

Clevedon Fasteners Ltd –

The management team at Clevedon Fasteners was motivated to join the programme to explore how best to price and present its existing services, as well as developing new offers.

When Clevedon Fasteners embarked on its servitization journey it realised just how much value was being lost by failing to capitalise on its service capabilities.

Managing Director Steve Hardeman says:

“We were often asked by customers to help them design or overcome a problem with an existing product. This we did free of charge. We would often develop and design a new product which the customer would then send abroad and get it manufactured and so we were providing a service for free and getting no value from it.”

Like many SMEs, Clevedon Fasteners was not charging for what was a very valuable service to its customers.

The programme helped change perspectives and mindsets within the business.

They found it very difficult initially to understand how they could servitize a product that was so ubiquitous. What they noticed was that, due to the advent of Computer Aided Design (CAD) systems and Finite Element Analysis (FEA), they were receiving designs which would be very costly to manufacture and couldn't meet their customers' price point.

Having taken a closer look at its existing service, Clevedon Fasteners soon identified that cold forging products would significantly streamline the entire process and bring costs down.

During the first phase, the management team was determined to ensure this service generated a proper financial return.

The next stage, having said that they could re-design the product to meet the price point the customer was aiming for, was to ask customers to sign up to a Design Support Agreement. This meant the company are now being paid either hourly or monthly for the knowledge.

The customer agreed to this and they are now in the final testing phase of the project which will result in a 75% reduction in the cost of manufacture compared with the original design.

From a practical perspective, there have been challenges.

In making the transition, the company has made some adjustments to its terms and conditions of sale. It has also had to inform its insurance company that it is now providing a service. Clevedon's insurers suggested that it change their terms and conditions in order to limit its liability.

Clevedon Fasteners fully recognises that the guidance provided by the team at Aston Business School has been instrumental in getting them into providing new services.

Steve concludes:

“Other than that, and selling the idea to our staff and customers, it's been fairly easy sailing.”

“Servitization is one of those concepts that, once explained, is blindingly obvious.”

As a result of taking part in TRAN-SIP, Clevedon Fasteners:

- Increased its turnover – generated new revenues from selling their design capability
- Started to expand its team – it has taken on new employees.

“This is the first project of its type that we've undertaken, and we have learned a lot along the way. When we get to the successful resolution of it, we'll then be in a position to market the service properly.”

Clevedon Fasteners specialises in manufacturing cold-formed components such as rivets, fasteners and specials for the commercial and automotive markets.

Established in 1939, it supplied rivets to the Spitfire factory at Castle Bromwich. Today, its key products include a variety of rivets, clinch studs, weld bolts, lock bolts and specials.

Clevedon manufactures around 24m parts per month at its two manufacturing plants in Birmingham, UK. It exports to 35 countries and its largest overseas market is the Far East.

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www.clevedon-fasteners.co.uk

