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contents

Winning competitive bids

by Prof. Colin Coulson-Thomas

Bidding is a tough game. As expectations rise, invitations to tender become more demanding. Proposals get larger and more expensive to prepare.

Costs of lost bids have to be recovered out of squeezed margins on those won. Companies winning too few bids are driven out of business.

Yet some companies - according to the 'Winning New Business' resource pack* - are much more successful than others at winning business. Understanding the critical success factors for competitive bidding and how high performers operate greatly increases the prospect of increasing win rates. A wide gulf exists between winners and losers. 'Losers' are undisciplined, unimaginative and reactive. They pursue far too many opportunities, and focus primarily upon their own priorities. Members of 'loser' bid teams respond mechanically to invitations to tender. They are pre-occupied with practicalities of proposal production, such as obtaining cost information. They find themselves under pressure to meet submission deadlines. Yet they ignore tools that could speed up basic activities and free up thinking time.

'Losers' only commit significant effort when a prospect is 'seriously interested'. They describe their jobs in terms of 'submitting bids'. As winning business professionals they actually spend their days losing potential business as most proposals sent in are rejected. Bid team members are left to 'get on with it'. Senior managers are rarely involved in individual opportunities.

'Losers' measure success by the number of proposals submitted. They make little effort to learn from experience or best practice. Rejection letters enable them to 'close the file' and move onto the next proposal. Above all, they don't mind loosing. Failure is rationalised with phrases such as 'you can't win them all'.

Winners' are very different. They are far more confident and proactive. They identify prospects with growth potential that would make good business partners. They take the initiative and approach those they would like to do business with.

'Winners' ruthlessly prioritise available opportunities. Turning down some invitations to bid allows more effort to be devoted to those retained. 'Winners' want their customers and prospects to do well. They become absorbed in their problems and opportunities and structure proposals around prospect needs and priorities.

'Winners' act with commitment and clear objectives. They think through outcomes and relationships they would like to achieve. They hit the ground running, allocating sufficient resources early on to build up an unassailable lead. Senior managers in the more successful companies participate in pitches. Their visible support can be decisive in close contests. 'Winners' endeavour to understand how buying decisions are made. They identify and address the

■ *Continued on Page 3*

Competitive bids

■ *continued from Page 1*

selection criteria being used. They consider the personalities involved and remain sensitive to changing buyer concerns throughout the purchasing process. They work hard to establish empathy, build trust, and match the culture of prospects.

Where possible, 'winners' automate the more mechanical aspects of production. Time freed up is used to tailor responses, differentiate offerings and build relationships.
Above all 'winners' want to win. They are gutted when they lose. They regularly review their processes and practices, and debriefs are held to learn from both successes and failures. They avoid being 'losers' by consciously setting out to become 'winners'.

Further information
*Details of 'Winning New Business, the critical success factors' and related reports and benchmarking can be obtained from Policy Publications: Tel: + 44 (0) 1234 328448
Email: policypubs@kbnet.co.uk or from www.ntwkfirm.com/bookshop

Prof. Colin Coulson-Thomas has reviewed the processes and practices for winning business of over 70 companies.
Colin can be contacted by telephone:
Tel: +44 (0) 1733 361 149
fax: +44 (0) 1733 361 459
E-mail: colinct@tiscali.co.uk or via www.coulson-thomas.com

cbm
britishmetalforming.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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Email: stuart.walters@openboxpublishing.co.uk
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Controlling your energy costs

One of the greatest challenges that the metal forming sector faces today is the ever increasing cost of energy. With the high level of competition in the supply side, the only way to reduce the rising cost is to manage the usage of energy and establish plans to reduce usage wherever possible.

The sector has always had a strong background in the implementation of manufacturing improvement techniques, however, much more can be done to obtain the business benefits associated with implementing strategies that reduce energy usage and manages resources more efficiently and effectively.

Any successful strategy of energy reduction must include improved continuous monitoring and analysis of data, along with an increased level of awareness across the workplace of the issues of energy management.

The CBM have teamed up with Pro Enviro, an established energy and environmental consultancy with specialist knowledge and experience in the metal forming sector and The University of Birmingham to establish an Energy Challenge project. The project is being funded by the DTI / Defra and will provide support for member companies in identifying and addressing energy improvement plans within their own operations.

This project aims to increase the capacity of companies and their workforce to improve business performance in an environmentally sustainable way and to reduce costs at the same time. This will be done by:

- ✓ Conducting resource efficiency surveys with a number of member companies to assess current performance.
- ✓ Providing assistance for the implementation of Best Available Techniques (BAT) in energy and resource efficiency for our sector.
- ✓ Providing sector specific training and support material for use in-house to increase awareness of the need to manage energy more effectively. The training material will provide a number of methods aimed at meeting this need.
- ✓ Creating a CBM Energy Challenge portal that will contain sector specific energy resource management and best practice materials.

The initial project will run during the first quarter of 2006 and will provide support and advice to up to 20 companies on a first come first served basis. A number of companies have already signed up to the project and if you wish to sign up or simply require more information please contact either Dr Ken Campbell, CBM Technical Director on 0121 601 6350 or Nersi Salehi at Pro Enviro on 024 7632 3260 as soon as possible to secure your place.

For further information, please check the CBM Energy Challenge web site at www.energychallenge.co.uk

news

ICOSPA Congress offers much food for thought

A four-strong delegation led by the CBM's Stan Hardy visited Japan for ICOSPA's 15th International Congress on Sheet-Metal Work.

Such events are only held every three years, and the presence of some 300 delegates from nine countries underlined its importance. Mr Hardy was accompanied by Hadley Industries' Philip Hadley, John Davis from Davis Decade, and Regent Group's Alan Shaw.

The tone was set when the 'Meet the Delegates' session was held on the 45th floor of the Tokyo Metropolitan Government's offices. The view was impressive, as was the slick and efficient organisation which characterised the congress.

The keynote speech came from Takeshi Uchiyamada, an executive vice-president of Toyota Motor Corporation. He gave a detailed overview of Toyota's plans for 2006 and beyond, focusing on technological improvements at its worldwide plants, to improve both the flexibility and efficiency of their assembly lines.

The group is also investing significantly in the future by opening two further training academies. Mr Uchiyamada's speech was titled 'Craftsmanship for the globalised age', and it was refreshing to note his confidence and optimism.

Reports from other countries ranged from the technical, from Japan and Germany (presses, and press-feeding technology) to the more general, from Holland and France (benchmarking, and strategic help for SMEs).

The US delegation gave an intriguing presentation on the merit of establishing joint ventures in low-cost economies. Mr Hardy contributed a trenchant overview of the damage to our industry caused by the EU's ever-increasing regulatory burden.

The subsequent plant tours were very rewarding and each company provided comprehensive data about its activities. The CBM delegation visited Nagoya, home to the famous 'Toyota City' assembly plant, where most companies were dependent - sometimes to a very high degree - on first or second-tier work for TMC. Other key sectors were electronics and domestic appliances.

"The general feel of activity levels in all plants was very good," recalled Mr Hardy. "We saw superb examples of lean manufacturing systems, and the alliance of sophisticated logistics systems to sound technology was much in evidence."

All the companies were well fitted out, mainly with modern equipment and several NC Servo Drive presses were seen. Use of the latest technical applications was widespread, as was very rapid exchange of dies on large bed-area press lines.

"We saw one huge press hall making only body panels as spares for discontinued models - and the production runs were as low as one," said Mr Hardy. Automatic transfer press mechanisms were widely used as an alternative to progressive dies.

"The tooling layouts were simplified, and consequently were both faster to set up and easier to trouble-shoot, lead-times for tooling for transfer applications were routinely sixteen days from design to completion, and as low as nine days for simple urgent jobs" said Mr Hardy.

The CBM delegates were unanimous that the visit had been very worthwhile. Members wishing to learn more about the company visits or other aspects of the Congress are asked to contact Mr Hardy on 0121 601 6350 or visit www.icospa.com.

sheet metal

picture courtesy of Wyman Gordon Ltd

Forging a future in the UK

by Peter Standring

Some thoughts on the opportunities and challenges for 2006 – 2010

On his "farewell" tour of Britain, Fred Dibnah visited the Doncaster's ring making facility in Sheffield. In his inimitable way, Fred said, "A hundred years ago there were 5000 forges in Britain, now there are less than 100" (a quote gleaned by Fred's researchers from the CBM). Not counting holidays, this means that on average, one forge has closed in the UK every week for the last 100 years!

At the start of 2006, half way through the first decade of a new century, it is easy to remember how we each saw in the New Millennium. It is also easy to recall the potentially vibrant future for manufacturing coming as it did at the end of the Cold War and after the spectacular economic growth of the 1990's.

Then, Ford were stalking BMW, Daimler Chrysler's interest in Fiat forced GM to act first, Renault baled out Nissan and the tiger economies of the Far East were brought low by financial crisis. Oh!, and fortunes were squandered on the Dot Com boom and protection against the "mythical" Millennium Bug. Memories of all this beg the question in 2006, where and how did the seemingly golden pears lose their shape?

By the mid 90's the end of the Cold war had created an apparently bottomless bran tub of business opportunities for leading companies each seeking highly skilled low cost labour in Central and Eastern Europe. In 1993, India abandoned its controlled economy thus becoming a favoured nation in the eyes of the USA. The same year China stated it was adopting capitalist economic policies as a means of defeating capitalism!

Back to the future. Of the forges which remain in the UK, the ones which are world class all share common features of: investment in equipment, technological expertise, together with a commitment to remain the best. Skills without


picture courtesy of Wyman Gordon Ltd

suitable equipment are as useless as equipment without the skills to use it - both come at a premium. Over recent years much rationalisation has been taking place in the forging industry with dynamic Asian companies purchasing forges across Europe and North America.

To the author's knowledge, not one forging company seeking inward investment has set up a greenfield facility in either Europe or North America. The reason is that without the support of a resident skills base, a turn key facility would be unable to function.

A 100 years ago in the UK, 5000 forges competed for enough business to keep them going. Clearly, in those times, there were shipyards, collieries, railways and a 1001 trades which required forged parts. Today, just two percent of the forges remain and although the large scale industries have shrunk to being almost invisible, the demand for and relative return on investment on forged products in the UK is significantly greater now than an equivalent 2% of the business would have been in 1905. Therefore, simple logic suggests that 2006 is a better time for UK forgers to do business than would have been the case 100 years ago.

In 1905, UK forges made parts for assemblies – ships, engines, manufacturing equipment which were used around the world. Today, the same is true for aerospace products, the petro chemical industries, high value automotive parts, leisure, sports and specials.

A hundred years ago local competition in a dynamic market drove costs down and made Western Europe and North America the China and India of today. Some companies did well whilst others went under just as in the Far East now. What has emerged in the UK is an industry stripped of its high volume, low cost past. The future for UK forging, if it is to have one, lies in high value generated through the smart use of technology and a desire to win market share.

Had the UK remained a large scale forger to the world, it might have been like Japan is today

Had the UK remained a large scale forger to the world, it might have been like Japan is today. Currently, they have around 350 forges (of varying size) most of which survive on supplying the automotive industry. Interestingly, automotive production in Japan has fallen by around 10% in the last decade largely because Japanese overseas transplants have captured a bigger share of the world market.

The forging companies in Europe and North America who stood to benefit from this have, through their general decline, not been able to secure the major body of forging business for the Japanese transplants operating in their regions. Hence, whilst the Japanese home automotive market has been falling, the forges in Japan have maintained their business by supplying the transplants.

However, the increasing competition in China between the major global players, have forced Japanese vehicle manufacturers to invest in forging facilities in China. Once international quality standards have been achieved it is difficult to imagine the Japanese forging industry not suffering significant reductions in volumes primarily through loss of the transplant market, followed perhaps by imports of automotive forgings to Japan.

At the accelerating rate of change, it is quite possible that by 2010 the Japanese forging industry could well be travelling the same road which Europe and North America have been on for some time. From the above, it seems evident that the dominant and growing volume automotive market will be served by a few specialist superforges dedicated to the industry. These will probably be Asian.

Next will be the high end specialist forges which concentrate on safety critical components etc., followed by small, local general purpose jobbers. In almost all cases it will be a buyer's market where orders will be won by those who can best satisfy.

To be amongst the best will require close collaboration with the immediate supply chain partnership for: workpiece materials, equipment, tooling, surface engineering, process simulation, heat treatment, secondary operations, inspection, testing and delivery etc.

Fall down on any of these areas and although you may claim that it is not your fault you will inevitably take the blame and possibly lose the business. To be one of the best requires money, commitment, a clearly defined strategy having milestones of achievement in place and the dedication to see it through. Once there, you will then have to work really hard to stay on top but being profitable will make it worth the effort.

2010 is a good year to use as a target for the strategic development of potential markets and the establishment of capabilities required for success. Winning back just a small portion of the forged parts business which has gone out of the UK in recent times could be the foundation of a resurgent forging sector.

Since it is on the doorstep it must be easier to win here than to compete in someone else's backyard. More importantly, as we all know only too well, there is much more where that came from. Wouldn't it be something if 2010 were the start of an upward trend for UK forging. It's about time and perhaps only "Just in Time." Good luck!

picture courtesy of Clyde Fasteners Ltd

It has been calculated that imports will account for some 83 per cent of the UK's fastener demand this year

by John Houseman
Director-General, the Confederation of British Metalforming

Britain's manufacturing industry has been written off so many times that it's easy to forget it has survived for some three centuries. Admittedly, the current period is especially challenging, with constantly rising prices for both raw materials and energy, and the ever-increasing threat of cheap imports.

However, we need to remember that manufacturing in general, and the fastener sector in particular, remains a significant element of the UK economy. Demand for industrial fasteners is predicted to be some £650 million in 2006, of which around £250 million is expected to come from bolt manufacturers. The UK market for screws is also forecast to reach a five-year high of than £140 million.

Rapidly-rising property prices, and the resultant expansion of the construction sector, have been critical in stimulating demand. The automotive sector is another key customer for many CBM

members, although the industry's global nature is affecting demand. The international companies controlling the major motor manufacturers based in the UK are increasingly favouring their domestic suppliers.

It has been calculated that imports will account for some 83 per cent of the UK's fastener demand this year, up from 76pc in 2001. Tough competition from overseas producers is certainly a significant reason for the falling number of fastener companies; now down to around 560, from 640 five years ago.

The UK sector also remains essentially small-scale, with three-quarters of companies employing fewer than 20 people. I feel it would be wrong to interpret the statistics in a negative vein though. Some fastener companies have certainly closed because they could not compete, or had strategies unsuited to the current trading climate, but that is true for all businesses.

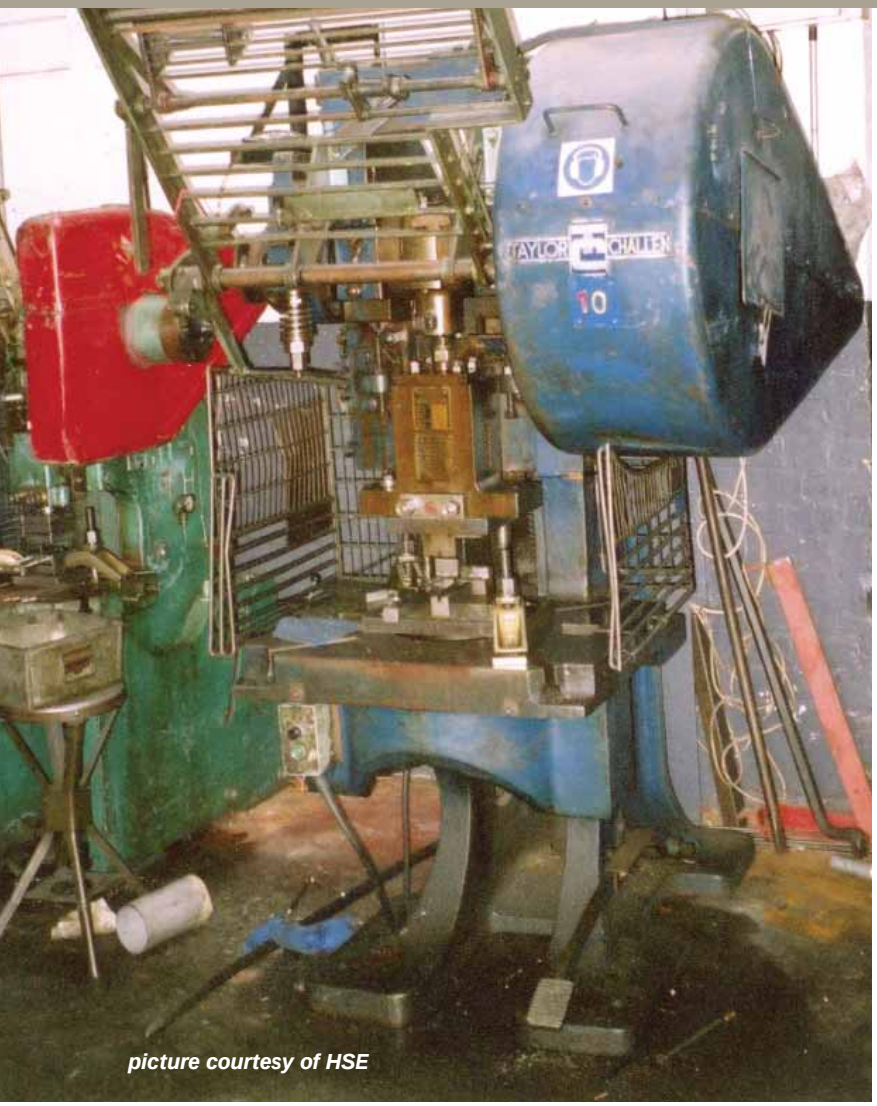
We have witnessed the collapse of global players in such markets as telecoms, the Internet and corporate finance, but that hasn't heralded the terminal decline of those sectors. I believe we are starting to see the rise of a new breed of fastener company, focusing on small-scale production for niche sectors.

If an industrial business wants 500,000 standard fasteners, it might well turn to Taiwan. If the same company needs high-value fasteners of more sophisticated design though, I am confident it will use British suppliers. At the top end of the market, sales of stainless products were running close to £8m by the end of 2005, and that sector will continue to expand.

Many of our members are also investing in CNC machine centres to ensure that they can produce items of higher quality. Feedback from CBM companies working for the aerospace industry suggests that their greatest problem is finding sufficient skilled staff to satisfy the ever-growing demand from Rolls-Royce and the Airbus consortium.

At the top end of the market, sales of stainless products were running close to £8m by the end of 2005

Of course there will be casualties during 2006, and the challenges will remain, but I believe that the overwhelming majority of fastener companies will survive as they have for so long.



picture courtesy of HSE

Are you managing risks from slips and trips?

by Jan Willets – Health & Safety Executive

The problem

Slips & trips are the most common cause of major injuries at work. They occur in almost all workplaces. 95% of the major injuries from slips are broken bones. They can also be the initial causes for other types of accident, such as falls from height.

Statistics

On average, slips & trips account for:

- 33% of all reported major injuries
- 20% of over-3-day injuries to employees
- 2 fatalities per year
- 50% of all reported accidents to members of the public
- cost to employers of £512 million per year
- cost to health service of £133 million per year
- incalculable human cost

Key messages about slips and trips

- slips and trips are serious - but many workplaces do not take the risk seriously, do not understand the causes of slipping, or consider slips and trips inevitable.
- simple cost effective measures can reduce these accidents – management of risks and practical control measures can save money and make good business sense.

Case study – 'slips are serious, and causes are often obvious.'

A setter-operator slipped on oil on the floor around a press, causing a fracture to his wrist when he fell. Oil was used to lubricate the tools and components, and was applied manually, prior to each stroke. More oil was spilled than around a sister machine, fitted with an automatic lubrication device. Both machines also leaked hydraulic oil onto the floor, and floor cleaning arrangements were ineffective.

Assessment using HSE's Slip Assessment Tool (SAT) identified high risk of slipping, and steps were taken by his employer to prevent the spillage and leaks, and provide more effective cleaning.

The solutions – 'simple cost effective measures can reduce these accidents.'

Most slips occur in wet or contaminated conditions. Most trips are due to poor housekeeping. The solutions are often simple and cost effective.

A suitable assessment of the risks should identify the necessary controls and these should include (in no particular order):

- prevention of contamination
- management of spillages and cleaning regimes
- effective matting systems
- choice of suitable footwear
- design of workplace and work activities
- maintenance of plant and the work environment
- specification of appropriate flooring
- housekeeping
- effective training and supervision

The risks are most often present due to poor management control. The key steps to managing risks from slips and trips include:

- clear company policy on how risks from slips and trips will be minimised
- clear organisation and structure, to implement the policy
- implementation plans, including standards and targets
- performance measurement, against the plan
- progress review and remedial action on deviation and slippage
- audit and, where necessary, corrective action on the whole programme.

Further information

Visit HSE's 'Slips and Trips ' website at:
www.hse.gov.uk/slips

Feature: *'Taking slips and trips Seriously'*
An article by Paul Beaumont, manager of the HSC Slips and Trips programme, outlines why you should address slips and trips and how to do so effectively.
- available as a downloadable file [PDF 24kb]

Slips and trips speakers pack
Free HSE Slips and Trips "Speaker's Pack" Each slide is supported by speaker's notes.
- available as a downloadable powerpoint presentation [3.2MB zip file]

Priced Guidance

Slips and Trips: Guidance for employers on identifying hazards and controlling risks
HSG 155 HSE Books 1996
ISBN 0717611450

Free Guidance

Slips and Trips: The Importance of floor cleaning [PDF 60kb]

The assessment of pedestrian slip risk: The HSE approach [PDF 105kb]

Preventing slips and trips at work
INDG 225(rev1) [PDF]

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