

Shisha Masters

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**PACKING HEAT
WITH**

**DANIEL
MURATOV
AND
MILAN
SHUBAEV**

ENTER THE

SHAMAN

Daniel Muratov @ Milan Shubaev are the Co-Founders of Shaman Coal, a world's leading shisha charcoal production company which innovates through biotechnology. Winners of 2018 "Best Charcoal" nomination in the prestigious John Calliano Award, these two shisha entrepreneurs met with us to reveal their secret for success.

Tell me about your early life? Where did you grow up?

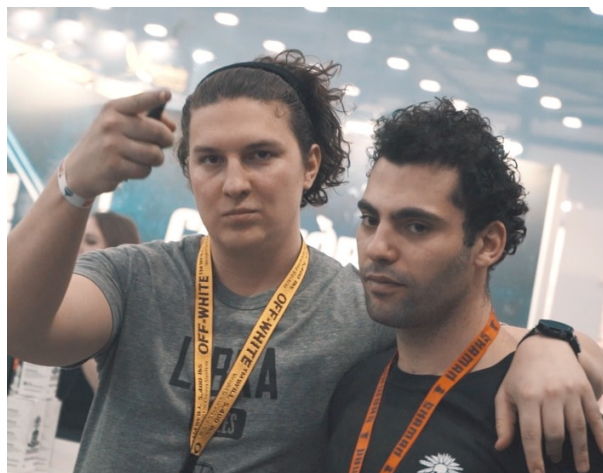
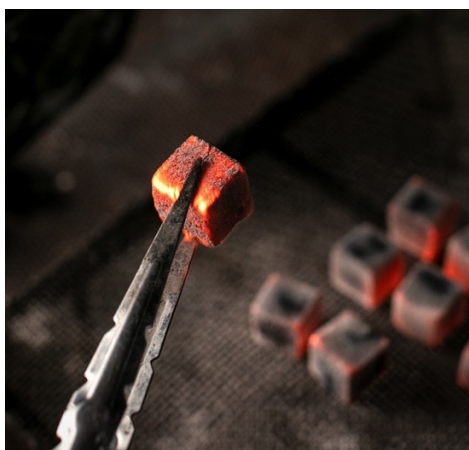
Daniel (@dmr.ceo on Instagram):

I was born and raised in Gothenburg, Sweden. I studied in Moscow and did my Bachelors Degree in London. I finished my Master's degree in Strategic Marketing from Imperial College London. I worked in Real Estate in London's wealthiest neighbourhoods. In 2015, my friend Milan and I dropped our stable incomes and the comfort of our European lifestyles to begin the journey of creating a new generation of Charcoal, Shaman.

Milan (@milanmarkovich01 on Instagram):

I grew up in Marbella, Spain. Studied at an international British school, after which applied to a University in London for a Global Business Management Bachelor degree. After finishing my degree, I moved to China to work for a pharmaceutical company following that I opened up a successful business in Moscow, with the main focus of delivering goods to restaurants and retail stores.

What is your business all about? Our business is all about producing the best possible charcoal that goes unnoticed by the customer. Why unnoticed? Because at the heart of it all, charcoal is just fuel. We want people to focus on all other pleasures of shisha that people enjoy with this hobby, like the wide variety of shisha mixes, new shisha innovations and trends...or just having a good time at home or in your favourite lounge. Our Charcoal is about providing our customers with smooth and enjoyable experiences, just by being a good quality product that caters to all market needs. etc.



“WE WANT PEOPLE TO FOCUS ON ALL OTHER PLEASURES OF SHISHA THAT PEOPLE ENJOY IN THIS HOBBY, LIKE TOBACCO FLAVOURS, NEW SHISHA INNOVATIONS AND TRENDS”

What made you decide to start Shaman coal?

For those of you who remember, the early days of the hookah charcoal was like the wild west. Lounges used either quick lights or wood charcoal that produced mountains of ash, your local shop or tobacconist only stocked three or four charcoal brands that were made from coconut shells... and even then it was a complete risk because quality was extremely unstable and prices were high. This is something that we noticed happening not only in Europe, but in Russia, where we were based at the time. The demand for good, stable quality charcoal was growing, but no-one was filling this gap.

To our advantage, in 2015 we had family that worked in Jakarta, Indonesia. Back then, Indonesia produced and exported around 90% of all charcoal made from coconut shells. So moving to the country was essential to us exploring how we can create a new type of coal.

We spent about 3 months working to find the perfect blend that at the time we believed was the best combination for our market demand. In Russia, where primarily darkleaf tobacco is consumed, it was necessary to create a coal that produced high heat for at least 45 minutes, whilst at the same time had to produce little ash so that it is accepted by European customers who use Badcha's (a popular heat management device brand).

We are proud that for over 6 years we have been producing this type of coal that is used by thousands of people everyday around the world, and that we constantly innovate with Shaman Coal quality to improve our formula for the growing industry.

What roles do you each have in the management of Shaman Coal? Daniel is the Marketing Director, the Sales Manager in Europe & Worldwide, the Customer Relationship Manager and the Head of Human Resources; while Milan is the Production Manager, the Procurement Manager of Coconut Shells, the Supply Chain and Logistics Manager and the Sales Manager for Russia & Central Asia.

Shaman coal is known as one of the best coal producers in the world, what is the secret to your success?

1. Always innovate: We were the first to produce and mass market two products that have never before been done in the world; the Shaman 28mm (Europe's bestseller) and the largest production charcoal in the world, 31mm. Innovation doesn't have to be in the form of creating a new product - for example, we have a special room in our factory that is focused on only R&D to see how we can produce better coal by using different sources of raw material.

2. Don't be a company - be a human: One of the things that we do differently is that we work with our partners as human beings. We don't hide our faces, we actively invite our partners and customers worldwide to engage with us and join us in the journey of Shaman and everything around it. Our Instagram is a combination of work/life enjoyment - some days we share behind the scenes video of charcoal production in Indonesia, and other days we show off our cooking skills or gym sessions. People are drawn to Shaman because they see it is run by normal people, and they are not afraid to engage with us.

3. Listen to your customers, educate your customers: One thing that the hookah industry does not have a shortage of supply from is Ego. Most influencers, producers, lounge owners, or shisha masters think they know everything from A-to-Z and their product or their way of smoking is the ONLY WAY. This affects the learning and growth in industry. We truly believe, that whilst it is important to listen to what your customers or partners say when they give you feedback, it is also important to educate them and give them opportunities to learn new things. Before the pandemic, we often went to our partners around the world and hosted seminars and education events so that people know how to properly work with our charcoal and how to experiment with different types of shisha set ups.



“INNOVATIVE, HUMAN AND CLIENT-ORIENTED”

Can you remember where you enjoyed your first shisha and shisha flavour? Milan: Back in Spain when I was younger many years ago. I remember that day as if it was yesterday. We were planning to visit a shisha lounge with a group of friends and were absolutely terrified of how it would go, since it was a “trendy place”. The only shisha flavour available at that place and time were grape and double apple.

Daniel: my first introduction to Shisha was in 2006, when I joined a group of friends in Moscow to a basement lounge that served Al Fakher Double Apple in orange fruit bowls. However, instead of serving it with water, the owner used only vodka. I don't remember much from that night, but I do remember enjoying it for a very brief moment.

What is your favourite shisha flavour? Milan: Pussy Fruit by Satyr. Daniel: California Cola by Satyr & Love 66 by Adalya.





If you were to explain to someone who doesn't know much about shisha, how would you explain the importance of a good quality coal in a shisha?

We wouldn't. All we would do is let them smoke the same tobacco on the same hookah setup with 2 different types of charcoal - Low Quality and Shaman. That test would show the difference, without us having to convince anyone of the latter.

What is the shisha scene in Russia like? Highly developed and innovative because of young adults driving the industry forward, which isn't the case with Europe, where the industry is mostly controlled by conservative players. We invite all lovers of shisha to visit just one Hookah Club Show in St. Petersburg to see what is truly the future of hookah.

Which countries do you sell coal to? In Europe, Shaman is available in: Bulgaria, Cyprus, Czech Republic, Estonia, Greece, Italy, Latvia, Lithuania, Moldova, Monaco, Poland, Portugal, Romania, Slovenia, Spain and Ukraine. In Russia and Central Asia: Russia, Kazakhstan, Azerbaijan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, Belarus and Armenia. Worldwide :United States, Canada, Brazil, United Arab Emirates, Saudi Arabia, Bahrain, Israel, Australia, New Zealand, Japan, Indonesia (Bali) and the United Kingdom.

We have a running joke internally, that the only continent on this planet where we do not supply is Antarctica...so if anyone reading this article wants to become the Sole and Exclusive distributor on the South Pole... we are happy to discuss our terms of business!

“Closure of lounges due to new covid regulations created an increase in home consumption of shisha.”



What challenges have you had to face in the sector when building your business?

- Low Entry Barrier into the industry.
- Cultural differences with the Producing Country (Indonesia).
- Shipping Issues.

Has your project suffered from the Covid-19 consequences? How are you managing to survive through the pandemic?

Not significantly. Closure of lounges due to new covid regulations created an increase in home consumption of shisha. Our partners started to order less charcoal formats aiming for lounges and started ordering more retail and home formats, such as retail packs of 16-18pc that are more convenient and cheaper for the home user buying from online hookah stores. In addition, the global disarray caused by shipping issues, and general panic buying mentality increased our sales and partners revenue significantly, where a typical home smoker would buy maybe 1 kg of coal every 1.5 weeks pre-pandemic, suddenly started stocking up on coal by buying whole cases of 20kg, sometimes even 40kg worth of coal for home use.

We also noticed that during the pandemic, when people were isolated at home, people had a tendency to enjoy more food, shisha, playing video games, and binge-watching Netflix. This above-average consumption and increased activities with home leisure increased our reach into a new customer base, as people became more focused on buying quality products for their home comfort.

Why do you think shisha has become so popular?

1. It is a Social activity that is enjoyed for longer periods than for example getting drunk in the clubs/bars.
2. It is becoming more socially acceptable with the adaptation of celebrities bringing it to popular culture. It is also a growing trend in the Hip-Hop/Rap scene... just think about the amount of rappers in Germany or Russia that have their own tobacco brand (example Banger by Timati), or use hookah in their music videos like Drake. "Pass me the Hookah" by Tyga has almost half a billion listens on Youtube.
3. Lastly, shisha lounges a great place to bring a date :)!

If you could choose any company or business person in the world, which do you admire the most? And Why? Henry Ford, he created a solution that catered to every person in the world, and invented the first moving assembly line that has revolutionized the world of mass production.

What goals do you have for your life business/project? Our goal is to grow our brand's worldwide footprint, by entering new markets and working with new partners. One of our biggest endeavours this year is to produce our own line of Tobacco that follows the company's philosophy of being different and innovative. We are very excited about this!

“SHISHA LOUNGES ARE A GREAT PLACE TO BRING A DATE”

How does innovation intercede in your business? Peter Drucker famously said, "Innovate or Die". We believe this to be 100% true. In our industry, you have to be innovative because competition is so high. Innovation plays a role by making our company look at all possibilities where we can improve our production to provide better value to our customers and their end users. From finding new sources of raw material, or modifying machinery to work harder, better, faster, stronger. Innovation for us is also forecasting future trends, looking at the overall geo-political changes and how we can create products not just for now, but for the future. A couple of years ago, the summer months used to be from June to August for most Mediterranean countries. Now, with rising global temperatures, "summer season" extends all the way into October for some destinations. This means lounges and terraces stay open for longer, and this means new, larger, and longer-lasting coal has to be invented to cater to this change in smoking culture...



We believe that Shaman is the most innovative coal brand in the world. Not just because we have the largest assortment of charcoal shapes and sizes from any other brand, but because people know that we constantly experiment and invest into new products and trends that consumers will be excited year-after-year.

If someone wants to start a new coal shisha business, which tips would you give them? First, don't use the word "Coco" in your brand name. Everyone does it. It's lazy. Second, focus on making something different to your specific market. Coal is a commodity, like coffee, bananas, gold or rice... think about what makes your coal different from all the other thousands of brands out there.

What 3 things can you NOT live without? Gym, work, and travelling and exploring new places.

What has been your most satisfying moment in your business? One of the most satisfying moments is knowing that Shaman is used and loved universally by all ranges of consumers, by the thousands, every single day. Whether it is sold at some local Estanco in Sevilla, or used by the most famous clubs/restaurants in the world like Just Cavalli Milano, that is frequented by celebrities and the fashion elite... It's truly a pleasure to know that people trust our product to fulfill their needs.

“DON'T USE THE WORD 'COCO' IN YOUR BRAND NAME”

Can you describe your typical day? How many hours a day do you usually work or think about work?

The typical workday is split into two parts. Milan wakes up around 5am and first thing holds a zoom meeting with the line manager, procurement manager, and quality control. He goes over yesterday's tasks, weekly tasks, and sets the production agenda. Although it is early morning, our production is already in full force. After the meeting, he goes over budgets, logistics and operational tasks with our administrative team that manages our far east customers (Japan, Australia, New Zealand) and Russia.

Daniel's work is in sync with the European, Middle-Eastern, North American, and Brazil's customers. Morning is spent going through social media and keeping up with the latest marketing and industry trends, whilst during the day it is mostly working with our marketing team and design team to come up with new ideas for charcoal.

The work is 24/7 due to the nature of our business. We have made use of several technologies and SaaS solutions to help automate tasks. For example, if you go on our website to buy charcoal, depending on the city you are inquiring from, your request will be automatically be transferred to your local distributor. This removes unnecessary time spent on admin work and increases the speed of sale, and revenue of our partners worldwide.

Considering all the individual parts of the shisha hose, bowl, stem, head, coal to describe your perfect shisha set up?

Milan: Soft touch hose, a classic Turkish bowl, stainless steel shisha that directly fits its purpose, coal that doesn't affect a good smoking sesh.

Daniel: My latest go-to set up is an Alpha Hookah Beat VNDL, bowls is either phunnel or turkish, and ice added to the water. I use a Kaloud for the heat management, combining 25mm and 26mm coal. If the session involves Adalya tobacco, I do like our Spanish users and use provost and 28mm.

Where is the best venue in the world to enjoy a shisha?

Hookah Club Show in St. Petersburg, Russia. Firstly, you will try so many types of tobacco, bowls, shishas, and other hookah innovations that simply do not exist in the world. It is also a great way to meet fellow hookah enthusiasts, thought-leaders, and other key-figures in the hookah industry.

In terms of countries, here is our list of where best to enjoy a shisha:

Spain: Influencers House Lounge by Team Sugarland in Sevilla

London: Al Hadra Lounge (@alhadra_lounge)

Italy: Just Cavalli in Milan (@justcavallimilano)

Australia: AC's Cafe in Rydalmere (@acs.cafe)

Russia: Hookah Place (@hookahplace_order), John Calliano Lounge (@johncalliano_lounge) in Moscow.

Japan: Soi61 (@shishaspot_soi61) or Hotbox in Tokyo (@shishaspot_hotbox).

Greece: Smoke place hookah in Galatsi.



www.shamancoal.com



ESCA works to promote shisha and to educate the public and political leaders about the tradition of shisha and those who use it.

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