

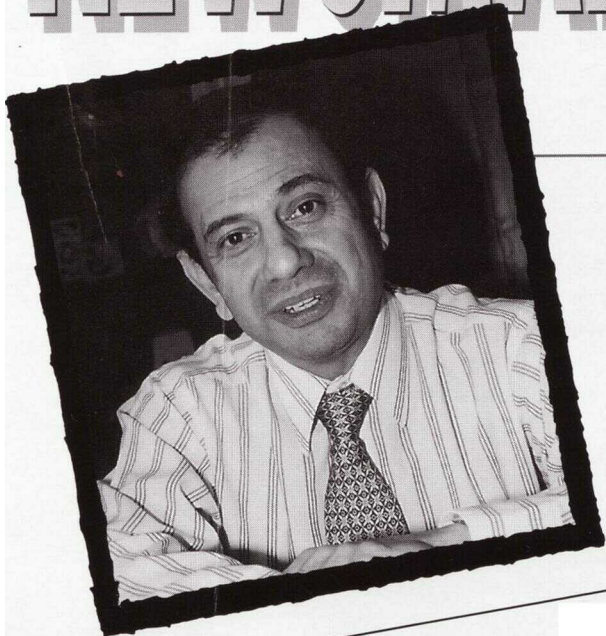
NEWSMAKER!

An Interview

with

BY PETER K. JOHNSON

Edul M. Daver



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"America is a great country if you are willing to work hard," says Edul M.

Daver, president of ACuPowder International, LLC, Union, New Jersey. He means it because he is part of the American dream. He recalls his first job at the company in 1967 as a researcher fresh out of the University of Wisconsin with an MS degree in metallurgical engineering. A newlywed, he had only \$27 in his pocket and an empty apartment. "It was absolutely bare" he recalls. He rode a bus to work because he couldn't afford a car.

In 1967 ACuPowder was still part of Alcan Powders & Pigments. The company was founded as Metals Disintegrating Company in 1916 by Professor Everett Joel Hall who taught at Columbia University and pioneered the production of zinc, copper, tin and aluminum powders.

Daver was recommended for the research job by Professor Joel Hirschhorn. John Haertlein, vice president of Alcan Powders & Pigments, had contacted the professor about potential job applicants. Daver completed the MS program in three semesters and enjoyed the academic atmosphere at the University of Wisconsin at Madison. Although he was encouraged to continue Ph.D. studies, Daver decided on pursuing R&D in a corporate environment.

Restless for more action, he assumed addi-

tional responsibilities solving problems for customers and production. He was also encouraged by Haertlein, who appreciated his strong work ethic. "John was a very decent person," Daver said. "He was very appreciative when you got things done."

Earmarked for promotion, Daver enrolled in the MBA evening program at Farleigh Dickinson University. He was named production manager and then plant manager, first of the Union plant in 1980 and then the Joliet, Illinois aluminum powder plant in 1982. At Joliet, he was responsible for the metal powder and aluminum recycling operations. He spent three years in Joliet and managed 100 employees. "The experience was fantastic," he said. In 1985 he returned to New Jersey as operations manager responsible for both plants and then became president of Alcan Powders in 1988.

During this time, Alcan began divesting downstream companies to concentrate on its core business. Alcan decided to sell its nonferrous powder operation in New Jersey, after transferring aluminum powder production to Joliet. Alcan was also a major producer of copper, tin, bronze and brass powders.

As president of the New Jersey powders operation Daver was faced with a dilemma. Because of the plant's borderline profitability, it would either be sold or closed. His latent entrepreneurial juices started flowing. He approached Alcan about buying the business along with his management team. "I had no idea where I would get the finances," he said.

To his surprise Alcan was receptive and

signed an agreement pending a comprehensive environmental review. After testing, problems were uncovered with contamination from underground mineral spirit tanks, which were part of a pigment production operation. Alcan delayed selling the plant pending mediation of the problem. Daver stood by the option to buy the operation, which stretched out until 1995. The deal almost crashed because of Mean's new management team in Cleveland interpreting the original agreement differently. Daver appealed to Alcan's CEO in Canada, who backed up his interpretation of the agreement.

Daver got the green light finally but had to find the money to buy the company. Mean's management was skeptical and a friendly bet was placed that he would never raise the capital. They were wrong.

Daver was relentless in contacting 30 financial institutions and investment banks to fund the purchase. He learned quickly about asset-based financing and finally purchased the company along with seven key employees. "It was a big risk," he said. "Our debt to equity ratio was 60:1. We were a highly, highly leveraged company."

Daver confronted the challenge of beefing up profitability and changing the company's culture. "What could we do differently?" he asked.

He had strong feelings about giving employees a stake in the business. Alcan had rejected his suggestions about employees sharing the fruits of improving productivity.

He decided along with his management team to share 20% of pretax profits with all employees. He told his employees, "If we do well, you will do much better than under Alcan. However, if we fail, we all die."

The employees responded and helped Daver turn the company around. "A big part of our success since 1995 has been our open book management policy," he said. The management team gives financial information to employees who attend classes to understand business concepts and income statements.

ACuPowder has increased market share over the years by focusing on core businesses. Daver says he is not afraid of spending capital and has upgraded every piece of major equipment. He reacts swiftly to changing market conditions and makes quick decisions. Improvements are put in incrementally and customers are treated like customers. Although quality is a given in today's marketplace, Daver believes companies prosper on how well they service customers.

ACuPowder was starting to run out of capac-

ity in 1999, when Daver learned that Pyron Metal Powders (originally Greenback Industries) was for sale. The opportunity fit in with ACuPowder's strategic plans and the purchase was consummated in April 2000.

Part of Daver's success stems from his roots in India. He comes from a family of physicians and professionals. His father was a general practitioner in India and a brother is a plastic surgeon. His grandfather, Sir Sorabji Pochkhanawalla, founded the Central Bank of India and was knighted by the British government.

From the start Daver thought about pursuing an engineering career. "It was a toss up between chemistry and metallurgy," he said. He excelled in his studies and attended the Doon School in Dehra Dun, India and was a classmate of Rajeev Gandhi, former prime minister of India, and grandson of Nehru. "We did experiments together," Daver recalls. He enrolled in the Indian Institute of Technology in Bombay and received a BS in metallurgical engineering in 1966. He was influenced by Professor G.S. Tendolkar, a well-known powder metallurgist who served for many years on the Editorial Review Committee of the International Journal of Powder Metallurgy. Tendolkar was chairman of the metallurgy department and spent more time than usual on P/M. Daver was intrigued by P/M's exciting prospects. "A lot of new things were happening," he said. "The mechanical working of metals interested me."

Somewhat disenchanted with India's slide into socialism, he decided to go abroad to further his education. He applied to schools in the United States, Canada, the United Kingdom and Australia, and opted for the University of Wisconsin when Professor Hirschhorn said he had a good chance of earning an assistantship. As an interesting sideline, he studied, in the U.S. under a scholarship loan arrangement from Tata Ironworks, a prominent metals company in India. In 1900 Professor Hall worked as an assayer for the company in Hyderabad, India. Daver pursued his Masters degree studies, specializing in P/M. One of his first industry field trips was a visit to Parker Pen's P/M operation in Janesville, Wisconsin (now SSI Sintered Specialties).

Outside of business, he enjoys tennis, racquetball and travelling with his wife Niloufer, who recently gave up her teaching responsibilities and is a volunteer at a local hospital. They have two daughters. Zaneeta works for the