

by brian taylor

IMPROVED VISIBILITY

Current BIR President and Metallvärden CEO Björn Grufman enjoys seeing recyclers play a more prominent role in the global economy.

Björn Grufman has endured his share of ups and downs during the more than 20 years he has spent building Sweden's M.V. Metallvärden AB into an international scrap recycling and trading company.

The setbacks he has overcome included having a scrap yard figuratively stolen from under him in Russia. Grufman's ability to rebound, however, means he has rebuilt the company while also rising through the officer ranks of the Bureau of International Recycling (BIR).

He has been proud to watch the scrap recycling industry emerge from the shadows and back loading docks of the corporate world into a respected and prominent part of a global economy focused on sustainability.

STARTING IN MID-AIR

Grufman is a graduate of the Stockholm School of Economics who, prior

to enrolling there, spent three years in the Swedish Army.

Upon graduating from the School of Economics, Grufman says, "I knew that I wanted to work internationally, and was fortunate to begin working for SAS (Scandinavian Airlines)."

Raw material shipping was part of Grufman's job. "Someone there thought I would make a superb trader, so I pursued that and went to work for the Axel Johnson Group," says Grufman, referring to the trading house of a family-owned Stockholm-based conglomerate.

Grufman eventually focused on ferrous and ferro alloys trading and worked for Axel Johnson Group until 1983. "The company had changed by then, and I felt it was time to leave," says Grufman.

Together with a business partner, Grufman started a metal trading company that after 10 years started a subsidiary in the port of Murmansk,

Russia. After building the business for five years, the duo was met with a challenge they did not see coming: "It was stolen from us," Grufman says of the scrap metal and the space from which the company had operated in Murmansk.

The Russian legal system consistently ruled against Grufman and his partner's legal challenges, and the end result was a near-bankruptcy and a business partner too discouraged to continue in the company. (Grufman credits his Swedish bank for being understanding of the situation, helping him avoid bankruptcy.)

Grufman stayed in the industry, built upon the assets and goodwill remaining under the name Metallvärden (roughly "MetalValue" in English).

Grufman has concentrated on trading within Scandinavia, but he says that the creation of the EU and the eurozone has allowed the company to look beyond that. As well, the export markets of Asia have caused Metallvärden (www.Metallvar-den.se) to greatly expand its reach. "Probably 25 to 30 percent of our sales are now to the Far East," says Grufman.

In playing a role in the recycling industry beyond Scandinavia, Grufman says he has been helped by his commitment to the Bureau of International Recycling (BIR). Grufman has served on committees and divisions and in increasingly responsible officer roles, culminating in becoming the BIR President at the May 2011 Convention. (See sidebar "An Eager Ambassador" on page 21.)



Sweden-based M.V. Metallvärden AB has been expanding the line of products it makes at its melting facility.



AN EAGER AMBASSADOR

Just three years after he entered the scrap recycling business full-time, Björn Grufman of M.V. Metallvärden AB, Stockholm, attended his first Bureau of International Recycling (BIR) event.

Grufman says he was made to feel welcome immediately, including by long-time members and officers such as Larry Sax, who currently serves as a *Recycling Today Global Edition* editorial consultant.

"Since then, I've been to most of the Spring Conventions and Autumn Roundtables," he comments. After Larry Sax encouraged him to become involved in the BIR's Nonferrous Division, he got involved with the BIR as well as the Swedish Recycling Industries Association, the former Nordic Recycling Federation and Eurometrec (European Metal Trade and Recycling Federation).

As he has advanced through the ranks of BIR and other organizations, it has allowed him to think about wider industry issues beyond the scope of Metallvärden's day-to-day business.

Among his observations:

- "A trade organization serves as a marketplace, but also we must try to educate our members. With this organization, we must always promote free and fair trade. If I have to put a number one on the priority list for the BIR, I think free and fair trade is it. When I was an Axel Johnson employee, I was trying to sell products to the Soviet Union, sometimes with success and I made some good friends. Now, today, it's no longer the Soviet Union but I can't do business with some of those same friends."
- Since I joined this industry in the 1980s, I've tried to find means and ways of cleaning up and shaping ourselves up into a real industry. Trade organizations should strive to follow up on their codes of conduct."

As a company, Metallvärden also has expanded beyond scrap trading. It now operates a melting facility that produces secondary aluminium and is partners in a ferro-titanium alloys operation. On the recycling collection and processing side, Metallvärden

now also manages an electronics recycling plant 80 kilometers east of Stockholm.

A DIVERSE PORTFOLIO

Gruftman is quick to note that Metallvärden is not the largest scrap recy-

cler in Sweden, being superseded by a multiple of as much as 10 by the larger Stena Metall.

But Metallvärden has taken several necessary steps to remain competitive, including accessing capital by going public in 2010 and by diversifying its operations.

Scrap processing and trading remains at the heart of the company's operations. Gruftman says Metallvärden processes and trades many thousands of tonnes of both ferrous and nonferrous scrap.

The company has been expanding the line of products it makes at its melting facility to include not only aluminium and ferro-titanium products, but also lead bullion and semis. "I'm always trying to expand the value chain and getting into lead semis was a way to do that," says Gruftman.

Metallvärden makes lead bullion that can be used to make bullet wire, which goes into ammunition produced in Scandinavia and in Germany. The company's lead products also are used to make lead sheet, lead antimony, anodes for chrome acid and lead shielding for the nuclear industry. "Using 1 millimetre of lead can block as much radiation as 30 centimetres of concrete," says Gruftman, who says the shielding is used at medical buildings and dentist's offices among other places.

The company's melting facilities are not in Stockholm, but in the Swedish town of Lesjöfors, occupying space in a former steel mill building.

Metallvärden's trading offices are located in Stockholm, with the electronics recycling facility operated by the company close by. The electronics recycling model offered by the company involves steps beyond what many other recycling companies offer.

"Second-hand computers—tested, working units—are today a big commodity in Eastern Europe and Northern Africa," Gruftman says, adding that Metallvärden works closely with allies to ensure things are done in full compliance with international recycling and shipping standards.

"In collaboration with computer makers, when a company is through

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with a lease, we work in close cooperation with all concerned. We keep them well informed about where the refurbished units are going," Grufman says.

"There also is a lot of scrap from this business; about 10 to 15 percent

of the equipment is recycled at the plant," he adds.

SERVICE AT THE CENTER

Despite considerable investments made in processing and metals production, Grufman says philosophi-

cally Metallvärden must bear in mind that it is a service company. Grufman points to the corporate slogan "Expertise with Responsibility."

On the expertise side, Grufman says, "We are trying to educate our suppliers to do the right thing and our customers how to utilize the products we have to offer them."

Knowledge or expertise is a two-way street, he adds. "Of course, knowledge is exchanged—they have things they can teach us. The R&D (research and development) departments of aerospace companies or other consuming companies are tremendous store-houses of metallurgical knowledge."

Metallvärden is organized to pass along this knowledge, connect it with the application at hand and achieve maximum profitability for all involved. "We have a fairly deep knowledge of our customers' needs, and we know for them what is poison and what is not," Grufman says of scrap consumers.

For scrap suppliers, "We may know that a certain alloy has extra value because of one key consumer. Our specialty is consumer knowledge to place the material at the right destination. Others may not look upon this material the same way, nor add the value," he states, meaning they are not able to pay the best price to their scrap supplying customers. "If you can identify the alloying elements in some of your ferrous scrap, you can upgrade it."

On the service side, metallurgical service is one of the categories cited by Grufman, along with secondary raw materials collection and processing and price hedging. "We are active on the London Metal Exchange, so we can handle a form of risk that most of our customers cannot."

Additionally, says Grufman, "We provide transportation and logistics services and sometimes financing as well. Service is the central idea of our company, and that's the way we try to market it."

DIRECTIONS TO GROW

Grufman sees ways in which both Metallvärden and the recycling indus-

try overall can continue to grow in the near future.

Among the things he has been heartened by is a wider recognition of recycling during the previous 10 years or so. "The recognition of our industry is very important. In Sweden, everybody wants to be green—it's fashionable. In the last 10 years, other business owners have started to look upon us as a green industry, not as someone dirty who came in the night hours to pick up something akin to garbage."

Grufman continues, "We are evolving from an industry that formerly served our clients without being seen. Purchasing managers formerly wanted our containers hidden in a corner and we had to come at night when it's dark. That has changed; now I have meetings with company directors of environment, and they want clean containers spotted near the main entrance, possibly billed as a 'recycling station.' They want full statistics of how much they've recycled for their sustainability reports."

This recognition has probably helped scrap materials—as soon as they meet some commercial, technical and environmental criterias—to get de-classified as waste under a recent EU regulation which will be implemented by the interested operators in the EU as from October 9, 2011. It is a recognition which has been a priority for the international recycling sector and for BIR member companies for some 35 years, according to Grufman.

For Metallvärden specifically, opportunity is presenting itself in many forms. "Our company is likely develop more melting facilities," Grufman states.

He also envisions "deeper growth in Scandinavia, with Metallvärden becoming more of a Nordic company with a presence in Norway and other nations near Sweden."

Grufman adds, "I foresee that we must open up Eastern Europe. It will take some time before [some of the Baltic and Eastern European nations] are a significant home for scrap generators or scrap consumers."

Grufman says he is reaching an

age where he hopes to back away from some of the day-to-day operations and step down from CEO to "more of an advisory role."

"The next rung of managers are about 10 to 15 years younger, and strategically it's time to push them to take

the initiative while I become more of an advisor than an active trader or administrator," he concludes. **RTGE**

The author is editorial director of *Recycling Today Global Edition* and can be contacted at btaylor@gie.net.

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