

# Romancing the Stone

MSI becomes the largest distributor of natural stone nationwide

Mammoth - is not an overstatement when describing the newly inaugurated Natural Stone Super Center of MS International in Orange California. Spread over 13 acres, the facility has over 1,000 products with more than 15 million sq.ft of inventory. The large distribution capabilities include 4 cranes for slab distribution and 30 loading areas. Though starting off as a supplier of stone from India, MSI today imports stone from 25 countries in the world, among them the top 5 stone producers - India, China, Turkey,

Spain and Italy. India is the largest supplier of slate for outdoor and indoor use and the third largest supplier of stone to the US.

You name it and they have it. Granite, slate, marble, quartzite, sandstone, limestone, travertine, adoquin, onyx can be found in abundance at the stone center. The colors and textures are exhilarating.

Founders Manu and Rika Shah have come a long way, since they opened in the small town of Ft. Wayne, Indiana in 1975. In fact it was Rika who worked at the busi-



Depot and in 2003 it was named a master supplier to CCA Global and Abbey Carpets - both of which have over 1000

cently invested in state-of-the-art technology. The technology exists. It is our job to implement it into the way we do business."

Chips in Sales Associate Lokesh Morada, "Among our big clients are the Vegas casinos like Mandalay Bay and franchise chains like Marriott, Hilton, Hampton. We have also supplied top of the line marble to many local temples. Our nationwide customer base includes leading retailers, wholesalers, fabricators and contractors."

Discloses Shah, "MSI will sell close to 6,000 containers by the end of the year. This follows 11 straight years of growth, over which the company's volume increased by a factor of 10. The company has significantly diversified its product offering which now includes slabs, tiles, landscaping products and natural stone monuments."

Says Morada, "MSI is like Microsoft in stone as we are constantly introducing new materials in the market. Fifteen percent of our sales come from

products less than 18 months old."

Adds Shah, "Choice. That's what customers want. Different types, finish, colors and sizes and we have all this to offer them."

Disclosing a little secret, Shah says, "I believe there is magic and great power in stone which scientists have not been able to measure."

MSI has 220 employees with a chunk of these in its facility in California and others in its locations in Chicago, New Jersey, Atlanta, Dallas and a few in India, China and Turkey.

In a unique management philosophy, all employees are viewed as "teammates" in different teams like product team, sales team etc.

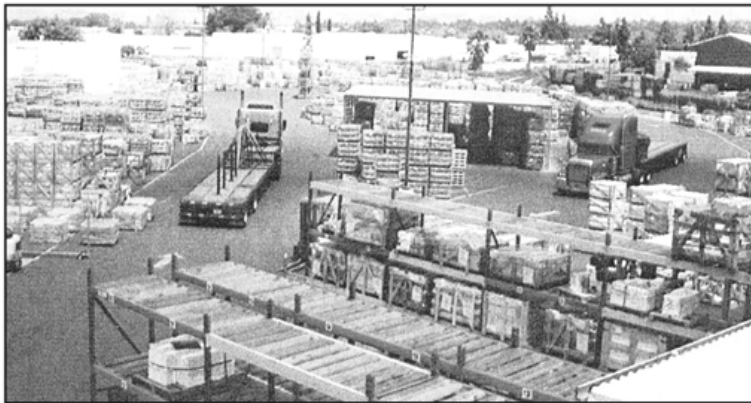
Says Shah, "Our model is not vertical line management but rather circular. We work in spheres of influence and fill voids. We do not give standard designations like VPs, COO, CFO etc. We are an equal opportunity employer and are known for our ethnic diversity. Almost 90 percent of our employees are immigrants not born in the US."

Expansion and growth are top on their agenda. Future plans include opening in three more locations - San Francisco, Phoenix and Boston.

Explains Shah, "In determining locations for the facilities, we look for areas where one company is dominant and then attempt to chip away at this dominance. We define market segments, the goal being to become one of the top three suppliers of any specific product from a particular country. Finding the right people is also a big challenge. We will only grow if we find people who believe in what we do. Hiring good people, keeping them motivated and developing them is where the challenge lies."

Shah is a strong believer in old values like honesty, to which he attributes MSI's success.

He is confident that if they stick to the well beaten path of valuing work, respecting employees and never letting go of the fire and passion, there is no reason why MSI cannot reach greater heights.



MSI's headquarter moved to a 13-acre site in Orange, which has 550,000 square feet of indoor/outdoor storage space, including 180,000 square feet of covered area.

ness while Manu held a regular job.

In 1982, MSI shot into fame when it became the main supplier of Premium Plus black granite for the Vietnam War Veterans Memorial in Washington DC. This opportunity also provided them with some insight into breaking into the slab market. In 1984, they moved to Anaheim, California and opened their own 6,000 sq.ft. warehouse in 1987. Now 30 years on, their sons, Raj and Roop, both Wharton School graduates, along with the parents, form the core team at MSI.

The business has grown manifold to the point where MSI is the largest independent stone wholesaler in the US. Its closest competitor is DalTile, a \$6 billion publicly traded company. MSI is the largest supplier of natural stone to Home Depot. In 2002 it bagged the Partner of the Year Award from Home

members across the nation.

Attempting to capture the essence of the company as it is today, Shah

says, "we're a hi-tech company in a low tech industry. At any give time, we have around 700 containers in the oceans. Our use of hi-tech allows us to keep a track of each container and what it is carrying. Customers today want immediate answers and solutions. Tomorrow is too late. So we have signifi-

