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Bright ideas and best practice from CBM's 2006 Award Winners

writes John Houseman

I believe it is especially important to highlight successful companies and technical innovations when our industry is enduring such tough trading conditions, writes John Houseman.

We were delighted at the quality of the response to our new-look 2006 CBM awards and they have clearly become an important fixture in the calendar. Royal Brierley Crystal created special chalices for the three winners, and I could see they were much appreciated.

For the first time, we included a **Component of the Year** category which was won by **South Wales Forgemasters** for its helical drive gear. Traditionally, such components are made by boring out solid metal, which is inevitably wasteful.

However, SWF has devised and patented a method of pushing out the core during the forging process, allowing the surplus

hot metal to fill the mould. The level of waste has been reduced so dramatically that a billet of only 5.2 kilos is needed to produce the 4.9-kilo component.

Our **Supplier of the Year** award went to another Welsh firm - **High Precision Wales** - who were rated the best in terms of quality, cost and deliverables. SWF is one of their customers, and their presentation was equally impressive.

Our **Company of the Year** was a new CBM member; **Milton Keynes Pressings**. Its turnover has trebled in the last six years to £15 million, almost all through organic growth. The business supplies commercial vehicle and van markets in the UK and across Europe, and has won a Queen's Award for Export.

I am confident that the 2007 awards will attract a record number of entries, and that other members will learn from these examples of best practice and technical achievement.



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Qualification: selecting and evaluating opportunities

by Prof. Colin Coulson-Thomas



In his last CBM magazine article Colin Coulson-Thomas considered competitive bidding. In this article he looks at deciding which new business opportunities to pursue.

Many businesses devote a lot of effort to opportunities they have little chance of winning. They waste a great deal of time 'having their brains picked' and 'making up the numbers' for buyers who are required by 'purchasing guidelines' or 'standing orders' to invite so many suppliers to bid for contracts of a certain size or type. Whether or not they are happy with an incumbent provider they are compelled to obtain other quotes.

Sometimes low quotes are used to negotiate a price reduction from a preferred bidder. If your company faces such problems, what can and should you do to winnow out timewasters who are not seriously interested in your business becoming a supplier? How might you and your colleagues 'qualify' leads or evaluate enquiries in order to select those opportunities that are 'right for you'?

For starters make sure you are talking to the right people. Is your contact the person who will actually make the purchase decision? If not, find out who the key decision maker is, who else might be an influencer, and when and where the decision is likely to be taken. For example, will it be at a particular meeting of the prospect's board?

Try to ascertain whether the prospect has clear requirements, if funding for the proposed work exists, and when it needs to be done. How much has been allocated to the relevant budget? Will you and your colleagues be able to do what is needed within the available timescale and budget?

How important is the project for the prospect? A purchase of marginal interest might be slowed, put on a back burner or cancelled if budgets are reduced. If you seek closer relationships, focus on projects of strategic significance to the organizations you are targeting.

Consider the possible consequences of the order for your organization. Would it help you to achieve longer-term objectives? Is the prospect financially sound, 'going places' and a person or organization you would like to have a business relationship with?

Other things being equal, you should select opportunities that offer the prospect of a broader and continuing relationship. Much may also depend upon the number and quality of competitors who have also been invited to bid. Assess too the major areas of commercial and technical risk, and how these might be handled. The higher the risk the greater the financial return you should seek.

Keep a sense of perspective. There may be potential benefits beyond immediate financial gain to consider. For example, what might you learn? Would the new client represent a useful reference site or boost your reputation?

The acid test you should encourage your employees to apply is whether or not they would pursue the opportunities in question if they owned the business. Ask them also if they would be willing to take personal responsibility for delivery.

Finally, find out how approval of the purchase and a binding commitment are to be evidenced. Nothing is more frustrating than to find after an order has been cancelled that a finance department refuses to pay for work done on the grounds that a valid purchase order has not been issued.

Colin Coulson-Thomas, leader of the winning business research and best practice programme is co-author of the 'Winning New Business, the critical success factors' resource pack which is available to CBM members at a specially reduced price via www.ntwkfirm.com/policy-publications/special-discount Colin can be contacted via colinct@tiscali.co.uk or www.coulson-thomas.com



Confederation of British Metalforming

National Metalforming Centre, 47 Birmingham Road, West Bromwich, West Midlands B70 6PY

Telephone: 0121 601 6350 Fax: 0121 601 6373 Email: info@britishmetalforming.com Web: www.britishmetalforming.com

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Are you height aware?



The problem

In 2004/2005 53 people died and nearly 3800 suffered serious injury because of falls from height in the workplace. Falls from height are the most common cause of fatal injury and the second most common cause of major injury to employees, accounting for around 15% of all such injuries. Accidents from falls from height occur in all industry sectors.

Experience shows that falls from height usually occur because of poor management control rather than equipment failure. Common factors include:

- Failure to recognise a problem.
- Failure to provide safe systems of work.
- Failure to ensure that safe systems of work are followed.
- Inadequate information, instruction, training or supervision provided.
- Failure to use appropriate equipment;
- Failure to provide safe plant/equipment.

Case study – ‘assess the risks and plan the job.’

A maintenance fitter fell 1.5 m while trying to find a fault on a hot stamping press, causing injury to his shoulder and several weeks away from work for him to recover. The machine was about 20 years old, and not fitted with fixed access to allow safe maintenance work at height. Space around it was restricted, so the fitter used a ladder, leant against the machine, to reach the components he needed to check, while it was operating. As the machine stroked, the ladder slipped sideways and the fitter fell. Following the accident, the top of the ladder showed damage from the press. The investigation also revealed the floor around it was contaminated with oil, and that ladders were routinely used to carry out lubrication and belt changes at heights of up to 3 m on this and similar machines.

The solutions – ‘if work at height can’t be eliminated, choose the right equipment’

- Only use ladders for short duration tasks in exceptional circumstances. Use other work equipment where possible.
 - Ensure that people working at height are fully aware of all the risks arising from the specific job they are going to do.
- The accident could have been prevented if:
- The machine had been designed and built so that, where possible, components were accessible from ground level;
 - the machine had been fitted (or retro-fitted) with permanent fixed access, or
 - a tower scaffold, self-supporting platform or suitable steps, with a hand rail, had been used.

In exceptional circumstances, where a ladder had to be used because space was restricted and the job was of short duration, the ladder should have been secured against slipping, e.g. with ladder supports, or tied to fixed parts of the machine frame.

Key messages – falls from height

- those following good practice for work at height should already be doing enough to comply with the Work at Height Regulations (WAHR);
- follow the risk assessments you have carried out for work at height and make sure all work is planned, organised and carried out by competent persons;
- follow the hierarchy in WAHR for managing risks from work at height - take steps to avoid, prevent or reduce risks; and
- choose the right work equipment and select collective measures to prevent falls (such as guardrails and working platforms) before other measures which may only mitigate the distance and consequences of a fall (such as nets or airbags) or which may only provide personal protection from a fall (such as harness and line).

Further information

The HSE Height Aware Campaign takes place between May and June 2006. For more information, visit the website at:

www.hse.gov.uk/falls/campaign/index.htm

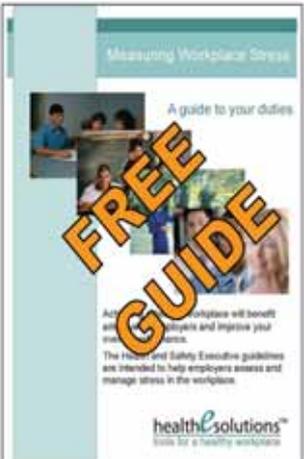
View more information on work at height at:

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High Precision Wales is a remarkable business; not least because its workforce has shrunk as its success has increased. A decade ago, the CNC-based tool and die manufacturer had eight full-time employees, but now has just four.

Nicky Blake, who set the firm up with his dad in 1993, admits that low productivity meant it was on the cusp of closure. The business has since prospered though; through significant investment, sector-leading quality control systems and a heck of a lot of hard work.

Nicky's young family are well-used to seeing him head off to HPW's factory on the rural outskirts of Treforest seven days a week. However, he's hoping that a recent diversification into aerospace will generate sufficient new business to give him time to relax just a little. "We've finally got everything in place that we need, but are only operating at 20 per cent capacity," admits Nicky.

A second place in the 2005 Accelerate Wales competition for automotive sector suppliers underlined Nicky's belief that HPW was ready to move to a new level. He now hopes that winning the CBM's Supplier of the Year award will give the company a national profile and persuade new customers of its merits.

CBM Director General John Houseman admits he'd be delighted if a decade of dedication paid off for the father-and-son team. "HPW was recommended in their category by a CBM member, and when we saw the quality of their work and the systems they had put in place, we were stunned to discover they employed only four people," he says.

The firm's origins lay in Nicky's childhood during the mid-70s; when he first popped in to watch his dad running a small machine shop. The seven-year-old was entranced by the CNC equipment, and by the age of eleven was helping programme the computers at weekends. In 1993, the Blakes purchased some secondhand machines, and began making tools and dies for local companies from premises in Cardiff.

Five years later, and they were doing sufficiently well to invest in a CAD-based 3D design system. "We started doing more intricate low-volume work, mainly one-off tools and jigs," says Nicky.

Recruiting more staff didn't have the hoped-for impact, so the Blakes decided to set up in a smaller unit in Taffs Vale and invest in more

Precision is everything for winner from Wales

CNC kit. In 2001, they joined Accelerate Wales and began to focus on establishing in-house quality assessment systems.

"We were so busy running the business that we were still really just a machine shop, we began by incorporating lean mapping for Corus and Ford, and then gaining ISO 9000," recalls Nicky. The later acquisition of ISO 19001 gave the father-and-son team a cosy glow of pride ... until their quality adviser reminded them that their tatty premises projected the wrong image to potential customers.

In January 2003, they moved to a new 2,500 sq. ft factory unit in Treforest, spent £120,000 on a die-making lathe, a faster 3D machining centre and a new engine-type bed lathe. The equipment was linked to their CAD system, and a new co-ordinates measuring machine was installed to allow 'reverse engineering' as part of their quality control programme.

After the introduction of monthly audits monitoring expenditure, income and profits, along with the use of five of the DTI's seven key performance measurables, Nicky thought the business was finally ready to make significant progress. To his dad's evident disappointment though, the last step was a new name. For a decade, the company had been known as 'Blakes' Place' - fine for a backstreet business, but not for a cutting-edge supplier looking to win recognition and orders from blue-chip customers.

The first week of trading as High Precision Wales underlined the power of words. "We got an amazing response. Previously when I'd cold-called companies and mentioned our name, they'd told me to leave a business card," says Nicky. "Suddenly, the same companies were anxious to make appointments and we haven't looked back from that day."

HPW has since won work from Jaguar and Ford, passed four external quality audits and is regularly called in for problem-solving sessions with customers. South Wales Forgemasters - who were happy doing business with the Blakes under any name - has been a customer since the early days, and still represent some 30 per cent of its turnover. "We know they've looked elsewhere, but some of their dies are so intricately complex that other suppliers just haven't been able to reach our standards with the low costs required," says Nicky.

"We're now making about 1,500 different parts a year in a wide range of materials, and we've never yet lost a customer on price or quality." And finally the workforce is set to expand. "We learned our lessons and now have the structure and systems in place to cope with extra personnel," says Nicky.

"We know the type of person we need to recruit and will be looking to take or three, or even four people before the end of the summer."

www.hpwales.co.uk



Customer service focus the key to MKP's success

In an era of global corporations and quoted plcs, it's always refreshing to hear a success story from a family business. Milton Keynes Pressings is our current Company of the Year, and was the judges' unanimous choice.

"Everything about the place; from its strategy and its investment policy, to the quality of its press-work and the strength of its management team impressed us," admits Director General John Houseman.

Managing Director Mike Read - who founded the business in 1974 - receives the compliment with typical good grace. "We do set high standards, and believe we're going in the right direction, but it's always good to hear people from outside the company saying good things about us."

MKP currently employs 200 people, has blue-chip customers worldwide and its last financial year generated turnover just shy of £16 million. It has retained General Motors as a customer for seventeen years, is a major supplier to VW's famous Bentley marque, and is manufacturing sophisticated sub-frame assemblies for the new Lotus.

When Mike founded the business though, it was as a small press-tool shop called Ryeland Toolmakers. The first decade saw the business establish both its reputation and a solid local customer base, until an opportunity arose that led to the creation of MKP. "A factory became vacant, with a couple of try-out presses. We decided to do a bit of press work and a year later it was going so well that I set up MKP," recalls Mike. Ryeland remains a key element of the group, based close to its parent company, on Bletchley's Water Eaton Industrial Estate.

The decision of Luton-based white goods manufacturer Electrolux to outsource its press shop gave the fledgling business a major

contract, and its presses. The high-volume work, making electric motors, lasted more than two years and gave MKP the financial foundations for future expansion.

Mike says the next breakthrough was winning an entry into the global General Motors supply chain via its Vauxhall plant at Luton. "We began working with them in 1989 for the Frontera, and during the 1990s got a number of inquiries from other GM plants." Its subsequent success in overseas markets ultimately saw MKP receive a Queen's Award for Export in 2001.

The US auto giant remains MKP's biggest customer, and despite the high-profile cutbacks in its UK operations, the company hasn't suffered too badly.

"We've had thirteen years of work from the Vauxhall Vivaro van, and will be supplying parts for the new Astra van being built at Ellesmere Port," says Mike.

Nissan soon joined MKP's growing list of automotive sector customers, followed by VW's Bentley, via Mayflower Vehicle Systems. The business was initially low-volume, but developed rapidly following the German group's decision to audit all Bentley's UK press-work suppliers. MKP had no difficulty passing the inspection, but many others did.

It has since become a major supplier of parts for the Bentley Continental and the upcoming Cabriolet, and become a second-tier supplier to ten other component manufacturers, including Lemforder and Mahle.

Mike is particularly proud of the work MKP is doing for the new Lotus, due out in 2008. "We've developed the sheet-metal side of the business during the last two years, and won the rear sub-frame for the new car. It's a complex assembly, involving about fifty different parts welded together into a one-metre cube."

Automotive work represents around 80 per cent of MKP's turnover, with the rest from the office furniture industry. Mike admits the dominance of one sector is a concern, especially given the recent grim news from Peugeot's Ryton plant and the earlier collapse of MG Rover.

"We weren't supplying either company, but their former suppliers are now desperate to win business and the competition has become intense."

He believes many companies are sacrificing margins to win business, but concedes there will be a short-term impact on MKP's revenue. "We had trebled sales since 2001, but it is likely to plateau this year and we do need to diversify more."

The long-term investment programme isn't slowing though, with a new laser-cutting machine and a robot-tended large press already installed this year, following the earlier arrival of four Armada presses.

However, Mike says the key to MKP's decades of success remains customer service. "What we do isn't rocket science, so other companies will always be offering similar products. We have to differentiate ourselves by the way we work with customers, to resolve their problems and to innovate to meet their requirements."

He pays tribute to his eleven-strong management team: led by directors responsible for finance, operations, quality and sales. Ultimately Mike hopes one or more of his youngsters will be capable of winning places in that team. "My three kids are working in the business, and who knows, it would be nice to think they might one day be able to take charge."

By the time they do, given MKP's impressive record of long-term success, it's a good bet that the trophy cabinet will be even fuller.

www.mkp.co.uk

Innovation helps SWF forge bright future



The ingenuity of Britain's metal-forming industry gave the world its first Industrial Revolution. Three centuries later, the tradition for innovation begun by iron-maker Abraham Darby is being continued by South Wales Forgemasters.

The Cardiff-based firm won our Component of the Year award through an ingenious forging process for a helical driver gear for Ford/Mazda programme. Traditionally, such components are manufactured by boring out the central hole, which is inevitably wasteful. However, SWF has devised a method of pushing out the core during forging, allowing surplus material to fill the forging dies. Waste has been reduced so dramatically that a billet of only 5.2 kilos is needed to produce the 4.9-kilo component.

Director General John Houseman was delighted to see both the saving in material - around a kilo - and to hear that some of SWF's global rivals had been unable to follow its lead. "This firm exemplifies everything our industry should be about. The component was produced through a combination of years of knowledge, a talent for innovation and a willingness to use and adapt the latest design software," he said.

"I'm sure Ford was both impressed and surprised to discover that the US supplier producing the same part had to drill out a solid forging because it couldn't find a way or hadn't the willingness to match SWF's ingenuity."

SWF's Managing Director Paul Brabban says the component is the climax of an in-house design programme, which began some six years ago.

"Initially, it was a tremendous technical challenge to discover how we could push a probe into hot steel to create a hole, allowing the surplus metal to become part of the component," he recalls. "Once we had achieved that, we have been consistently lengthening the hole we can forge through components. In the late 1990's we started to develop this technique and have gradually increased the forging depth from 100 to 190 millimetres."

SWF uses 3D-design software created in Russia, and brought into the UK by another CBM member, Micas Simulations, of Stourport-on-Severn. "We have to manipulate the steel and deform it over four dies, so it was essential to have the most sophisticated simulation software we could find," says Paul. Years of knowledge and experience also went into the design of the award-winning component.

SWF already supplies components to Ford, Jaguar, Mazda and Kia, and Paul hopes the CBM award will help his company develop its global profile. The same design programme also recently brought the business the Institute of Forging Technology's 2006 Component of the Year award, for a different part supplied to a new range of Ford/Mazda vehicles. SWF has been equally forward-thinking in the development of its

employees. It was chosen as Wales's Company of the Year for people development in 2000, picked up local apprentice awards in 2001 & 2002, won a national Age Positive employment award in 2006, and has achieved Investors in People status since 1999.

Neither the awards, nor the technical or strategic achievements behind them, have caused Paul to change his pragmatic approach to life in the UK's manufacturing sector though.

"The manufacturing business is tough and especially in the automotive sector, increasing costs in power, insurance and others constantly challenge our ability to compete. It can sometimes feel like being Joe Frazer. You walk forward, get hit on the head, then walk forward some more and get hit again."

However, he also retains his belief that it is possible to survive by manufacturing components which not everyone can make. "There is little loyalty in the automotive industry, if someone can get a part made cheaper in the back streets of Shanghai they will," says Paul. "Constant demands for cost-downs mean you must always focus on making something that is different and more intricate than what is being produced elsewhere."

SWF also has an impressive record of survival since it was founded just before the Second World War. It long supplied such major North American corporations as Rockwell, Ford, Caterpillar and Massey-Ferguson for the agricultural, automotive and commercial vehicle sectors. Its current incarnation - and its present focus on press forging for automotive transmissions - began just over six years ago when co-director Roger Meacham and Paul led an MBO.

"We'd been part of Hicking Pentecost when Coats Viyella acquired them. Within a month they'd made it clear that they were focused on textiles, and didn't want an engineering business," says Paul. The deal included the eight-acre industrial estate on which SWF is sited and the income from its fifty tenants helps underpin the group's balance sheet. SWF has also received support and guidance from the Welsh Assembly, WDA, local council Rhondda Cynon Taff, Wales Trade International and the Society of Motor Manufacturers & Traders. Their backing has allowed SWF to visit the world's leading forging companies in China, India, Japan, South Africa and the United States to observe their approaches towards the sector's myriad challenges.

"You can never become complacent. Competition is so fierce and the industry so fast-moving that if you stopped to think about your achievements, you'd be over-taken," admits Paul. "All we can do is keep working hard, investing whenever we can, and making sure that we're as technically advanced as we can possibly be."

www.swforgemasters.co.uk

New owner brings back good times for Philidas

Philidas is such a grand name for a UK-based fastener company that it's easy to imagine its origins must somehow lie in Greece. The more mundane truth is that the two friends who founded the business during World War Two were called Philips and Dundas.

They patented a self-locking nut for aeronautical applications, and soon realised that their design could be adapted for the automotive industry.

The original business was based in Reading, but by 1949 it had moved north to Ferrybridge under its new owners, Pollard Bearing Co.

*We can't always compete
 with Far East suppliers on
 massive production
 runs for standard parts*

The next half-century saw control of the company undergo a bewildering series of changes, until by 1999 it was based in Pontefract and part of Infast Group plc. Philidas's current sales manager, Richard Tomlinson, admits the passing years did the business no little harm.

"It was passed around from owner to owner, most of whom were in distribution and not manufacturing. They didn't understand what Philidas needed, investment levels were low, we hadn't got our own sales and customer service team, and we lost a significant amount of business."

Finally, the summer of 2004 saw Infast decide to quit the manufacturing sector and it later sold the business to its present owner, Roy Jones. He'd operated several successful companies in Canada, but was returning to the UK, although not his native Lancashire, and looking to build up a manufacturing group.

His first purchase had been Chesterfield-based Impact Bead Blasting.

Roy's subsequent arrival was just what the floundering Philidas needed, with annual sales down from a peak of £12 million to some £8m.

"He knew Philidas from years back, when they had their own US operation, and was so eager to buy it that he drove over to its offices in a little rented car, before his business suits had even arrived from the States," says Richard. The deal was completed in February 2005, and Philidas is now a key element of Jones's group of companies, which includes a zinc electroplating business, a bead blasting company and a pressing firm.

Philidas remains focused on the automotive and industrial sectors, with a roughly 75-25 per cent split.

Its end-users include Jaguar and Land-Rover, although Richard says it has to deal through distribution companies, rather than direct to the OEMs as this is the way the fastener business has moved in recent years.

"We recently started sending parts to a BMW plant in Alabama, but they go via the US end of a German company" he says.

However, the increasing globalisation of supply chains means Philidas does supply several overseas automotive plants directly, and the trend looks certain to continue. The business still makes the original type of nut patented more than 60 years ago, although now for use in industrial and rail applications, rather than aerospace.

The arrival of Roy has meant significant investment in equipment - including new lubrication and wash plants - as well as the creation of a dedicated customer service department.

Richard says Philidas is also about to end importing some parts from the Far East and make its output entirely in the UK. He believes the decision reflects the best way for the domestic fastener industry to survive and prosper.

"We can't always compete with Far East suppliers on massive production runs for standard parts," admits Tomlinson.

"However, we can compete for smaller production runs and customer specific special parts in terms of price, and we can kill the low-cost suppliers on customer service."

www.philidasfasteners.com



The International Institute of Forging Technology

AGM

The Institute held its AGM on April 26th at the County Hotel in Walsall. After the meeting, delegates enjoyed a dinner and the annual prize awards were presented.

Professor Trevor Dean received a "lifetime achievement" award in recognition of his contribution to the forging industry. South Wales Forgemasters received an award for their innovative forging of a transmission component.

Dr Ken Campbell presented the after dinner talk on the Climate Change Levy, following his experience in the forging sector. His talk prompted much discussion amongst the forgers present, as it became clear that the forging sector were losers in terms of potential reclaimed benefits.

Horst Sauerbrey (Lasco) spoke briefly about the current state of the forging industry in Germany. Horst retires this year and was wished well. The photograph shows Professor Trevor Dean with Roger and Gareth from South Wales Forgemasters and IIFT chairman Dr Mike Dickinson.

EVENTS

This year already has a full programme of events, including visits and Teach-In sessions. Members and guests are particularly welcome to all events. Visits are sometimes restricted on numbers, so it is advisable to register early. The teach-in programme is selected to consider current topics of interest as well as providing members with technological information. Of particular interest is the session on noise control following the recent change in legislation for noise at work. Forgers will be interested to learn how they can monitor noise and take steps to comply. Events include,

Visits

May - Nottingham University
September - Stocksbridge Aerospace
November - JCB

Teach Ins

June - Ivan Johnson, Corus
September - Brian Quartermain- Noise Control
November - Roger Green, South Wales Forgemasters - Continuous improvement
January - Andrew Hancox - Forge Lubrication

THE IIFT

The objective of the Institute is to promote and support the advancement of forging technology. The Institute is a professional body with membership for INDIVIDUALS drawn from the forging industry worldwide. Membership is by application and is dependent upon academic qualifications, business experience or a combination of both.

Members are associated with the forging industry either as engineers, technicians, designers and managers within forging companies, in an academic capacity, or as suppliers to the industry. Individual membership category is assessed upon application by a panel of experts from the forging industry. Member benefits include,

- Use of designatory letters M.I.I.F.T
- Free attendance at regular programme of lectures, teach-ins, workshops and visits
- Website (industry news, networking, member database and discussion forum)
- Institute newsletter
- Use of IIFT library
- Members database

For membership enquiries or for details of events, contact: IIFT, The National Metalforming Centre, 47 Birmingham Road, West Bromwich, B70 6PY, UK

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Investment and bright ideas provide Carlton's catalyst



sheet metal

Tough competition sends many companies under, but others survive adversity to prosper. Carlton Laser Services' record over the last 25 years emphasises the merit of understanding the need for change.

When competition intensified in the metal-cutting sector, the Leicester company invested heavily to stay ahead. Current Managing Director and owner Dennis Kent joined Carlton in 1983, when it specialised in supplying the pottery industry.

"Carlton had been established in 1980, to make laser engravings in copper for new pottery designs," he recalls. "The work was very skilled, but the copper plate had a relatively short life, so the firm then looked at using lasers to engrave onto ceramic patterns."

The concept proved uneconomic, but Dennis admits he could see the venture's potential on his first day.

"We had the skills, and probably only four or five serious competitors, but we needed to find a niche offering long-term prospects." Carlton invested £250,000 in a new laser / punch combination machine, and bought a second a year later.

"We had to borrow the money, but those machines revolutionised the business and put us at the forefront of our industry," says Dennis. However, Carlton was soon competing with some 30 rivals, and decided to revise its operational strategy. "We'd started out just cutting metal blanks, but decided to set up a fabrication workshop to offer the finished article, using local sub-contractors."

The move paid off, but other companies followed the trend and as the 1990s began to unwind, competition reached record heights. More worryingly, some of Carlton's biggest customers - including Perkins Engines - were now demanding full in-house services from suppliers.

"I sat down with the chairman, and identified two options. We could stay with just flat blanks, but would have to be very slick, or we could pursue the one-stop approach, which meant further heavy investment."

The latter course was agreed, allowing Carlton to pursue small-volume orders needing tight tolerances. "We had to re-engineer the business; partly to overcome the difficulty of attracting young engineers," says Dennis. An automated laser and punch cell system was bought for £1.5m, followed by a £400,000 robotic press brake cell.

"We needed kit that could cope with small runs of different materials, which we could leave over the weekend to handle perhaps ten different jobs," he says. "Some of our skilled people saw it as a threat, but we saw it as offering security for every employee because it meant we could give customers what they wanted."

Support from NatWest enabled the equipment to be brought in ... and the workforce is now running at an all-time high of 72. Carlton supplies OEMs in the medical, food, leisure and special vehicles sectors throughout the UK. The impact of the new strategy is also evident from a glance at the balance sheet of the original business, and its sister company, Peachmay Sheet Metal. Turnover is up 65 per cent over the past three years to £4.6m, and Dennis expects to hit £4.9m in the current year. "We are looking for a steady six per cent growth this time, but then expect to reach £8m turnover in the next three years."

The start of 2005 saw Carlton acquire adjacent premises that doubled its premises to 34,000 sq. ft, and its latest investment programme is now underway and was a finalist in the 2005 Leicestershire Business Awards.

"We had a £1.2m plan, and just under half has been spent. In the next six months we'll be spending the rest on either a flat-bed laser, or a combination machine," says Dennis. Despite the well-publicised plight of UK manufacturing, he remains committed to the sector.

"The investment has paid off, and household names are now approaching us about work, rather than the other way round. We're confident about the future."

www.carltonlaser.co.uk

Compressed Air – High Costs?



Most manufacturing sites use huge quantities of compressed air especially in sectors such as Forging and with recent electrical price rises one can say that 100cfm of air output equates to £1/h eg a 3000cfm load ^a £30/h.

At most sites about half the air produced in a week will service leaks or inappropriate uses. However, fixing leaks is usually problematical eg premium labour rates at weekend, other production problems take priority over limited site maintenance resources, leaks just re-

appear, etc. One pragmatic, more effective long term solution is to only supply compressed air to machines, hammers, etc. when required, thus eliminating leaks during; changeover periods, lunch breaks and production idling/downtime periods.

At one Forge, full bore ball valves were installed in compressed air lines to a hammer and they were activated via a limit switch detecting foot treadle movement. If no movement was detected for 2 minutes the valve closed. Project success was mainly down to specifying the right control equipment and valves that would survive in the harsh conditions.

The site moved from 5,500 cfm to 3,000 cfm; saving £25/h, equating to £100K per year and with equipment costing £80K a payback of less than 1 year was achieved.

Manufacturing cost saving solutions need to be well thought out, practical and robust and the above example shows significant benefits can be gained especially with utility cost remaining high.

Tony Parton – CR Plus Ltd



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