

MANUFACTURING MATTERS

Interview with
RODNEY MCMAHON
MANAGING DIRECTOR
MORGAN CONTRACT FURNITURE



In a series of interviews with the directors of Dynamics Consultants, manufacturers talk about their ambitions and reveal the issues which are mission-critical for them to address in achieving their goals.

The interviews will be brought together as a report to be published by DECISION magazine and then as a digital book.



NEED A NEW office chair? Simply go to your 3D printer and select the 'print chair' option. Hey presto: the furniture complement is up to strength. Sounds implausible, doesn't it? But according to Rodney McMahon, it's a not-unimaginable vision of the future. And as MD of a contract furnishing business manufacturing in the UK he has a right to be concerned – yet at the same time fascinated – by the potential of IT to change the industry.

One of the biggest changes in production techniques has been the fact that computers enable 3D drawings to go straight to manufacturing but this is not without its problems.

"We had a computer convert millimetres to inches and it took ages to sort it out," says McMahon, an economics graduate and former accountant who in 1992 bought Morgan Contract Furniture, the country's foremost independent manufacturer for the leisure and corporate markets. "IT is great when it works but very frustrating when it doesn't."

What it does do is enable consistency. "In the old days before technology, nothing would fit quite right," he says. "The advent of CNC and 3D drawings have been the biggest influences from an IT perspective. They have allowed manufacturers to be more productive

and have led to more accuracy and efficiency."

And the pace of change will make the manufacturing process more interesting and more exciting, he believes. "There are constant developments; maybe in ten years a computer will be actively involved in designing as well."

The next big thing, predicts McMahon, will be 3D printing – additive manufacturing – the process by which digital 3D design data is used to build up a component or product in layers by depositing material. "It can be done already with metal and plastics but it's very expensive, and you can't 'print' fabric or foam. It's possible to 'print' wood but it won't be aesthetically attractive."

But he draws an analogy with how internet connections evolved, saying 3D printing is currently at the equivalent stage of dial-up. "Remember how quickly that changed?" he muses.

McMahon says the focus of 3D printing is currently on metal components for medical use and prototyping in particular, and it will take longer to be developed for use in the furniture industry as the process requires atomisation. To 'print' wood to a good standard would mean finding a more effective way to bind the resulting 'sawdust' together.

But he foresees a day when he could do a 3D scan of a chair and send it to his factory and they could make the chair. "When 3D printing of furniture is viable, it will mean less waste as there will be no need to cut anything away. We would just print what we need to," he explains.

All this could present a particular challenge in terms of IP protection. "Competitors could rip you off much more easily by scanning your furniture and then having it made overseas."

Meanwhile, the challenge is finding customers who are prepared to pay for quality furniture. "You never know who's going to value design," he observes. "You would think a blue-chip company would be all over design but actually, they are all over price. Sometimes it's smaller companies who 'get' design and cost isn't their prime consideration."

Where Morgan is most successful is in selling to companies where those making purchasing decisions are experienced in their particular sector and are long-established buyers. "A lot of hotels are now owned by the banks and finance houses. All they can do is count - and some can't count that well - and they are always moving their procurement people around so we could be dealing with someone who has been buying toilet rolls and soap and who knows

absolutely nothing about furniture and only cares about price."

The answer is to engage with hotels which are still owned by career hoteliers. Similarly, McMahan loves having cruise ship operators as customers. "They know they can't afford to have chairs that will break mid-Atlantic so they prefer to buy a good product."

They're demanding though, he adds wryly. "You either have to be on time with delivery or rent a helicopter to take the furniture to the ship," he says. "And believe me, you don't want to hear the language they use if you're late."

Which leads us on to customer service. Everyone talks about it, of course, but McMahan's added observation is that so few manufacturers really 'get' it. He has placed 'the customer' at the very top of the organisation chart to make his point.

"A few years ago I ran the production function and I realised how no-one understands the customer unless they have been in a customer-facing role, which most on the shopfloor haven't. I have a friend who's on an NHS Trust and he says there are endless tick-lists but no-one talks about the patient because they are not customer facing in that sense. It's like that at most manufacturing companies."

Customer service needs to be measurable, he adds. One of the measures should be how quickly quotations are sent to the customer. "Unless there's a particular problem, for example in obtaining a price from the supplier, we aim to produce a quote within twenty-four hours. You might think this is a bit granular, but we're in an industry where people need quotes like this," he says, snapping his fingers.

He also has a measurable customer complaints procedure. "We always tell customers that if they should ever have any cause to complain we would be straight on it. A customer will measure a supplier by how quickly they sort out any problem and find a solution to make sure it doesn't happen again."

The ready availability of information via social media and the website has made it easier for manufacturers to promote their companies, but that hasn't been without its problems, McMahon adds.

"A customer won't necessarily understand what they're looking at; they just flick through the images and say 'we'll will have one of them'. Specifiers will send us a picture and ask us to make 'something like that.'" Or they think design is a given because there are simple programs they can use on their iPad."

"It's interesting that when Germans buy a new PC they identify precisely the features they want. Here, our tendency is to buy the top spec we can afford because the mindset is that more is better. It's important to look at requirements and how they are going to be met rather than just benefits; for example, is the data provided by an accounts package really of value or is it just data?"

British furniture manufacturing faces competition from the Far East, particularly China and Vietnam, and McMahon says the burden of regulation in the UK is a hindrance. "This is one of my rants," he admits. "We have health and safety, employment, fire regulations, you name it, yet in some countries where competitors are based there is little in the way of regulation by comparison. "Some just don't comply and the wage rates are like slavery. Government should ensure that those companies have applied the standards we have to adopt if we are to allow their products to be imported."

What perhaps makes it worse is that most of Morgan's competition, which manufactures not in Asia but in Eastern Europe, is owned by companies headquartered in Germany or Italy, places that are known for their design skills. That increases the challenge of getting customers to understand the value of UK manufacturing.

All of the manufacturing of Morgan products, as well as the polishing, assembly and upholstery is done in the UK, and while the company deploys CNC machines, there is a big emphasis on handwork. It means an ongoing requirement for skilled labour, unlike in some other industries. "If we were making windows," says McMahon, "there could be just a man and dog in the factory, and the dog would be there to stop the man from touching any of the automated machinery."

But it's hard for the company to get the kind of staff it needs. "In this country we still have a problem about making things," muses McMahon. "There's all this talk about on-shoring but who's going to make it? The skilled worker of ten years ago is now probably in IT and they don't want to come back."

Manufacturing is simply not seen as a prestigious career, as it is elsewhere, he says. "In Germany they would address you as Herr Doktor Engineer. Here, when I talk about manufacturing to friends they say 'yes Rodney, but we want our little Johnny to go into banking!'"

The situation is not helped by what he refers to as the so-called snowflake generation, saying it's difficult to find young people who have manufacturing skills and who want to stay in the same

place for any period of time. "They are far more likely to move on and the Steady Eddies tend to be less dynamic than we'd like," he says.

It means manufacturers are going to have to train their own talent through apprenticeship schemes. "No-one else is training young people, so if we don't, we won't have any control over that part of our destiny," says McMahon.



Dynamics Consultants are made up of experts in business management software, from ERP solutions to e-Commerce websites, are approved as Microsoft Enterprise Resource Planning and nopCommerce partners, and provide consultancy, implementation, support, training and development services.

Dynamics Consultants Ltd
40 Locks Heath Centre, Centre Way
Locks Heath, Southampton SO31 6DX
Phone: 023 8098 2283
Email: enquiries@d-c.co.uk
Website: www.dynamics-consultants.co.uk

Researched and published by
DECISION magazine
www.decisionmagazine.co.uk