

## MIDLAND TOMORROW

### **Cabot Corporation: Midland Plant Is Our Model**



Cabot Corp., a global specialty chemicals company headquartered in Boston, has a 30 percent global market share in the manufacturing and sales of fumed silica. The product is used as a reinforcing agent in inkjet media, personal care/cosmetics, silicone rubbers, adhesives, insulation, coatings, sealants, toners and more.

Before 1999, Cabot and Dow Corning Corporation, their main feedstock supplier, transported feedstocks and fumed silica by rail between Dow Corning's Midland site and Cabot's Illinois plant. When Cabot was looking to locate a new fumed silica production facility, they headed directly to Midland and their largest customer. Building next to Dow Corning Corporation allowed Cabot to import raw material directly over the fenceline and export their finished product back across to Dow Corning.

Cabot manufactures fumed silica at five plants, including Midland – but it's the Midland location that has defined the company's business model for future expansion in the U.S. The Midland plant is Cabot's second fence-line facility with Dow Corning, and has proved to be the definitive model for Cabot's operations.

"We would never build another plant that is not adjacent to our feedstock supplier," said Jean Cronin, the Cabot Midland facility general manager. "A significant portion of what we make goes next door and that has tremendous advantages. We avoid expensive transportation costs and there are important safety, health and environmental considerations as well."

There are other advantages to locating in Midland. Cabot has seen how the local expertise in the chemical and technology industries adds

value to other sectors as well. "The general expertise in the mid-Michigan area in regard to the chemical industry is a tremendous help to any company doing business in this field," Cronin said. "There is a really great in-depth working knowledge that offers a lot of side benefits."

Those side benefits range from being able to hire maintenance, construction and other contractors who have experience handling the special needs of chemical operations to having community leaders who understand and support the chemical industry. Perhaps most importantly, local vocational schools train workers in specific chemical process technology applications. For chemical and technology businesses, all this means less time spent scaling up operations and more time spent on products, services and sales. That's important to Cabot, which employs

25 workers at the Midland facility, because small operations cannot easily absorb the downtime and associated production losses resulting from training inexperienced workers.

Cabot is now using their Midland fenceline plant as the model for their future operations. Their high-technology success in Michigan is the ideal for technology businesses everywhere.

