

Enterprise and innovation
in manufacturing

Making it in Leeds

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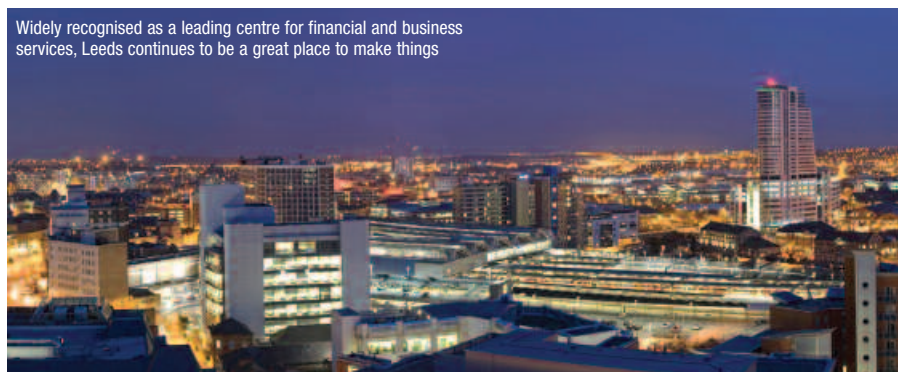
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Leeds
Live it
Love it

Making it in Leeds

Manufacturers in the city of Leeds are rising to the challenges of globalisation with a winning combination of enterprise and innovation that is enabling them to build market leadership and win new business in the face of fierce competition.



Widely recognised as a leading centre for financial and business services, Leeds continues to be a great place to make things

Recent research shows high levels of business start ups – 200 new manufacturing firms in the past five years – and strong growth, with some companies reporting year-on-year growth of up to 30%. As a result, Leeds remains the UK's second biggest production centre outside London, with a manufacturing base of over 1,900 firms employing a workforce of over 39,000.

So, while Leeds has rightly won a reputation for itself as a leading centre for

financial and business services, the city continues to be a great place to make things, with a fascinating product portfolio and key strengths in specialised engineering, print and publishing, food and drink manufacture, textiles and healthcare technology.

Phil Cole, head of Leeds City Council's business and enterprise team, is bullish on the city's manufacturing future: "There are some highly innovative companies based in

the city, pushing the boundaries and, in some cases, leading the world in their respective fields.

"The sector is also incredibly diverse – the majority of companies are small to medium sized businesses. They play a key role in the economic life of the city, adding to the diversity and vitality of the economy and ensuring the city's fortunes don't depend on individual industries or employers."

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Phil Cole

Bagel Nash's recipe for export success



Bagel Nash has grown from a single retail unit to a £2 million turnover business, with its own bakery producing 250,000 bagels a week. Launched in 1987 by husband and wife team Uri and Karen Mizrahi, the company now has a 50-strong workforce and plans to develop its chain of retail outlets into a national franchise network.

In addition to strong growth in UK sales, exports have rocketed: "We now export more than 35% of our output to over 20 countries", says Karen Mizrahi. Scandinavia, Iceland, Hungary, Greece, Malta, Cyprus, and Dubai top the list of export destinations.

Food and drink manufacture is of growing importance to the Leeds economy, both in terms of employment and output. Around 4,700 people are employed by 87 Leeds-based food and drink companies, which contribute over 12% to the output of the city's manufacturing sector.

Major employers include Arla, the UK's biggest dairy products manufacturer, Ainsleys of Leeds and Richmond Foods.

Main picture: Uri and Karen Mizrahi.
Right: Bagel Nash's new retail outlet at The Light in Leeds city centre.





Enterprise and invention

Leeds-based Glassflake Ltd, the largest producer in Europe of microscopic flaked glass particles, is fast expanding its share of emerging markets in the Far East.

Combined with polymers, the company's products dramatically improve the mechanical, thermal and barrier properties of paints and plastics and are in widespread use in power stations currently being built across China.

"We've focused on the polymer and pigment markets and have

appointed a network of local agents to service these markets on the ground. There is tremendous potential for us to work with Chinese companies," says Glassflake general manager Simon Brigham.

Competitors in Japan and China have so far been unable to replicate the unique production process, which is heavily ringed by patents, and new applications are constantly being developed for the company's products, including glitter-effect cosmetics and sun creams.

"The core market for glass flake continues to be industrial coatings and one market we're supplying is the well-documented power station network in China.

"But we're also making tremendous progress in the production of pigments, providing the sparkle and gloss for certain cosmetics and in sun screens, we're re-placing titanium oxide. The car manufacturing industry is another sector we're examining," says glassflake inventor and company founder Charles Watkinson.

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Fruit company in healthy condition



Name a company that has more than doubled sales to £19.4m in the past three years and is still growing at 55.5% year-on-year while relying almost entirely on time-honoured manual skills. The answer is the market-leading, Leeds-based fresh fruit operation of Daniels Chilled Foods.

Riding the rocketing demand for fresh, healthy foods, the company's dedicated 33,000 sq ft Waterside Park plant prepares 150 tonnes of fresh fruit a week with scarcely a whisper of

automation. It keeps 380 skilled workers busy, rising to 600 at peak times in summer.

"Our fruit looks good and tastes fantastic," operations manager Alex Faulkner enthuses. "Clearly, buying the best available produce helps, but fresh fruit must be handled with the greatest care and it's not a job for machines."

The UK fresh prepared fruit market has seen phenomenal growth, as brand manager Dan Gough

attests: "It's a strong, dynamic marketplace showing tremendous growth – 50% a year in some retail areas.

"Market penetration is also impressive; an extra 628,000 households have been added to this market in the last year. They're buying prepared fresh fruit more often – 5.5 times a year. They're also buying more by weight and spending more on each purchase."



Competing in a global economy

The world's biggest centrifugal pumps, manufactured for use in the offshore oil industry, are being produced by Leeds-based Sulzer Pumps as part of an £11million order placed by Azerbaijan International Operation Company.

Driven by Rolls Royce RB 211 gas turbine engines, similar to those used to power jumbo jets, the 36,000 HP pumps – the world's biggest – are used to inject water, deep below the seabed to maintain well

pressure and enhance oil production.

Seven of the 27 megawatt multi-stage centrifugal pumps and associated spares are being shipped out to the Caspian Sea where they will be installed on offshore oil rigs.

Full speed and load tests using the RB 211 have now been completed at Sulzer's new Leeds test building, recently expanded at a cost approaching £2 million and acknowledged as world leading.

Sulzer Pumps is one of the city's largest manufacturing employers and recently signed a further deal, with an undisclosed value, to provide oil pumps for the transcontinental pipeline running from Eastern Siberia to the Pacific coast.

"We have been market leader in the supply of high energy pumps to the oil market for some years and we're widely perceived to have the best technology and manufacturing facilities," says Sulzer

deputy managing director Richard Whiteley. "Oil will still be fuelling the world for the next 20 years and the industry is undergoing an extended boom."

Sulzer has been making pumps in Leeds for 160 years and turnover last year exceeded £100m. The company now employs over 350 people and is currently recruiting 15 new apprentices.

Print firm makes it personal

Leeds is the country's second largest centre for paper manufacture, print and publishing outside London. Sustained capital investment – £14 million over the last six years – and a commitment to high levels of customer service has propelled companies such as Blackburns up the league table of Britain's top printing firms.

“Before committing any major investment in plant, we undertake extensive customer research for existing and future requirements. This creates value for our customers and drives business growth. A recent example is our investment in web inkjet printing at the finishing stage, which allows us to add the final personal touch to our clients' mailings,” says group sales director Stuart Payne.

The Leeds company has a workforce of 360 and offers its customers total direct marketing solutions, combining print, database management and fulfilment. Its customers include some of the leading household names in financial and insurance services.

LEEDS IS THE COUNTRY'S SECOND LARGEST CENTRE FOR PAPER MANUFACTURE, PRINT AND PUBLISHING OUTSIDE LONDON



Diversity and innovation

Diversification has been key in enabling Leeds manufacturers to build and maintain their competitive position. Union Industries, for example, began trading in industrial textiles but soon developed and expanded into fabrication and installation of high-speed doors for warehousing and cold storage.

Now it also produces de-contamination units and air filtration systems, which can be used either in a hospital environment or as survival capsules in the event of chemical,

biological or environmental contamination.

The success of speciality textile manufacturer AW Hainsworth also shows how traditional Leeds companies have succeeded by combining product innovation with niche marketing. The company has been in business for over 200 years and originally supplied material for the uniforms of Wellington's troops at Waterloo.

"There's no point being able to monopolise a particular market segment

if it's about to dry up," says Sales director Adam Hainsworth. "We are under constant pressure from overseas manufacturers we constantly have to look to open up new sales avenues."

Today, Hainsworth is still clothing armed forces the world over but it has also moved on to producing lightweight fabrics featuring wonder fibres such as Kevlar used in protective clothing worn by the fire service and the Red Arrows air crews.

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Sound Leisure sell Elvis to Graceland

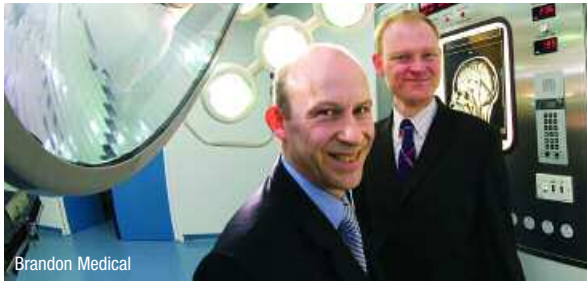
Launched in the 1970s by electronics fanatic Alan Black with just £60 capital, Sound Leisure has made its mark by combining traditional skills with the latest technology. The company is now a market leader in jukeboxes and audio visual systems with £9 million annual turnover and 120 employees in Leeds alone. "The nature of our business means marrying the latest electronic techniques with

skilled cabinet-making craftsmanship," says company chairman Alan Black. "We've built an international business from Leeds and created 120 permanent jobs in the process." Latest additions to the company product line include the i-pod jukebox and a range of Elvis-branded jukeboxes, which are being sold exclusively through Graceland.

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Revolution in medical technology

Investment in research and development is central to the competitiveness of manufacturing companies. This is especially true in the field of healthcare technology, which thrives on continuous innovation and new product development.

It has proved vital to the success of companies such as Xiros, a world leader in orthopaedic and ligament reconstruction technologies.

“We have a continuous process of considering literally hundreds of ideas for surgical advancement, with around a dozen projects in progress at any one time,” says innovations manager David Beevers.

The company exports 90% of its products and works closely with surgeons to develop solutions in-house and identify the best route to market. This can either

be through the Xiros ‘Neoligaments’ branded product range, or via commercial links with global medical devices companies.

“While much of our work has been about knee joints and particularly anterior cruciate ligament repairs and similar injuries of the types suffered by sports people, our expertise also extends into other areas of the body, including the ankle, shoulder and spine.”

Award-winning Brandon Medical has developed a revolutionary audio visual system that allows surgical procedures to be supervised and viewed in high definition from anywhere in the world.

Managing director Graeme Hall sees the system, which has already been installed in UK, Irish and Danish hospitals, as having worldwide applications.

The digitally-based system uses video and audio over internet protocol, offering substantial cost advantages compared to analogue systems.

“Whereas one UK hospital recently invested over £1m equipping four theatres and one seminar room for analogue video coverage, we could cover 30 theatres and distribute the information to every room in the hospital with higher quality and greater functionality for £250,000,” Hall explains.

Already exporting to more than 40 countries, Brandon has achieved annual growth rates of 30% and is well placed to take its new system into markets around the globe.

Across the city, modern laboratories, world-leading scientists and clinicians are combining with Europe’s largest medical school to put Leeds at the forefront of ground-breaking research into revolutionary and potentially life-saving new approaches to medicine. Around 32,000 people are employed in healthcare in Leeds and Leeds Teaching Hospitals NHS Trust is the largest healthcare provider in Europe. Over 50% of the University of Leeds’ total research income is generated by medical and healthcare-related research. There are over 100 healthcare technology companies and suppliers based in Leeds, employing 3,500 people.

Manufacturing in Leeds sector profile



Employment in the main manufacturing sub-sectors

Sub-sector	Employees
engineering	13,600
print, publishing and paper manufacture	8,000
food and drink	4,700
furniture manufacture	4,350
chemicals	3,100
textiles and clothing	3,100
healthcare technology	3,500

Leeds is the UK's second largest manufacturing centre outside London, with more than 1,900 companies engaged in a diverse range of manufacturing activities. Key strengths include specialised engineering, print and publishing, food and drink manufacture, textiles and healthcare technology.

The Leeds manufacturing sector employs 39,000 people – 9% of the city's workforce – and generated around 14% of Leeds' £13.6 billion total output in 2006.

Leeds is the largest centre outside London for print, publishing and paper manufacture, with major employers including Agfa, Blackburns, Communisis and Yorkshire Post Newspapers.

THE LEEDS MANUFACTURING SECTOR EMPLOYS 39,000 PEOPLE – 9% OF THE CITY'S WORKFORCE

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