



Jan, the chairman, and Jan, the man

In April, Jan du Plessis succeeded Paul Skinner as chairman of Rio Tinto. He talks to Peter Brigg about his background and offers some thoughts on his new role.

Jan, the chairman

At first sight, the gritty realities of the minerals business seem a million miles away from the world of tobacco and luxury goods from which Rio Tinto's new chairman hails. One industry is concerned with extracting vast quantities of naturally occurring minerals from the Earth's crust and the other with manufacturing and selling fast moving consumer items, where brand, advertising and marketing are paramount.

But Jan du Plessis, 55, who for the last five years has been chairman of British American Tobacco (BAT) and has spent most of his working life in the luxury goods and tobacco industries, sees plenty of commonality between the two companies.

"Above all," he says, "they are both global organisations, with all the opportunities and challenges which that implies. BAT operates in virtually every country in the world. At its headquarters in London, the 600 or so staff include people drawn from as many as 60 or 70 countries. I've spent my whole working life in a multinational, multicultural environment, so I feel very much at home in Rio Tinto.

"What's more, although the markets Rio Tinto and BAT serve may be very different, the same sort of considerations apply to the effective control of a company's affairs, regardless of the business sector it happens to be in.

"I'm thinking of elements such as clear strategic thinking, sound financial management, the recruitment and development of high calibre people to manage the business, the adoption of socially responsible policies towards all stakeholder groups, and so on. When all's said and done, business is business."

Jan is the first to admit that since joining Rio Tinto's board as a non executive director last September there has been a "huge amount" for him to learn about the minerals business and, he adds with a wry chuckle, he suspects the steepest part of the learning curve may still lie ahead.

Photograph: Chris Mikami



In 2006 chairman Jan du Plessis was placed tenth in *The Times* "Power 100", a list which rates the most influential people in British business.

"In the past few months I've been doing four or even five days a week with Rio Tinto – though my wife would probably tell you seven."

In Jan's view, a good chairman doesn't count the days but devotes as much time to the company's affairs as is needed. "There will be times when that's relatively little because the company is stable and all is going smoothly," he says, "but equally there will be other times when a lot of support from the chairman is needed. That's certainly been the case recently for Rio Tinto."

He strongly believes, however, that a good chairman should not get too close to the day to day management of the company's affairs. "I've no intention of interfering in the way Tom Albanese runs the business," he insists. "That's not what I'm here for. Instead you can say that my job is to provide strategic direction and to support Tom and his senior executive team."

Jan offers some interesting insights on the art of managing people. "My personal management style has always been to try to be down to earth and approachable but I guess you'll have to ask my work colleagues how successful I've been in that! For me, though, the most important thing is honesty. People need to know they can trust you. You also need to be a good listener. That way you discover what people want to tell you rather than just what you want to hear."

Jan says that in his experience two of the most important relationships in any company are those between the chief executive and his finance director and between the chairman and the CEO. The relationships need to be good not just on a professional level but on a personal one too. "I wouldn't have taken on this job if I hadn't been satisfied that I could work well with Tom," he adds. "We spent a considerable time together talking things through before I accepted the chairmanship."

Turning to the decision not to proceed with the Chinalco deal, Jan said he met about 30 shareholder groups in the UK and Australia. "It had become clear to me there were considerable misgivings about the prospect of too close a relationship with Chinalco and worries about the effect this might have on our long term governance structures. In particular, people were not comfortable with the idea of a customer, as they saw Chinalco, having representation on Rio Tinto's board. I felt we could not ignore the strength and depth of those feelings."

Although having been Rio Tinto's chairman only for a matter of a few hours, Jan was a prime mover in the iron ore production sharing joint venture with BHP Billiton in the Pilbara in Australia.

"I first met BHP's chairman, Don Argus, on the afternoon of Rio Tinto's AGM in Sydney and he suggested our two companies should pursue the idea of a production joint venture," says Jan. Was it perhaps the very fact that he was a "new broom" which made the deal with BHP possible after the recent takeover hostilities between the two companies?

Jan dismisses this, saying he thinks it was less a case of the people involved and more a case of circumstances having changed, though he adds that "a fresh pair of eyes can sometimes help".

In any event, having brokered the deal, Jan stepped back, leaving the negotiations to be carried forward by Tom Albanese and Guy Elliott, Rio Tinto's finance director, and their support team.

For the best part of two years the Group has been involved in high level corporate merger and balance sheet activities. "Given all this activity," Jan says, "it would have been easy for us to take our eye off the ball and not concentrate on what we're good at: digging minerals out of the ground in a highly cost effective manner and selling them to our customers worldwide. But now, thanks to the successful rights issue and the other financial measures we've put in hand, we have a strong and stable balance sheet and the Group is moving forward again. We have re-established control of the agenda for the first time in two years. At long last I feel we can get back to our knitting!"

Jan, the man

The world of business is the world of Jan du Plessis, thanks to a career stretching back almost 30 years. He was born into an Afrikaans speaking family in Cape Town: his father was an enthusiastic and talented artist whose skill with the brush was unfortunately not commercial enough to support his wife and three children, so he became a professional photographer.

Jan acknowledges that he has not inherited any of his father's artistic talent but his wife, Leni, is very interested in music and this interest has passed down to their three children, now all in their twenties. One of their two sons is studying the cello at the Royal Academy of Music in London.

Jan attended the University of Stellenbosch (near Cape Town), where he studied for a bachelor's degree in Commerce and followed this with a Law degree. "At the time, my youthful dreams were to become the world's greatest barrister," he recalls, "but I soon realised I was actually much more interested in the world of business. So, to provide a solid foundation for that, I trained and qualified as a chartered accountant.

“My personal management style has always been to try to be down to earth and approachable. . .”

"One of the things my father instilled into me from a very early age was that it's important to find something in life you genuinely enjoy. After all, you're going to spend a large part of your life working, so you may as well be involved in a field you personally find fulfilling.

"For me, that is the world of business. But that's not to say I regret having spent five years qualifying as a lawyer. I enjoyed the Law and my legal training has proved to be a valuable asset throughout my business career."

That career began in 1981 when he joined the Rembrandt group of companies in Stellenbosch as personal assistant to the finance director. Rembrandt was the creation of the legendary South African business tycoon, Anton Rupert.

Jan was involved in the sale of half of Rupert's controlling interest in the Rothmans International tobacco and luxury goods group to the US based Phillip Morris Corporation. He was transferred to London to help sort out some tricky anti trust and contractual problems arising from the deal, making good use of his training in the Law. Apart from a five year spell in Switzerland in the late 1980s, he has spent the rest of his career based in London and has dual British/South African citizenship.

In Switzerland, he was closely involved in the formation of Richemont, a Rupert controlled conglomerate covering a range of business activities mainly in the tobacco and luxury goods spheres. Among the famous luxury brand names under the Richemont umbrella were Cartier, Alfred Dunhill, Montblanc, Piaget, Baume & Mercier, Vacheron Constantin and Chloé.

He returned to London in 1990 and for a few years was group finance director of two separate public companies – Richemont, then the tenth biggest company in Switzerland and, in London, of Rothmans International, then about the thirtieth biggest company in the UK. "That was a particularly tough part of my life, managing the finances of two public companies, one of which had an interest in the other."

Despite the fast moving nature of the tobacco and luxury goods sector, Jan says Rothmans and Richemont always took a long term view of strategy and investment. "True, it may not have been the 25 year, or longer, time horizon which applies in the minerals industry," he says, "but I am no stranger to long term strategic thinking and investment. I firmly believe you can create long term value only by having a long term vision of what you are trying to achieve."

In 1999, he played a key role in merging Rothmans International into British American Tobacco and in that year he joined BAT's board as a non executive director. Five years ago he became chairman there.

Jan is an early riser and is normally in the office by 7am; he tries to get away soon after six in the evening. At weekends, he more than anything enjoys spending time with his family. "We've always been very close as a family," he says, "and that's a great blessing." He is an avid sports enthusiast and when time allows enjoys spending time on the golf course. He says he's not a very good player but loves the game even so.

Jan and Leni have lived in Europe for well over 25 years but nearly every Christmas they head off for some South African sunshine, staying at a their holiday cottage near Plettenberg Bay, on the south east coast. "It's the one time of year our African blood dictates we should return, albeit briefly, to our roots," he says. "We like to spend our time there meeting up with relatives and friends and we always come back to Europe feeling reinvigorated."

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