



Spain's new businesses: Small, but fierce

Spain's SMEs are seeing definite signs of economic recovery. Two successful companies describe their formula for maintaining a going concern. Aside from sheer hard work, inspiration and expertise (no surprise there), other key factors are innovation and exports.

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One of the great lessons of the economic crisis for small and medium enterprises (SMEs) in Spain is that market rules are no longer what they once were. In today's ever-changing and complex world, staying afloat in the market and remaining competitive in the medium and long term means that businesses must maintain a global vision and a flexible approach toward research, development and innovation. Two of Spain's best SMEs, based within very different sectors, agree that

the basic formula for economic recovery has two main components: export and innovation. These components are interdependent. The first is focused on development within the company, and the second is geared toward fostering international expansion. In orienting both of these approaches toward achieving the same goal, these companies have been able to successfully seize windows of opportunity despite the economic crisis.

► SME 1 AVANZARE



“Our objective is a ‘double expansion’ – to increase national sales by 20%, and international sales by 80%. Export of our products will continue to be the main focus for us.”

JULIO GÓMEZ, CEO AVANZARE

Spaniards would find it hard to believe that, for an SME with only 35 employees, the economic crisis is already a thing of the past. This young company has only ten years of market experience, yet the signs of economic recovery are becoming increasingly more evident. So far this year, Avanzare has increased sales and production levels over those of the same time last year, and hopes to end 2014 with a further increase of 50%. Exporting the company's products and continuously investing in innovation have been key to achieving these results.

Avanzare is considered one of the five most innovative SMEs within Spain and is among the top few in Europe in its sector. The company's principal activity is the distribution of graphene (a versatile form of carbon), as well as the fabrication of nanomaterials, nanocomposites and nanoparticles.

These nanoparticles are used to create chemically modified materials that are then employed in the further elaboration of final products used in everyday life, such as those produced by the automotive, aeronautical, textile, wood, paper, plastics, rubber, construction and packaging industries.

In this way Avanzare acts as a "nanointermediary" and is able to maintain a competitive edge within the global market. Julio Gómez, Avanzare's CEO, explains that the company's activity is similar to that of intermediaries in the pharmaceutical industry, which supply the goods and materials that go into medicinal drugs.

Avanzare is an obvious example of how exporting national goods and products has helped to dampen the effects of the economic crisis in Spain. In 2009, when the crisis was at its peak, 99.5% of the company's market lay outside the country, which is why Avanzare began to develop its products mainly for export.

Thanks to an export and investment program offered by ICEX (the Institute for Foreign Commerce, a government body that promotes the internationalization of Spanish companies), Avanzare was able to present industrial-scale use of graphene at international fairs for the first time. The company subsequently expanded its reach to more than 40 countries, first within the USA and later within Northern Europe and Asia.

The increase in export sales in 2013 in turn enabled Avanzare to expand its employee base by 20%. The Spanish government's labor reforms made it more flexible for companies to adjust the workforce. The new employment incentives for businesses across the board were also beneficial for Avanzare, and allowed them to offer new jobs to young investigators and researchers.

As is typical of the pharmaceutical industry, 35% of Avanzare's budget goes toward research and development. This is key to remaining competitive on a global level, as well as to gaining a larger sector of the market. Up until now, the market has been dominated by big chemical companies with upward of 50,000 employees. ●



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1 Some 35% of Avanzare's budget goes toward research and development. **2** Avanzare, as a "nanointermediary" company, creates chemically modified materials with nanoparticles, which are then employed in the further elaboration of final products used in everyday life. **3** An increase in international sales in 2013 enabled Avanzare to create new jobs within the company. **4** Graphene is a form of pure carbon that conducts heat and electricity with great efficiency. It is remarkably strong and lightweight (100 times stronger than steel). **5** The company exports to more than 40 countries.



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► SME 2 IMPLASER



“We can’t assume that within the next ten years we are going to be doing the same thing as we are now. The world is moving fast, and if you stop, trying to get back on can be quite complicated.”

JAVIER ARILLAS, QUALITY AND PRODUCTION MANAGER





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1 Implaser prints text, images and illustrations onto metals and flat plastic materials, and also manufactures photoluminescent products. 2 The business is comprised of 2,000m² of plant, facilities and storehouse space. They have invested heavily in preparing their products for the international market.



Implaser was founded in 1998 in Zaragoza. Ever since, this SME has strived to be a “big” company, not literally in size, but rather in its approach toward business challenges.

Acting responsibly and maintaining a long-term vision are two principles that have helped Implaser to weather the effects of the economic crisis in Spain. In the process, the company has innovated and transformed from the inside out.

Implaser is one of Spain’s leading silk-screen printing companies. It prints text, images and illustrations onto metals and flat plastic materials, and also manufactures photoluminescent products. In developing and applying these photoluminescent products, Implaser has reaped major rewards within the competitive global market.

The company uses photoluminescent LED (light-emitting diode) hybrid technology to produce individual emergency and security signage, as well as entire systems of more sophisticated and extensive installations in buildings, industrial plants, and train and highway tunnels.

The development of these products launched Implaser on its journey toward exporting, a process that began in 2005 through the PIPE 2000 program, offered by ICEX.

Implaser describes the early days of its expansion as arduous, long and costly, as it coincided with the peak of the economic crisis in 2009. Now, however, the company can see its efforts beginning to bear fruit.

Javier Arillas, quality and production manager, says that currently 17% of Implaser’s total turnover comes from the international market. The company is anticipating a further 20% increase for 2014.

In the last five years, Implaser has managed to expand and export to 20 countries on five continents, with Northern Europe, Asia and Latin America being the company’s main markets.

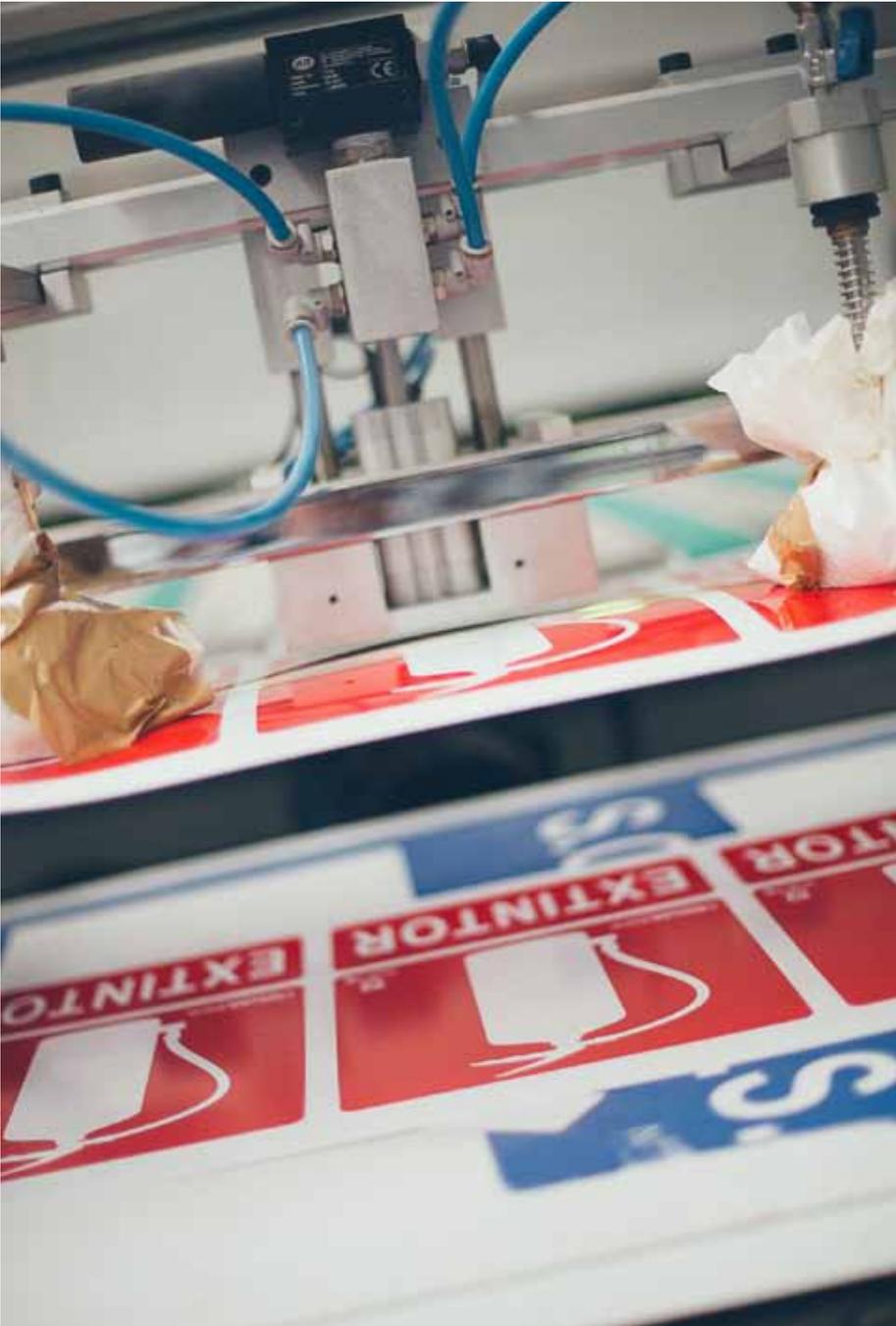
According to Arillas, facing the economic crisis with a more dynamic approach was a decisive element for the company. Implaser invested heavily in preparing its products for the international market. The company has also used alternative strategies to better work with the unstable national market, such as creating parallel lines of business, and investing in new technologies and research.

These strategies have enabled the company to continue to create new jobs, primarily for women and young people. Implaser has progressed from being a company of 34 people in 2009 to one of 40 in 2014.

The economic recovery is in sight for this small “big” enterprise. And although the good news comes mainly from foreign markets, it is clear to Implaser that this would not have been possible without the company’s dynamic management vision for change from within. ●

3 Photoluminescence is a chemical effect whereby an object absorbs light from the visible spectrum and later emits it, or glows, for some period of time, in total darkness.
4 The export process requires very careful resource planning and management from beginning to end. **5** To better face the challenges of innovation, Implaser has created new jobs for specialized technical employees. **6** They have a flexible work schedule, and 60% of the employees are women. These are some of the keys to an excellent management policy at Implaser.





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