



Case Study: ARC Fabrications

Safeguarding the Future

sustainable development training
for the professional business



Agricultural Manufacturing for the Future

sustainable development
training for the Agricultural
Manufacturing sector

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Introduction and Background

ARC Fabrications' proprietor, Mr David Jenkins, started the business in Swansea, South Wales, in 1989, after completing a training course, with the help of the Government's Enterprise Allowance scheme. In 1996, due to expansion of the business, he relocated to the present premises in Gorseinon, 7 miles (11km) west of Swansea.

The company undertakes various types of manufacturing work, including fabricating and erecting industrial buildings. The business also currently carries out many individual commissions for stainless steel and glass installations such as staircases, for the industrial and domestic customer. Their contracts have grown from the small-scale and domestic, to large industrial businesses over the years, and personal references and word of mouth have helped to secure these large industrial steel contracts. Structural steel work on industrial buildings is of increasing importance to the company, now comprising around 50% of their business.



They can fabricate agricultural gates and fencing, but are not carrying out this type of work at present as there is no demand for his company to produce these. Most of this type of fabricating is carried out by large companies, as these can provide very large quantities of these goods. The cost of the steel reduces dramatically as the quantities ordered increase, hence it is not possible for a small company such as ARC to compete on the price of the finished product.

The company employs between 4 and 8 people, depending on the amount of work secured and the administration is carried out by Mr Jenkins.

Mr Jenkins is aware of the concept of sustainable development in the economic and productive

sense, but has not addressed the wider issues in day-to-day business. He is aware of the benefits of procuring materials locally, and does buy most of the steel used in his company from South Wales. However, other supplies have to be sourced from further away in the UK. He would like to buy more locally, but under current economic conditions price dictates otherwise.

Waste materials from the business are kept to a minimum as they are primarily metals of some value. Materials sent for recycling include scrap metal, office paper and cardboard packaging.

Source: ARC Fabrications



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Opportunities and obstacles

There is a lot of competition from new businesses, who often have lower overheads. They can drive the price for jobs down to uneconomic levels.

Currently (2008) the rising world price of raw materials is also a major obstacle to long-term planning. For example steel is now approximately £550 (€ 700) per tonne, whereas five years ago it was £290 (€360) per tonne.

The company's reputation for reliable and high-quality work has spread, so customers are being referred to them by other satisfied customers.

The future

Mr Jenkins would like to move into manufacturing their own products, the benefits of this would be a constant regular flow of materials and work, and staff who are skilled in these processes. Mr Jenkins is aware that this would present a whole new range of opportunities and challenges, and that he and his staff would need to exploit and develop existing skills such as sales and marketing.



Source: ARC Fabrications