



# Going for growth

*Consolidation within the contract electronics industry equates with opportunity for the best manufacturers. Paul Deehan, MD of AWS Electronics talked to Jayne Flannery about the company's growth strategy*

**A**WS Electronics, based at Newcastle-under-Lyme, has been trading for more than 30 years. New life was breathed into the company nine years ago when it was re-focused to become a high quality UK base for specialist European and global contract manufacturing solutions. AWS Electronics offers a one stop service that ranges from design, prototyping and procurement through to sub or full unit assembly and includes warehousing, distribution and after sales support. Customers are all blue-chip companies drawn from the defence, medical, scientific, food and high end technology sectors. The manufacturing side of the business covers, in equal measures, unit assembly, PCB assembly and cable/harness assembly.

The current MD, Paul Deehan, bought into the business at the end of 2005. The company retained its existing finance director, technical director and operations director who also have an equity stake. Deehan believes they represent a formidable team. "We have their knowledge of the sector in which we operate, combined with my grounding in the automotive and a range of manufacturing sectors, and understanding of how to optimise supply chain management in a competitive environment, which I feel certain is ripe for further consolidation," he said.

At present, the contract electronics industry

is characterised by a relatively high number of small operators, in contrast to the increasingly large size of the companies that characterise the sectors that are served. Here, big has become ever more beautiful – and cost effective – over recent years. "The majority of sectors we serve are undergoing consolidation," he stated. "History shows that the supply base will have to react by developing and changing. If we want to take advantage of the opportunities this will bring, then we need to broaden our capabilities still further."

Consolidation, he believes, will allow everyone to gain from economies of scale. "If, for example, we can consolidate our own supplier base and give our own suppliers the benefits of economies of scale, then ultimately they should be able to give us a better price and we all gain," he said.

AWS Electronics is now actively seeking out acquisitions. "Our UK growth strategy relies on seeking out other companies that have synergy with our core capabilities. We want to broaden our capabilities specifically in electronic services, asset management and spares and repairs," he said. "The one stop service is already becoming standard in the world of contract electronics and increasingly customers want to stretch the concept a stage further, embracing everything from a comprehensive design input through to long-term asset management programmes with an equally comprehensive after sales service. While we already provide all of these services, we have also identified opportunities to reinforce and extend our offerings."

He is also keen that AWS Electronics should be at the cutting edge of the latest technical breakthroughs. "From the perspective of surface mount and box build, we want businesses that can take us forward into the next generation of technology," he said. "We think that there are still many niche opportunities in certain sectors where we could definitely establish a stronger presence," he added.

The core business of AWS Electronics is surface mount technology (SMT) through conventional printed circuit board (PCB) assembly to a supporting range of complex cables, harnesses and wiring products. Output is at the higher end of technical content, geared to heavily customised requirements. Products leave the plant either as complex sub-assemblies or as complete finished assemblies.

Deehan is confident that there is still plenty of scope for this type of business in the UK, despite the threat from the east. "Absolutely key to the

**Above**  
Surface mount  
technology area