

Desso (A) – Taking on the sustainability challenge

*I decided that Desso should be one of the first
Cradle to Cradle® companies, even if it meant high investments*

– Stef Kranendijk, CEO, Desso

On his way to Desso's headquarters in Waalwijk in the southern Netherlands on a sunny summer morning of 2007, Stef Kranendijk had a lot to look forward to and many issues to be concerned about. The newly appointed CEO of Desso was aware that his radical vision of building a new company that would be fully sustainable while fending off increasing competition in its core market would face significant challenges. He was also convinced, however, that this was the only way to bring Desso back on track to profitability. The critical task would be to convince everybody else – including his customers, his workforce, his suppliers, his shareholders, and the board – that this was indeed the right course of action. Given the tough and deteriorating economic climate of mid-2007, as well as Desso's very difficult last couple of years, he suspected that sustainability initiatives and inspirational longer-term mission statements would not rank high on anyone's agenda. It was his job, he thought, to change them.

A challenging context

Desso's recent financial troubles were not representative of its entire history. In fact, the company could look back on almost 80 years of proven performance, having built a reputation as a producer of high-quality flooring for all types of applications. Founded in 1930 in Oss, Netherlands, Desso was established as a producer of woven carpets for both residential and commercial use. In subsequent decades the company kept growing organically and through mergers; the most important of which had been the merger with Esco, a producer of needle-felt carpets. The 1980s proved to be a particularly successful decade: the company set up an artificial grass division and developed new products for the rapidly growing hospitality, marine and aviation sectors.

However, things had dramatically changed by the mid-1990s. Following its acquisition by Deutsche Linoleum Werke (DLW) in 1993, Desso was delisted from the Netherlands' stock exchange (AEX). By 1998, Desso was registering annual sales of €246 million and counted approximately 1,500 employees in the three countries where it operated at the time: the Netherlands, Germany and Belgium. In the same year, DLW was acquired by Armstrong World Industries, a global leader in the design, innovation and manufacture of floors and ceilings, based in the United States.

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