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Q10 TALKING HEADS

IN THE SPOTLIGHT: Ben Fountain poses the questions to Gary Howse, MD, PartnerTech UK

Gary Howse is managing director of PartnerTech's UK operation which includes a state-of-the-art rapid prototyping printed circuit board and full system assembly service in Coldham's Lane, Cambridge.

Gary has worked in the electronics industry for over 30 years mainly with OEMs but for the last decade in the contract electronics manufacturing sector. He began his career as an electronic engineer and has worked in most disciplines within manufacturing and has experienced many economic highs and lows.



1) You recently announced a fairly significant investment in your Cambridge operation. What was the rationale for this, given the current economic climate?

We have recently added a new surface mount line and automated optical inspection equipment at our Cambridge facility. Over the past 12 months we have been seeing increased demand for fast turnaround prototype and pre-production requirements.

For over a decade, we have been providing design consultancies and product companies with a local, flexible, fast turnaround PCB prototyping and small to medium volume system assembly service. The new equipment will ensure that we have the capacity to maintain and improve the fast turnaround times and flexibility that our customers demand.

2) How do you expect the economic downturn to impact on your business?

We will undoubtedly see some impact across the business over the next 12 months or so and like all companies we will continue to keep a very tight reign on our own cost base without compromising the high quality service that our customers expect.

Unsurprisingly, it is during tough economic cycles that businesses often first look to partner with contract manufacturers as a way of improving their cost competitiveness and to speed product time to market. We believe that we are well placed - we are financially stable and have a complete product lifecycle offering - to benefit from the growing trend towards outsourcing. At present, we are growing our share of a relatively flat market.

3) As a Cambridge manufacturer you are something of a rare breed. In what ways has your location informed your strategy?

Clearly, there are significant benefits of being based in a major high technology cluster with a large number of electronics and technology firms within close proximity of our facility. Because of this, we have kept the focus in Cambridge on very fast turnaround PCB prototyping and low/medium volume system build.

Being local means we are able to pay close attention to our customers' needs, and, for the most part, the teams can meet face-to-face to discuss design changes, which is very useful during the early stages of a project.

Importantly, we can then provide customers with a gateway to our larger UK production site in King's Lynn, Norfolk, or for those that want an offshore option, to transfer production to one of our low cost volume manufacturing facilities in either Poland or China.

4) How has your market and your business changed over the past 10 years?

Ten years ago, we were in the midst of the dotcom boom (soon to be bust) and there was accelerated spending in preparation for the Year 2000 switchover.

Demand for contract manufacturing was on the increase as 'virtual' companies clambered to get products to market and take advantage of the boom times.

Outsourcing to a contract manufacturer was still broadly tactical and the range of outsourcing services was fairly limited.

Fast forward 10 years and outsourcing has become a strategic activity, with product owners relying

on their contract manufacturing partners to serve as complete technology and service partners.

5) In what areas/segments are you seeing the biggest growth?

We are certainly seeing an upsurge in demand across our key markets for our fast turnaround PCB prototyping service - hence the investment in the additional equipment at our Cambridge site, which is one of the largest and best equipped new product introduction facilities in the region.

Generally we are seeing some growth in medical, aerospace and defence business. However, we are not over reliant on any one specific market sector but rather focus our efforts on a number of different segments including point of sale, medical, instrumentation, industrial, defence, aerospace, maritime, IT and cleantech.

Having recently gained ISO 13485:2003 medical certification, we would expect to see some additional traction in the medical market in the next 12 months.

6) What are your biggest challenges going forward?

Customers are increasingly looking for an outsourcing partner to assume total responsibility for the complete product lifecycle, and therefore they look for a partner with a broad range of services, including product design/ development, prototyping, NPI, test solutions, printed circuit board assembly, full system build, logistics, distribution and after sales.

Our challenge is to ensure that we continue to invest in improving our service offering and change to meet new requirements and technologies during this difficult

economic period.

7) What would you highlight as your biggest achievements as a company so far?

We have grown steadily from a small/medium sized UK-based contract manufacturer to being part of a successful and profitable EUR 230M global electronics manufacturing services company, ranked as one of the world's top 50 suppliers.

We have also developed excellent engineering teams in the UK whose job it is to support early design or early prototype and apply our in-house 'Value Analysis/Value Engineering' methodology to take out cost and improve manufacturability, testability and reliability.

8) What are your plans for the company over the medium to long term?

We want to be the dominant contract manufacturer in our chosen target markets.

We want to continue to be recognised as a high quality and responsive engineering-orientated supplier that can provide total product lifecycle management services on a global basis.

The overriding priority for PartnerTech is to achieve operational excellence, and, through this, enhance our customers' profitability and competitiveness.

9) Do you have any major developments in the pipeline? Are you able to drop any hints?

In 2008, we focused on improving profitability and becoming more customer focused.

This year, the priority is to standardise the tools, equipment and systems across different sites.

We will continue to focus on

building strategic partnerships with larger electronics OEMs across our target markets.

The company also has plans to bolster its logistics and after-sales services while seeking additional production opportunities in Asia and Eastern Europe.

10) What piece of government legislation would you change and why?

As someone who began their career as an electronic engineering apprentice at one of the Government's Royal Aircraft Establishments, I have always seen the value in making things and maintaining our industrial and manufacturing heritage.

Unfortunately, successive governments have focused on developing our service industries to the detriment of our industrial-manufacturing base even though this sector is a major contributor to jobs, exports and our GDP.

So, rather than changing a specific piece of legislation, I would like to see the Government invest considerably more money into manufacturing - as last week's Work Foundation report proposed.

And, whilst I am hugely encouraged to see Sir Alan Sugar fronting the Government's new Apprenticeships TV campaign, I would urge the Government to further incentivise companies - particularly SMEs - to take on apprentices but to reduce the administrative burden and red tape that has been the bugbear for so many eager employers in the past.

Let us focus on getting our young people back to work through training skills that will benefit them for life and support all of our futures.