

Our strategy

Three interlocking strands

So, we've explained how we help our customers to visibly improve their performance. But what are the drivers for our own performance?

Our strategy has remained essentially the same over the past ten years. It comprises three fundamental strands, developed over time and proven to be successful. We add value for our customers. We develop and maintain strong market positions. We focus on profitable business growth. Although our fundamental strategy has remained unchanged, we do regularly review and adapt it as market conditions dictate.

The way we are organised offers the best structure to deliver against our strategy within our chosen markets.

We act as a parent company, nurturing autonomous businesses with a common set of values to help them succeed in their markets.

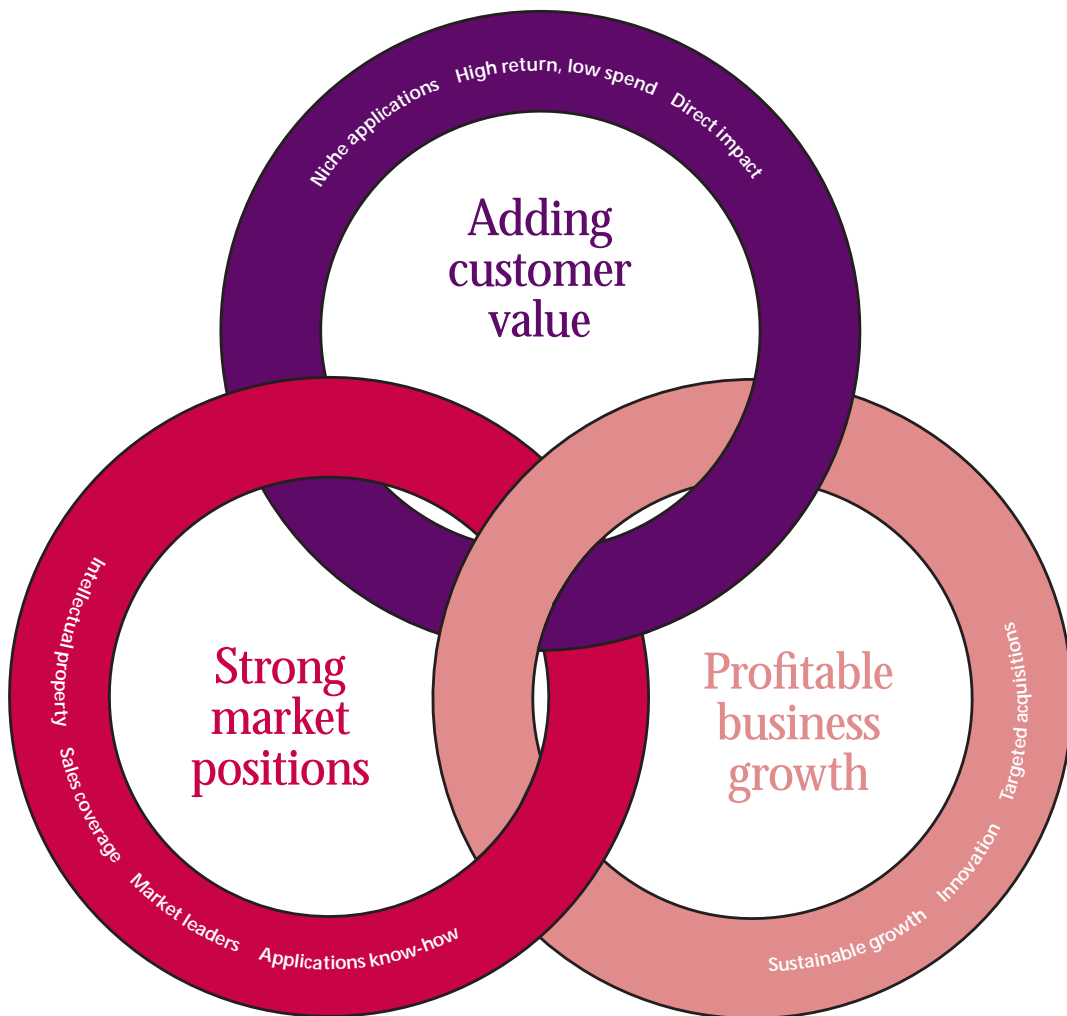
Each member of the family can rely on knowledge, expertise, advice and financial support from the parent, whilst behaving as an individual with its own name, brand and distinct personality. The benefit of this flat, results-driven structure is that each business is given a high degree of ownership and responsibility, with the result that management can react quickly to changing customer and market needs.

The family has homes all around the world, and so our role as parent is to provide the infrastructure and support which enables each business to improve their ability to meet their customers' needs and deliver against their commitments.

The diagram opposite shows how our strategy works in practice.

We add value for our customers

Our unique understanding of our customers' processes enables us to develop specific solutions which are tailored to their individual requirements. Our products typically involve low capital outlay but provide a significant and rapid payback. Customer benefits include improving production efficiency, reducing downtime, eliminating wastage, enhancing product quality, and most importantly, peace of mind built on trust.



We develop strong competitive positions

All of our businesses are strong players in niche markets where there are significant barriers to entry. Experienced engineers develop applications which are tailored to the customer's specific requirements – designing solutions, based on standard product platforms, which are difficult for competitors to copy. In addition, much of our technology is proprietary. We can quickly replicate our innovations around the world and have expanded our presence in growing markets such as Asia in order to offer sales and applications support to the increasing number of customers in these regions.

We focus on growing profits and profitability

We have continued to invest around 6% of sales each year in the development of new products and applications. This, combined with our 1,950-strong customer field staff, has enabled our businesses to maintain their market positions and gross margins. Our emphasis is on quality in all that we do, from the products we develop to the nature of the bolt-on or stand-alone businesses we acquire. This, together with the sustainability of the demand drivers in our markets, ensures that our businesses can progress profitably and at the same time deliver good cash returns.