

MANUFACTURING MATTERS

Interview with
ADAM SPOLNICK
DIRECTOR
ICS COOL ENERGY



In a series of interviews with the directors of Dynamics Consultants, manufacturers talk about their ambitions and reveal the issues which are mission-critical for them to address in achieving their goals.

The interviews will be brought together as a report to be published by DECISION magazine and then as a digital book.



IS THIS A model for a 21st century manufacturer in the UK? With a turnover just north of £48million, ICS Cool Energy are one of the country's leading independent specialists in temperature control and heating and cooling plant for process engineering companies and buildings.

The privately-owned group has twenty-one locations in twelve countries including the UK, employing more than 250 staff.

And ICS have redefined the very fundamentals of their *modus operandi*. They're migrated from being a manufacturer to a solutions provider, drawing up the product specification and design, but then having three specialist manufacturers producing everything on an OEM arrangement.

"About 80% products are made exclusively for us," stresses director Adam Spolnik. "You won't find the same elsewhere with a different badge." The company still undertakes its own research and development.

ICS bring in the product and then apply their in-house engineering capability to effect the modifications required by the customer, followed by installation and then a maintenance service. "It couldn't be more turn-key," Spolnik observes.

His father, now chairman, started the business in 1989 as Industrial Cooling Systems, before selling in 2000 to venture capitalists. Five years later it was acquired by Cool Energy, a company started by Adam Spolnik. Two years on, a manufacturer of process heating equipment, Tricool, was acquired. That experience served as a catalyst for the business model now in place.

One which also enables ICS to be able to adjust quickly to changing market conditions, such as a migration from air conditioning as commodification means that there was less opportunity to add value - and maintain margin - by providing a solution rather than product-based response.

There are still major global players in the prime marketplace, but there is still a 'solutions' requirement which means the sales process can't be completely commodified. "That provides the independent company with a little more protection," says Spolnik.

Buying behaviour has certainly changed though, Spolnik reveals. "If you had asked me ten years ago would customers want to rent equipment for its entire working life, I would have said no.

"But there has been a massive increase in our rental business. Now, whether it is for a month or a decade, rental represents

40% of our revenue. American owned companies in particular don't seem to want the cost of plant and machinery on their balance sheet."



Dynamics Consultants are made up of experts in business management software, from ERP solutions to e-Commerce websites, are approved as Microsoft Enterprise Resource Planning and nopCommerce partners, and provide consultancy, implementation, support, training and development services.

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Researched and published by
DECISION magazine
www.decisionmagazine.co.uk

