

# Green payback potential

**Bidding for an Olympics 2012 contract means being 'green', among other things. Rodmatic's managing director, Brian Steatham, ponders the requirements and explains a potential benefit**

If any company, even a small precision part sub-contract machinist such as Rodmatic employing 56 people at Reading, wants to win one of the 75,000 supply chain contract opportunities for the London 2012 Olympic programme, it has to demonstrate it is 'Fit to Supply' as part of the Tendering Programme. Green thinking is high on the agenda.

But is this the thin end of the wedge? Could this be the start of a trend to level the playing field that could put low cost countries on the back foot in the future? If they can't, or won't, comply with the various contractual issues such as quality, tackling discrimination, valuing diversity, health and safety, and the environment, contracts might be placed elsewhere.

Sub-contract machinists in the UK are between the proverbial rock and hard place, facing rapidly rising costs to run their businesses and ever tighter regimes from customers imposing cost-down targets.

Most customers are reluctantly accepting the need to contribute to the unprecedented rise in material costs as they really have no option. However, they will rigidly resist taking into account



other influences to pricing such as energy price hikes to the order of 40 per cent over the last 12 months and consumables, such as neat cutting oil, that has risen by 90 per cent in the same period.

Rodmatic has set down an investment programme for new and replacement equipment but we have also embarked on a mission of cultural change throughout the company that involves 'green issues'.

At our 28,000 ft<sup>2</sup> premises in Reading we have been able to maintain status quo on energy costs by off-setting the price increase and upgrading services to the machine shop. For instance, a new compressor has saved us almost £5,000

in its first year; improved heating has saved over £1,200; progressive replacement of motors on our 38 multi-spindle autos rather than rewinding, saved a further £1,200; and as a result of collating and analysing electrical data and usage patterns, we are now saving almost £3,000 a year.

For 2009 we are implementing oil mist extraction for all machines and introducing direct neat oil supply which is calculated to be self-financing over 18 months. It also improves the machine shop environment – today, oil in the atmosphere and on the floor is not only a health and safety issue, it is throwing away liquid gold.

As the tendering demands for London 2012 already dictate, should low cost countries start to face environmental issues, together with the growing costs of running a business, the influence of market forces and inflation, the price of a developing society and the desire for Western values, let alone rising transport costs, I believe this will bring about a new dawn in the world of manufacturing. This could be the ideal scenario on which the UK can capitalise. □

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**CERATIZIT UK Ltd.**  
Cliff Lane, Grappenhall  
WA4 3JX Warrington  
United Kingdom

Tel.: +44 1925 261 161  
Fax: +44 1925 267 933  
E-Mail: [info.uk@ceratizit.com](mailto:info.uk@ceratizit.com)

[www.ceratizit.com](http://www.ceratizit.com)

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