

Manufacturing, but not like before

HK Technologies has refocused its product offerings to match the changing UK market. Managing director Nigel Bunt explains all to Andrew Allcock

“The UK can compete, but not necessarily by using the same techniques or equipment used in the past,” says HK Technologies’ director Nigel Bunt, from the company’s new Glebe Farm Industrial Estate premises in Rugby.

And he believes that the backbone of UK manufacturing will be a band of SMEs that are “very flexible, really professional and undertaking high levels of high-technology investment.” These SMEs include both those with their own products and contract manufacturers.

“The large tier 1 companies will stay in the UK, but will focus

on core component production. However, even this may diminish with car companies, for example, placing out what would previously have been considered core parts, such as camshafts and crankshafts.”

But when doing so, he doesn’t believe such companies automatically look to China. “I believe that people evaluate UK, Eastern Europe and further afield, but that one fix doesn’t suit every condition. One company I know has multiple sources – one in UK, one in Poland and one in China.

“But the UK company had to be competitive. In this case it has ordered

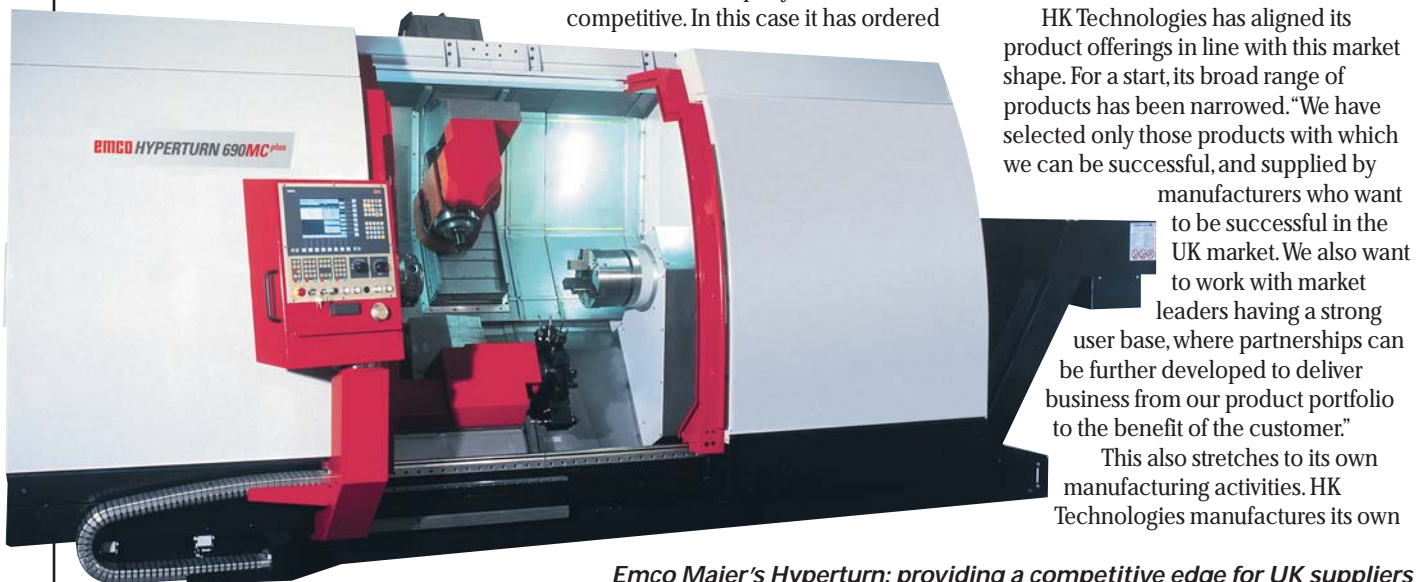
an Emco Hyperturn mill-turn. And this is a good example of what I think will happen: high volumes of relatively simple parts will go to low-cost countries, but the lower volume, more technical work will stay in the UK.” Emco is one of the key HK Technologies products.

And Mr Bunt says he is currently seeing a type of investment that he “hasn’t seen for a long time” – technical investment to make sure a company can compete. This is in contrast the new-project-driven investment, typical in the past. And it is the SMEs that are investing rather than the tier 1s, he adds.

HK Technologies has aligned its product offerings in line with this market shape. For a start, its broad range of products has been narrowed. “We have selected only those products with which we can be successful, and supplied by

manufacturers who want to be successful in the UK market. We also want to work with market leaders having a strong user base, where partnerships can be further developed to deliver business from our product portfolio to the benefit of the customer.”

This also stretches to its own manufacturing activities. HK Technologies manufactures its own



Emco Maier's Hyperturn: providing a competitive edge for UK suppliers

laser marking equipment: indeed, it is a market leader in the UK and exports, too. "We have a lot of repeat business with our laser markers, and with Emco." And those are described as two 'jewels in its crown'.

"Along with the other jewel in the crown, Mitsubishi EDM, we have three strong building blocks for our other products which are relevant to the same user base." And HK is celebrating early success with Mitsubishi. "Following the previous problems of the representation of Mitsubishi, we originally targeted to stabilise the user base support in the first 12 months with growth starting in 2004, but last year we sold a number of machines, with three orders coming in November" Mr Bunt reveals.

But while these three products might be considered its volume end, it also has strong products in more specialist areas, highlights Mr Bunt: Mecof milling machines, Thielenhaus super-finishing machines, Kapp and Niles profile gear grinding and Boehringer turning machines.

"Very often there is a strong complementary relationship between the high-volume and the low-volume products, the high-volume products opening the doors for the others."

SECTOR SPECIFICS

Turning to sectors, mould and die/toolmaking is a large one in which Mitsubishi, Mecof (milling and styling machines) and HK's rapid prototyping (RP) offering – Objet Geometries and Arcam – claim ground. And Mr Bunt observes changes afoot. "In this sector I see companies of varying sorts grouping together. I see RP companies becoming toolmakers and toolmakers become RP companies. I'm seeing pattern makers become stylists and toolmakers – basically, there's an emergence of multi-functional 'time compression' companies."

But selling RP technology to mould tool makers is difficult and he believes its take-up by that element will be driven by end users that see the benefits and then demanding it. If they are too slow, however, companies with their roots in RP

may steal a march.

Medical component manufacture is another strong sector, and Thielenhaus, Emco, Esco and HK laser marking technologies find a target here. Automotive investment has been weak in 2003, offers Mr Bunt, but motorsport has been strong, once again with laser marking particularly cited. "Parts have to be identified. Indeed, we have some companies where every part on the car must be identified."

Aerospace has not traditionally been a market for HK, but this is set to change. "Mecof has been having some success in the aerospace sector in France and Germany with its AirOne and Prima high-speed, linear motor-driven machines and we believe that there is potential in the UK with these products." Arcam CAD-to-metal RP also has an aerospace attraction because of its ability to generate titanium parts, Mr Bunt says.

But while admitting that many suppliers will identify these types of high profile, easily identifiable sectors, he offers that the most difficult to identify is the general SME that supplies into many sectors. "The precision machinists, as I call them, and where their requirements are across a broad front," offers Mr Bunt.

As it happens, Mecof has also broadened its offerings to take in machines aimed at the more general machinist with its new Precisa range. While another existing product that is believed will provide a broader opportunity is Esco coil-fed automatics.

HK's managing director believes that there is a proportion of work currently undertaken by sliding-head machines which can be better produced on this technology, which is now fully CNC and so delivers both high performance and flexibility. The new 12 mm diameter machine launched last year will support this wider application, he adds.

Emco double-spindle machines can also provide a solution to some existing sliding-head work forming a bridge between single- and multi-spindle requirements. Contract manufacturer FACTS Precision, Glenrothes, Fife, now has six such machines.

Agency representation

Arcam - rapid prototyping
Boehringer - turning
Emco Maier - turning
Esco - coil-fed turning
Famar - inverted VTL
Hembrug - high-precision turning
HK Lasers - laser marking
Kapp - profile grinding
Lang - engravers
Maus - VTL
Mecof - milling
Mitsubishi - EDM
Niles - profile grinding
Objet Geometries - rapid prototyping
Stähli - flat honing
Thielenhaus - superfinishing
Willemin-Macodel - milling

Yet another contender for sliding-head work is the bar-fed, five-axis Willemin-Macodel small, precision milling machine with turning spindle. "How much work now undertaken on sliding-head machines is milling work? Users would say 'more and more very day' – complex parts, particularly medical parts are a target for this machine," suggests Mr Bunt.

"So we have identified the market sectors that we think will develop in the future and have assembled products of a complementary nature to serve them. And because we are targeting high technology applications, we are focusing more on selling solutions and not on products."

Indeed, during the restructuring of HK Technologies last year, the company's managing director highlights that neither service nor applications strength was diminished, rather the opposite, he says, with the company now looking to boost recruitment in these areas. Currently nearly 50 per cent of the company's 35 employees are in these technical support functions.

So if HK Technologies looks different this year, it's because UK manufacturing too has changed. **M**