

MESSAGE FROM THE CHAIRMAN

The end of 1986 saw some vital shifts in the responsibilities of our senior managers. These have allowed individuals to concentrate on specific areas and get to grips with the problems rather than having difficult split site responsibilities. We are now starting to see good things springing from these changes.

The start of the new Financial Year gives me the chance to outline some of the thoughts and actions that are taking place which will make 1987/88 a positive step towards a brighter future.

We have all been conscious of the Company's dependence on the U.S. market for sales so during 1986 and 1987 together with Mr Tony Wilson, our new Sales Director, we have made major moves to spread our markets both on the Milling and Grinding Divisions of the Company. Concentration has been placed in Western Europe, the Eastern Bloc countries, and some useful orders have been secured from mainland China, Yugoslavia and Poland.

We will not of course relinquish any of our pressure in the U.S. and our very experienced Sales team at Butler Newall Inc. will continue to seek opportunities in what is still the world's biggest market.

In looking overseas we have not neglected the Home Market where indications are of a pickup in business. We have decided in this area that Elgar P.M.T. should assume responsibility for pursuing the Home market on Milling machines. Their much larger U.K. Sales force and an already established customer base in the U.K. means they have a much wider approach to the market than we could possibly achieve, either with our existing sales force or by employing additional staff. This formal arrangement came into force on the 1st April. Even before that date a number of

enquiries have been received.

The forward order book at both sites have identified a number of areas where additional resources are needed if we are to meet our delivery and quality commitments.

In the design area we have now made a major commitment to introduce Computer Aided Design commonly known as "CAD". A system has been installed at Peterborough for some months and successful results are now flowing from its use. The second stage of this advanced £1 Million installation will be taking place both at Halifax and Keighley during the middle of 1987. The systems will create major opportunities for Design to process drawings quickly and more effectively. The use of CAD requires a flexible approach to its utilization and some unconventional approaches to working times needed to ensure maximum use of expensive equipment.

In committing Capital expenditure for the year, we were conscious through site Management of the need to improve and update manufacturing plant. In these areas at both sites major capital expenditure has now been authorized for new equipment and you will be seeing the installation of new machines in the not too distant future at both Halifax and Keighley.

Our commitments in the new plant and the need to increase throughput elsewhere on the sites means we will all need to look at methods of making full use of both existing and the new machinery. Discussions are already taking shape on these points but Management alone does not have a monopoly of ideas and suggestions and all contributions are always welcome on the better and more effective use of our resources.

Finally we are striving to maintain or increase this rate of progress over the next few years. To support this we are also exploring possible partnerships or joint ventures with other companies who match our profile of technological leadership and international marketing.

I look forward to reporting in later editions that this realistic approach to our problems has resulted in a thriving and growing business, the cash necessary for re-investment in the plant, equipment, and people we need for the future.



MIKE DODSON - Chairman

Mike Dodson joined Butler Newall as Executive Chairman and a member of the main B. Elliott PLC Board.

He was previously with Fairy Holdings as Managing Director of their Industrial Ceramics Division.

Mike started his working life as an apprentice with British Steel progressing to different companies over the years from Foreman to Managing Director of a GEC subsidiary prior to being with Fairy.

Educated at Wath upon Dearne he later obtained a BSc in Chemical Engineering from Imperial College, London, and a MSc in Business Studies from Imperial College, London.

Always an active sportsman Mike was the first Yorkshireman to captain a Welsh Rugby side. He promises to show the same determination in making Butler Newall one of the world's leading specialist machine tool makers.

Machine tool firm looks forward to a bright future

THE decline of manufacturing has hit the Calderdale machine tool industry hard — but at least one company is now on the verge of a brighter future.

Butler Newall, which has its head office in Halifax, is investing heavily in the future and, said chairman Mr Michael Dodson: "The future is looking quite exciting at the ing quite exciting at the moment."

The long-established company—
it started life as Butler Machine
Tools in 1868 — has, like the rest
of the machine tool industry, been
going through tough times.

"The industry has been through
a very bad five-year period because
manufacturing in the United Kingdon has been contracting and we
have had to contract," said Mr
Dodson.

"But we are beginning to see the end of the tunnel with relatively firm order books over realistic ti-mescales."

The poor home market has turned the company's attention more to exports, with 90 per cent of its turnover of around £18 million coming from overseas.

Omniously for UK manufacturing, Butler Newall's biggest export



Michael Dodson

customer is Germany - a major

industrial rival.

The company — which also has plants in Keighley and Peterborough — is not resting on its

Butler Newall is part of the B. Butler Newall is part of the B. Elliott Group and its parent has just given the go-ahead for the second stage of an advanced £1 million CAD (Computer Aided Design) system linking the three sites. In addition to the system — one of the most up-to-date in the UK—the

company is investing in a new machining centre for the Halifax site in Gibbet Street.

This will work with two new CNC (Computer Numerically Controlled) lathes bought last year.

"Butler Newall is now moving with the technology," said Mr Dodson, who joined the group last autumn

There are also changes going on in other areas, with a new after-sales and service office and a new sales office, both at Halifax.

This is part of a marketing-oriented philosophy at the company, but Mr Dodson has not lost sight of the importance of the sight of the importance of the workforce — more than 500 of a them, with some 250 at Halifax.

them, with some 250 at Halliax.

"We have a good team of people, a lot of qualified people," he said. His role was to organise them to operate as effectively and efficiently as possible.!

"You have got to have the work-force and management moving together into the future, using the best technology available.

"Then you get the type of progress that the Japanese and the Germans have seen."
It is this approach, along with the investment plans, which Mr Dodson is relying on to build on the solid foundation of Butler Negall's past for a brighter future. wall's past for a brighter future

KEIGHLEY APPRENTICE WINS PRIZE

Mark Mohamet, Apprentice at Keighley receiving a prize for an Apprentice of the Year Award from Halifax Training Association, from Alan Roberts, Regional Director EITB. Also present were Peter Wilds and John Maude.



Photo courtesy of "AFTER 16" News KEIGHLEY CONSORTIUM

Courtesy of the Halifax Evening Courier

RIFTON STRADDLE

The Rifton Straddle chair's purpose is for children suffering from cerebral palsy.

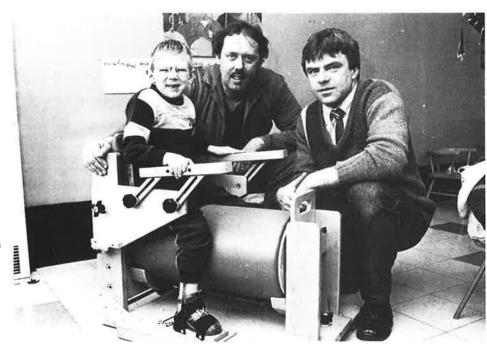
Its purpose is to make rigid the posture of the child's lower limbs and preventing their legs from folding beneath them. Thus, giving them confidence and ability to use their top half without fear from falling off the chair.

This piece of equipment is so very important to enable a child to sit at ease and concentrate on their work without having to overcome their handicap.

the feet in a straight position and stretching the thigh muscles.

At the moment, there are four children at Bermerside Special School in need of a Rifton Straddle Chair, and the staff at Bermerside are overwhelmed with the generosity shown by the workforce at Butler Newall (Halifax) Ltd., which has enabled them to buy one at a cost of

It is also used for physiotherapy, keeping Picture shows Francis Kennedy,



Adrian Keenan from Halifax

COLLEGE OPEN EVENING

Stephen Coppen and Mark Waddington left school last summer, and are now both with the Keighley engineering firm of Butler Newall. They both heard about the vacancies from the careers office, who told them about an open evening at a college in Halifax. The next step was a test - on Maths, English and Mechanical comprehension - with the Training Board followed by an interview. The final hurdle was then another interview – this time with the firm. Mark thought that the Technical Drawing and Technology at the school were useful, whilst Stephen picked out computing. As part of their training now they go to Keighley Technical College for 36 weeks - studying fitting, turning, grinding, milling, electrical fabrication, maths, technical drawing, computers and general studies.

Even though they are YTS trainees they are sure of getting a permanent job if their performance is up to standard. They will also then be paid a lump sum to cover the difference between the normal apprentice rate and the YTS allowance – quite an incentive to succeed and a good reply to people who say "YTS is a rip-off".

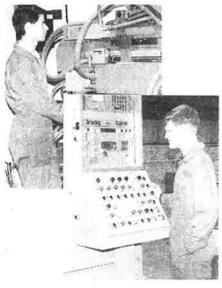


Photo courtesy of "AFTER 16" News KEIGHLEY CONSORTIUM

AFTER SALES SERVICE

In this section are two articles from the Service Department. Frequently it is felt that the Company's responsibilities stop once a machine is despatched. However, if you think about it, after Sales Service is one of the crucial factors in maintaining and improving the Company's image and in turn its ability to sell more machines in the future.

On a personal basis we have all experienced the frustration of not being able to get quick service or spare parts for our car, washing machine, etc., and this will make us think twice of going back to that manufacturer again. We in the eyes of our customers are no different.

One of a number of "prayers" written for Buyers quotes that the "sour" taste of bad service far lasts the sweetness of price advantage.

Service doesn't only mean the man in the field, it starts from a phone call or telex, and a swift positive response means a lot to a customer.

Attitudes towards the company are important and confidence expressed by everybody towards our products and service are important. The individual facing the customer, at whatever level by phone or face-to-face, is Butler Newall and the customers impression of us is made or marred by this initial contact. We are all ambassadors and good service, given with a smile, means that the customer will come for more.

COMPANY LIAISON WITH SCHOOLS

As part of the company's long term commitment to getting the message of the Engineering industry across to schools, we invited a local careers officer to spend two days in the company. The visit was felt to be worthwhile by both parties and hopefully the local schools will have a much better idea of what the machine tool industry is all about.

Visitors at an open day held by Butler Newall Machine Tools Ltd., Halifax, being shown round by personnel executive Mr. Peter Wilds, right. About 200 people attended the open day which was held as part of Industry Year.



SO YOU THINK A SERVICE ENGINEER'S LIFE IS FUN . . .

JOURNEY TO CAIRO 9th MAY 1986 –

We left the workshop at RAS GHARIB at about 2 o'clock and after picking my case up from the Staff House we set off on the road to Cairo. The journey normally takes 5 hours so we expected to be in Cairo well before dark. The car we had was a Peugeot 504 Estate. In the car was an Egyptian driver, his friend and myself. The driver spoke no English so his friend was there to translate if necessary. The weather was very hot and as I didn't expect to stop on the way I took a bottle of water with me.

The road north for the first hour was reasonable and followed the coast of the Gulf of Suez. Then we came to a small village where there is a check point manned by the Army and there is a road that branches off to the west across the Desert. On my way out to RAS GHARIB 3 days earlier we had come that way and the road had been fairly good with just the occasional bad section. The driver said that we would follow the coast road to Suez because it was shorter.

The road now deteriorated very much and in some places it was just a track across the sand in other places the tar was removed leaving large sharp stones protruding through the track. The scenery was more interesting than on my outward journey and I could see quite a few ships which were heading up to the Suez Canal. At one point I even saw a number of Dolphins swimming along the coast. Also I saw quite a few Oil Rigs out in the sea and on the shore there were some storage tanks and I was enjoying my journey. Then suddenly after about three and a half hours from setting off we had a puncture; we were travelling at about 75mph and the tyre blew with a very loud bang. We all got out of the car and I was a little puzzled by the way that the two Egyptians just stood looking at the wheel and argued. Then the driver's friend told me that we had no spare. Miles from anywhere with no spare and no sign of an AA phone!

It was decided that the man who spoke English would go into the next town to get a new tyre. So I was left with a man who spoke no English to sit and wait. At least it had happened at an interesting point as I could see about 30 ships all maneouvering to take their turn through the Suez Canal. While we were waiting the driver decided to get the wheel ready to change. He then found that he didn't have a wheel-brace for the nuts. So he flagged down a passing car to borrow one (the 4th car stopped). He loosened all the nuts and jacked the car up – then a passing lorry went past very fast and the wind blew the car off the jack, smashing the jack!

Time passed very slowly and it gradually got dark. It was now quite interesting to see all the ships out at sea with their lights on. After he had been gone for two and a half hours, the drivers friend returned. He explained that because it was Ramadan, the shops in the nearest village had been closed and he had been all the way to Suez. We then had to try and stop a car to borrow a jack and wheel brace. As it was now completely dark, people were reluctant to stop. However, after about half an hour a car stopped and we changed the wheel. It was at this point we found that one of the studs was damaged. But the wheel was held by three nuts and the nut on the damaged stud was forced on. The drive to Suez took about 45 minutes and the two Egyptians said they would have a meal while we had the wheel changed.

The tyre fitter we went to could not get the nut off the damaged stud, he used a hammer and chisel but it only made matters worse. So we took the car round to a workshop where they had an arc welder and after an argument over price, the offending nut was burnt off. Back to the tyre fitter for a change of wheel. The driver also bought a new wheelbrace and a new jack. We left Suez at about ten o'clock and I was quite confident that nothing else could go wrong. There were two road blocks on the outskirts of Suez then it was the motorway into Cairo. Then we had our second puncture! This was going to be no problem, I thought, we had a spare, a new jack and a new wheelbrace. The jack worked perfectly, but on the first nut the wheelbrace sheared in two. So we again had to start waving down cars, by this time we'd had plenty of practice. A friendly driver stopped and in a short time we were on our way again. The rest of the journey was uneventful and we arrived at the Staff House in Cairo at midnight – after quite a journey!

RETIREMENT PRESENTATION



Mr. Trevor Dyson receives retirement presents from Director Bob Marshall after 19 years at Butler Newall Machine Tools, Halifax. Mr. Dyson, aged 64,of Spring Wood Drive, Skircoat Green, Halifax, was presented with a pair of binoculars, a greenhouse with automatic window openers and a cut-glass decanter with six classes.

He worked as the firm's design office co-ordinator where he merged the mechanical and electrical designs for new machines. His hobbies include making metal models of steam and traction engines, gardening and following Halifax Rugby League Club. Mr. Dyson and his wife have one daughter.



Mr. Ken Normanton receives a TV set from Director Bob Marshall to mark his retirement after 25 years service at Butler Newall, Halifax. Mr. Normanton, of Copley Grove, Copley, at 65. He has been chargehand in the pattern shop at the firm for about five years. He was born and educated in Sowerby Bridge. He served his apprenticeship at William Bates, textile engineers, of Sowerby Bridge, where he worked as a pattern maker until moving to Butler Newall. He served in the Home Guard in the second world war. Now he is retired he hopes to spend more time with his wife, Audrey. He enjoys gardening and walking. In addition to the TV set he also received a carriage clock and a gold-plated watch to mark 25 years service with the firm.

WIN £10 GENERAL KNOWLEDGE

- Which motor manufacturer produced a model in the 1950's called the "SAPPHIRE"?
- 2. Where is the Gulf of Carpentaria?
- 3. Who was the second man to run a mile in under 4 minutes?
- 4. What were Tchaikovsky's forenames?
- 5. On the American Football Grid Iron what are the "Hash Lines"?
- 6. Which couturier designed the "New Look"?
- 7. Where in the body would you find the "Anvil"?
- 8. Who wrote the musical "Perchance to Dream"?
- 9. What trade did a "Cordwainer" follow?
- Name 3 musical films which have won the Oscar for best film since the war.

First correct entry drawn out of the hat on the 10th July will receive £10 prize. Entries in sealed envelope to the Editor, Kephax before 30th June.

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MANAGEMENT TRAINING COURSES RATED AS GREAT SUCCESS

The picture shows Mr. M. Rogers of Peterborough receiving his Diploma from the course tutor on the completion of the Management Training Courses.

All of the participants on the course expressed their enjoyment of a series of seminars that opened their eyes to management techniques and gave everybody more confidence in their own abilities.



NEW APPOINTMENTSSALES & MARKETING DIRECTOR

Tony Wilson joined Butler Newall at the end of September 1986, as Sales and Marketing Director.

Tony, who has an Honours Degree in International Relations from Keele University, has worked at Pressed and Steel Company, Oxford, in the International Division.

Subsequently joined BSA Machine Tools which later became Alfred Herbert, working through shop floor assembly and fitting. Then took up Managerial posts and lived in

Then took up Managerial posts and lived in France as well as overseas in Developing Markets in Brazil, Poland, Spain and France. Mr. Wilson then joined the Bullard Corporation in the USA, then moved to Director controlling European Operations for White Consolidated Industries.

Tony is currently Chairman of the Machine Tools Trade Associations Export Committee, where his fluency in several languages is of great assistance as it is with the Company's extensive overseas connections.

TECHNICAL DIRECTOR

Mr. Geoffrey Hemingway has been appointed Technical Director of Butler Newall Machine Tool Company Limited with effect from 1st June 1987. Mr. Hemingway joins us from GEC where he was responsible for the provision of technical and training services to PM Limited, which basically installed and maintained electronic systems for petroleum forecourts. He will report to the Chairman. His advice and experience will be available to all sections of the company.

Mr. Hemingway obtained his degree in Electrical and Electronic Engineering at Leeds University before doing full-time research work into Stepper motors and control systems. In his nine years with PM he was responsible for the introduction of early electronics through to the latest 32-bit micro-processors, all of third-party supply, the solving of their problems and training of a workforce of comparable size to ours.

This extensive experience should bring to us an interaction with the outside world which will help change our policies and strategies, particularly with regard to the direction of change in control technology.

I am sure you will welcome Geoff.

SERVICE AND SPARES ON THE MOVE!!

Later in the spring, the Service and Spares Department will be moving to the old Apprentice Training School, located at the rear of the Halifax car park.

Extensive renovation of the building will enable the joint functions under Tom Burden's guidance, to give an effective service to customers.

The relocation will take place so that the present fast response to calls for Service and Spares is not disrupted.