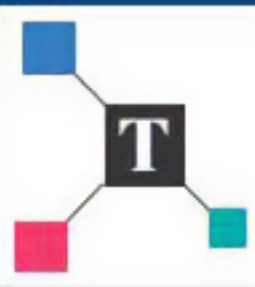


Business Times Enterprise Network

Rotherham opens door to future of manufacturing

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Cutting-edge technology lies at the heart of one entrepreneur's vision of what a factory can be, reports **Richard Tyler**

When a company invites a journalist to visit its "factory for the future", you might assume it has something to show off. That is not how Chris Rea thinks. His new 175,000 sq ft factory at the Rotherham-based Aesseal is virtually empty. The exciting bit, for him, is what the space represents.

"What we've got here is a window to the world of modern manufacturing. It's not dirty, it's not smoke-filled rooms. I wanted the workplace for our people to be beautiful and I wanted it to be a statement, a lighthouse project, in what is supposedly the 221st worst place to live and work."

Aesseal's managing director and majority owner is referring to a survey by Rightmove, the property website, which resulted in the local newspaper headline: "Rotherham ranked unhappiest place to live in England." An almost empty factory might not immediately counter that impression or be the most promising image for Britain's manufacturing prospects, but Rea is doing what he has done since taking control of the company in 1979: he is planning ahead.

He has ordered 32 robots costing £13.1 million, seven of which, each costing more than £1 million, will be housed in his factory for the future with space for another six. One robotic cell serving two machine tools and nicknamed Bumpy the Bot is already in place. Three other machine tool cells — "mini-factories" — sit alongside it. A fourth, a large machine that cuts metal into components across nine axes using its belt of 240 tools, is about to be installed.

"We didn't need to make such a big investment. It is Rea's folly, my last hurrah, my own lifetime achievement award to myself. It is crass stupidity or it's a totally appropriate head office investment for what one day is going to be the world's leading reliability business."

Aesseal designs and manufactures mechanical seals, bearing protectors and other industrial components for customers worldwide. It sits within the wider AES Engineering group that includes a fast-growing condition monitoring consultancy called AVT Reliability, based in Warrington. The mini-conglomerate has 72 businesses operating in 42



Chris Rea, managing director of Aesseal, high hopes and big ambitions for his robotic production line at the company's new factory facility in Rotherham, South Yorkshire

countries and employs 1,934 people.

About 40 per cent of the business is owned by 3i, the private equity group. It first invested in 1996, making the company an outlier in its portfolio, given that its typical investment time frame is three to five years. A spokesman said that AES Engineering was "one of our longest-held investments and we are fully supportive of the company's investment plans".

"If you had come here seven years ago this would have been empty," said Rea, 69, walking past a large room in the original factory building full of machines making components for the oil and gas and pharmaceuticals industries. "So when you see something empty, you have to understand that sometimes visions turn into reality."

In the next room, 26 AutoStore robots have arrived to create an automated order-picking system that will integrate with the company's management software, bought from SAP, of Germany. The robots are similar to the ones that dash around the enormous distribution sheds of Ocado, the online grocery and retail technology group. "What it means is the same number of

people are getting twice as many parts out the door. Automation."

In addition to the factory, Rea has built the Treewalk, a nature reserve that runs around the edge of the ten-acre factory site and attracts local schoolchildren, as well as bees. Rea has long known that too few young people want to work in factories, so has been doing something about it. The Treewalk is one tactic. Automation, smart working conditions, decent hours and slick IT systems that knit the factory's processes together are others.

"Almost from the day this business started we have been trying to stop people doing dull, boring, mundane, monotonous, low value-adding tasks. We've taken those sorts of jobs that you would otherwise have shipped to, say, China and we've said, 'No, we'll make an investment in equipment so we can pay people an appropriate level of money.'

"We're not concentrating on what we can get out of their labour. We're concentrating on how the integration of technology under people can allow us to be productive. We've taken the view of high capital investment and high-paid

labour, rather than low capital investment and low-paid labour."

That is not to say that Rea is not fighting hard to attract more people: 233 apprentices have passed through the company's doors in the past five years, undergoing training costing £5.4 million.

One young engineer on the payroll is Lewis Hardy, 23, who graduated from Hull University and manages Bumpy the Bot. Hardy was attracted to work here by the investment in cutting-edge kit. He has spent a year getting to grips with Bumpy, which has proved a trickier addition than had been hoped.

On a tour of the site, the topics under discussion bounce around relentlessly, Rea often starting one before he has finished the last. Investment in generative AI to mine its internal databases to better answer customer queries morphs into energy-efficient transformers to save money and an automated order quotation system called Eve (costing £3.4 million to develop). This week the businessman is adding another 1,200 solar panels to the factory roof, taking the total to 3,300.

A driven individual, he seems unlikely to be the type to suffer fools gladly. "I'm better when I know people". And he is clearly proud of his company. "I like to pursue excellence."

Aesseal is a prominent business in South Yorkshire, not least for its sponsorship of Rotherham United's 12,000-capacity Aesseal New York football stadium, opened in 2012. The group shrugged off the disruption from the pandemic and will announce record results this year. "In 2019, we did £178 million sales; in the 12 months to June, we did £255 million; we expect to do £265 million to £270 million this full year." Profits before interest, tax and other charges of £65 million are not too shabby, either.

Rea started investing in automation technology in earnest ten years ago and is not optimistic about the prospects of other British-based manufacturers that have begun doing so only recently. "You just won't be able to manufacture in a country where you pay people a living wage. You won't be able to engineer, do innovation, do development." That is a not a prospect that seems likely for Aesseal.