

► Simtek EMS -
Putting right the wrongs of off shoring 2010

Margate-based Simtek EMS, in its current guise has been offering a range of electronics manufacturing services for over six years now, following a Management Buyout (MBO) by the current owners Richard Samuel and Lee Boulton in 2004. But the company's roots and experience extends back well over 14 years.

"There is nothing that they can throw at us, that we have not already seen," says Richard. "Over the years we have seen products moved both in part and wholesale to low cost economies based entirely upon short sighted costing models."

"As long as two years ago, we started to see certain products returning to be made in the UK, mainly due to the inflexibility and lead time constraints that come with off shoring."

Now that customers are very keenly looking at the "total cost" of a products life cycle they are coming to realise that support, component obsolescence and protection of intellectual property are all very costly when controlled at arm's length.

"We already have long running contracts in place to rectify products for UK customers that have fallen foul of the issues mentioned above. One Simtek customer had not bargained for the speed at which the mobile phone market would technically progress in relation to the slowness of the sea cargo from the Far East to the UK- thus prompting the necessity for a key modification to every product. Another customer had an otherwise worthless product containing counterfeit components fitted in the Far East, which we are systematically replacing, so that the product can be sold in the UK."

Extended lead-times for many parts (not just Silicon) are having a real impact on production schedules and deadlines.

Simtek makes every effort to be as proactive as possible with obsolescence and availability issues. "As we like to get involved with a customer in the early stages of manufacturing, we're usually the first to discover an obsolete or difficult to get hold of component in a customer's BOM," Richard says. "But then, rather than just highlight the problem to the customer, we actively try and source an alternative part on the customer's behalf and engineer this into the build. We feel that this is also one of our main strengths and our customers appreciate this because, for them the process is seamless and hassle-free. As we have access to a wide range of component suppliers globally, we can normally source alternatives in a timely and cost-effective manner."

It's an accepted fact that the face of UK manufacturing has changed – maybe permanently, but Simtek is proud of the fact that a significant proportion of the products it manufactures is exported out of the UK helping to bring Euros, Dollars and a number of other currencies into the UK economy. "About 40% of our products are exported," explains Richard, "but the revenues generated are put back into the business and into the pockets of our employees and that can only be good for the UK in general. We know that we have many challenges ahead, but the business and customer-base is growing and we feel we're well equipped to meet those challenges and continue to develop as a company offering a fast, friendly, flexible electronics manufacturing service."

