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February 28 2003

(Ref: ClaroF2 word)

SUCCESS THROUGH PRECISION

“Work smarter not harder” is the philosophy of one of the country’s leading specialists in precision engineering, as it celebrates 25 years of success and looks forward to the future with renewed vigour and confidence.

Knaresborough-based Claro Precision Engineering now enjoys a multi-million pound turnover, thanks to its on-going investment in both equipment and high-quality staff.

All of which is a far cry from its humble beginnings when three engineers, all working for a company which ironically perhaps now shares an industrial campus with Claro, took the bold step of going it alone. The trio had just £4,000 to invest in their venture and turned down their bankers’ suggestion that the capital could be doubled if they each signed over their homes.

“We were so naïve at the time that we told them we were not prepared to do that,” said managing director Howard Chadwick. “So we signed unconditional guarantees against a £2,000 overdraft, mistakenly thinking we were putting up less as security but in reality giving the bank access to virtually everything we had.”

But Mr Chadwick, and another of his fellow directors still with the company, Tim Godolphin, have never regretted their decision. “After that it was hard work and luck really,” he added.

The company began in Starbeck, Harrogate, but outgrew that first home in part of a former laundry and moved to Manse Lane in Knaresborough in 1983 where it continued to grow apace. So much so that less than three years later it was expanding into a second unit.

Claro’s turnover in its first year was £62,605 – Mr Chadwick still has the accounts carefully filed away – and the figure topped the million pound mark in 1990. From the original three the workforce has grown to 42 and there is scope to take the payroll to somewhere around the 50 mark over the coming years.

When the business began in 1978 the directors can have had little idea of how successful the enterprise would become. They started producing press tools for the printed circuit industry – “punch and crunch” as Mr Chadwick likes to refer to it - together with plastic injection mould tools but there was a rethink of the way the business was going in 1981 because of a spiralling demand for precision machined parts.

Claro Precision F2 continued:

So, another bold leap was made and Claro invested in its first CNC (computer numerical control) machine. "We had picked up a number of machining contracts of various sorts, so decisions had to be made," said Mr Chadwick. "We needed to invest a lot of money in new equipment so we decided we would go for machine parts, a move which completely changed the whole direction of the company, into one dealing in precision machined components. At that point we had about £25,000 invested in the business and we had to find over £50,000 for the first CNC machine."

Today Claro Precision Engineering has 15 of them, is considering more, and is one of the best-known contract manufacturing businesses of its kind in the UK, supplying into a range of quality-critical industries. A lot of its work is undertaken for businesses in the medical field but markets like aerospace, defence, fire protection, security, sub-sea and telecommunications have all benefited from the Claro touch. The company runs two shifts and there is ample scope for overtime. Bold decisions do pay off!

The turnover figures for 2001-2002 show turnover up by 18 per cent and the target for the current year will be exceeded by at least 8 per cent, with the £5 million mark pencilled in for June 2008. And the way things are going nobody would bet against the target being achieved.

Mr Chadwick says the reasons are simple. "We are more efficient because of improvements in skills, equipment and factory layout. But more important perhaps than all these has been the effort put in by the staff. We are very dependent on people and the skills they have got. What we sell is produced using high technology equipment but you can have the most high-tech equipment in the world and it counts for absolutely nothing unless somebody knows which buttons to press."

And Claro must be getting it right on the recruitment front as there is a very low staff turnover rate with many of the workforce having been there for up to 21 years. Some have even topped that mark. "We have recognised the company is only as good as the people it employs and when it comes to meeting – and preferably exceeding – customers' requirements you need to have the best available. We recruit not just locally but over a 15-20 mile radius – one employee travels from Huddersfield every day – and in this way we get the best workers available.

Claro's success has been achieved through keeping overheads to a minimum and major investment in new capital equipment. This together with accolades like ISO 9001 and the DTI/GTMA World Class profile, has given it a name for quality, service and growing competitiveness.

Claro Precision F2 continued:

Its reputation was further enhanced when it was invited by Trade Partners UK to be one of just 100 'Best of British' companies to exhibit at the Autosport trade show at the National Exhibition Centre, an event which attracted high profile visitors including members of the world's Formula One racing teams.

And on top of the accolades, Claro generally manages one of its own – it is known as a company which not only delivers what it says it will deliver, but does it to strict timetables. By far the majority of the orders it wins are ready by the agreed day, and this is another reason for its glowing reputation.

So what then of the future? While it would be wrong perhaps to suggest everything in the garden has a full rosy hue, most of what has been achieved and what has been put in place on a continuous basis, suggests the next 25 years – and beyond – will be just as successful as the last, if not more so.

Independence and robustness are two of the watchwords heard around the offices and on the factory floor. So too is talk of the magic £5million turnover figure with everyone confident it is not merely pie in the sky but eminently achievable. "We have plans for further investment in terms of machine tools and our manufacturing technology generally will be improved," said Mr Chadwick. "And we are intent on putting out some of the less complex parts to subcontractors where we are involved in total project management. There is no reason why others should not tackle some of the work under our guidance and quality control without compromising our standards."

Claro is also considering some form of rapid project development area with the possibility of setting up an associated company to tackle this being looked at closely. "It may make sense to go down that road," said Mr Chadwick.

He accepts competition is fierce. "One of the biggest challenges lies in the 'costs-down' culture which seems to prevail today. Not since the 1980s have there really been price increases in our marketplace. Through the 90s it was very much a case of zero increase and in the latter part of the decade and through into the 2000s, the element of cost-down has come in. In other words clients are wanting to know how much of a reduction we can give them.

"And the fact that we have been able to achieve what they want has only come through our own continually increased efficiency and investment in equipment to the very latest specifications, together with the development of the skills of the people who use the equipment. And that applies right through the company. It is not about people running around faster, it is about using better methods. Work smarter rather than harder," said Mr Chadwick. To summarise, quality, precision and investment sum up the style, image and ethos of Claro Precision Engineering.

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Claro Precision F2 continued:

Background Information

Claro Precision Engineering was established in 1978 and operates from purpose built premises in Knaresborough.

The business employs 42 people and produces a wide range of precision items, kits and assemblies. These include medical implants and tools, aerospace components, laser parts and assemblies as well as components for the defence, security, fire protection, sub sea and microwave communications and other industries.

Using a wide range of CNC machining systems including Bridgeport, Kitamura, Hitachi Seiki and three Matsuura high speed CNC machining centres backed up with conventional machining, fitting and assembly. Claro Precision offers one of the most comprehensive subcontract services available for concept to component manufacture.

ISO 9001 approved, the business prides itself on the quality of its production. The level of professionalism offered has enabled Claro Precision Engineering to win contracts with a number of house-hold names.

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