

MANUFACTURING MATTERS

Interview with
DAVID MOONEY
MANAGING DIRECTOR
DRALLIM INDUSTRIES



In a series of interviews with the partners of Knill James, 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.

WHILE POPULAR WISDOM says that the way forward for UK manufacturing is to find and fill a niche, with a limited number of products, the approach at Drallim Industries is different: the business has an unusually large, eclectic, (and ever-growing) portfolio of products.

The "constantly evolving" business has between twenty and thirty products and projects in consideration or at various stages at any one time, says managing director David Mooney. "We are of a size where we can comfortably respond to any manufacturing demand so we change direction quite frequently where we find an opportunity. For example, at one time we were making monitoring systems for oil and gas; when that market went down we sold that part of the business to a competitor and got on with something else."

It's about attitude as much as resource, because that calls for a "creative and agile" mindset. "Our employees are highly motivated and they will switch quickly into a new direction," asserts Mooney.

They have a vested interest in doing so. Angus Millard (Drallim backwards) who founded the company in 1958, left it to an employee trust whose aims are the continuance of the company and the contentment of the staff. Mooney, who is one of the trustees, says that

model has created a patriarchal and yet motivational and creative environment.

"The business was set up in a Victorian way with a family ethos. It is a special place," says Mooney, who always dresses up as Father Christmas for the annual staff family party. "It's all about good honest British engineering, but it's not a holiday camp or a job for life. There are times when we have had to make redundancies."

The group has three divisions - aerospace, industrial, and utilities - and customers include British Airways, Rolls Royce, GE, the MoD, the National Grid, London Underground, and nuclear power plants. "No single market alone would give us a sustainable business," says Mooney, adding that aerospace is the strongest sector and the one with the most opportunities.

A selection of Drallim products will give an idea of the breadth of the business: Mobile stands for storing drones for the Ministry of Defence; valve controls and electro-pneumatic control cabinets for nuclear power stations; hooks for lifting cargo up under helicopters; a device for supplying dry air to telecommunication cables, which helps to provide a clearer signal; monitoring devices for high voltage oil-filled cables on the National Grid; an anti-condensation system that eliminates wasted energy

in power line switch cabinets; restraints, made of chain or webbing, for various applications, such as securing aircraft to aircraft carriers.

Then there's the pneumatic rotary selector valve: a core product from the outset, which enables fluid and electrical circuits to be controlled simultaneously or to provide a remote control centre with positional indication. Products under development include a device for telephone exchanges, which will 'plug and play' into an internet of things system to monitor the amount of water seeping into cables which would be reducing the quality of calls and broadband.

Having a big portfolio of customers and industries means the search for opportunities has to be ongoing, and there should always be a Plan B, says Mooney. "One of the problems for smaller manufacturers and engineering companies is that they only have a few customers and it would be a disaster if they lost one."

Some products sell themselves, so to speak, and Mooney tells of a rather unexpected lead. "Contractors doing some work at a power station saw our name on the valves we had installed in the 1960s, so they rang us up. We got a £300,000 job out of that."

Mooney sees potential in adding value by

also being a service provider, for example refurbishing and storing cargo hooks for the MoD and servicing compressors for BT telephone exchanges. "We always ask the customer is there anything else we can do for you," he explains.

The big challenge, one which is out of his control, is customer confidence, says Mooney. "We have seen the depression of investment in the energy industry in particular, largely because of political uncertainties about the future. In contrast, nuclear presents opportunities but it is still uncertain about what they will be and when they are going to happen."

He would like to see politicians show more of an interest in the achievements of British manufacturing. "The government keep saying manufacturing is the future, and while we can get R&D tax credits, they don't do much to support the sector. They even got rid of the manufacturing advisory service."

What does concern Mooney is where the next generation of engineers is coming from. Some of the staff at Drallim are working with a local school to help encourage more young people to study STEM (science, technology, engineering and manufacturing) subjects at a higher level. "We have about fifteen girls who are currently designing and building go-

karts with the help of our engineers," says Mooney, who'd like to see more women making engineering their career choice.

"Getting the right skills has been a problem for years, he suggests."Young people don't come out of school with the skills they need for industry. The problem is that schools use health and safety as a reason not to let children do anything with machines. And the local college doesn't have the breadth of skills we want. When we tried to find an evening course in electronics for a member of staff, the nearest one was more than fifty miles away, which was not really practical after a day at work.

"It's also hard to motivate the millennial generation as any pay rise is insignificant compared to the level of debt they have got and the size of the deposit they would need in order to buy a house. "I do worry about how we can incentivise people and bring back their spark."

He's not too worried about Brexit though, thinking that it might even present opportunities. "We don't sell much into Europe and we don't buy much from it," he says. "Currently, about 15% of sales are exports, to places as far afield as the US, India, and Japan, where the company provides installation and commissioning services. We had been struggling to get

good traction with exports but we have had more enquiries from overseas since the referendum, so this might be an opportunity to sell more in the rest of the world."

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The specialist manufacturing group at Knill James provides in addition to audit and tax services:

- Strategic development and business improvement consultancy services, encompassing 'lean manufacturing' guidance.
- Advice on profit maximisation through examination of product and unit costing and implementation and management of stock control systems.
- Assistance with evaluation of proposed investments and examination of options for financing decisions.
- Production and analysis of benchmarking reports, examining Key Performance Indicators against peer group and competitors.
- Advice on optimisation of factory plant and machinery tax allowances.
- Guidance on Research and Development Tax Relief.
- Management of cashflow especially where exposure to exchange and interest rate volatility is involved.
- Assistance with management accounting systems and the production of internal financial reports.

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