

MSI's Shahs Adapt, Go From Big to Bigger

RETAIL: \$2.7B in quartz, stone, vinyl tile sales

■ By PETER J. BRENNAN

Manu Shah has one word to describe why his company, Orange-based **MS International Inc.** (MSI), is so successful: “Adaptability.”

In the early 1990s, the company veered away from making granite for tombstones, which at the time accounted for more than 60% of its revenue.

“No pun intended, but we realized that was a dying industry,” said **Rup Shah**, son of Manu Shah and co-chief executive along with his brother **Raj Shah**.

“We had the sourcing expertise for granite, so we transitioned away from monuments into granite countertops, which really jump-started the evolution of MSI,” Rup Shah said.

“In the early 2000s, everyone wanted granite countertops. By the early 2000s, we were out of monuments.”

Quartz Turns Gold

The next pivot for MSI was in 2008, when the family saw an opportunity by offering quartz countertops, which started booming nationally around 2012. It took competitors years to offer similar products.

MSI is now the largest distributor of quartz countertops in the U.S.

In the past decade, it's transitioned from natural stone, which went from 65% to 20% of its annual sales. In 2018, it began selling luxury



The Shahs: Manu, Rup, Rika and Raj

vinyl tile.

“Most of what consumers think of as wood is actually luxury vinyl tile. The technology has become so fantastic,” Rup Shah said.

“We saw a product with well insulated costs, a beautiful look and inefficient distribution. We said, ‘Let’s jump into it.’

“Now it’s our largest product line.”

Large, Getting Larger

MSI has grown to \$2.7 billion in sales, ranking No. 10 on the Business Journal’s annual list of the largest private companies (see list, page 27).

That’s an elevenfold increase from \$250 million in 2010, the year the company won a **Family-Owned Business Award** from the Business Journal—in the large company category. In 2013, Manu Shah also won the Business Journal’s **Excellence in Entrepreneurship Award**.

Since then, MSI has expanded from 3,000 customers to 12,000, a mix of retailers, distributors and fabricators. Its biggest customer is **Home Depot**.

It now employs 2,731, including 568 in Orange County.

Manu Shah officially retired in January, turning over the CEO reins to his two sons.

Basement Start

Manu and his wife, **Rika**, both immigrants from India, started their business in the basement of their Fort Wayne, Ind. home in 1975. While Manu Shah kept his engineering job until 1981, Rika helped run the company while tending to their two young sons.

While still operating out of their basement in 1981, they secured the contract to supply the black granite for the **Vietnam Veterans Memorial**. They moved to Southern California in 1984 to be closer to the ports.

During the 2008 financial crisis, the company decided to expand.

“Bad economic times are the best opportunities for us to gain market share,” Manu Shah said.

“The good news about a family-owned business is you don’t need to make short-term decisions,” Rup Shah added.

Pandemic Boost

The past three years have been a “blockbuster” for MSI because of the pandemic, Rup Shah said.

“Everyone stayed home, and they invested in their homes,” Rup Shah said.

While businesses are worried about a

MS International Inc.



- **BUSINESS:** wholesaler of floors, countertops
- **HEADQUARTERS:** Orange
- **OWNERS:** Shah family
- **2022 REVENUE:** \$2.7B
- **NOTABLE:** Manu Shah, who founded company in 1975, retired in January; company now run by his two sons, Raj and Rup; company named 19th largest importer in 2022 with 73K containers

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MSI's warehouse in Orange

pending recession this year, MSI is still making large expansion plans.

"Whether the slowdown or recession is six months, one year or two years, it doesn't change how we think about the medium term," Rup Shah said.

"We have not slowed down our expansion plans, looking for new markets. We haven't slowed down looking for opportunities and investing."

6.5M-SF Portfolio

Last year, MS International opened seven distribution centers. In April, it inaugurated a 680,000-square-foot facility in the port of Savannah, Ga. Earlier this month, it celebrated the opening of a 200,000-square-foot facility in Lenexa, Kan.

It's building a 600,000-square-foot facility in Norfolk, Va., scheduled to open in a year. The company also has plans for facilities in Las Vegas and Orlando.

Currently, it has 60 distribution centers totaling 6.5 million square feet spread over 45 metropolitan areas in the U.S. and Canada. The Journal of Commerce on May 30 ranked MSI as the 19th largest importer into the U.S. with 73,000 containers.

In the past five years, it's opened two manufacturing facilities in South Carolina and Georgia to make quartz countertops and luxury vinyl tile flooring.

Next Steps

The company, which doesn't have outside investors, has "zero" plans to go public nor is it up for sale, said Rup Shah, saying the family likes "being independently run, family operated."

"We think we have less than 12% market share, so there is a lot of opportunity." ■



MSI's showroom includes an outdoor patio with many of its products



A customer examines samples at MSI showroom in Orange

Jobs Made From Pebbles

MS International Inc. (MSI), co-founder **Manu Shah** nowadays has a business card that says "CEO-Emeritus/Chief Coach."

"Creating jobs is the biggest priority that I have," Shah told the Business Journal during a tour of its headquarters in Orange.

He wants to create jobs in rural areas, saying that when young people lack work, they migrate to cities where they create slums.

When his largest customer, **Home Depot**, asked for pebbles for its gardening shops, he found an opportunity to help rural Indians.

He discovered India's long rivers that originated in the Himalayas created billions of pebbles.

MSI subcontracts rural Indians to pick the pebbles, apply light oil to shine them and put into bags up to 50 pounds each. They are then shipped to America in about 6,500 containers annually.

He said the pebble-collecting alone has created 13,000 jobs.

"Almost 70% of that is in rural areas," Shah said. "That's very important to me."

The company has estimated that its indirect jobs help support 400,000 families totaling 1.6 million people around the world.

—Peter J. Brennan