



Streamlined business moves through the gears

Liz Loxton finds a change in working practices lies behind the success of a West Midlands firm

Some judicious streamlining of working methods has taken a niche design and manufacturing company to a £6m turnover after eight years, acquiring clients such as General Motors, Jaguar and Land Rover along the way.

After nearly two decades in the car industry, Joe Molloy founded Coventry-based Concept Group International (CGI) in 2000, based on the conviction that he could fast-track the cumbersome practices many automotive firms used for design and prototype development. The firm is able to work on different parts of the process at the same time thanks to up-to-the-minute technology and multiskilled staff.

"For the past 20 years we have been seeing the demise of UK manufacturing, not because of inexperience or a lack of knowledge but because of the processes," says Molloy, 43. Vehicle manufacturing is largely based on a series of activities carried out by distinct groups of people who have to finalise each phase before handing over to the next team, he explains.

"I couldn't understand why these activities — vehicle design, prototyping, manufacturing and marketing — couldn't go on simultaneously. I wanted to have a department that could work on all these aspects of the process to give a massive time-saving."

Stephen Roper, professor of enterprise at Warwick Business School, believes the trump card for small, innovative companies is their

ability to react quickly to market demands. Many bigger players in the automotive sector, he says, have over-engineered their manufacturing processes to reduce costs, making it difficult to respond to the need to develop prototypes rapidly, for example.

Rather than falling back on industry-standard tools, CGI tailors equipment to its specific needs. A company in Rugby provided laser cutting machinery while a Californian IT firm worked on its bespoke visualisation software. "We specifically target equipment that will improve on costs and delivery. Where it doesn't exist, we work with third-party suppliers to give us a special-purpose fit," says Molloy.



TRADITIONAL COMPANIES ARE NOW APPLYING THEIR TECHNOLOGY TO OTHER INDUSTRIES

The competitive edge gained from the technology is backed up by the multidisciplinary workforce. Roper says truly innovative businesses are often led by people who seek to employ staff with broad skills. "They have a technical curiosity about other disciplines and will bring all that experience together with their own." This frequently means giving employees a high degree of trust and autonomy, he says. "That can be quite unusual in small businesses. Most business people tend to adopt a very hierarchical structure."

CGI's approach has been to draw all its expertise under one roof, with a multidisciplinary team focused on a project, Molloy explains. "From design to quality assurance work to product development and delivery, all these people have a responsibility to work together."

His business is located in the Midlands to take advantage of the skills and experience there: "From an industrial point of view, this is one of the most famous regions in the world. We have a resource pool that is unlimited." Nevertheless, human resources represents a big expense, so developing multifaceted personnel has helped CGI to streamline costs. "We encourage people to go into different areas, so our people are a lot more rounded than elsewhere," Molloy says.

CGI enjoyed early success with General Motors, building a working prototype of a high-performance Cadillac concept car to be showcased at Le Mans, and still has a contract with the American manufacturer. It also worked on Nissan's NV200 concept vehicle and Qashqai. As well as prestige carmakers, including Bentley, it has clients in the marine and aviation sectors.

Although transport has brought Molloy most of his success to date, the business is diversifying. All are



RICH EATON

Joe Molloy has brought together the latest design technology and a flexible workforce to drive forward Concept Group International

as of industrial design are of interest, he says, and architectural projects are a hot potential market.

Christine Oates, head of tax for the Midlands at Ernst & Young, sees a lot of traditional manufacturing businesses that, like CGI, are applying their know-how to wider markets: "There is more lateral thinking among traditional businesses, which are applying their technology and processes to other industries."

It is important, she says, for more established players as well as young companies to recognise that adapting older processes to new markets may be classed as research and development, which means that they would qualify for European Union and UK grants as well as the UK's R&D tax credits scheme.

Molloy expects turnover to reach £8m next year and £10m in 2010, and sees growing potential overseas.

He has travelled extensively for the past two years, forging relationships with vehicle manufacturers in India and China.

Car companies in developing markets are likely to use the latest design and manufacture processes but could fall down on brand development, says Molloy. "They're not so aware of design and brands. To develop a brand you need to understand the value of the design and

engineering elements. Consumers have become more brand aware and more design and engineering aware, and the industry has to respond more quickly, to a higher standard and less cost than ever before."

It is a lesson that established and younger contenders alike should take to heart. "Good design and engineering will always be desirable. That's ingrained in consumers now," Molloy says.