

Investment + focus = success

Investment in state-of-the-art technology wasn't enough for Carlton Laser Services. It needed to choose its customers carefully and offer a greater breadth of service. It has, as Andrew Allcock discovered

Awalk round Carlton Laser Service's Leicester factory will tell you that the company is very busy. The stacks of work in progress on almost every available empty bit of floor space tell the story and underline what managing director Dennis Kent says: that the company is bursting at the seams.

But the picture a few years back was very different, as he explains. "A couple of years ago with manufacturing at an all time low, we were facing challenging times. Business wasn't coming in and any that was we were fighting for and margins were very poor. This was even though we'd invested in all the latest kit."

Indeed, he still believes the company's automated sheet metal processing investment to be unique in the sub-contract sheet metal business. Around five years ago, it installed two Bystronic lasers (Byspeed and Bysprint, both with 1615 x 3330 mm capacity) and a Pullmax 6000 punch press, all fed by a 50-pallet material warehouse.

But even with this investment, Mr Kent was faced with four choices: close, sell, merge or "grow ourselves out of the problem – grow sales". It was the last one that was chosen.

SALES ANALYSIS

"When we analysed our sales, we found that we had quoted some £10 million of business. But what was really annoying and disturbing was that we were getting just 20 per cent of that, turning over £1.9/2.0 million.

"This really made us focus. We undertook an in-depth analysis of sales to see what work has got a good margin in it, what were the growing markets and

where we could add real value. We made our sales team more accountable by getting people to follow through and find out why we weren't successful. That's really paid dividends. We haven't dropped our prices, but have targeted particular customers, both new and old."

The company focused its efforts on those companies with at least £5 million spend – customers that would be too large for the smaller sheet metalworking companies who might still be able to compete on price, but not capacity or overall professionalism as demanded by this size of customer.

Such customers also provide a steady schedule of work, plus they offer the opportunity of a complete work package, not just high volumes of individual components, punched or laser cut. "These companies don't want to receive a kit of parts for their cabinet, they want a finished cabinet. So while we will continue to produce components, we now also offer a complete package for those customers that want it," explains Mr Kent.

With existing companies, current work remained component-based, but new work was approached on a complete package basis. For new customers, the approach from the outset was to offer a complete package, "the one-stop shop". And rather than market itself as a specialist enclosure manufacturer, the company has broadened this to include any box-like sheet metal construction. "All sorts of industries have opened up to us," Mr Kent says.

For example, one customer, who is now an almost £1 million/year client,



supplies cameras in housings for use in the food industry, for sorting rice in this particular case. The housing is just another form of box. But the assembled box has very tight tolerances – 0.1 mm in 3 mm thick material – and three years ago, Carlton would not have entertained the order. "But we said, if that's what the market wants, then that is what we are going to have to deliver." So the company dedicated a cell to fabricate the 7 ft long assembly and worked with the customer to achieve the desired result.

This breadth of service is supported by the complementary Peachmay Sheet Metal side of the business which has been brought on to the same site as Carlton, giving a combined employee count of 55. Peachmay is a fine limit sheet metal work company, but rather than present the two companies' services



Mr Kent says that over the past 12 months, the company has added another £1 million-plus to its turnover.

"Having now won this extra work and improved our hit-rate, we are now focused on hanging on to that work. Added to this, some of our customers are asking how we will cope with the extra volume that they can put our way," he explains. So the company is about to expand into the adjacent building to double the size of the current 18,000ft² facility.

The expansion will be a 'slow burn', initially relieving the pressure on the existing facilities before installing more equipment. But an investment that is already on the cards is robotic bending as this is a bottleneck operation for the company, while another punch press and 5 kW laser with handling systems is also on the shopping list.

A more novel approach to be taken, however, includes involving its customers in shaping this investment. The intention, says Mr Kent, is to invite existing major customers to the new, empty facility and literally ask them what

they would like to see in there. "We will tell that we will set up to serve their needs and say to them, 'so what, Mr Customer, would you like to see in this new area?'" And the same approach will be employed with new clients. Once again, they will be invited to the new workshop and told that the company has space and can

invest to support their requirements.

But a cautious approach will be taken as a single automated punch press, for example, costs around £400,000.

However, the intensity of investment required will probably see a move away from purchasing plant with a view to owning it and towards leasing. This will also allow the company to replace its equipment more frequently in general, Mr Kent adds, and so benefit from advancing technology.

MORE THAN INVESTMENT

Yet remaining competitive will not only be a function of bringing in more efficient plant. "We've looked at cycle times. We're pretty slick at that now, maybe we can knock a second or two off here and there, but what we're looking at now is up front planning.

"We're looking to get our lead times down – we want to chop a week or 10 days off of them. In individual areas, such as laser cutting, our lead times are low – between five and 10 days – but we think we can get two or three days out of that. For fabrication, where the lead times can be three to four weeks, we want to take out a whole week. Some will come from reducing quotation times, the time to process orders, and CNC programming times."

And the company has already upgraded its Radan estimating, 3D modelling, programming and nesting software, in fact, and totally modernised its accounts software. But all areas of waste are to come under the spotlight, and to help with this cause, Carlton has called in the Manufacturing Advisory Service (MAS).

And just as with its investment in automated technology those few years ago, it looks like the company is blazing a trail in this area, too. MAS cannot come up with a similar company for Mr Kent to visit or compare with, so it looks like he is the first in this sector.

"I'm a great believer in getting a fresh eye on a problem and having people question us," he adds. "It's only that way that we begin to question ourselves and ask just exactly why we are doing something that way." **M**

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**Dennis Kent
managing director
Carlton Laser Services**

separately, the approach is to ask customers what they require and deliver it, says Mr Kent. And which ever is the customer-facing firm – Carlton or Peachmay – the other effectively becomes a sub-contractor.

And it has paid off. The company's quote hit-rate is now 47 per cent, while