice. Well, I know we're near the end of our time. So where can people go to learn more about you or Orbia? I know you're on... I believe you're on LinkedIn. But anything that you wanna mention for people to check out to learn more about you or Orbia, please feel free to do so.

**53:14 Daniel:** Sure. So orbia.com is the best place. And we're now very active as part of this transformation journey on social media, Twitter, Instagram, and LinkedIn. I try to post as much as possible on all these social media very interesting articles, what we're doing all over the world in our businesses. And we're very passionate about what we do. And we won't be able to do it alone, we need partners and we need more people that are passionate about our journey and we're happy to entertain any kind of discussion that can help us advance life around the world.

**53:58 Jacob:** I love it. Gotta have that optimism, focusing on that purpose. And thank you for being one of the CEOs leading the charge. I know there are a couple of CEOs out there who are fighting the good fight, so to speak. So I'm sure a lot of the employees out there thank you for it. So, again, people can check out your website, learn more about you, social media. Even on your website I think you have information about the Impact Mark so people can check that out, which is really, really interesting and fascinating. And, Daniel, I just wanna say thank you again for taking time out of your day to join me.

**54:30 Daniel:** Thank you, and it's an honor to be part of your podcast.

**54:34 Jacob:** Thank you, I appreciate it. And thanks everyone for tuning in. My guest again has been Daniel Martinez Valle, CEO of Orbia. Please, please, please make sure to check him out, the company out on social media. Learn about what they're doing. Purpose is a very noble cause. And I will see all of you next week.

