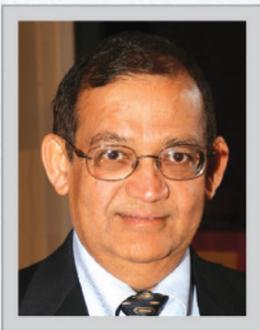


ORANGE COUNTY BUSINESS JOURNAL



Congratulations

to the 2013 Award Winners!



Manu Shah
MS International



Jason Lucash
OrigAudio LLC



Mike Szymczak
OrigAudio LLC



Phu Hoang
Virtium Technology



Debra Hoffmeyer
CiTrials



Keith Rabin
JetSuite

Diamond Sponsor



Platinum Sponsors



Bronze Sponsor





MS International's Building Blocks

Shah Took Black Granite to Next Level With Move Into Household Market

By JANE YU

Manu Shah went from tractors to tombstones, and he didn't stop there.

The chief executive of Orange-based **MS International Inc.** started the company with his wife, **Rika**, in the mid-1970s.

It was a modest beginning that grew out of his wife's desire for part-time employment, according to Shah, who kept his job as an engineer with agricultural-machinery maker **International Harvester Co.** for the first few years.

"My wife was the one who actually started this company," he said, recalling the basement-office days at his Fort Wayne, Ind., home. "We had a 6-month-old at the time."

Early Years, Growth

MS International stuck with tombstones in its early years, specializing in black granite imported from the Shahs' native India.

It has grown steadily over the past four decades, supplying commercial projects ranging from airports to retail stores, as well as the household market.

The company now imports natural stones from 38 countries to serve a customer base of more than 3,000 retailers, distributors and fabricators. What began as a husband-and-wife team has grown to a company with \$450 million in annual sales and 850 workers internationally, with about 750 in the U.S., including 255 at its headquarters.

The company remains a family-run business, with Shah's two sons, **Raj** and **Rup**, joining in

2003 as co-presidents.

Shah was among the five business leaders honored at the **Business Journal's Excellence in Entrepreneurship Awards** March 20 at the Hyatt Regency Irvine.

He quit his engineering job and turned to MS International full time amid a growth spurt that included a 1981 contract to supply black granite for the Vietnam Veterans Memorial in Washington, D.C.

Shah eyed the household market a few years later, and MS International moved its headquarters to Southern California, putting it close to the region's two major sea ports and squarely amid its growing residential real estate market. The company eventually settled in its current location.

"We were doing pretty good in the early 1980s," Shah said. "[Supplying to memorials] was all we did up to 1984," Shah said. "And then I started asking, 'Why can't it be in kitchens?'"

Shah's efforts to expand the company's product lines coincided with a trend toward natural stone for home use in the late 1980s. MS International would become one of the "pioneers that popularized granite for kitchen countertops," according to Shah, who said 58% of American countertops now are granite.

Countertops remain MS International's largest business segment, but the company's stones—which range from granite and marble to quartz and travertine, all in various colors—also are used in landscaping, flooring and wall tiles.



Shah: he and sons decided to "continue to expand" during recession

Adding those lines of business kept the company growing even during the recent recession, when homebuilding nearly came to a standstill.

"In September of 2008, my two sons and I had a meeting, and we made a rule ... to continue to expand," Shah said. "And it worked. Many companies went out of business [during] that time. The industry shrank by 45% over the next three years, and we grew by 75% between 2008 and 2012."

"Financially Strong"

Increasing bankruptcies among competitors meant MS International had a bigger pool of potential customers, which also allowed the company to keep its employees and maintain competitive pay.

"We were financially strong," Shah said. "We did not cut anybody's wages. We have never laid off a single worker because of lack of work."

The natural-stone industry is "fragmented," Shah said, with MS International and competitors such as Calhoun, Ga.-based **Mohawk Industries** and **Arizona Tile** in Tempe, Ariz., among the biggest companies.

"There are a lot [of companies] in the stone business, but the top 20 make up 98% of market share," he said.

Shah said his knowledge of technology has given the business a competitive advantage since its beginning.

"When we started, we were giving customers fax machines," Shah said. "With fax machines ... we were able to do a lot of things at a faster pace than most people. Of course, that was the type of computer technology used at that time. Now we use the Internet, smartphones ... iPads. Every employee at MSI who comes in contact with customers has an iPad."

Local students and senior citizens also are beneficiaries of MS International's affinity for tech gadgets. The company recently donated 35 iPads to Whitney High School in Cerritos for use in its anticipated multimedia center for student and senior-citizen classes. The company also supports Sahara, a helpline agency in Cerritos that aims to help abused South Asian women.

Perhaps it's the value Shah places on education—and his own experience of facing an arid job market in India as a young university graduate in the 1960s—that has led him to support educational facilities in his home country.

MS International currently is financing the American Indian Education Foundation in its plan to establish five schools to acquaint teenagers with stone processing.

"It will teach kids from 14 to 16 ... how to measure, cut straight, polish and package properly," Shah said. "Each school will produce 250 graduates a year after six to nine months of study. We also help at the children level by helping an organization in India that teaches kids in slum areas ... to read and write and do math up to the fourth-grade level. We are very open to helping education." ■

BORDERS

ROBERT BORDERS & ASSOCIATES

Architecture Planning Commercial Interiors

- Civic
- Commercial
- Industrial
- Mixed Use
- Municipal
- Office
- Recreational

5030 Campus Drive
Newport Beach, California 92660
949.851.1317
BordersArchitects.com