



How companies grow through a recession

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By Kevin Voigt CNN

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"Summer Davos" in Dalian, China, focuses on tangible business priorities to revitalize the global economy.

While other companies cut employees and plants, California-based MBA Polymers has started building a U.K. plant that will double its existing production facilities in California, China and the U.S.

"Everyone else was hanging onto cash for dear life while we started building our largest plant to date," said Mike Biddle, founder of MBA Polymers -- which creates technology that separates plastic waste.

MBA Polymers is riding the recycling wave, but Biddle said the business was built through constant cost conscientiousness. "The fundamental drive is to build a business that's more cost effective than others," Biddle said. "Efficiency will always save you at the end of the day."

"The most successful organizations are in biology, with their continuous adaptation toward survival," said Schatz, chief executive officer of Qiagen, a Swiss firm that develops genetic testing technology. "It's important for the future to be an organically growing organization."

While most businesses in the world have struggled through the recession, Qiagen has been steadily growing at 20 percent. Schatz is among more than 200 executives comprising the Global Growth Companies Group of the World Economic Forum. This year's "Summer Davos" brings together more than 1,300 leaders of business, government and non-profit organizations for capitalism's greatest meet-and-greet event.

While no company has been spared the difficulties of the downturn, a survey of these emerging companies found they have been able to grow through the recession, said Jeremy Jurgens, senior director of the Global Growth Companies group for the World Economic Forum.

The common denominator of these companies "first and foremost is an entrepreneurial mind-set -- these people are taking risks, these are often small companies going against giants, going into new markets and creating new products," Jurgens said. "Secondly, they have a global mind-set --

they may not be taking their business globally, but they are looking at other cultures and other industries and bringing them back home."

For Schatz and Qiagen -- which announced a new H1N1 flu testing product during the Dalian conference -- growth has been built on sighting and surfing waves before the rest in the water. "Then the problem becomes, if you can catch one wave, can you catch the next, and the one after that?" Schatz said. "It's the classic innovator's dilemma.

Moser Baer founder Deepak Puri has made a career of catching the next wave. He built a diversified Indian company by manufacturing CDs, DVDs and other electronic storage media, and then moved into sales of home videos in the huge India movie market, distributed through kiosks and pushcarts throughout small villages in India.

"It's been amazing to be part of the retail boom (in India) ... watching 200 million people inducted into the middle class," said Puri, whose company has diversified into consumer electronics goods, energy generation and telecommunications. The company is hoping to catch the next wave by creating photovoltaic technology for better solar cell energy.

Investment in research is key: The company is spending \$10 million a year on solar research that may not produce returns for years. "The success of Moser Bear was not built on inexpensive labor but on going into 'green field' projects," Puri said.