

LEADERS & SUCCESS

Entegris CEO Bertrand Loy Succeeds With No Fanfare

Explore: Curiosity built a powerful semiconductor firm

BY CURT SCHLEIER

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Entegris (ENTG) is a top-performing company and big winner for investors. Why haven't more people heard of it? Entegris CEO Bertrand Loy chuckles when he hears the question.

It doesn't bother Loy, also president of the company that makes chemicals and materials used to build semiconductors, that Entegris is so low profile. It's not a glamorous business.

But the numbers are head-turning. Had you invested in Entegris when Loy took over as CEO in November 2012, you'd be up roughly 1,100%. The same money put in the S&P 500 is up just 195%. And revenue is up more than 150% in that time while profits soared 362%.

Emblematic of his style, Loy downplays the success. "I wish I had such an exciting story to tell," Loy tells Investor's Business Daily. "That is something I need to improve on. One of the biggest criticisms I get is that I don't take the time to celebrate."

Turn Your Dreams Into A Career

Loy was born and raised in the Brittany region of France. His father, an attorney, returned to the family baking business when Loy's grandfather passed. "I think my father had a lot of regrets in terms of what he thought he could have done," Loy, 54, said.

Bertrand set out to live dif-

ferently. He prioritized his wanderlust. "I really wanted to travel the world, to get exposure to different cultures." A business career was "the shortest way for me to find my way out of France," Loy said.

He earned an MBA. But given his interest in math and science, he sought "a career with (international) technology companies so that I could work with scientists, who actually do stuff that improves the lives of millions of people," he said.

The world opened to him. His first job was with Sandoz, now Novartis (NVS). He was stationed at corporate headquarters in Basel, Switzerland, but found his way in far-flung outposts, ranging from Japan to Latin America. He was assigned jobs in strategic planning, in finance and in technology.

Don't Overlook Your Life

Loy loved seeing business from so many perspectives. "It's great. It forces you to get outside your comfort zone," he said. "You have to learn new languages. You need to prove your worth at every corner."

Getting from Novartis to Entegris required still another skill: being a good husband. Loy promised his wife he would follow her if she joined an MBA program. He resigned from Novartis and followed her to Paris while she studied. And he landed a job with the French division of Millipore, an American



Loy, 54, optimized his life for learning and still shoots for dynamic goals.

liquid filtration company that is now part of Merck (MRK).

Millipore called Loy to the U.S. And he went with one of its divisions, Mykrolis, when it merged with Entegris in 2005. Loy rose through the ranks. The company named him CEO, president and director in 2012.

Loy's travels through posts and roles is "something that's stayed with me all these years (and) certainly is something I'm trying to recreate here at Entegris," he said.

He's found a way to help employees "look at business from different angles," Loy said. So, he introduced a job rotation program. Young engineers spend about a year each in the company's development, manufacturing and quality departments.

"It's interesting to listen to them at different points (during the rotation)," Loy said. "They are able to see things that people stuck into their functions are not really able to see."

Loy's management style puts people first. Ego goes last.

"Every year I love spending time with the new hires. I want to understand their doubts and their dreams," Loy said. New hires ask: "How did you plan to become a CEO?" Loy's answer surprises them. "I tell them that I had no desire (to do so), especially when I reached the USA 20 years ago," he said.

Strive For Authenticity

Loy recoils at the idea of prototypical self-absorbed CEO. Many are "egomaniacs and that's really not me," he said. "I think that authenticity, humility and more human values are valued today. I think that's fortunate for me, because I think otherwise I never would have been a candidate for CEO."

It's not just a platitude. One morning, employees in Asia invited him to a 5 a.m. video call. The members kept apologizing for getting him up early. "I'm doing this for me, because I miss my interactions with you so much," he told them. "That's where I get my energy. That's where I get my inspiration."

Loy, too, manages for unpredictability. The company doesn't rely on a single product line. And that's no mistake.

"Things will never go entirely

as planned," he said. Sometimes it's faulty execution, but "you also need to accept the fact that you have a lot of factors outside your control," he said.

Entegris doesn't assign a formal annual budget. The company publicly aims for a growth rate of between 11% and 13%. But internally, doing the best you can is the real target. "It's about growing as much as you can. I don't want people to say, 'You know, my budget was at 100% and I'm at 101%, so job done,'" Loy said. "If the person is at 101% and realistically could reach 120% I'd want them to be at 120%."

Loy knows this is "unsettling at times" for people who come from the outside. But Loy says, "to be successful at Entegris you have to play with the cards face up. We're all on the same team."

Set Meaningful Goals

Above all, Entegris aims to always top the competition. "We need to grow at least 300 to 400 basis points above the industry. It's a very tall order, but, at the same time, I think it's fun," he said. "If you have ambitious goals, you're going to force yourself to be the best you can."

There are times it's important to set reasonable goals. About a decade ago, he recalls,

the company's quality metric "was not good enough," he said.

Quality was measured in defective parts per million. And back then it was a disappointing 10,000. That was poor for the industry. Loy's new goal was less than 200 defects per million — a giant leap.

Loy plotted a 10-year path to the goal. "We extrapolated. If we wanted to be at about 200, that means we have to get about 20% better every year," he said.

To hit "long-term goals ... break the mold and think about things differently and aggressively," he said. "If your ambitious goals are 10 years out, it's OK to fail for a couple of years, as long as your compass doesn't change."

Push, Just Not Too Hard

Loy is not a pushover, though, says Todd Edlund, Entegris' chief operating officer. Edlund has been with the company for 25 years and worked with Loy since 2008. "He expects high performance. Whenever we achieve something, you know in the back of his mind he's thinking what more could we have done. You can't slip anything by him."

But Loy goes out of his way to avoid acting like a prima donna CEO. "The great thing

Loy's Keys

- As CEO, helped build Entegris into a powerhouse supplier to the semiconductor industry.
- Overcame: Difficulty of bringing home large gains in sales and revenue year after year.
- Lesson: "We are able to continue the pace we are growing because we accept that what is making us successful today will likely not be enough next year and that means we're going to have to raise the bar."

about him is that he has very strong opinions, but he's always willing to listen and change his mind," Edlund said. "His ego doesn't stand in the way of trying to find something better that someone else thought of. He has the ability to lead with humility."