

The recovery process

Strategic investment in new, advanced machine tools, continuous improvement in its manufacturing processes and systems, a clear head and nerves of steel have all contributed to The Di-Spark Group's strong recovery. As Solutions learns, business levels are healthy and the future is looking bright for the Southampton-based subcontractor.

The last two years have seen a dramatic turnaround in fortunes for Di-Spark that can be explained, in part, by external factors such as Sterling's weakness against

other currencies which has helped the company's export business.

But, Di-Spark's recovery is not just down to external or macro-economic factors. Continuous improvement in

plant, equipment and people coupled with an undeviating and relentless desire, as David Light, Di-Spark's managing director says 'to be the best we can possibly be', have all played their part and had a significant and positive impact.

"The 2008 banking crisis triggered the start of the slowdown for us," Mr Light recalls. "A major customer of ours, looking to reduce their own costs, pulled the plug on work we depended upon and this, along with other customers postponing or scaling back projects resulted in a 25% drop in sales turnover from that achieved in 2007. It was an uncomfortable period for us and we knew we had to knuckle down to weather the storm."

Di-Spark, like many other UK subcontractors was not alone, but claims it was better placed than some to come through the recession intact. "The downturn represented a period of consolidation for the company – and gave us an opportunity to review who we were, where we were going and how we were going to get there," Mr Light explains. "There is always risk associated with any business – and to mitigate this we called on our experience and knowledge to make some decisions and assumptions about the future."

Early adopter

Historically, Di-Spark has invested in high performance, high productivity machine tools and this provides the company with extensive and flexible machining capacity. On the EDM side the company has

remained loyal to AgieCharmilles and from a machining perspective, the suppliers of choice have been mainly Mikron and Yamazaki Mazak.

Di-Spark was an early adopter of 5-axis machining technology and has eight machines at its disposal. "We made our first investment in 5-axis machine tool technology way back in 2002 and have never looked back," Mr Light states. "This technology allows us to manufacture complex, high precision parts in fewer set-ups and has helped us reduce our costs, achieve improved part accuracies, avoid production bottlenecks and meet ever stringent customer leadtimes. Because we know that this technology gives us a distinct competitive advantage we continued to invest in this type of technology right through the recession and beyond."

Di-Spark invested in two 5-axis Mikron machines from GF AgieCharmilles in the depths of the recession and has recently invested in two more UCP 600 Varios and a HSM 400U (high speed) machining centre.

Tough choices

Precision subcontractors face a constant dilemma. On the one hand they can rely on too few customers and run the 'all the eggs in one basket' risk in a downturn. On the other hand, they can have too many customers which can create logistical nightmares and can

adversely affect quality, leadtimes and profitability.

The decision made by Di-Spark was to reduce its customer base focusing its efforts on fewer customers in the high end aerospace, defence, medical, oil and gas and motorsport sectors – and strengthening its supply chain position with these customers.

Mr Light expands: "We design and deliver bespoke manufacturing solutions and are not in the commodity market. Using our technologies and skills we have developed stronger relationships with a smaller group of customers and, because we operate across a number of sectors, we are better positioned to cope if a specific sector is experiencing a downturn."

Di-Spark is constantly evolving and adapting to meet changing market conditions and customer requirements.

This has seen the

company recently acquire a new 6,000ft² unit, increasing its floor



space by 50% in the process. The new unit, as well as providing much needed space, has enabled Di-Spark to re-organise and streamline its manufacturing operations. Machines have been re-located to create high efficiency and autonomous manufacturing cells that are delivering increased productivity.

Di-Spark has also achieved AS9100 registration and this has helped spearhead its growth in the aerospace sector. It is also a recent signatory to SC21 – the supply chain improvement programme for the aerospace

and defence industries.

"Although business is good we are not complacent," Mr Light concludes. "I believe the decisions we have made and our continuous improvement and investment strategies have made us stronger, leaner and better prepared to prosper and grow in these challenging times."

