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# DUBAI WINS THE WORLD

# Sincerity, the bedrock of his success

Meet Paras Shahdadpuri, the managing director and owner of the Nikai group, diplomat turned super successful businessman *By Manisha Koshy*



Paras Shahdadpuri

The plot is apt enough to be turned into a blockbuster: the dissatisfied foreign officer ready to throw in the towel, smitten by the constant yearning to step out on his own with a clear idea as to what he does not want to do. The only assets on his uncharted path being a strong determination to succeed married to a vision of who he could become.

Meet Paras Shahdadpuri, the managing director of the Nikai group, diplomat turned super successful businessman. His is a rather unconventional 'Gulf entrepreneur' story that does not encompass the usual reminiscences of the days when water was sold on donkeys' back and refrigerators ran on kerosene.

Simply because Paras's rise to success is a recent phenomenon.

Instead it's a Gulf expatriate's refreshingly modern tale that pays fitting tribute to Dubai as a thriving haven for the private entrepreneurship. The Nikai group recently celebrated its tenth anniversary. In such a short span this maverick has created a company out of a brand name called Nikai, rated as among the few in the world to include an unbeatable product range of 470 items that includes home entertainment, electronic appliances and white goods.

"Our dealers say our sales rank sixth among all our competing categories," says Paras Shahdadpuri, the man of the hour. "Creating a brand that has a stable quality in all the categories is a Herculean task. We have the broadest product category among the 152 global brands that exist today. Even among the small time brands that exist in Murshid Bazaar, Fikree market and in Deira, where every man has his own brand, we are by far better than all of these combined."

Today Paras can look back on the last decade with satisfaction. The group's business interests have blazed a trail far and wide. Nikai is sold in over 80 countries worldwide. Exports currently make up 80 to 90 per cent of the group turnover. Last year the group expanded into Jordan, Russia and West and East Africa.

"In Iraq, we rank number three as we tapped a virgin market. Today we enjoy good penetration in the region thanks to the dynamic marketing strategies we undertook," says Shahdadpuri. The main markets for Nikai are in the GCC, Africa and the Subcontinent.

Since its inception in 1995, the group has relied on outsourcing its production. Nikai was among the first local business groups to venture into the branded consumer electronics line through OEM (original equipment manufacturer) arrangements. Through outsourcing, it frees up the brand to concentrate primarily on the sales and marketing aspects.

"We outsource from the same manufactures in the Far East and in Europe who produce electronic and home appliances for brands like Sony, Toshiba, Siemens, Bosch, Tefal and Black and Decker. We have tie-in arrangements with some factories and have invested in creating exclusive models and moulds."

The Group committed over \$10 million over the previous two years to expand into the white goods business. Big money for one whose family has never ventured into business or even read a management book in his life.

"No one in my family is a businessman, not my father, grandfather or my brothers. When I started I did not even know what an LC meant," he says.

So what brought about the sudden



In native robes with friends

desire to take on something so diverse you wonder?

“I was a diplomat. I served as a consular attaché in varied posts all over the world. One day I just resigned. The move came after six months of deliberation. I knew I had to get more out of life. I felt confident of at least earning the equivalent of my salary in whatever venture I undertook. In the worst-case scenario I was prepared to take up a job in a private enterprise should my venture not succeed. I think there are different challenges in life. Business, I have since realized holds many more challenges, and offers much more satisfaction, both financially and in terms of giving back to society.

“I served in countries like China, Saudi Arabia, Libya and Washington D.C. But imagine if you are sitting in Eritrea, Sudan what can you do? You can do much more on your own. There are no parameters you can’t cross, there is more stability. Today I have been able to create an institution and a legacy for my children to carry forward. I could not

have done this in my government job. I thought in business there is much greater potential to serve yourself as well as your community,” he says.

In the absence of know how one normally takes recourse to books. But Paras is an instinctive free wheeler in the world of risks and rewards.

“Honestly, I do not read books. Often what happens to bookish knowledge is that the concepts tend to bind you. In a manner of speaking I have invented the wheel. I was never a businessman before, had never worked in a corporate world and did not even know about things like organizational charts. Since the beginning I have felt if your character depends upon strong fundamentals like honesty, sincerity, dedication and determination, you have the ‘masala’ in you to succeed. These qualities permeate everything I do, whether it is my commitment to quality, my relationships with my dealers or my staff. I only believe in making money with ethics.”

And so he took his first fledgling steps trading in commodities like tea,

coffee and soap powder taking advantage of his diplomatic connections. Somewhere along the way he switched over to trading in utensils but did not think it befitted a diplomat’s image to be selling kitchenware. It was on similar grounds that he even rejected a lucrative agency for brooms and brushes and finally settled on dealing in white goods and electronics.

Even management books could not have taught him better. His marketing strategy is simple. Offer quality products, reduce costs, increase productivity and pass on the benefits to the customers. No wonder ‘Nikai makes real sense’- the tag line for the group.

“Today every dealer knows if it is Nikai there is nothing to worry about. This confidence he does not have in the bigger brands, which although may offer good quality lag behind on customer service. This is our winning point,” says Shahdadpuri.

Check out a store offering the brand and the salesman will entice you with solid reason. “You buy big brand you



Paras Shahdadpuri with Sheikh Nahayan Bin Mubarak Al-Nahayan, Minister of Higher Education and Scientific Research

When the supplier in Japan asked him what he wanted to call his products, the word Nikai kept echoing in his mind. Ironically, he later learnt it meant two things 'good omen' and second storey'

pay double. You buy this brand, you pay half and if there is any problem, just come to me, I will solve it for you." An approach, which stems again out of the sincerity mantra.

That he decided to make Dubai his base is also a story that belies belief. A delayed flight from India enroute to the UK caused an involuntary 22-hour transit. The fact that he found a Hindi speaking Arab who granted him his transit visa within seven minutes, found a foreign exchange counter open till late and a telephone on every road of the city impressed him and made him decide to move to Dubai from the UK and change his opinion about the Arab world forever.

The brand Nikai took shape as an independent identity however only much later. When the supplier in Japan asked him what he wanted to call his products,

the word Nikai kept echoing in his mind. Ironically, he later learnt it meant two things 'good omen' and second storey', which are both appropriate to his story. After all he made his fortune out of the second base he created for himself in life.

As to his greatest challenge- it's finding the right human resources. He says, "I don't get the right type of people who can keep pace with me or can match my drive to run with my vision." In hindsight he also wishes his home market was much larger. Although there is tremendous potential to export and re-export in the UAE, a home market like England, America, China or even Saudi Arabia would have helped.

"Today I have realized my potential. If I can achieve this in the UAE, imagine what was possible in a country like say Saudi Arabia with a population of 24 million! I would have created miracles. Unfortunately the business environment there is not friendly."

His journey has only begun. Now he is poised to leap forward on the strength of his newly acquired brand-building talents. "This is nothing. Watch out for the next ten years," he asserts. Although commonly found five year business plans were absent in his organisation until a few years ago, they were accidentally discovered when he declared three years ago that he wanted 300 per cent growth. And to his surprise he did.

There are no excuses to lag behind because as Paras says, 'there is no

alternative to success." People who founded brands like Coco-Cola and Pepsi and Microsoft do not sport horns that make them different. They are just like us. If they can do it so can we."

But getting to the pinnacle is a tough journey. In his own words, competition is stiffening as big brands slash their prices. "If we all go to the same manufacturers and we offer almost the same quality then the pricing also has to be the same so there is tough competition. I keep my margins thin; make profits on volume and am happier taking home smaller profits."

The road to perfection is fortunately never-ending. Although he wants to continue standing on his toes and keep achieving more, Nikai as a brand is up and going and will continue to grow on its own.

The aim is to expand into other sectors. Its FMCG division, Crescent General Trading represents renowned brands such as Bru, Kissan and Sri Lal Basmati Rice in over 30 countries. Its IT arm, Ad Adstrum Technologies, is based in Bangalore. And the restaurant division, Boston Foods, is a franchise of the American fast food chain Subway.

He holds many cards up his sleeve. His dream is to get into manufacturing. Plans are afoot to start an assembling plant in Jebel Ali soon. "We are constantly seeking new horizons to conquer. I would ideally like to branch out into health and education very soon," he says.

But he does not only think business all the time. His past as a diplomat sees him being called on to address a whole host of community issues.

As ex-chairman of Indian Overseas Economic Forum, an organization that represents the Indian diaspora in the Gulf his attempts to foster better relations between policy-makers of the country and the Indian businessman saw him draw upon his past diplomatic experience to tackle sensitive issues affecting Indian businesses with courage and tact.

"I want to be on my toes till the end. I want to stand the scrutiny of the community, my family and my consumers absolutely open. That makes me stand on my toes and achieve more."

Clearly, Shahdadpuri has just begun whetting his appetite for life. Maybe a sequel to the success story will only be fitting a decade later. Until then, it's more work for him. ■