

**BUTLER
NEWALL**

MACHINE TOOLS

Autumn Issue

Kephax

INTERVIEW WITH THE MANAGING DIRECTOR

The Editor of Kephax has taken the opportunity of this first edition to put to K. Leech the Managing Director a number of questions relating to the business which we are sure are of interest to all our readers. The questions were put at the end of September just after Mr. Leech returned from the Hanover Exhibition which was the Worlds show piece for the Machine Tool Industry.

Editor: Having just come back from Hanover what were your overall impressions of the Exhibition and our stand?

K Leech: I was very impressed by the overall show and our own performance there. We were delighted to have the Duke of Kent review our products. The overall attendance at the show was the highest level for the last ten years. I think this is a symptom of a general improvement in the economic climate and that Companies are preparing to invest for the future. However competition is very tight with the demand for quality and guaranteed deliveries, the important factors together with price that potential customers were demanding. In spite of this we were able to secure £1M worth of orders in the first three days. Our machines on the stand performed well but we are all aware of the last minute efforts needed to get them their in time, we must try to ensure in future that we do not achieve delivery and performance by last minute scrambles.

Editor: What was your view of the market place based on what our competitors were displaying at the show?

K Leech: In one word "tough". Our prices are still high and the "Dutch Auction" will still be a regular occurrence as one supplier after another cuts his price, time and time again in a desperate bid to secure orders.

As can be seen from the machines in build we will often only be able to secure orders on delivery, quantity and total flexibility in meeting tailor made requirements to meet the systems demand of the company.



Editor: We are all aware of the importance of the North American market to us, particularly at Keighley. Will the fluctuation in the value of the Dollar have an impact?

K Leech: It is difficult to tell at present the impact, any changes will have. Like most of British Industry I would like to see some long term stability in the Dollar so we can plan ahead.

The other area we really are endeavouring to attack is not to put "all our eggs in one basket" namely the USA, and our sales teams are trying to establish contacts in Russia and China as examples the visit of the Chinese Delegation to Halifax in early October is a good indication of this effort.

Editor: In view of the export commitment how are our overseas locations progressing?

K Leech: I am pleased to have the opportunity to comment on this as it gives me the chance to bring in these important parts of the business. The USA team continues to broaden our base and image in the USA, and I can honestly say the Butler Newall name and products are

beginning to be widely established in the US, this build up in international reputation is critical.

I must not ignore the efforts of our sister company in Canada who in the last eighteen months have sold nine machines which is more than in the previous five years.

Our efficient German operation has always contributed well to the milling divisions order books, now with the strengthening of our sales team at Frankfurt we are expanding our horizons successfully into the grinding market in Germany and other European countries.

Editor: All in all then you think the future looks good?

K Leech: There is little doubt we have turned the corner. However I have still an uncomfortable feeling that we are not there yet. The mix of orders we have got is for the most part of new innovative products leaving us with a learning curve in both design and manufacture and the cost of lessons we are learning is being borne by us rather than the customer. The old saying that "you'll pay for your mistakes" is very true.

The mix overall whilst giving a healthy order book isn't quite what we need for a fully efficient profit orientated organization and we all have to be aware of problems and pitfalls. As I have said earlier quality and delivery must be improved, customers remember these factors long after any advantage in price they may have gained. What we need is repeat business of products where we have gone through the costly learning curve and can recover these costs in future orders. It is only satisfied customers that come back a second time.

Editor: Thank you for your frank comments and I hope we will be able to look forward to more articles in further editions.

K Leech: I am glad of the opportunity and together with the Briefing Notes will try to keep everybody informed of progress. It is difficult to give very specific details of orders and indeed our problems, after all I am sure our competitors would welcome the chance to get detailed information through Kephax?

Finally let me just say this, I see the state of the company as being that of an individual recovery from a major operation. The surgeons have done their part, maybe we are just out of intensive care but there is a lot of careful nursing and treatment still needed before we are fully recovered. We must all try to prevent any chance of a relapse.

A word from the Editor

I welcome this first chance to write to all of you about the aims and objectives of this your Quarterly News Letter.

The title suggested by Brian Moses of Keighley tries to do two things, give a message as to the contents of Kephax (key facts) and to incorporate all the sites in the title. Our apologies to Butler Newall GMBH Germany and Butler Newall Inc. USA, but there wasn't enough room to get everybody in! They do and will play important parts in this publication and I hope that Kephax will prove that they are not forgotten. In their case out of sight is not out of mind!

Editorials are supposed to be serious comments of events of the time, so bear with me if I take time to express a few points and opinions. Communications between people on one site is difficult enough for five locations some of them thousands of miles apart almost impossible! The impossible is what we are trying to achieve and hopefully we will in each edition be able to feature news from each location and details from around the world.



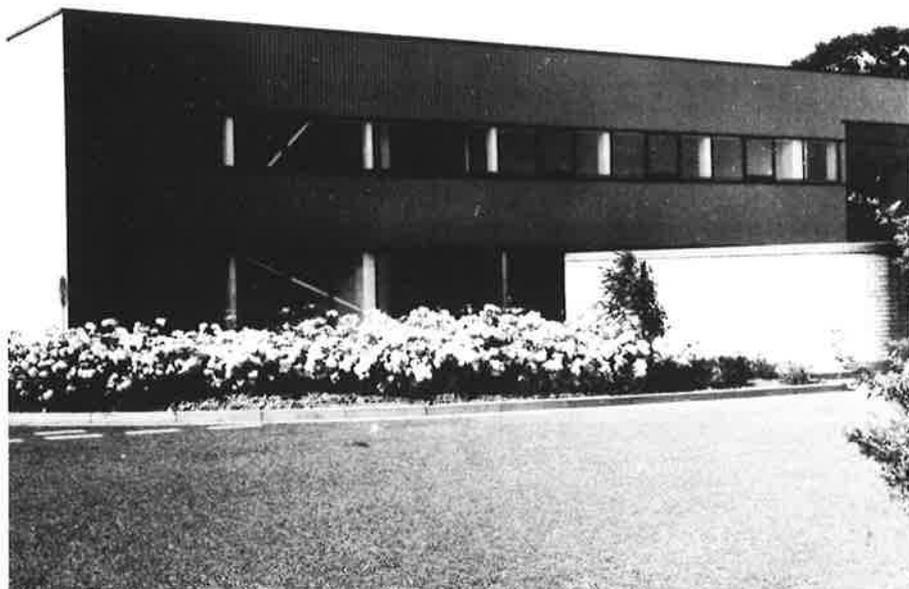
"WE'VE GOT ALL THE EXECUTIVES WE NEED BUT WE'RE LOOKING FOR SOMEBODY TO DO THE WORK!"

Most major publications have a staff of reporters and correspondents feeding in information and contributions. In our case our reporters and correspondents are you the reader. Without your help and ideas the concept of this news letter will die. The Editor of any publication cannot write the whole issue himself and neither do I want to!

What contributions do we want, let's try not to be restrictive, hopefully they will cover what the Company is doing, who's who, and whats happening around the locations, human interest stories make any publication and if any reader has an unusual interest or hobby I am sure this would be worth reading. We might even think about advertising - providing its legal and moral!

The phrase has it that a picture paints a thousand words so interesting photographs, cartoons and drawings would be welcomed. The odd joke and one liners help to fill pages and might raise a chuckle. Neither do we wish to make the publication a male preserve, and welcome contributions from the ladies to add to the appeal of the news letter!

Lets make the next edition your effort.



PETERBOROUGH MOVE

Have you ever moved, after many years living in a large familiar house where you raised a family and knew which window rattled or which floorboard creaked, to a small modern bungalow?

Do questions such as, why did I keep all that 'come in handy' junk?, will my heavy large pieces of furniture fit into those small rooms?, are the builders going to be finished by the time I have to move?, just where am I going to put it all? - sound familiar?

Now multiply the questions and the trauma a hundredfold and you'll have an idea of what lays ahead for personnel at our Peterborough site because by the end of August after 20 years operating from Shrewsbury Avenue, they move to a brand new unit at Manasty Road on the Orton Southgate Industrial Estate. This is only half a mile from the A1 so access is good.

The new site is a single unit some 36m x 24m with toilets and four office rooms on two levels built in at one end. The remaining floor space is being partitioned off, false ceilings and power points installed to provide the various mechanical, electrical and electronic design and testing compartments. Storage areas for the vast

number of drawings and documents held at Peterborough together with dark rooms and compartments for micro filming equipment are also being provided.

Naturally, everyone wanted twice as much space as that available so "stack it" has become very much the order of the day (orders for step ladders are expected to increase dramatically).

The many problems are compounded by the fact that the 'first off' Camtronic machines for VW, BMW, Cadillac and Chevrolet will be undergoing completion and testing programmes during the two months or so prior to the move. The two American machines will go directly to the Manasty Road site to be progressed, hence partitioning and provision of power to the machine area will be completed first. It also means that for some weeks we will be operating from two sites.

Of course, for some long term employees the move is tinged with sadness but the predominant mood is one of eager optimism with a chance to continue producing high quality results but in a modern environment more suited to the high tech work demanded of current and future machines.

M. F. LEECH

IDEAS UNLIMITED?

During the last few months the Company has launched a new Suggestion Scheme and already we have had several ideas to evaluate.

Suggestion schemes are nothing new and have run in a large number of Companies for many years.

The reasons behind any scheme is the old saying "two heads are better than one" multiply this by several hundreds and the thinking power of any company is expanded drastically. Yes its Management's job to develop and expand the business but in doing this it is difficult to be aware of each

area of improvement and change that could be made.

The scheme is designed to allow everybody who helps with suggestions to share in the benefits. In other Company's, awards have run from a few pounds to several thousands.

The scheme can be used confidentially and your name need not be disclosed to any experts evaluating the idea. The Secretary will have to know of course to get the cheque made out?

Even if it is just the beginning of an idea you can always ask for background information to develop it further and this will not preclude your entitlement to an award.

Today's idea might pay for next year's holiday, that mink coat for the wife or the new car! Think on!

A HELPING HAND FROM BRIAN



Photograph courtesy of Bradford Telegraph & Argus

Brian Moses is one of the "lads" from the Keighley factory and is well known for his wit and good humour. One of Brian's major achievements in 1985 is highlighted in the story below, courtesy of the Telegraph and Argus.

A whole new world has opened up for a disabled Haworth teenager. Duncan Eastwood now has an electric wheelchair to help him get out of the house thanks to the efforts of local people.

And big hearted club comic Brian Moses who helped raise the £2,750 to buy the wheelchair was on hand to see Duncan take his first trip.

Mr. Moses, his wife and friends, organised a series of fund raising concerts and events with the help of local clubs including Haworth Cycling Club, Haworth British Legion and Oxenhope Working Mens Club.

They saw the fruits of their efforts when the wheelchair was handed to Duncan at his home in Emily Street, Haworth.

Duncan, 16, who attends Hollybank Special School, Huddersfield, relied on his family to get out of the house.

His mum, Mrs. Yvonne Eastwood said he was virtually trapped at home because of Haworth's steep hills.

"It will change his life. Now he can go shopping and see friends on his own," said Mrs. Eastwood.

VOLUNTARY CONTRIBUTIONS TO PENSION FUND WELCOMED

Whilst everybody should by now have had a formal notification of the Voluntary Contribution aspects of the Pension Fund it is worthwhile reminding you of this important facility. From the 1st of July each year you may elect to make voluntary additional contributions to the Pension Fund. The Contribution which takes the form of a regular weekly or monthly amount is deducted directly from pay and is taken off before tax is deducted thus saving about thirty per cent at normal tax levels. The interest accrued over the period is itself tax free and the withdrawal of the money on retirement is itself tax free. Because of these benefits the Inland Revenue insist on certain qualifications these are that you must maintain the

contributions for a minimum of 5 years or until retirement date if earlier, if you leave you have to wait until your retirement date to get the tax free benefits.

The interest being paid at the present time is very good and it is worth considering the investment even if you are within a few years or months of retirement. Generally the money may be taken as a tax free lump sum or can be set aside for a pension. Because this is a new concept you might wish to take more time this year only to make up your mind and we are therefore prepared to take applications anytime during the year up to July 1st 1986.

If you wish to consider the prospects of Additional Voluntary Contributions please contact the Personnel Department.

THE CORPORATION COMMANDMENTS

This is how the 10 Commandments would appear in modern business language.

1 Thou shalt have no other gods . . .

It has come to the Board's notice that some members of the staff have been accepting payment for work performed on behalf of employers other than the corporation. It is emphasised that this practice is in direct contravention of the terms of the corporation's contracts of employment and will not be tolerated.

2 Thou shalt not make to thee any graven image . . .

Staff of engineering division are once again warned that money and resources must not be allocated to the construction of machines, equipment or any laboratory models which have not been authorised by the product development committee. A recent spot survey showed 73 such models under construction, 42 of which had already been rejected by the committee.

3 Thou shalt not take the name of the lord thy God in vain . . .

The use of the corporation's name by staff engaged on private business, and particularly when applying for theatre seats, Cup Final tickets and tickets for the Royal Enclosure, will cease forthwith. The referring of restaurant and hotel bills to the corporation when they have not been incurred on the corporation's behalf will result in severe disciplinary action.

4 Remember the Sabbath, to keep it holy . . .

The past financial year saw a sharp increase in overtime payments to secretarial staff for Sunday working. Managers are reminded that the secretarial agreement is for a five day week, and if they themselves need to come in during weekends they should ensure that the unfinished work is such as does not require secretarial assistance.

5 Honour thy father and thy mother . . .

Recent adverse press comment on the Chairman and Managing Director was supported by information and opinions which can only have come from internal sources. Such communication to the press is a flagrant violation of contracts of employment and will be treated with the utmost severity.

6 Thou shalt not kill . . .

The Board is becoming increasingly concerned by the apparent belief of many senior members of management that all blunders can be remedied by the abrupt dismissal of a subordinate. This is not only unhelpful to the corporation's efforts at graduate recruitment; it has already inflicted severe

damage on our recently instituted management development programme. In future no employees may be dismissed without the personal concurrence of the Division Director.

7 Thou shalt not commit adultery . . .

Analysis of overseas travel expenses has revealed a large number of overnight stops whose purpose and value to the corporation are not immediately clear. There is also a quite disproportionate quantity of double room charges for staff travelling alone. The Board is aware that single rooms are not always available, but scrutiny of the hotel bills has shown that in 93% of these cases the corporation has been charged for breakfast in bed for two persons. In future all such claims will be refused and the air fare charged as a personal expense.

8 Thou shalt not steal . . .

An analysis of claims for expenses incurred in this country has demonstrated that at any given moment 42% of management are in transit by taxi, hired car or first class train. It also shows that many important customers and contacts are lunching five or six times on the same day in different restaurants; several have occupied stalls at the opera house while it was closed for redecoration. All staff are warned that the Financial Controller has been instructed to subject all the forthcoming years expense claims to the most rigorous scrutiny, and anyone whose entries are in any way suspect will be summoned to explain them in person to the Board.

9 Thou shalt not bear false witness against . . .

There have been several cases in past months where minutes of meetings and confirmatory memoranda have been found to record the exact reverse of the decision taken. It would be easier to regard this as accidental if it were not that in all twenty six recorded cases the error operated in favour of the signatory. In future this sort of error will be viewed with the utmost gravity and recorded on the personal file of the member of staff responsible.

10 Thou shalt not covet thy neighbour's ox nor his ass . . .

It is once again emphasised that office accommodation, use of company vehicles, secretarial assistance and other such facilities are allocated to staff solely in order to enable them to discharge more efficiently the responsibilities laid on them by the corporation. The Board will not tolerate applications for such facilities solely on the grounds that some other member of the staff has been granted them.



The Duke of Kent at the Butler Newall Stand, International Machine Tool Trades Exhibition, Hanover.

HALIFAX AND KEIGHLEY SITES TO GET A FACE LIFT

With the increasing numbers of visitors and customers coming to the sites from in particular overseas companies it is important that all our sites are seen for what they are, that it is the centre of a thriving international organization.

Clean modern surroundings are as important to the company image as a salesman's suit. We have to create the image to our customers and this means spending money to give the impression that we are going places and that we are going to be around for a long time, our machines are after all designed to last a long time and the confidence of our customers that we are going to stay the course is critically important.

To improve the image, which we must admit we let slip in the downturn period, we are arranging for the inside of the factories at Keighley and Halifax to be painted, we are going to modernize the reception area at Halifax to bring it up to the standard already established at Keighley and incidentally have the gardens done at Halifax, which will not only improve the image but will allow space for recreation during lunch hours etc.

We hope that the improvements are seen as part of the Company's need to improve its image to its customers as well as making the sites much pleasanter places to work.

SHOPPING

A recent article in an American quality magazine begs the question: "Who is the most important customer?"

Most of us, and especially our wives, have our favourite shops, and for a variety of reasons: civility, cleanliness, service, quality, price, after sales service etc. etc. We also have our black-list of shops that we have avoided because of being upset by them at some time and - truthfully - we didn't make a song and dance about it at the time, we just resolved never to go there again and we warned our friends of our experience, however trivial. When we think about it, Butler Newall is really a shop - isn't it? I mean we sell things just like any

other shop and therefore it is important that we treat our customers right, hoping they will call again. Unlike these other shops, our workrooms - or stockrooms - are also open to the customer, so the same requirements apply and our cleanliness together with obvious efficiency cannot fail to impress a prospective customer. We should all regard ourselves as sales assistants, from the receptionist to the person who sees the wagon off our premises with a finished product! We've all had a part in satisfying the customer and made sure that he is not the most important one, the one who will not be satisfied but will not bother complaining. He just won't buy from us again and he will also turn his friends against us.

C. PECK - Chief Inspector



FIRST ENCOUNTERS OF A SPORTING KIND

The inaugural Football Challenge Match between the Halifax and Keighley plants proved to be an exciting, fiercely competitive game, with both teams determined to give a good account of themselves.

Halifax kicked off playing down hill and the furious pace which became the dominant feature of the match was immediately established. Early exchanges went Halifax's way with one touch football being adopted by the home side. With 10 minutes gone Trevor Thorpe played a tempting ball into the Keighley 18 yard box which Martin Worsick neatly lobbed into an empty net, beating the advancing keeper and the desperate lunges of two Keighley defenders.

Halifax's joy was shortlived. The opening goal visibly spurred on the visitors to greater effort twice going close to levelling the score within 15 minutes. The Keighley command of Mick Field was the launch pad for countless attacks down both flanks by their two speedy wingers. This pattern of play was rewarded after 20 minutes when Paul Brierley, who had a fine game, got round the back of the Halifax defence to square the ball across an open goal to give Trevor Wilkinson the easiest of tap ins to level the scores. On their next attack the visitors gained a corner which earned them a deserved lead, Sammy Constantine duly obliging, rising to nod in the cross totally unmarked. With 15 minutes to go to half time a cricket score was becoming a distinct possibility. With Halifax unable to contain a by now confident Keighley side, the worst seemed inevitable when Paul Brierley showed everyone a clean pair of heels to slam home Keighley's third after 35 minutes. The half time whistle signalled a series of changes by Halifax, Gary Hereford came into replace Roman Chymycz in midfield, Adrian Keenan going to right back, Franny Kennedy to sweeper, to name only three. Keighley's only change was a straight swap, Vinny Hargreaves coming on for Trevor

Wilkinson on the left wing.

The tempo of the first half was maintained after the restart but certainly not the pattern of play. Halifax playing with newly found vigour began to trouble their opponents with some forceful play which had Richard Ettenfield the visitors captain demanding more effort from his players. Referee Mick Ingham was brought into action with increasing regularity as both sets of players sought to put their mark on the game.

Worsick got his second goal, a well taken header from a Keenan free kick to give Halifax hope with time running out. With Halifax pushing forward looking for an equaliser, Hargreaves should have put the issue beyond doubt missing from point blank range in the dying minutes, but his miss proved immaterial as there were to be no further scores in an eventful second half. Keighley's first half rout enabled them to survive Halifax's second half revival by defending in numbers when required. Overall Keighley deserved their victory, but all praise to the Halifax lads playing together for the first time.

Mr. Donald Sunderland, the Works Manager at Halifax, presented the victorious skipper with a trophy donated by the company which will be competed for between the two teams on an annual basis.

A collection was taken at the match and social evening which followed. This raised £34.00 for Barmerside Special School in Halifax. The referee kindly donated his fee to the collection.

Man on the Spot

STEVE WINS FIGHT

Halifax-based spectators would have been pleased with the last fight of the night on Thursday 30th May at Halifax Civic Theatre, which featured home town boy Steve Enright who is employed at the Halifax factory, in a featherweight battle against Hull's Stuart Carmichael. Enright, a mighty atom of a man, threw more leather than you would find in a tannery in the first round, and continued the onslaught in every one of the remaining seven rounds - sometimes after the bell or the call of break.

He even threw one or two round his back which brought a sharp rebuke from the referee.

Three quick left jabs brought a stream of blood from Carmichael's nose in the second round and a thunderous straight right stopped the Hull man in his tracks during round 3.

It was hard to mark a single round against Enright and three separate left and right combinations threatened to finish Carmichael in the seventh.

Carmichael, marked under both eyes and bleeding from the nose, probably did enough to share the last round, but he never looked like finding the knock-out punch he obviously needed and the referee scored the fight convincingly in Enright's favour, 79½ - 76½.

