

WIRED FOR SUCCESS

CASE STUDY: PHOENIX DYNAMICS LTD

Contracts with the US military have transformed Phoenix Dynamics into a multi-million pound parts supplier.



FAST FACTS

COMPANY:
PHOENIX DYNAMICS LTD

COUNTRY: UK

INDUSTRY: DEFENCE, ENERGY

WEBSITE:
WWW.PHOENIXDYNAMICS.COM

The last few years have been a dream come true for Phoenix Dynamics. Founded in 1994, the company averaged a steady annual turnover of several hundred thousand pounds. But four years ago, it started on a journey that would eventually reward it with contracts totalling more than \$5 million with the US Department of Defense.

The Staffordshire-based company makes inter-connection products for the defence, energy, rail and commercial industries. Its main products include wire harnesses, power and control boxes, NATO slave adaptors, trailer lighting systems, and leads for use in power management, generators, ancillary systems, weapons systems and other industrial products.

“For more than 10 years, we were a UK business with clients solely in the UK,” says Graeme Boull, Managing Director of Phoenix Dynamics. “But, in 2005 the company was presented with an opportunity to export, and we took full

advantage of it. That decision has resulted in tremendous growth for Phoenix Dynamics.”

TRADE ASSISTANCE

Phoenix Dynamics had worked with BAE Systems for many years, supplying low rate production components for the BAE Systems designed M777A2 Howitzer artillery gun. The tremendously successful weapon was bought in large numbers by the US Military. In 2005, the opportunity arose for Phoenix Dynamics to approach the US Department of Defense directly.

The company then got in touch with UK Trade & Investment’s Defence & Security Organisation for help securing the contract. Graeme Boull had been in contact with UK Trade & Investment for many years, receiving business alerts via its website, and knew that its expertise could help the company win new business.

“In 2006, our then Managing Director visited Picatinny Arsenal in New Jersey, the US Military’s Ground Combat Support centre,” says Graeme Boull. “UK Trade & Investment helped fund the trip, which was part of a larger trade mission. Their role was quite significant in kick starting our relationship with the Department of Defense and was a key component of our success.”

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EXPERT ADVICE

In addition to the funding it provided, UK Trade & Investment has provided the company with advice on exporting and referrals to export specialists when questions about export documentation arose. It also encouraged Phoenix Dynamics to enter the Sentinel Business Awards in 2007. The company then went on to win the Exporter of the Year award.

Since the original visit to Picatinny Arsenal, Phoenix Dynamics has gone from supplying the Howitzer with one cable assembly, to supplying five different cable-related products for the gun. This year, the company expects to grow by 25 per cent to achieve an expected £3.5 million in turnover in 2009.

“Exporting to the US has been a very good experience for us,” says Graeme Boull. “The business environment in the US is straightforward and direct, and the government system for paying suppliers works very well. We have nothing but praise and admiration for the US Military and feel lucky to have a part in making this successful weapons system.”



FUTURE PLANS

Because of this recent growth, Phoenix Dynamics now needs to expand its manufacturing space. The company plans to move into a new facility double its current size at the end of the year. To make the company's management structure more robust, it has hired a quality assurance manager and a new sales manager to keep up with increased orders.

In the US, Phoenix Dynamics is looking to supply its products for use in artillery pieces other than the Howitzer. It is also considering opening a repair facility in the US to provide a value added service to its client.

“We are now working on branching out from defence and energy to target the rail and marine sectors,” says Graeme Boull. “We have drawn up a list of 40 target companies that we think could benefit from our products. That being said, we don't want to overextend ourselves and are trying to be patient at the moment to ensure that we consolidate the success we have so far achieved.”

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Managing Director Graeme Boull and Sales and Marketing Manager David Waywell mark the supply of parts to 500 Howitzers in Hattiesburg, Mississippi

THE UK AND THE US

The US is Britain's largest single export market, taking \$57 billion of UK goods in 2007. The UK is the sixth biggest exporter to the US, after Canada, Mexico, Japan, China and Germany. The US is also the leading overseas destination for British investment.

The sheer size of the United States means it should be treated as a series of regional markets with varying characteristics. The US economy is integrated and largely self-contained, with every major industry represented. US manufacturers often source components overseas and UK goods have traditionally enjoyed a good reputation for quality in the USA.

For further information about business opportunities in the USA, please go to www.uktradeinvest.gov.uk



UK Trade & Investment is the Government organisation that helps UK based companies succeed in international markets. We assist overseas companies to bring high quality investment to the UK's dynamic economy.

For further information, please visit: www.uktradeinvest.gov.uk