

MANUFACTURING MATTERS

Interview with
JOHN BULLIVANT
MANAGING DIRECTOR
PSM INSTRUMENTATION



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.

BEING ACQUIRED always means change. In the case of PSM Instrumentation, that has meant the type of product they actually make. And that is taking the company from specialist niche to a much wider global market.

For more than thirty years PSM Instrumentation have manufactured control instrumentation and protection systems mainly for marine applications. The business was acquired in 2016 and is now making products for its new parent, Scanjet Group of Sweden. Managing director John Bullivant explains: "They saw us as a good fit. Together, the two companies provide a more comprehensive product range and a single-source total tank management package for the marine market."

The big change is that from making mainly state-of-the-art, intelligent, digital sensors, PSM Instrumentation has now also developed a new low cost analogue product which is also suitable for industrial applications. That means manufacturing in more volume. "The new product will be simpler and quicker to build," says Bullivant. "The important bit is the suitability for use in Scanjet systems."

Looking ahead, Bullivant says that as well as more volume manufacturing to meet demand from the "mother ship," there is potential to export product to

a wider export market because the news sensor will be more attractive to price sensitive markets such as India. One of the benefits of being part of a bigger group is that PSM Instrumentation can share an international pool of locally based service engineers who can address customer issues.

The potential is huge, says Bullivant, and he isn't exaggerating. Shipbuilding in the UK has, let's say, seen better days, which is why 75% of PSM Instrumentation's business is export. And there is still more opportunity out there. "A market area we would truly love to get into is Korea, which is vying for position with China to be the world's largest shipbuilding nation," he says. "But trying to break into that market against local manufacturers is challenging. A feature of that market is that the price has to be low, making volume production essential. That's a door we would not be able to open without the help of our new owners. Our parent company has a manufacturing facility in Korea so we will look to enter it that way."

With the help of a grant from their local LEP (Local Enterprise Partnership) PSM Instrumentation created more space in the factory and were able to develop a new production techniques, which in turn will help make the product cheaper to produce and gradually enable the company to scale up production through

more automation together with longer working hours.

Learning to work with new materials has been a new challenge. Titanium, for example, requires the use of different welding equipment than stainless steel. But in turn, that will add to the company's skills base and enable it to make other products in metals other than stainless steel.

Another challenge for PSM Instrumentation, a SME manufacturer and a preferred supplier to the Royal Navy, is managing the volume of paperwork required by both the government end-user and their appointed sub-contractors.

It's only a matter of time before skill shortages are mentioned. "As well as being able to meet the need to increase production, some of our staff have been with the company for many years, and as they get older, that presents the challenge of bringing in new people," says Bullivant. "It is virtually impossible to find the kind of skills we need, whether mechanical or electronic engineering disciplines. There are simply not enough engineers to go around."

With that in mind, they PSM Instrumentation take on apprentices, aiming to train them up alongside

experienced engineers so they can inherit their knowledge. They also work with another local engineering company to do projects with three local schools. "Recently we supported a STEM (Science, Technology, Engineering, Mathematics) project where students had to prepare a business plan and build an electric bike," says Bullivant. "It's a dream opportunity to encourage young people to come into engineering by trying to make it exciting and fulfilling. Hopefully out of this will come our apprentice intake for years to come."

Meanwhile, Bullivant feels he is now able to look further ahead. "We were too small to operate on a global stage, so becoming part of a larger group has been very good for us. It all comes back to being able to have the resources and skills in all the key areas, from business development to manufacturing."



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