

A bigger, sustainable slice of the cake

Figure 1 right: Martin Clarke, CEO of British Precast.

Greater market share with improved profitability is just one of the goals for members of British Precast, according to its chief executive Martin Clarke. And as he outlines, there are many initiatives that the Federation is implementing to help them achieve that target.

JAMES LUCKEY, THE CONCRETE SOCIETY

It is nearly six years since Martin Clarke took over as chief executive of the British Precast Concrete Federation. A career in concrete, spent with ARC (now Hanson) and as marketing director of the British Cement Association, has helped him develop the vision and strategy to drive the Federation and its members forward.

Given the experience of its chief executive, British Precast has certainly used the power of marketing in the argument for precast concrete. So, is the work paying off and the battle being won against other materials and methods?

“Yes, there is a terrific amount of interest in precast concrete products. We don’t pretend to be a marketing organisation but I come from a marketing background and have changed the emphasis within the Federation since I started. This is a people business and I am very fortunate to be working with a very professional and enthusiastic team here in Leicester along with members who are exceptionally nice and very supportive.

“One of our goals is to grow the market and we work with The Concrete Centre and others to grow the ‘cake’ but we also want to take a bigger slice of that cake. We want that cake to be nice, tasty and rich! That means we want to see the return on investment improve for the precast industry.

“Market share for its own sake is of no interest; market share with improved profitability is what we want. And therefore improving the cost-base within the industry, relative to other materials, is essential over the lifetime of our products. In terms of cost, we’re not just talking about cash but also the environmental cost as well. Optimisation of life-cycle costs and environmental impact is the future for us. That means using less materials and getting more out of them.”

Industry challenges

Having been at the helm for more than half a decade, Clarke is better able to assess the changes to his industry and recognise the challenges that lie ahead. He notes that rationalisation is having an effect on the precast sector, with more vertical integration – not just in the UK but Europe in particular. “There were huge record investment levels of acquisitions in 2007 and planned for 2008. Obviously, acquisitions can be an issue for trade associations because of member levels and subscriptions. So we have to get better at bringing in non-members.”

A further test is the ongoing debate for off-site construction. Clarke says that it took the precast industry a while to adjust to that debate because “we have been in the off-site industry since the mid-19th Century.” He admits that the battle against on-site construction is putting some precast products at risk and, for example, British Precast is working to preserve the interests of masonry (brick-and-block construction) against timber and steel frames. “I



have no problem advocating both off-site and on-site concrete and masonry solutions – it is horses for courses and we have the best solutions.

“That’s very much a struggle we’re going to have to continue. We face a lot of prejudice – un-thought-out, unscientific, dictatorial prescription from Government and its agencies favouring lightweight off-site construction regardless of its origin and suitability. The existence of taxpayers’ subsidies for inferior building systems drives me nuts.”

Another frustration is what he calls ‘prescription’ of modern methods of construction, “where some anonymous person in an office block in London, working for the CLG and its agencies decides what is a ‘modern method’. That’s ludicrous – there is no science behind it or professional [scrutiny]. We should be moving towards performance specifications for products and materials wherever possible.”

Back in the first half of 2007, the precast concrete product industry had to deal with a significant challenge by way of cement shortages, caused in the main by unavoidable production incidents and cement plant maintenance coupled with an unexpected surge in demand.

“We had some problems as a sector,” admits Clarke, “but I don’t think the cement shortage has had any lasting effect in terms of overseas precast competition. The threat there was high before and remains a real problem.” Communications are now improved he says and the cement industry has put in new lines of supply.

“It’s important there is a strong UK cement manufacturing base, and an adequate forward supply of aggregates/minerals, so we will support both BCA and the QPA in helping them. If we don’t have cement and aggregates locally available, the more likely it is that UK precast manufacturing will move abroad.”

Triple focus

Even closer to home, one of British Precast’s primary tasks is to ensure each member of the Federation’s structure gets what it wants for its subscription. Clarke says that means providing focus right down the product line – no small feat for an organisation that has 13 product groups. His role within that is to provide the management systems to ensure each member gets what it wants and also to cut across the divisions that can sometimes occur by concentrating just on products. “Our focus as a Federation

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is on three cross-sectoral areas: health and safety, sustainability and innovation.” Indeed, the organisation holds annual awards for its members, recognising outstanding work in all three areas.

“Safety is an issue that covers all types of product groups and production technologies and all of our members run or manage transport operations so they have that in common as well.

“Our members have actually reduced accidents, consistently, over the last six years by around 10% per annum. So we’re a 60% safer industry than we used to be. Keeping the momentum going is one of the big challenges that we’ve got. We have a competitive scheme called Concrete Targets 2010, which measures companies’ performances on safety and there is an awards evening and a certain amount of competitiveness among the companies, which has to be a good thing. With accidents costing on average over £100,000 each, every concrete producer should join the scheme.

“The longer we go on, of course, the more challenging it will be to show savings but we’re determined to move to a zero accident environment and the whole construction industry should be moving that way.”

Another of the focus areas Clarke talks about is innovation. It is, he says, great in terms of stimulating people’s interest in precast concrete. The innovation awards scheme was introduced four years ago and has progressed well. British Precast has 20–30 entries for this year. “Out of it comes a good publication each year *Moving the Industry Forward* and we can use those innovations – whether it’s in materials, production, transport – to publicise the whole sector.

“Obviously the whole sector isn’t constantly innovating; we’re trying to sell tried-and-trusted products into tough markets! But I’ve always been keen on innovation from both an academic and a practical point of view. I’m very keen to increase awareness in the outside world of just what precast is doing and hopefully that stimulates more innovation.”

Sustainability

Perhaps the most notable change affecting the industry is the environment in which companies operate. Martin Clarke affirms that certain issues have come quickly to the fore of people’s thinking, “and number one has got to be sustainability.”

Towards the end of last year, British Precast launched its challenging Sustainability Charter. Member companies are invited to sign a series of commitments to improve their sustainability performance and profile (see Figure 2). At the launch event in November, the initiative was warmly welcomed by Paul King of the UK Green Building Council who said “the charter would be used as an exemplar by the Council.”

Member companies signing at the launch reception included some significant names: Aggregate Industries UK, Hanson, Tarmac and Marshalls. It is not a compulsory Charter but a high proportion of Federation members have signed up so far. By the end of 2008, the organisation’s chief executive hopes that all members will be a party to the Charter, “It’s a statement to their competitors and to their customers. The rewards for better sustainability performance will be far better and greater than the costs of ensuring compliance.”

But at a time of rising costs and the recent supply chain issues in mind, is commitment to these objectives going to be difficult for members to justify economically?

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Figure 2: British Precast's newly introduced Sustainability Charter.

on the bottom line for following the Charter. Those rewards are two-fold: one is recognition in the marketplace – there’s no going back, our customers for precast are increasingly looking for sustainable solutions and products. Initially the growth in interest was in the housing market, particularly the public sector where the Code for Sustainable Homes is being implemented.

“The second aspect is that there is a clear relationship between good practice, environmental management, a structural approach to sustainability and the bottom line.”

There are, Clarke says, two areas in which British Precast approaches sustainability, “driving the strategic issues by which buildings are designed and legislation is developed; and the second is the ‘nitty-gritty’ of running a factory and the logistics of operating in a more sustainable fashion. We’ve now split our sustainability committee into two for these purposes. One is essentially a strategic group and the second is an information exchange – an exchange of intelligence, exchange of experiences and tips.”

The future

And so to future prospects. Clarke points to Europe for a yardstick, noting that in The Netherlands, precast is responsible for around 45% of cement consumption. “In the UK we’re about 28%, so we have another 17% to match what the Dutch have achieved. That means we have to take market share from in-situ concrete/on-site batching as well as other building materials.”

Achieving that goal and grabbing a larger ‘slice of the cake’ can be done by sound management. Making sure that production is energy efficient, use of materials is more efficient, moving towards zero waste and looking after the health and safety of the workforce.

“Our role is representing and optimising the interests of all our members and all the product groups and coming up with building solutions to suit whatever the clients want. My vision really is to have a global marketing network for precast, which isn’t an organisation but people exchanging ideas. And that’s already starting to happen.” ■

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