

The businessman giving back to the community



Faizal Kottikollon is worth billions of dollars, but would rather serve people than count his money. People are the wealth of any company, not the money it makes, he tells Shiva Kumar Thekkepat

In his casual T-shirt and jeans, Faizal Edavalath Kottikollon looks more like a genial easy-going father on a weekend outing with his children, than a cutting-edge industrialist worth billions of dollars on the day we meet him.

The youthful-looking -48-year-old chairman of the KEF Company came from a rich industrialist family in Kerala, India, but chose to strike out on his own. He started a scrap metal business in the UAE, which later grew into a fully integrated foundry and casting plant - one of the most technologically advanced in the world. His companies - he has four with interests in steel, healthcare and education - together employ around 800 people in the UAE and India.

He has homes in Sharjah, the US, Spain and India and owns a fleet of supercars (including a 2012 Ferrari California). But Faizal would rather speak about what can be done to improve the education system, or how the common man can gain access it, as well as the latest healthcare.

Modest he certainly is, attributing his success to hard work rather than to personal talent. "What is central to me and my business is people," Faizal says. "I could not have done it without the toil and sweat of each and every one of my employees. I owe them a great deal and keep finding ways and means to return the blessings that I have received."

Faizal puts his money where his mouth is, having invested 5\$m in a community centre for his staff in Ajman that takes care of most of their personal needs. Now, slowly weaning himself away from the daily running of his company, Faizal is moving into healthcare and education, setting up hospitals and schools that will be accessible to the common man. Together with his wife Shabana, he's involved in several charity initiatives. "We have to keep moving, do new things," he says. "How much do you need to live by? If your work doesn't benefit the maximum number of people, what's the point?"

Work

I imbibed my work ethic from my upbringing - a very disciplined atmosphere. We - I have three brothers - were taught by my father to wake up at 5am, and put in our 100 per cent in all the tasks given to us. Sport was a very important part of our life.

My family is from Kozhikode, in southern India. My father, PK Ahmad, is the chairman of the PeeKay Group of industries that deals in steel. He was the recipient of Kerala government's Lifetime Achievement Award in 2011 for his contributions to the industrial development of the state.

I guess I didn't join him in his business because I had the same qualities that made him strike out on his own - I was independent and wanted to achieve things on my own. My father started the business at a young age after his father died. Seeing how he built up his life, I wanted to follow his path. I left home at the age of 18 after completing a pre-university course, keen to be on my own. I studied engineering at the Manipal Institute of Technology in Manipal, India. Meeting people from different walks of life changed me. My friends were all very well-read and I used to look up to them. I couldn't speak English very well, having gone to a government school in my home town. But my friends helped me improve my diction and also taught me the ways of the city. My friends were the ones who influenced me to go to the US.

I primarily went to the US to acquire a Masters degree in Industrial Engineering from Bradley University in Chicago. After graduating in 1990 I joined a multinational company called Inductotherm in New Jersey that makes industrial furnaces. I could have joined my father's business, like my brothers did. But I feel everybody should be independent. Only then can they contribute to society.

If you go into a family business you are just a cog in a wheel, whereas being independent you can be the wheel.

Initially, I hadn't planned to return to India. I was 28 at that time. It was a time for fulfilling family obligations, I guess. My parents wanted me to get married so I came back to India, and met my bride Shabana. My dad wanted me to help him in his business, so I was with him for two years.

Once again, the dream to strike out on my own began to take shape in my mind. During my stint in the US I had visited many foundries and I dreamt of setting up my own foundry in India. But I found that the infrastructure was still not in place. So I shifted base to the UAE, which had the requisite supply of steel scrap, the prime requirement.

When I came here, I could feel the pulse of the country and realised that it's the land of opportunity. I guess it was due to the time I spent in America where, as a student, I used to deliver pizzas and give tuition to fund my education. I remember working for about 16 hours a day. I learnt how to deal with people, resources and make the best of what I have.

I moved here in 1995 and since I didn't have the funds or the experience to start on my dream project, I launched a trading firm, Al Ahamadi General Trading, dealing in steel scrap. It was a lucrative business.

The next year, I expanded my business and started dealing in valves, stainless steel pipes and fittings through a new company, ETC Oilfield Equipment that I launched. In 1997, I was finally able to realise my dream - to set up a foundry - and I launched Emirate Techno Casting LLC with a capital of 1\$m in Ajman. I started three other companies over the years. In 2004, we started manufacturing valves.

When we opened the plant in Ajman I said I wanted it to be the number one in the world. Today we are considered among the top three in the world. My father was there on that occasion and I remember he commented that I had become very arrogant! I disagreed. I believe unless you have a dream, you won't achieve it. We've been growing 60 per cent every year since 2002. My wife, who has a degree in psychology, joined the business in 2004, managing the administrative and human resources areas. That left me free to concentrate on the technical and production part.

I always encourage women to work. I feel they are better managers, more disciplined and committed than men. We have a lot of women in our factory in senior positions. I invested close to 5\$m on the human development side. It's called the ETC Community Centre and caters to all their physical and mental needs. It even trains our staff starting with communicative English, 45 minutes a day. Now 80 per cent of them read and write English.

We create our own leaders out of engineers - we offer them seven-month leadership programmes. It is quite unique in that we even use movies such as Gandhi to demonstrate the importance of leadership qualities. These are simple concepts, but very effective.

In 2008, Dubai International Capital, the investment arm of Dubai Holdings, acquired a 45 per cent stake in my company KEF Holdings for Dh465m. This helped fund our expansion.

From 2008 we started manufacturing large valves. Until then that market had been the monopoly of a few large companies. The Middle East is the hub of oil and gas, registering huge growth, and as the only local company manufacturing valves required by them, we received a lot of support here. This gave me the confidence to compete against the multinationals. The big companies finally began to see us as competitors.

Tyco International, a 20\$bn global conglomerate we'd been associated with for 15 years, acquired 75 per cent stake in KEF Holdings for 300\$m in 2011.

It wasn't difficult for me to let go of the majority stake in a company I had built up from scratch. I feel that we must not get attached to worldly possessions, or hold on to them forever. You need to go on creating new things, move on with life. In a transient world, you cannot get attached to worldly possessions.

When opportunity knocks, you must have the sense to open the door. It may not come again. I am still very much a part of the company, with 25 per cent stake, part of the strategic decision making, though not involved in the day-to-day running of the company. We are expanding in the Middle East and India, which may become the hub for our research and development.

True leaders, I feel, should remove themselves from the nitty-gritty of operations, and concentrate on what made them leaders in the first place; dreaming and creating new things.

For an entrepreneur to succeed he or she has to know the field they are operating in. Even though I am not a medical professional, I am trying to imbibe as much knowledge as I can before we launch into the field. So also education. The second is the team you gather around you. No matter how astute and creative I am, it will be of no use if my team is not up to realising my dreams. You need to transfer your vision to them, and encourage them to fulfil it.

My goal right from the beginning has been to serve the people. But to serve you need money. My aim in starting businesses was to make enough money that would allow me to do that. My big influence in this was the legendary and highly respected JRD Tata, the doyen of Indian industry, who not only created an industrial empire but also contributed to the nation. I am trying to emulate him in a small way.

Play

If there's one thing I learnt from my father it's the importance of hard work. I've never seen anyone who works as hard as he does even today at the age of 70. He always says his religion is work. He believes that everybody should work hard. "If a person has too much time on his hands, he will tend to get into trouble," he used to say.

As children he never allowed us to sit idle. Mornings were packed with physical exercises. We had to spend a couple of hours after school at the trading shops he owned. Me and my brothers learnt his principles early in life and are all successful in our own way. My three brothers now help him run the family business.

My biggest strength is my strong family background. I've always had their support. It gives me the impetus to go out and do things, realise my dreams.

I work out two to three hours a day. I'm an avid sports person and love tennis and basketball. I encourage my children to indulge in sports. Health is another passion; I am always talking to people about improving their health.

I've had a very simple upbringing. Our father was very strict, so we had only the basic necessities. I started working part-time from grade 8 onwards. My father was into community service, so we were all taught to work for others. We didn't have any toys to speak of, no luxuries at all. I wouldn't want my children to take up my business. That's probably one of the reasons I sold a major part of my business after it became a global success.

I'm giving them a good education and I offer guidance on how to excel in their chosen field. My eldest daughter, Sophiya, is studying engineering. My second daughter, Sarah, who's 14, wants to be a chef. My son, Ahmad Zachriah, is interested in sports and wants to be a tennis player. My youngest, Czarina, is nine.

Dream

My dreams today have taken the shape of my new venture, KEF Company, which will move into the healthcare industry and the education sector. I am setting up a -500bed hospital in Kozhikode, southern India. It will start functioning by the end of 2013. We want to redefine the healthcare industry and offer top-class medical care to all.

We'll follow the same model we did in the valve industry here - creating a holistic entity, not just making products and deriving profits. It should benefit everybody.

We'll follow the same philosophy in the education sector too. There it will be two-pronged. We have a charitable organisation, the Shabana and Faizal Foundation, where we support government-run schools in Kerala.

India has a lot of government schools, but attendance is dropping by the day, and the schools are being closed down partly because of this, and partly because of lack of funds. I have already taken on a -114year-old school in Kerala which was in a bad shape and have decided to improve the infrastructure and upgrade it on all fronts, including re-training of teachers. We hope to complete the work in 15 months. We want to make it a model for other schools.

We also recently opened a school for special needs children in Mahe, Pondicherry state, in southern India, where I was born. There is no such school in the entire region. It cost us more than Dh2.1m. We also support some old-age homes in Kerala.

We plan to start a cluster of schools as a private investment. The emphasis will be on quality, which is the biggest challenge in India. The fees we will charge will be very reasonable and affordable for the common man.

We are tying up with some vocational institutions in Australia, mostly in the engineering and medical field and are in the process of acquiring land for the projects. The emphasis will be on quality. We are also looking at starting schools in the UAE, initiating a concept of holistic education.

I believe that leadership qualities have to be instilled in children from a young age. Our schools will look to inculcate that through many different aspects of education.