

Powerfab to expand

MICHAEL Orrel Martin, new managing director of Powerfab, the Welsh-based mini excavator manufacturer, has plans for a significant expansion of the company.

He says he wants to increase annual turnover from the £2 million claimed for last year, to an annual £8 million by the end of the next four years.

Mr Martin and his fellow directors bought the company last January after lengthy discussions with the John brothers, who established the firm in the early 1980s.

The buyout caused a few raised eyebrows in the industry, as Mr Martin and Derek Alun Jones, the new chairman had previously worked for defence manufacturer Ferranti.

Mr Martin admits: "I'm on a learning curve in this business."

He adds that his first year with the company will be spent consolidating the firm.

However, one of the John brothers, David, has remained with the firm as technical director. Together with Michael Hamblin, the new finance director, the four directors own 65 per cent of the company shares, the rest being held by funding institutions such as 3i Group and the Welsh Development Agency.

According to Mr Martin, an essential part of the company's development will be to install a dealer network across the UK. This is a change from the previous method of handling sales, direct from the factory in Tredegar, near Newport.

Seven dealership agreements are due to be signed in the next few months. Some of them will be firms well established in the mini excavator market, claims Mr Martin.

Marketing the products properly is necessary to expand sales. Mr Martin says that in the past the management

Powerfab is looking to increase its production and sales, reports Mike Woof

had been very engineering-led, which meant the company had not placed its full attention on sales and support.

Quality control of the products in the factory is also in the process of being upgraded. While Mr Martin says that warranty claims have never been a problem for the company in the past, he has introduced a series of checking procedures in the factory.

There are visual inspections at five stages of the production process, followed by a half-hour running test of each machine after assembly. Every fifth machine is also subjected to a more extensive running test.

Production is being improved by better organisation and there is already a 60 per cent commonality of parts across the machines. Once the components, such as the boom and track frames, have been cut out and welded, one man is responsible for assembly of each machine.

The engines and hydraulic pumps are built into power packs but are not fitted until last, to suit the customer's choice of engine specification.

A proper paint shop is to be installed at the factory over the next year. At the moment, components are painted before assembly but Mr Martin wants to improve quality by setting up a paint shop fitted with heating systems and an overhead conveyor.

A new building for storage of the

finished products will also be erected on the 4 ha site and there are further plans to improve the production facilities as demand rises. There is also a tighter control of items provided by suppliers.

The machines themselves are to get some improvements. Powerfab mini excavators have established a reputation for being rugged. With a claimed service life of around seven years, Mr Martin says the machines are also long-lived and reliable, as well as offering a high digging performance for their size.

But, he concedes: "We are looking at the styling side of things, to make the machines look smoother. Our excavators do have an Eastern European appearance."

Also due for a redesign will be the pipe runs on the excavators, which have been criticised in the past. Much of the flexible hydraulic piping used at present, will be replaced with metal pipework.

The aim of all these improvements, will be to make the company UK market leader for sub 1 tonne excavators.

But all this activity will not come cheap and the company is looking to invest around £750,000 in all, a large amount for a small firm.

Powerfab has built specially adapted machines in the past, for use in a 1 m diameter access tunnel or remote control excavators for demolition of towers at the Sellafield nuclear site. However, Mr Martin says his aim is to move away from building these one-offs.

A new model, the 1000X, is now under development at the factory and is due to be launched later this month. The tracked excavator will weigh around 800 kg and be powered by a Briggs & Stratton petrol engine. What is unusual about the machine is that it



HIGH TEAROUT...
Powerfab aims to dominate the below 1 tonne UK market for excavators

features zero tailswing, even when the boom is at 180 deg to the tracks.

To overcome stability problems, the machine is fitted with a specially designed low weight boom section. Despite its compact size, the ride-on machine will be able to deliver around 750 kg of tearout.

The machine has been developed to suit a customer's specifications, and the firm, a UK hirer, has tentatively placed an order for 100 units.

The other products in the Powerfab range have been rationalised and fewer options are now offered. Engines now fitted are the Briggs & Stratton and Honda petrol, as well as the Mitsubishi

and Perkins diesel units.

The existing range includes four sub 1 tonne machines suitable for towing, the 125 wheeled digger, the 180 tracked digger, the 300 ride-on skidsteer loader and the 1250 tracked digger.

The larger machines available from the company are the 1.2 tonne 1700 mini excavator and the Hytip, a 1 tonne capacity tracked dumper.

In spite of the recession, Mr Martin remains optimistic.

"We could have chosen a better time to buy the company," but he points out that so far in its history, the firm has never made a loss.