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Pioneering Metals Recycling in the UAE

Mayank Maheshwari Finds that Getting his Hands Dirty Can Be Good for Business

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"Having seen how a professional business and organization like BCG is run and experiencing, first-hand, the discipline and work ethic BCG instills in its employees has helped shape my vision for Spencer Metals."

Mayank Maheshwari
 Director, Spencer Metals, Ltd.
 (BCG Dubai, 2010-2011)

Mayank Maheshwari's latest career move has made visiting dump yards part of his routine—and he couldn't be more thrilled about it.

Mayank (BCG Dubai, 2010-2011) traded suit, shirt, and tie for gloves and steel-toed boots when he joined his father's firm, Spencer Metals Company, Ltd., a business that collects and processes waste metal. At just 26 years old, he is in charge of the entire operation, including two processing centers in Sharjah, United Arab Emirates that employ a total of about 50 people.

"When I tell people I'm working in waste management—and particularly when I describe my day-to-day job, climbing over piles of metal—they often cringe," said Mayank. "The question I hear most is, 'Why would someone who's studied business in the U.S. and worked on Wall Street give it all up to forage around scrap yards in Dubai?'"

He has a ready answer.

"I firmly believe that the dump yards and landfills of today will be our mines and oil fields of tomorrow," he said.

As somebody with a passion for economics (he has a degree from the Stern School of Business), Mayank says he's found no better way to take the pulse of local and global markets than to do so from atop a mountain of discarded metal.

"The scrap and recycling sector gives us a great vantage point from which to gauge economic trends," he explained. "I see how many washing machines, refrigerators, and cars are being left at UAE scrap yards—all signs of how quickly people are consuming durable goods."



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Spencer Metals sources its materials from across the UAE, from scrap yards,

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construction sites, households, you name it. It also gets large shipments of scrap from government agencies.

That scrap is cleaned, cut, resized, reclaimed, compressed, and packaged before being shipped to India, Pakistan, and countries across Southeast Asia—areas with rapid industrialization and a hunger for iron and steel.

A customer in India, for instance, uses Spencer Metals' base product to make alloy steels used in the manufacture of cars and motorcycles; in Pakistan it's used to make construction steel for building roads and airports; and in Indonesia, to manufacture construction materials used in home-building.

Spencer Metals was founded by Mayank's father in 1995, with just a handful of employees working out of a shed on a small plot of land. Mayank remembers happily giving up weekends and summer holidays to watch his dad run the business.

"I saw first-hand the amount of work and passion necessary to create and run a company like this," he said. "A million things had to be done, and he did most of them himself. I saw how he'd be first to arrive and last to leave. I watched how he dealt with his employees."

Now that he's running the show, Mayank hopes to incorporate all that he learned from his dad and take it to a new level.

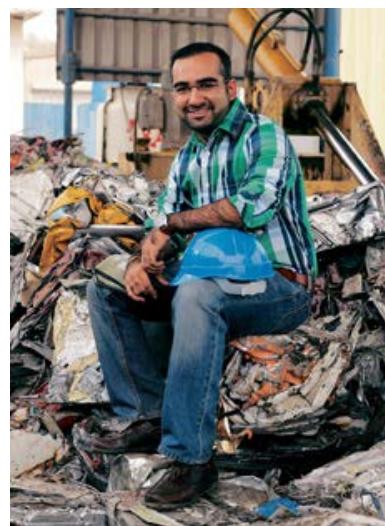
"I've always wanted to do something entrepreneurial," he said. "While at BCG I got a taste for how to advise and plan projects, it was always from the point-of-view of the consultant. Here I'm learning what it is like to work on the ground, shoulder-to-shoulder with my employees, to face the challenges a business like Spencer Metals comes up against."

One such challenge, he says, is a lack of awareness across UAE households about separating and recycling used materials. Also, at the manufacturing and commercial levels, there are no programs in place to properly dispose of industrial plastics, glass, papers and other waste products.

On top of this, the supply chain for collecting these materials is complex. Indeed, Mayank admits to a certain amount of frustration during the early days of his job, when he discovered the UAE recycling sector to be, as he puts it, "fragmented and disorganized."

"Unlike in the United States or Europe, where a firm like ours will approach companies and large-volume generators of waste metal directly, here in the Middle East we have to go through a multipart chain where waste metal passes through the hands of two, three, and sometimes four traders before it reaches our facility," he explained.

"While our government has been somewhat forward thinking by introducing some recycling and sustainability initiatives, those initiatives are aimed at too large and too broad of a target. Regulation and policy remain a big challenge in this region, with much room for improvement at the micro-enterprise and entrepreneurial level."



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In fact, it was during his time at BCG that Mayank first worked on projects to advise Middle East governments on financial strategies and growth plans, an experience, he says, that convinced him of the need for private level investment in recycling and sustainable growth across the region.

"While the government has a big role to play, private companies like Spencer Metals have a great opportunity to help shape this sector for the better," he said.

Today, more than a year into the job, Mayank feels he has found his feet, although he freely admits that a month or so after starting, he felt he'd made a mistake. "I was missing some of the things I usually enjoy in a job, such as

intellectual camaraderie and the high-energy business lifestyle," he said. "Even the perception that I was now in a 'dirty' job bothered me."

It was his parents, he says, who helped put things in perspective.

"They told me that if positive change is to come to such a disorganized sector, then it has to come from someone like me who has not only passion for improving the environment but experience from working at forward-thinking and innovative companies like BCG."

Mayank couldn't help but find an element of irony in this advice. Having come from many generations of entrepreneurs, he had been reminded repeatedly that he was the first in his family to take a "regular" job. "Going to business school, working on Wall Street, my time at BCG—it all made me the black sheep of the family, breaking a sacred code of entrepreneurship by working for somebody else," he said.

Nonetheless, he treasures the experience he gained at BCG.

"It helped me understand and appreciate what it means to be an employee and—now that I am responsible for 50 people—to try to see things through the eyes of those who work for me. As a result, I feel our laborers and managers respect me as somebody who can bring direction and clarity."

He adds that his time at BCG has helped in other ways, too, like how to be analytical, how to break down problems into workable parts, how to build performance-based approval systems, and how to rank and rate employees.

"Having seen how a professional business and organization like BCG is run and experiencing, first-hand, the discipline and work ethic BCG instills in its employees has helped shape my vision for Spencer Metals," he said.

"The BCGer in me wants to help Spencer Metals move up the recycling value chain. Perhaps that means taking the business beyond waste metals and into areas like glass and paper recycling. It's up to me to analyze what else we can do to add value for our customers and what needs to be done to keep our business growing."

While there is no doubt that the recycling sector is still commonly perceived to be a dirty business, Mayank is optimistic—not just about Spencer Metals—but for the environment and for the waste management industry as a whole. He predicts that the stigma attached to his industry will soon start to fade.

"While we've got soaring energy prices and ever-increasing recovery costs for virgin raw materials, our dump yards and landfills continue to generate large and invaluable amounts of raw material," he concluded. "Look for many more educated, entrepreneurial, and innovative young professionals prepared to get their hands dirty as, more and more, they start to recognize the potential of the recycling sector."



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