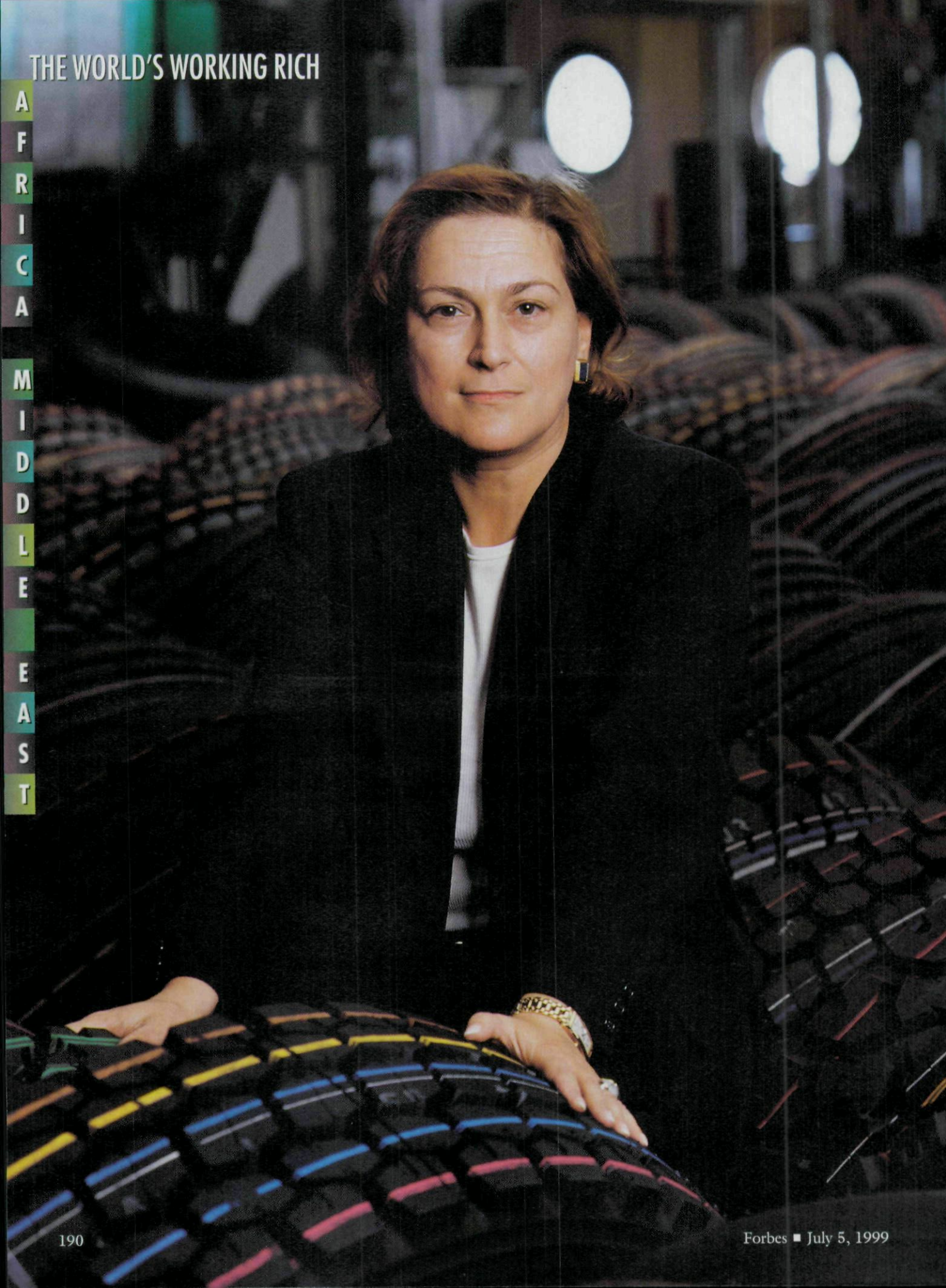


THE WORLD'S WORKING RICH

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Turkey's tire queen

BY JULIETTE ROSSANT

love tires," exclaims Güler Sabanci. "They are like shoes for a car. And I love shoes!" Sabanci is no Imelda Marcos. As president of the Tire Reinforcement Materials Group at Haci Ömer Sabanci Holding A.S., Turkey's largest conglomerate, she is seriously committed to tires. Her career began 21 years ago at her family's tire factory in Izmit, a city 50 miles east of Istanbul.

On a windy April day in a hotel lounge in New York, Sabanci is smoking a cigarette and beaming. She is about to announce a \$1 billion joint venture with DuPont & Co. to link the companies' polyester operations in Europe, the Middle East and Africa. If you love tires, you end up loving the polymer cords that reinforce them.

Though her cousin Ömer Sabanci, president of Sabanci Group Chemicals, negotiated the deal, Güler Sabanci initially brought Sabanci Holding and DuPont together. Their first joint venture in 1987 was to create a \$100 million (sales) nylon yarn producer in Izmit.

Sabanci, 44, has spent the better part of two decades (under the tutelage of her uncle, Sakip Sabanci, chairman of Sabanci Holding) building up joint ventures with foreign partners like Philip Morris, Toyota, Bridgestone and Hoechst. But the DuPont hookup is on a different scale altogether.

Sabanci (pronounced sah-BAHN-juh) will get access to polyester technology and DuPont brands like Dacron and Melinar. The new, as-yet-unnamed company will have a dominant share in the European market for polyester filament, resin, staples and intermediate products, used for apparel, home furnishings and bottles. It's a big stride toward making the Sabanci Group a real multinational.

The Sabancis, billionaires since 1989, are a rags-to-riches family. Founder Haci Ömer, Sabanci's grandfather, was a cotton sharecropper from southeastern Turkey. By the time Haci Ömer died in 1966, the Sabancis had graduated from sharecropping to cotton trading to owning stakes in a bank, a hotel, a margarine producer, a cotton fabric factory and cotton farms. The family moved to Istanbul in 1974, and

Loafers, pumps or whitewalls? Sabanci excels in the manly world of tires.

GIUSEPPE DE MICHELIS

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has maintained a reputation for political independence. Only in recent years have they set up operations overseas.

Sabancı has been a driving force behind that move. She orchestrated deals in the 1980s with Hoechst in Germany and Misr Packaging in Egypt and a venture with Belgian wire-and-cable company Bekaert to produce steel cord. In 1997 she set up a trilateral venture with Wichita, Kansas-based Koch Industries and Imasab, owned by Mexican billionaire Isaac Saba, to produce polyester tire-cord fabric in Mexico, the U.S., Germany and Turkey. Last year she completed a move into Brazil and Argentina with DuPont to produce nylon tire fabric.

No other Turkish company has moved so far outside the Middle East and still managed to weather the stormy Turkish economy.

Sabancı got her first taste of business at age 3, when her grandfather took her to the family fabric factory in Adana and let her sit in on family business discussions. "My grandfather used to say when I was a kid, 'You are going to grow up, drive your own car, work in the factory and wear pants!'" she recalls, in her deep, Marianne Faithfull-like voice. True to his words, she does indeed wear trousers, but only after 18 years of proving herself in Sabancı family companies and wearing more conservative attire.

After studying business administration at Istanbul's Bosphorus University, Sabancı started in the group's tire factory, Lassa, moving up from clerical assistant at the Izmit factory to assistant general manager. "It was difficult to judge why people were a little threatened with my existence. Was it because I was young or was it because I was a woman? It was a mixture," she recalls. She chose the most recently established Sabancı Group company, with the latest U.S. technology. "I wanted the newest technology, and never regretted that decision."

Sabancı is continually delving deeper into the business. In 1980 she attended a weeklong tire-training course at Akron University in Ohio, followed by two months in a tire plant in Canada. In 1981 she started going to

London for meetings of the Association of the International Rubber Trade. Out of 350 guests, Sabancı was at first the only woman.

Doing business in Turkey has been very challenging at times. In the late 1970s Lassa borrowed \$55 million (in dollars) with the help of a Turkish government guarantee against devaluation of the Turkish lira in which it collected revenues. Then a new government took power, the lira was devalued and the agreement went out the window. The Sabancis, who owned 75% of the publicly listed company, had to fork out the difference to enable the company to repay its dollar debts. Says Sabancı of the experience: "I learned in a short time how good management can make a difference in a crisis."

She realized the tires they had been producing—using B.F. Goodrich technology—were great for American roads, but Turks were using tractor-tire material on their cars. "We had different conditions, so to have the best technology didn't mean that you had the best market share," she learned. To keep the company going, she merged the sales unit with production and beefed up quality control.

Lassa survived, and in 1985 Sabancı moved on to head Kordsa, a \$200 million (revenues) Sabancı company that makes nylon, polyester and rayon tire-cord fabric. As general manager, she negotiated joint ventures in Egypt and Germany. The following year she took over the tire reinforcement materials group, through which she chairs four tire- and industrial-fabric-related Sabancı companies. She's also a board member of parent group Sabancı Holding and of Brisa, a joint venture with Bridgestone. As such, she is the most senior and most powerful of the Sabancı women. (Four other Sabancı daughters and nieces hold executive positions.)

"My family is a traditional Turkish family," she explains. "While dinner is being prepared [by the women], the men get together and talk business. I was the only woman to sit with them and listen." For ten years she was the only female member of the old-boys' club, Turkish Industrialists & Businessmen's Association. And not just a member: She was vice president from 1989 to 1996.

In the late 1980s the family decided to channel its philanthropy into a monumental project, Sabancı University, scheduled to open in October. Sabancı heads the university board. The family spent \$170 million on construction and pledged \$25 million annually for the endowment.

Unlike most Turkish women, Sabancı lives by herself—though it did take two years to get family permission to do so—and has managed to fight off pressure to get married. She started wearing pants regularly after leftist guerrillas assassinated her uncle Özdemir in 1997: It's easier to move around under tight security wearing pants rather than a skirt.

In her free time, she's devoted to reviving the Turkish wine industry. (Wine is believed to have originated in the region between the Black Sea and the Caucasus, part of which forms northeastern Turkey.) With help from an uncle, she bought a vineyard in Thrace, sought advice from French growers and hopes to bottle her first Bordeaux-style vintage under the label "G" later this year. It will be fun, but never as profitable as the tire business. ■



GUGLIELMO DE MICHELIS

After tires, her other passion: bringing wine back to Turkey.

Is waiting
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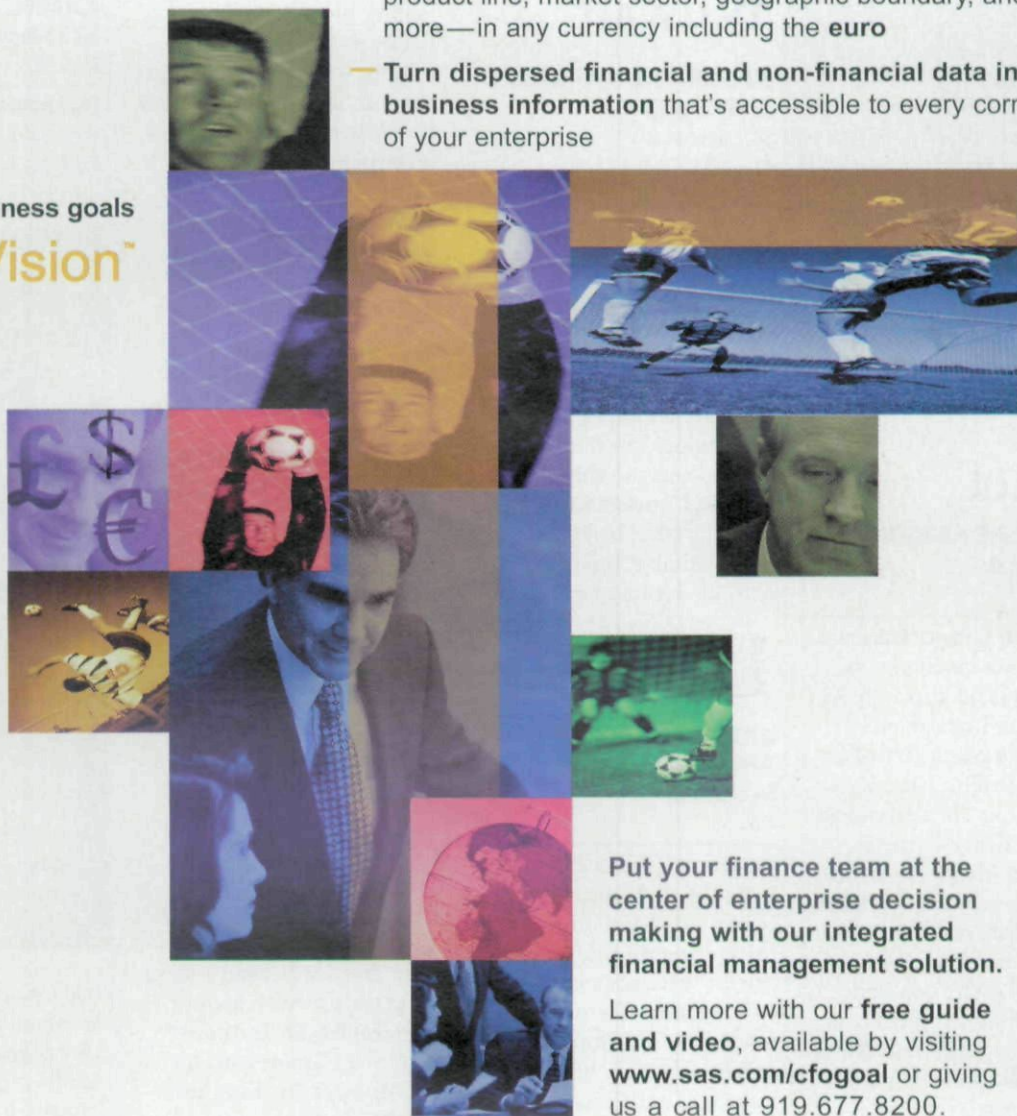
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