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THE MANAGEMENT JOURNAL FOR CORPORATE GROWTH

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## Grow or die

Novagard Solutions' George Buzzy encourages research that leads to innovative thought.

By Abby Cymerman

Novagard Solutions recently faced a big problem. Petroleum-based raw material costs were escalating, and the company couldn't continue to absorb these increases, but it didn't want to pass the burden on to its customers.

Historically, Novagard's Foam Seal Industrial PVC Foam competed as a low-cost producer, and without a change in strategy, costs would drive the company out of the industry. "Change brings opportunity," says George Buzzy, the company's president. "Companies have to grow in size, in sales, in earnings, and if you're not growing, someone else is."

Once the Novagard team decided to pursue the change in strategy, Buzzy coordinated his research and development, sales and marketing, and finance departments, "because they all have to work together, each of them bringing different things to the table, so that we do it right." The role of a successful executive, Buzzy says, is to keep employees focused on reaching out into the marketplace, talking with customers, researching the competition and understanding how the company can take advantage of opportunities.

Buzzy says executives who do their due diligence can avoid making three big mistakes. 1. Making a good product that's so price-competitive the company can't make money selling it 2. Making a product that's similar to others in that space so the company is "just another me-too" 3. Making the wrong product because the company doesn't understand its customers' needs "There's a lot of risk of wasting time and money without doing your homework," Buzzy says.

After extensive research efforts and production line trials, Novagard launched Foam Seal CE PVC Foam, a cost-effective and high-quality alternative to the brand's industrial line. Every Novagard customer has converted to the CE line, and the industrial line has been retired.

Sales increased 13 percent in 2005 with an additional 25 percent increase in 2006. Scrap rates decreased 3 percent in 2005 and remained flat in 2006, while potential working capital costs decreased 5 percent.

**HOW TO REACH:** Novagard Solutions, (800) 380-0138 or [www.novagardsolutions.com](http://www.novagardsolutions.com)

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