

The power of nine

Nine West Midlands companies are networking and winning business both individually and for other members of the group. Andrew Allcock went to discover the secret of their success

Assembled at the Birmingham Chamber of Commerce building, the nine members of the Midlands Assembly Network (MAN) seemed more like a group of old friends; the banter flowing freely and easily. Casting their eyes over the recent local press coverage, it is clear that the group is feeling in buoyant mood. But MAN chairman Graham Robinson, managing director of Barkley Plastics, quietly confides: "We've been through a lot of pain to get here."

MAN has its roots in a co-operative supplier network established almost three years ago with the support of the Midlands Accelerate initiative. Its initial strength – external management via an independent consultant that brought the idea from Wales to the West Midlands, and who got suppliers together – ended up being its weakness. There was no buy-in from many of the suppliers so they had no sense of ownership.

However, in its third year the group is

now self-managed, theoretically seeing a group chairman appointed from each of MAN's nine companies for a period of six months – although Mr Robinson has already exceeded this and is likely to continue for a while yet.

WINNING WAYS

The positive ambiance and good humour is doubtless a reflection of the success that the group is now having under this self-managed structure; the member companies have collectively won orders to the value of £8 million over the past year, creating 50 extra jobs.

So what companies are in the group, what is it that makes it successful, what rewards does each get and where is the group heading now?

Group members today are Barkley Plastics, Power Panels Electrical Systems, Barton Cold-Form, Wrekin Circuits, Advanced Chemical Etching, Westley Engineering, Brandauer Precision

Pressings, Alucast and FW Cables (see box below for more detail).

Four of the companies have been with the group since its inception – Brandauer, Alucast, Westley, and Barkley. FW Cables and Barton Cold-Form were in for the first year but not the second, while Advanced Chemical Etching, Power Panels Electrical Systems and Wrekin Circuits joined in the third year – the most recent joiner being Power Panels. Other companies have come and gone.

Only two of the nine had not worked with the Accelerate initiative before over previous years – Alucast and Wrekin Circuits.

Accelerate project manager Pete West explains that from the outset the target was to have a group of 10 companies working together with the sole purpose of delivering an assembled product to an OEM. "Ten companies were recruited to the group in the first year, same again in the second [by a consultant]. But after

Who's who?

Advanced Chemical Etching – chemical etching of flat components and forming of flat components; turnover £2 million-plus; employs 36.

Alucast – casting (gravity, sand, pressure die casting) and machining; turnover expected to be £9 million this year; employs 155 over two sites.

Barton Cold-Form – cold formed parts such as fasteners; turnover £9 million this year; employs 100.

Barkley Plastics – a moulder and toolmaker; £6.5 million turnover;

employs 108.

Brandauer Precision Pressings – precision pressings; £8.5 million turnover; employs 75.

FW Cables – manufacture of wiring harness assemblies plus electrical and mechanical sub-assemblies, prototypes through to full scale production, have offshore partnerships to support cost-effective production; turnover £2 million-plus; employs 50.

Power Panels Electrical Systems – designs and builds complex electrical, electromechanical, electronic and pneumatic control systems for Original

Equipment Manufacturers (OEMs); only has 15 customers, nine of them are world number one in their industry and the others are in top three; policy is one customer per market segment; almost £20 million turnover; employs 108

Westley Engineering – design and manufacture of medium to large press tools and the manufacture of pressings, £2.5 million turnover; employs 30.

Wrekin Circuits – bespoke printed circuit board producer, imports production volumes for customers, but this is limited; £2.5 million turnover; employs 36.

the second year, the feeling in the group was that not all companies were benefiting as much as they could or should, for various reasons. Essentially it was left with the consultant to take the lead rather than the companies.

"However, after the second year a couple of MAN members approached me with a view to running the group themselves," Mr West explains. "So the main difference between this third year and before, and the reason for its success I believe, is that the group now manages itself with co-ordination via me, Graham Robinson [Barkley Plastics] and Tony Sartorius [Alucast], with money flowing straight to the companies. The impact has been huge compared with the previous two years."

Buy-in at managing director level in this third year is also of major importance, underlines group chairman Mr Robinson, with all participants now keen to make MAN work.

This year total funding available to the group is £100,000 – that's £50,000 from the companies with each pound matched by Accelerate. It's a similar amount to previous years but with the difference that the consultant's fees are nil, of course.

OPENING DOORS

Indeed, this year some £70,000 has been spent on marketing collateral such as website development, rebranding, a new brochure, UK and overseas exhibitions, a new exhibition stand, plus any individual business needs such as overseas sales and marketing business trips allied to business growth. This individual support is also important, it too benefiting the group.

"The great thing is, as a group, whenever each company is in front of a potential customer he is not only selling his own company but also MAN," explains Mr West.

"It helps to open doors," adds Westley Engineering director Gerry Dunne. "Essentially, after you have explained your own company's capabilities, potential customers, certainly the larger ones, like

to see that you do more than that. When they find that you work in collaboration with a network that offers a variety of expertise, it demonstrates sustainability for our company and also makes them view us differently when considering future projects."

And, adds Advanced Chemical Etching's European sales manager, Ian Wiles: "You obviously do promote your own company first, but as an aid you are using the network for further business and you cannot be sure what comes out. But this diverse way of selling has worked very well."

This selfless cross-selling element is a major aspect of the group. Accelerate, as part of its AutoZone activity aimed at winning business from Europe for West

Midlands suppliers, and which Mr West heads up, organises 'Meet the Buyer' events. "Steve Gaston, a sales engineer working for FW cables, came to the event having just two appointments but spent the rest of the day seeing as many buyers as he could with his MAN hat on, selling the network.

"It's the same at the shows – Stuttgart in May last year [year two], for example. It's a bit intimidating for visitors to see 10 people on a stand, so we try not to have more than three of the group around at one time. But Gerry [Westley Engineering] was on the stand when someone came to see Tony [Alucast], who wasn't on the stand, so Gerry sold Alucast – he doesn't even work for them. The way this works for the group is



phenomenal," Mr West stresses.

Similarly, if a group member receives an enquiry that doesn't fit its business, rather than "throw it in the bin", it is now passed on to another member where the fit is better. But even if it isn't right for that company, it can still lead to an introduction and future work.

In another instance, Barton Cold-Form got a second bite at the cherry after its initial price was rebuffed because Westley Engineering's Mr Dunne had an established relationship with the customer and advised Barton Cold-Form that the door was still open but that there was work to do on price. "Normally all you hear is that you haven't been successful when you're a potential new supplier," says Mr Dunne. The result was a £300,000 win for Barton.

A more recent initiative has formalised this with each group member nominating five of its customers as being the most likely prospects for other group members, with the various managing directors effecting an introduction.

EXTENDED REACH

Group companies are also set to benefit from Barton Cold-Form's Polish office. First Barton and Brandauer got together, establishing a joint sales activity, which is now bearing fruit, but now enquiries are being fed to the group as a whole.

In all of this it is important to note that none of the companies competes – that wouldn't work, says the group. That's why the 20 or so companies clamouring to join MAN are likely to be disappointed, says Mr West.

So, with £8 million pocketed in this third year and an additional 50 employees, were there any big wins in the first two years? The response is mixed. Some won business, others did not. But even so other positive benefits are cited.

"While one or two companies got something out of it, we got nothing," says Westley Engineering's Mr Dunne. "What I did get out of it, however, is knowledge about how other companies work. I have been able to visit and discuss with individuals areas of expertise that they



Left to right, back three: Graham, Robinson (Barkley Plastics); Ian Wiles (Advanced Chemical Etching), Tony Hague (Power Panels). Middle three: Tony Sartorius (Alucast), Pete West (Accelerate), David Spears (Brandauer). Front four: Gerry Dunne (Westley Engineering), Andy Watts (FW Cables), Simon Wells (Wrekin Circuits), Paul Southgate (Barton Cold-Form)

had that were relevant to us. A recent example was with press setters – press setters never run presses fast enough. I have agreed with Brandauer that we send our setters there to pick up their knowledge and, similarly, Brandauer's setters come to us, where we run larger pressings.

"We've got TS16949 accreditation and Brandauer went for this too, so our two quality managers have been able to get together and discuss this. Another example is with our move to a new factory. I wanted to push 5S to a new level and as recently as yesterday one of our senior engineers visited Brandauer while they did an internal 5S audit." Such close co-operation would have been unthinkable in previous times, he adds.

And Mr Robinson instances another positive information sharing aspect, this time relating to onerous terms and conditions to which his company was asked to sign up. A few telephone calls to other group members already working

with the same firm revealed this not to be a 'deal breaker'.

Elsewhere, when group members see others making use of things such as the Manufacturing Advisory Service, they are more inclined to give these initiatives a try. It's not that they are unknown to the companies but, as Alucast's Mr Sartorius offers: "I knew about it [MAS] but had some reservations. After I saw the process in action at Barkley Plastics, I took four or five of my guys out of production and committed time to training. I had to employ temporary staff but my guys gained a massive amount from the exercise, giving them more confidence that they could take positive action on the shopfloor knowing that they had the support of management."

Power Panels Electrical Systems in particular is a beacon of excellence in the personnel development area and a resource that others are keen to draw upon, it is highlighted. It was one of the attractions of this latest member for

other group members, but it also deals with world-class companies with which the others in the network hope to do business. Additionally it is a company that delivers complex assemblies rather than components. As for Power Panels' managing director, Tony Hague, while his company networks elsewhere: "MAN is unique: nine senior people round a table, non-conflicting activities, all looking out for business for each other," he offers.

As for the initial ambition three years ago, the group is still waiting for the big assembly project where a majority of group companies are involved. To date the maximum number of companies involved in a single project has been two. That is partly because at various opportune moments, the group members at the time could not offer a complete solution and so required outsourced processes which made the

offering unattractive on price.

That said, Mr Gaston of FW Cables offers: "It's slowly, slowly, catchy monkey. If you're not careful, you can sound like Del Boy. You know, and I can do this, and this... It is about establishing a rapport and then introducing other group members.

"I've been working for two years with a company on a new design of home entertainment system, for example. People are due to come to our company to discuss this and I know that there is business potential for five or six companies within the group."

There is also potential for half a dozen of the group to work on an automotive door handle required by Huf Group. Huf is already a Barton Cold-Form partner in Poland. Accelerate's Mr West visited Poland and met Huf's buyer, subsequently inviting him to a 'Meet the Buyer' event in

the UK where the handle project emerged and the connection with MAN was made via FW Cables' Mr Gaston. It should be said that the group never envisaged all collaborating on a single order, however.

As for funding, this may very well be the last year the group benefits from Accelerate money and the future is uncertain. However, it is unlikely to mean the demise of MAN. Indeed, Power Panels' Mr Hague says he would have joined the group even if there had not been any funding available.

The companies now seem set to travel onwards together, with expansion of their number via selected European companies a consideration.

MAN is, perhaps, now best described a 'company' of some £60 million employing over 550 – viewed in those terms its power and reach can be more clearly appreciated. □



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