

Traditional strength

Cold forming is a 'traditional' UK industry and has been under attack for years. But there is one company that is expanding and building a new factory. Intrigued, Andrew Allcock went to find out more

It is surprising to hear about a substantial UK-based investment being made in what would be considered a 'traditional' manufacturing industry, that of cold forming. But automotive-focused Barton Cold-Form of Droitwich, Worcs, will start to move into its new £4 million factory next month. The fastener making company has won support to the tune of £100,000 from regional development agency Advantage West Midlands and £30,000 from automotive supply chain initiative, Accelerate – but it still represents a large spend for the 117-employee business.

This latest investment reflects the company's consistently strong performance since a management buyout some seven years ago. When the three current directors – all of them long-standing employees – took over the formerly family owned business, it was turning over £3 million. In its last fiscal year, ending July 2006, the company had sales of around £9 million from similar workforce numbers. Exports have grown to 20 per cent and are expanding strongly: "We have got some serious contracts in Eastern Europe and we also sell to China," reveals managing

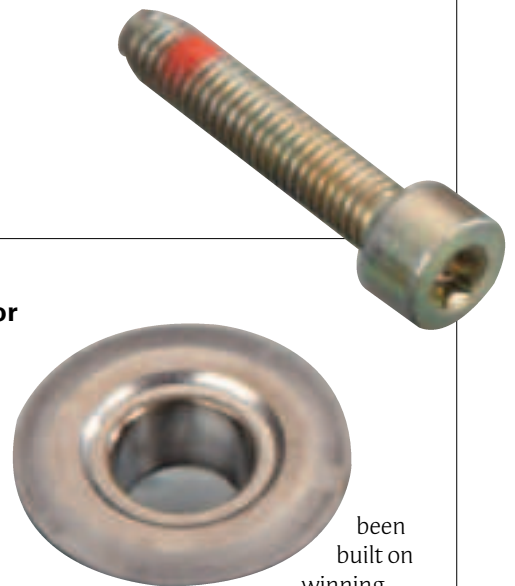


Paul Denning on site at the building works for Barton Cold-Form's new factory

director and pre-MBO technical sales director Paul Denning. Indeed, the company has received an order from MG Rover purchaser Nanjing Automotive Corporation for valve spring retainers (a part it made for MG Rover).

WHAT DO YOU WANT?

"We have achieved this success simply by asking our customers what they wanted us to supply, rather than us making what we thought they wanted to buy, which was our traditional approach," he explains. And in parallel with this, management policy is aggressively expansionist compared to the previously cautious approach, he adds. The company's growth has

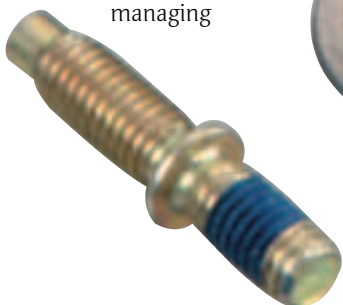


been built on winning

more work from existing customers – with new products – but new customers also feature. "We are constantly out there getting new business today because we know that if we don't it will affect us tomorrow. There's normally a two-year gestation time for new business." And more profitable new business also offsets cost-down effects on the profitability of existing work, he offers.

"We used to be very proud of going round the industry and saying that everything that we sell, we make ourselves, which wasn't what customers wanted; they wanted a bigger portfolio of products. So, first, we got involved in prototyping by buying into Auto Technology, a Nuneaton-based CNC machining company and which now make parts for us. Next we invested heavily in new cold-heading machines, our primary process, and then in automating our secondary operations department, which was very labour intensive."

The prototyping service is a clear requirement for a company that only makes specials – and that has done so for 20-odd years, in fact. One of the major investments was a £1 million, 20 mm diameter capacity Nedschroef cold-heading machine – the only computer controlled machine of such size in the UK – which immediately doubled the company's wire diameter capacity. As Mr Denning, explains, without being able to offer the larger capacity work, associated smaller work was often lost too. Apart



from manufacturing, the company also buys low cost fastener products where necessary to provide a full portfolio of products for its customers. It spends £1 million in Taiwan, for example, and this same relationship allows it to benchmark itself against China/Asia prices.

In the second operation department, the company has installed six, bowl-fed Takamaz lathes in place of manually operated special purpose machines. Again, very few companies in the industry have machines like this, emphasises Mr Denning. "They are slow, but CNC machines are easier and faster to set [than special purpose], while the quality is second to none."

And so the headcount in this department has fallen from 30 to around eight, with the people redeployed to support the assembly department – assembly is another post-MBO departure. "Prior to this, we were making 'widgets', now we bring in pressings and assemble them which brings added value into the business." In fact, the company will buy the majority of parts for an assembly, just supplying the fasteners. "One thing I am promoting to customers is that it is the fastening company that has the expertise to join parts together. This is working well for us. Typically the pressings company would be given this task, with any joining problems being referred to the fastener firm. We are the fastener firm."

Added to all that, the company offers a direct-to-line feed service to its exclusively first tier automotive customers. Indeed, Barton worked with Kardex to develop a line-side storage system to support direct-to-line feed at car seat maker Johnson Controls. "The Kardex system is better than that of any of our competitors and I want to promote this more widely," underlines the managing director.

In fact, Barton Cold-Form is car seat maker Johnson Controls' UK lead supplier



Fasteners; not new a technology but not one that's going to go away anytime soon. Barton Cold-Form has grown from a £3 million turnover firm to a £9 million one in seven years

and one of just five direct suppliers to the company in Europe. Johnson whittled its supplier numbers in Barton Cold-Form's product area down to just five from 300. Now Barton Cold-Form has been awarded the same status in Poland and Slovakia where it will supply Johnson Controls' local factories via a distribution facility that it is setting up – local manufacture is not envisaged.

PUSHING THE ENVELOPE

"Cold forging is a very old process, and there are strict parameters that govern what can and can't be done. We are pushing the barriers all the time by working with some UK-based companies who make excellent tooling. For

example, the maximum extrusion rate is typically around 60 per cent in a die; we have pushed that up to 90 per cent by 'playing around' with tools and tooling materials. We are taking on jobs that other people say can't be made, so that's why we're getting the business we get because we are pushing the technology all the time."

While external toolrooms are used, the company does have its own in-house toolroom which makes the vast majority of its tools. This provides competitive advantages, as Mr Denning highlights: it not only keeps key knowledge in-house, but in supporting extremely fast tool repair/modification turnaround it also enhances customer service. As a





department, in strict cost terms, it probably doesn't make sense, but its support is pivotal, he says.

With the cold forming knowledge residing within the company and its many long-serving employees, the company's in-house resources would be difficult to duplicate or find anywhere. He adds that as cold forming is not on many if any syllabus of any educational establishment in the UK, the pool of specialist knowledge is not likely to grow in the near future. The company is, however, an enthusiastic supporter of training in general. "We put a lot of work into training. Not just technical or business, but if someone wanted to go on a knitting course, we'd pay for it. We firmly believe that if people are training their minds, it benefits the business." And the ethos in the company is very much on solving problems at the lowest level possible, not referring everything up the line, while contact with customers is made directly by shopfloor personnel, if required, not just a select few, as was once the case.

The self-improvement ethos is applied to the company as a whole, too.

Throughout the past six years, Barton Cold-Form has worked with Accelerate in supply chain improvement activities, first with its customers and subsequently running its own supply chain improvement network for its own suppliers. Activities included lean manufacturing (5Cs + 7 wastes), raw material storage improvement, assembly line balancing, support for its first CNC lathe investment, and improved component washing. No wonder that Barton Cold-Form was an Accelerate Award winner for most improved small company in 2004, and was shortlisted in 2002 and 2003.

The move to the new factory will bring its own benefits with a better working environment and more efficient factory layout. Accelerate is supporting the design of the factory layout to support efficient working. The current factory is a bit of a 'rabbit

warren', admits Mr Denning who says he is not inclined to invite OEM customers, who themselves typically have spotless sites, to the current



factory, but will enthusiastically welcome them to the new facility, which will be on a par with their own.

LOOKING THE PART

The 53,000 ft² factory, which has a striking frontage and is nearly a third bigger than the existing plant, will boast environment friendly features such as low energy lighting and compressors, and efficient water usage – while the split between dedicated office space and an open plan manufacturing layout will support efficient work flow. Specialist units will be set-up in a cells, with managers overseeing all operations.



"It will be great to have everything on one level and virtually within view of everyone on the shopfloor. In addition to improving communications, it will also allow our employees to see how each process works and their role in making it happen," underlines Mr Denning. He believes that the new factory will be able support a turnover of £18 million and the aim is to grow turnover by £2.5 million in the 12 months from September. In fact, as of September this year, since November 2005 new business valued at £3.5 million has been sold in anticipation of the new factory.

"The business is there to be had if we want it. There are people in Eastern Europe struggling to get suppliers and there is no reason why parts can't be made in the UK – we're no more expensive than Germany or France or Spain, and they're selling out there already." An old process it might be, but "cold formed parts will always be required", stresses the managing director.

Selling, improving and investing are the company's lifeblood. "It has been a criticism of British industry that it doesn't invest. We have invested an awful lot in this business – £2.5 million on machines alone in seven years – and we will continue to do so.

And we will also continue to sell, another weakness of British manufacturers. If you don't sell, you'll disappear; and if the market's not in the UK, you go wherever it is and get the business. This company was static for years at about £2-3 million turnover. Nothing changed, quality or efficiency. The only way to improve is to 'sweat the assets' and then people have to think of a better way to do something," the managing director concludes.

It is a formula that has clearly worked and one that has put the company in the "top five or six companies" now in the UK and in the "top two or three" when the company hits the £18 million turnover mark. All due to 'traditional' manufacturing married to a forward-thinking management style. □