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## more than **LUCKY**

The Lucky Group has drawn upon much more than luck to spark its growing presence in the international recycling industry.

## The Lucky Group has drawn upon much more than luck to spark its growing presence in the international recycling industry.

by brian taylor

The company started by the Shaban family may go by the name Lucky Group, but the Shabans have left very little to random fortune as they have built their Dubai-based recycling company.

In a journey that has involved migrations to several different countries and knowledge passed down to a second generation, the Shaban family points to hard work and ethical behavior as the cornerstones of the business they have built.

As of mid-2011, the Lucky Group consists of more than 250 trained and multi-lingual employees. It operates a network of recycling facilities and a secondary aluminum alloy smelting plant in the Middle East, an associated international office in Toronto and a liaison office in Shanghai.

### GETTING STARTED

The first leg in the journey that makes up the Lucky Group story starts in the early 1970s, when as a young man Dilawar Shaban moved to Dubai in the United Arab Emirates.

Dilawar tried his hand at several entrepreneurial ventures, including textile recycling and finding markets for foodstuff, before his foray into scrap metal proved to be the business idea with staying power. Dilawar was soon joined by his younger brother Iqbal, and together they created the foundation for Lucky Group in 1973.

As the business grew, there was soon enough activity for their brothers Rafique, Raza and Saleem to also come on board. Throughout the past several decades, the five brothers, together with their sons and daughters, have transformed the family business into a collection of companies now known as the Lucky Group.

The company now has a recycling

facility each in Dubai and Qatar and a secondary aluminum alloy smelting plant in Jebel Ali, United Arab Emirates, which manufactures secondary and semi-primary aluminum alloy ingots.

The Shaban family migration has also included journeys to Canada. From an office in Richmond Hill, Ontario, Lucky Group's associate company Fortune Metals Inc. operates as an international scrap trading firm headed by Saleem.

Dilawar serves as Honorary Chairman of the overall Lucky Group while Iqbal, based in Dubai, is Lucky Group President.

### STAYING IN TOUCH

Although the company has grown to include more than 250 employees, the five Shaban brothers from the first generation (G1, as they call it) say they strive to stay close to the company's front-line operations.

"I believe in down-the-line communication," says Raza, who serves as Executive Director of Business Development and is based in Dubai. "I'm willing to go directly to a team member and transmit a message first-hand, so there is no confusion."



The Lucky Group's recycling facility in Jebel Ali Free Zone - Dubai, United Arab Emirates

### LUCKY GROUP AT A GLANCE



**Officers:** Dilawar Shaban, Honorary Chairman; Iqbal Shaban, President; Rafique Shaban, Executive Director; Raza Shaban, Executive Director of Business Development; Saleem Shaban, Executive Director of associate company Fortune Metals

**Location:** Headquarters, Dubai; recycling facilities in Dubai, Qatar; secondary aluminum alloy plant in Jebel Ali; international trading office in Toronto and a liaison office in Shanghai

**No. of Employees:** 250

**Services Provided:** Industrial, commercial and retail scrap metal purchasing, processing and export; and international trading; production of secondary aluminum alloys

Leading by example is also critical, Saleem says. “We believe a culture of quality flows from the top,” he comments. “If we are quality-conscious, then my son and my nephew Riz and the other members of G2 (the second generation) will also be quality conscious, and subsequently employees will follow suit. But if I become complacent, or he does, then everybody around us will become complacent as well.”

The five Shaban brothers in G1 learned the recycling business from the shop floor, and they have taken steps to ensure that the members of G2 learn the same way.

Riz recalls working outside in Dubai on days when it was 45 degrees Celsius (113 degrees Fahrenheit), and recalls that the production employees at the time were happy to assign him the most menial tasks. “It can be a real struggle when your father’s company’s staff treats you just like any other employee,” he recalls with a smile.

Saleem recalls Riz’s training period with pride. “He went through a rigorous metals identification test and his score was the highest,” he notes.

Saleem says the test involved identifying and sorting metals by grade, including calculating the attachments percentage for some grades. Once he passed the test in 2003, he was permitted to work in the office, starting with basic functions such as cashiering and then moving into account manage-



Raza and Iqbal Shaban meeting with former CMRA President Mr. Wang Gongmin

ment and other roles with increasing responsibility.

Both generations of Shabans say the training method has resulted in family members who appreciate the level of effort and skill it can take to perform any role within the company.

### RISK AVERSION

Despite its steady pattern of growth in the past 38 years, the G1 Shaban Brothers of the Lucky Group say they have accomplished it while still taking a very hard line against going into debt.

“We believe that borrowing freely increases your financial exposure; it can be a good recipe for bankruptcy,” Saleem says.

Several of the Shabans point to the period of turmoil in the fall of 2008 as an example of why they intend to stick by that philosophy. “In the last quarter of 2008, we lost a lot of money that we had earned in the first nine months,”

Saleem notes. “But there was no banker at the door at Lucky Group. It was, for us, a relatively peaceful feeling compared to those who were in debt.”

Says Raza, “I feel that there will still be bumpy rides for our industry in the foreseeable future and we have to be prepared for that. We see volatile situations in the world, and possibly a couple of bubbles yet to burst. As Saleem mentioned, we want long term organic growth in a safe and steady way.”

In addition to avoiding bank debt, the Lucky Group also chooses its trading partners and suppliers carefully, the Shabans say.

“For us, the most important thing to managing risk is knowing our customers,” Riz says. “Before we proceed with any deal, we make sure we know the customer and that we have a good reference point from someone we can rely on. Conducting business with reliable suppliers and customers is very important.”

“We like those clients who are like us,” Riz continues, “Companies with family essence that care about relationships, have self-respect, ethical values and care about others—those are the customers we seek.”

“Having a liaison office in Shanghai has offered us a strategic advantage,” Riz says. “Though we are geographically far, we are very close to our customers as we have the convenience to ask our Shanghai staff to



Pictured from left to right are first generation (G1) members of Lucky Group, Raza Shaban, Dilawar Shaban, Iqbal Shaban and Saleem Shaban



Saleem Shaban meeting with ISRI Chairman Mr. John Sacco

visit them at any time. I also visit our customers in China frequently and act as a customer contact person and problem-solver as well.”

Raza adds, “We regularly visit our customers in China and in the ASEAN (Association of South East Asian Nations) region to review product feedback and also to make goodwill visits.”

**THE RIGHT IMAGE**

Having spent several decades establishing a recycling company with a sol-



Second generation members, Hamza and Irfan Shaban (from left) with an associate at the World Aluminum Markets 2010 conference



Riz and Salman Shaban, two members of G2, Lucky Group's second generation

**WHAT'S IN A NAME?**



When major corporations seek a name change or a name for a new subsidiary,

they may spend considerable amounts to ensure that they're selecting the proper name.

Riz Shaban of the Dubai-based Lucky Group indicates that consulting fees and in-depth research were not part of the story of how the company got its name.

He says his uncle Dilawar selected the name with simple logic in mind. “In the early 1970s, when he was standing at the corporate registration office in Dubai, he realized he is about to embark on a journey from this humble beginning that will hopefully take him and his brothers on a route to international success. He wanted a name for his company which was both simple and could relate to any language, culture or industry.” Riz says. “Besides, with such vision in mind, who could not do with a bit of “luck” in the name?”

Since the company has been able to succeed and grow, the Shaban family decided to stay with the luck motif when choosing a name for its Canada-based associate company, selecting the name Fortune Metals.

id financial structure and a robust infrastructure, Shaban family members say they devote considerable energy to protect what they have built— most importantly the reputation of Lucky Group and it's truly an international experience.

“It has always been our top priority to protect the image and reputation of our organization,” Raza says. “We ensure our actions always uphold our values and this has paid off over time, many times, because the level of confidence people have in us is very high.”

The family members say that ethical behavior combined with cumulative experience and a global view should serve the Lucky Group well as the first generation continues to groom the second generation for their leadership roles.

“I think as a company, we are benefiting a lot from our previous 38 years of experience, and our multi-regional insight.” Raza says. “I've lived in eight countries and so has our Honorary Chairman Dilawar. We have a lot of exposure to international business.”

That experience will be most valuable if it is transferrable, adds Raza. “There is no reason for our second generation not to learn from our errors and successes” he states. “We all spend time to teach and train our G2 (both sons and daughters).”

The Shabans are unanimous in saying the Lucky Group will continue to operate in a “safe mode” as far as growing organically, carefully and without



Second generation family member Ali Zohair Shaban helps monitor the quality of recyclable materials

debt. Although the company's growth will be cautious the Shaban family will continue to pursue new opportunities.

“We see a big potential for growth in North America,” Saleem says, “I am now spearheading a team to partner with suppliers in Canada, USA and Mexico for long term sourcing of ferrous scrap for our clients in ASEAN countries. **RTGE**



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