

# Specialisation and focus

## – the keys to success

Recently, Geoff Budd represented TR at a global fastener forum in Taiwan and he addressed a global audience of manufacturers, distributors, customers and suppliers from across the industrials space. This summarises Geoff's address:

"The evolution of the Taiwanese fastener industry also mirrors the development of TR.

In the 1980's I attended the original Taiwanese fastener show in Taipei. It gave an opportunity to see numerous potential suppliers in a short space of time. It became clear that there were several traders, some large producers and many small manufacturers. The traders played a crucial role at the time, offering overseas customers a variety of products, from a network of smaller producers who, for the most part depended on the language skills and international knowledge the traders had gained, to enable them to export. For many in the Taiwan industry at the time, this forum opened the supply base in Taiwan, providing new information on many potential suppliers and making price comparisons between many factories basically producing the same thing all too easy.

Another major difference between that forum and today's is that many of the then exhibitors have since dramatically developed their businesses. Many of the traders have become leading manufacturers with multiple sites - in Taiwan, China and elsewhere. SFE, acquired by TR in 2001, also made that important transition from trader to manufacturer.

Looking at the automotive sector for example, a key market for TR. Over time the production of automotive fasteners has become more and more important. In general, just as standard production declined in Europe and moved to Asia – firstly to Japan followed by Taiwan – so market forces and the relentless search for low cost production, have led to China, Malaysia, Philippines, Indonesia, and Vietnam all winning significant shares in the supply of standard fasteners.

Taiwanese manufacturers, and TIFI, recognised it was essential to raise their standard of quality and reliability, particularly to satisfy automotive requirements. Initially, adopting ISO 9000 – 9002 and TS16949, many formed alliances and associations to make higher value, licensed fasteners. This process also raised quality standards - as the requirement of licences had to be attained.

The most successful companies today are those that have become real specialists. That specialism is critical - the depth of knowledge and expertise, technologies and skills to accurately and consistently meet the exacting demands of the automotive industry, which accounts directly or indirectly for more than a quarter of all global fastener demand.

While it is probably the most important, it is not the only driver of specialism. We expect to see Taiwanese producers successfully following similar development routes - a few into aerospace or medical, many more into construction products. What they all have in common is the recognition that in this transparent world, they must stand out from the others – and will only do so in the long term through manufacturing and product excellence, efficiency and productivity.



Within Europe there are still some very profitable and successful companies which provide application solutions, often with high levels of automation. Solutions that take cost out of the joint and improve assembly efficiency.

Another way to achieve success is to make difficult-to-produce parts, by investing in equipment that others do not have; the more complex the part, the greater the added value providing a more sustainable business at higher prices.

At SFE, we have focused on producing high volume automotive parts for customers. We hold several licenses and have invested in production equipment to offer a wide range of capabilities.

In the years to come people in our industry will look back at the products made today and identify the development and evolution that took place. One thing is certain, it will be a different world, already electric vehicles are changing the shape of demand and the machinery needed to make the fasteners required.

Openness and transparency between customer and suppliers, entering a relationship of true mutual trust, ensures the best possible outcomes. TR enjoys just such trust relationships with many Taiwanese fastener producers and looks forward to continuing to do so for many, many years.

**“ We live at a time when reducing the number of vendors is a key objective to many customers. Collaboration with ‘trusted partners’ is a vital ingredient, working together to achieve the best supply solutions for customers**

Overall, Geoff has served the business for 42 years. Although, relinquishing his PLC duties he remains working with the operational team at TR focusing on commercial and technical aspects of the business in the UK, Europe and Asia.