

FENN TOOL LTD

QUALITY TOOLS FROM AROUND THE WORLD

CASE STUDY: FENN TOOL LTD

<http://www.fenntool.co.uk>

FACT FILE			
Company name	Fenn Tool Limited		
Business Activity	Manufacture and sales of tools		
Region	United Kingdom		
Business Range	Local	Regional	National
			International
Description of market / client /target group	Aerospace and telecommunications industries.		
Description activities / products / services	Specialist cutting and grinding tools.		

CASE DESCRIPTION:

The business

Based in Essex, UK, Fenn Tool started life about twenty years ago as a small importer and distributor of quality machine tools. They sourced tools from quality manufacturers in Switzerland and Austria and supplied them at competitive prices to UK precision metal-working industries. Whilst this process enabled the company to grow, expanding its workforce and opening an Irish sales office, its present success - in 2000 it won a Manufacturing Industry Achievement Award and a Product of the Show award at Enquip 2000 in Dublin - is largely based on two different uses of computer technology to advance the business.

Introduction of e-business

Fenn Tool realised a few years ago that there was a significant and largely unfulfilled demand for specialist cutting and grinding tools, particularly in the aerospace and telecommunications industries. While Fenn had the wherewithal to design products to meet the market requirements identified (Fenn is essentially a company of engineers), their attempts to have the designs manufactured by their traditional suppliers entailed a six to ten week wait for supply. Since customers often needed new tooling quickly, this meant that Fenn Tool lost orders.

The directors therefore decided to do begin tool production themselves by purchasing a computer aided design and manufacturing package at a cost of £250k (ca. 400k euros),

most of the company's available capital at that time. The computer aided design package works on a desktop computer and handles design, programming and verification, which then feeds into a computer aided manufacturing system, followed by a precision verification system.

The installation in-house of this high technology equipment has allowed the company to cut lead times - from order to finished product - to as low as 48 hours. Whilst the results are to a high quality standard, cost per unit has been sharply reduced. The flexibility and other benefits of the equipment have encouraged Fenn Tool to purchase other, smaller, machines.

The second application of information technology introduced by the company was the development of its own web site. Whilst it was supplying precision tools to blue chip manufacturers, it remained a relatively small company and an international sales force was a prohibitively expensive option. The management was aware, however, that many companies existed overseas who had similar needs to Fenn Tool's existing customers and thus were potential clients. Fenn Tool needed to find a way to sell to overseas clients effectively. The development of a website provided a solution to this problem.

The initial website was designed in-house by the company's office supervisor, who had been on a course on Front Page. The web site is now not simply bringing in enquiries; it is bringing in orders. Substantial contracts have been won from client companies in Spain, Japan and the USA. Fenn Tool is now developing a product catalogue database for its web site and is looking to other ways in which it can use e-business.

Lessons Learnt

The company is confident that it did the right thing in moving towards e-business. Despite the comment of the finance director - 'it's better to fail trying than fail for lack of trying', Fenn Tool have in fact not failed, but rather succeeded in resolving two separate problems through the application of e-business.