



NDI News

SUMMER 2007

Marine Design Centre unveiled

Over the last 150 years some of the finest ships the world has ever seen have been built on Tyneside.

With the closure in 2006 of the Swan Hunter yards, it might have appeared that legacy was dead....but NDI News can reveal that the industry has a bright new future with the recent unveiling of a new £2.3 million International Marine Design Centre (MDC).

Located at Central Square South in Newcastle, overlooking the Tyne and hard by the mainline railway station, the MDC will seek to capitalise on the huge well of skills, knowledge and capabilities that exist in the region's still-vibrant marine sector.

The Centre will act as a focus for seizing global opportunities in the booming worldwide markets in oil and gas, commercial shipping, and, of course, the defence sector.

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Having been instrumental in bringing this major project - the first of its kind in the UK - to fruition, NDI is delighted to announce that we will have responsibility for managing and operating the MDC. We have received enthusiastic support from many quarters and regional development agency One NorthEast has backed the project with an investment of some £1.5 million.

NDI's Managing Director Trevor Harrison told NDI News: "The Marine Design Centre will quickly become a recognised international centre of excellence for marine design skills, and our aim is to help add up to £100 million to the region's defence and marine sectors through the winning of new business over the next 10 years.

"The creation of this Centre is a bold and daring enterprise. It is a clear statement of intent and confidence that, here in the region, we have skills and talents that will continue to be in demand on the world stage. It is our hope that, just as the ships of the past were built here, the ships of the future will be conceived here."

Please turn to page 3 for a special feature on the Marine Design Centre



NDI's Trevor Harrison on board the *Turbinia*.

The Turbinia - built on Tyneside by Charles Parsons in 1894 - changed the face of maritime history. The Marine Design Centre is set to write a new chapter in the maritime history of the North of England

Visit NDI at DVD 2007 - Come and see us at location OR35

NDI moves in to new headquarters...

During the last five years, the NDI team has worked successfully from a suite of offices by the banks of the River Wear in Sunderland.

Recently, however, they have swapped one river for another and moved into new offices overlooking the River Tyne in Newcastle, and now occupy shared office space with the newly-announced International Marine Design Centre (see feature opposite)

The new offices - at Central Square South - are within a short walk of Newcastle's main railway station, and offer both the NDI team and subscribing member companies an extra resource, with a range of flexible accommodation including conference facilities and meeting rooms that can be made available at short notice.

As NDI will have management responsibility for the Marine Design Centre (including the provision of a range of support services) the move will make the entire operation even more efficient as NDI continues to develop and improve its services to members in the coming years.

We welcome all NDI member companies to visit the new offices, and to take advantage of the enhanced facilities whenever a suitable opportunity arises.

...and welcomes a new team member

Jessica Smiles has been appointed as PA to NDI Managing Director Trevor Harrison.

Jessica graduated in 2001 and entered the construction industry, working as PA to three managing partners at Newcastle-based GWK Chartered Architects. She assisted the GWK team in the development of the award-winning project 'Seven Stories - The Centre for Children's Books' in Newcastle, the only exhibition space in the UK wholly dedicated to the work of children's writers and illustrators.



Jessica told us: "I have joined NDI at a very exciting time. The new offices at Central Square South are a fantastic resource - and just a bit different to life on a building site! I have left my hard hat and rigger boots behind to join the defence industry, and I am looking forward to the challenges ahead as I contribute to efforts of the NDI team."

Join us at DSEi 2007

NDI will be exhibiting at DSEi 2007 which takes place at ExCel in London's docklands on 11-14 September.

Regular readers will know that we have had particular success at DSEi in the past, and we are looking forward once more to demonstrating our members' engineering excellence at the world's premier tri-service defence and aerospace exhibition event.

The NDI stand (Number 1191) at this year's DSEi event will be larger than ever before, a response to the growing demand from our membership to further reinforce our collective presence.

If you want to book space on the NDI stand for DSEi, or if you want further information, please email: events@ndi.org.uk or call 0191 255 1720

Welcoming our newest NDI member companies

We extend a warm welcome to the following companies who have joined NDI since publication of our last issue of NDI News:

BAE Systems Bofors AB

Bubble Group Ltd

Ceva Logistics

Engineering Design CIC

Green Cross Support Services

Merc Engineering UK Ltd

Onyx Group

TRW Conekt

Full contact details for these new members - together with their company profiles and a description of their capabilities - can be found on the NDI website: www.ndi.org.uk

(To find out more about NDI and the benefits that membership can bring to your organisation, please call Aaron Jobling, Communications and Membership Manager, on 0191 255 1720 - or email: aaron.jobling@ndi.org.uk)

NDI at DVD 2007

For the second year running, NDI will have a significant presence at the DVD 2007 exhibition at Millbrook proving grounds on June 26-28th.

Having 'tested the water' with some success last year, NDI reserved space for this year's event at an early date - and NDI members responded with enthusiasm to the opportunity to be a part of this major event in the defence industry calendar.

NDI will occupy a prominent position in the Off Road Demonstration Area (Location Ref: OR35) and we will be using our space to showcase not just NDI's capabilities but those of no fewer than nine NDI member companies.

Exhibiting with us are:

Aspire Consulting

Hitek Electronic Materials

MKW Engineering

Parker Hannifin - domnick hunter division

Parmley Technologies

Saft

Merc Engineering

TRW Conekt

Renaissance South Yorkshire

Last year, DVD attracted record numbers of visitors and exhibitors and the organisers anticipate more records will be broken this year.

Aimed primarily at manufacturers, purchasers, specifiers and senior users, DVD is a significant service mobility stakeholder event, and we will carry an in-depth report of the event - and the NDI experience of it - in the next issue of NDI News.

International Marine Design Centre

Accessing regional capability

The establishment of the UK's first International Marine Design Centre (MDC) in Newcastle upon Tyne is a truly significant event for the industry, and is set to create a platform of substantial competitive advantage for the many companies in the North of England who compete in the international marine design markets.

Concept and collaboration

The original concept for the MDC grew from an idea germinated within long-time NDI member company Argonautics, who identified the potential of a centre of excellence as a potent focus for the region's substantial legacy of shipbuilding experience and skills.

Recognising the huge economic potential that such a centre could release, NDI entered into a long period of collaboration with Regional Development Agency One NorthEast. The two organisations have worked together as an extremely effective partnership to bring the original concept to fruition, evidenced by the recent opening of the MDC in the heart of the city of Newcastle.

What is the Marine Design Centre?

The MDC is set to become an internationally recognised centre of excellence that will market regional marine design capability to the global maritime community.

It will present itself as the access portal to world-class marine capability, with the ability to be the single point of contact to deliver that capability to the client.

For the region's marine design businesses the project will provide companies and individuals with an influential route to market that will give them access to major clients and opportunities. Pursuing such opportunities with the support of the MDC will offer them significant competitive advantage. To help make this happen, the Centre will facilitate individual companies forming alliances and aggregating capabilities to take on large contracts.

Key to the operation of the MDC is a Common User Facility (CUF) that comprises secure office space in an IT-rich environment with substantial communications facilities available on a 'hire by the hour' basis. This gives design companies the flexibility to meet specific



One NorthEast marine sector specialist Ray Thompson (left) with Trevor Harrison

project needs without permanently increasing their overhead.

The MDC will facilitate best practice and will encourage use of the latest design tools and technology by the region's marine design businesses. Additionally – and crucially – it will promote the growth of knowledge-based marine skills while also developing collaborative links with educational establishments to ensure the current (and future) skills bases meet truly world-class standards.

Newcastle University, with its acknowledged expertise in naval architecture and shipbuilding techniques through the School of Marine Science & Technology is a leading participant in this revolutionary project.

The University of Northumbria, with its new multi-disciplinary Centre for Design Research, is also taking an active interest in the MDC, as are the region's colleges of further education.

What will the MDC provide for clients in the maritime sector?

Prime contractors in the worldwide oil & gas, commercial shipping and defence markets are increasingly seeking access to 'clusters of capability'. It is precisely this need that the MDC will aim to provide, with its ability to offer the industry's major players the best talent coupled with state-of-the-art technology in an environment second-to-none.

What others are saying about MDC

Vic Emery, Managing Director BAE Systems Naval Ships Division: "BAE is

currently anticipating a significant amount of design requirements over the next five years and the philosophy of a flexible common user facility would be invaluable."

Mark Malone, Managing Director, Maersk Shipping Division: "There is no doubt that extensive design skills already exist in the region and we fully support this initiative to bring new ship design capability to this growing global market."

Alex Marsh, Group Business Development Director, Babcock International Group plc: "We are very interested in the development of this concept as we see that over the coming years there will be a severe shortage of design and engineering capability in the maritime field which, if not tackled, will lead to constraint on business development."

Professor Atilla Incecik, Newcastle University School of Marine Science & Technology: "I believe the Marine Design Centre will provide employment opportunities for graduates who wish to remain in the region after graduating from our university."

Christopher Souter, Souter Trading International: "Our company fully expects to be able to attract overseas companies to use the centre's facilities and we will certainly be working in conjunction with it."

(To find out more about the Marine Design Centre, contact MDC Director David Hewitt on 0191 255 1710. email: davidhewitt@marinedesigncentre.com)

Latest NDI Conference a triumph



NDI's reputation for staging annual conference events of truly national significance was further enhanced in March when, over two days, we presented our third such conference, this time at the Newcastle-Gateshead Hilton Hotel.

The theme of this year's NDI conference was "Accessing Technology for Defence in the 21st Century - Involving SMEs in the Technology Supply Chain" (previous events had focussed on naval construction and on land systems).

Over the course of two packed days, more than 200 delegates from all over the UK and abroad heard from an eminent group of speakers who offered much food for thought during the course of their presentations, with lively question and answer sessions and panel discussions afterwards.

Reflecting on the conference, NDI's Managing Director, Trevor Harrison, said: "I am often asked if all the blood sweat and tears involved in pulling together such a major event as ours is really worthwhile. First of all, I think that's a question better directed at my outstanding team of colleagues here at NDI - they are the ones who shoulder the real burden, not only of presenting NDI in the best possible light, but more importantly demonstrating that an event of national importance can be successfully staged in our region.

"A successful conference should ensure genuine two-way communication and lively debate. Our event delivered on both counts, under the expert guidance and direction of our conference Chairman, Richard Maudslay, Chairman of dstl.

"Our conference took a long hard look at the challenges faced by every part of the supply chain. We took comprehensive stock of progress so far. We addressed the ways in which MOD, industry and academia will need to work together in future to nurture and

support innovation, all in support of the UK's front-line forces. We considered how best to explore new technology and the opportunities such advances might present to all of us.

"One of our prime objectives in staging the conference was to bring buyers and suppliers together in an environment conducive to the mutual gathering of information, to the free and open exchange of ideas. Opportunities such as this - where the most senior people from many of the defence industry's largest contractors are gathered together in one place - are few and far between. Our NDI member companies certainly recognised this and I'm pleased that so many of our subscribing members were present over the two days.

"In this 'brave new world' that encompasses the Government's Defence Industrial Strategy (DIS) and Defence Technology Strategy (DTS), we have been told many times that the prime contractors have both the enthusiasm and the desire to engage with the defence SME community.

"That desire was clearly in evidence at the NDI conference, with speakers of the calibre of Russ Armitage and Simon Jewell from BAE Systems, and Dr Sandy Wilson from General Dynamics UK.

"The MOD's view of this brave new world was eloquently and succinctly delivered at conference by David Gould (now Chief Operating Officer at DE & S), and Lt General Dick Applegate, the new Chief of Materiel (Land), and delegates also heard the views of Andrew Sleight from QinetiQ.

"Much of what we heard at our conference gives us cause for genuine optimism that there is good business to be won in the future. But our enthusiasm must also be tempered with a dose of cautious realism. The supply chain companies in the Northern region have been very effective and they continue to win business, even though many of our businesses are small, with average turnovers of £5m or less.

"For smaller companies, I think there is still a question mark over DIS, with a lot of the prime contractors signing up to capability management deals that give them stability for 10 or 20 years into the future. Smaller companies need to find their own 'niche' in those longer-term arrangements. They need some degree of certainty over their medium to long term futures - and that is going to be a real challenge".



David Gould, Chief Operating Officer, DE&S

Supply chain improvement is key

NDI News has previously reported on progress made with SC21, a national plan developed by SBAC (Society of British Aerospace Companies) in conjunction with UK aerospace & defence companies to increase competitiveness and productivity within the aerospace supply chain.

SC21 was debated at the NDI conference and was broadly welcomed for its potential benefits.

Until now, SMEs wishing to work for prime contractors have had to undergo exhaustive assessments of their factory, systems & processes to comply with the requirements of each individual prime.

The need for (and value of) such detailed 'qualification' is unquestioned. But it is time and resource-intensive for SMEs and for the primes. Before SC21, everyone visited everyone else in the industry, checking they met similar, though slightly differing, quality criteria.

SC21 seeks to break this particular mould. The primes have signed up to comply with agreed industry-wide quality standards, and abide by the inspection findings of others, thus eliminating the need to send their own inspection teams out to 'cross check'.

NDI conference co-sponsors BAE Systems has been one of the companies leading the drive to get SC21 adopted, and Russ Armitage, BAE's Director of Strategic Supplier Management, spoke to conference delegates on the subject.

He said: "With SC21, if you meet the required standard, one prime contractor will agree to sponsor you - and that allows everyone

involved to significantly reduce their overheads. We now have 95 companies signed up to SC21 - including all the big companies - and we want to get everybody signed up. We already have various pilots running."

Mr Armitage said BAE is very keen to get quality standards established and to foster good supplier relationships. "BAE places annual orders in the North East alone worth £67m, and that business is spread widely amongst hundreds of different companies. We are encouraging companies of all sizes to take part in SC21. By doing so, they clearly position themselves as willing to develop long-term relationships with customers and suppliers."

NDI News spoke with Geoff Ford, Chairman of Ford Component Manufacturing Ltd, to get an SME perspective on SC21. Geoff told us: "SMEs have been banging on about this subject for a long time. What has pleased us is that the primes have signed up to it. At Ford, we have enthusiastically embraced SC21, and if our fellow SMEs don't wise up and join in then we will all lose out."

"Now, instead of spending their time auditing us, the quality engineers from the primes can work with us, helping us become more productive, more efficient - helping us become better suppliers. SC21 is a good example of a new sense of realism that is long overdue."

FRES and northern capability

There was much discussion at conference about the MOD's FRES (Future Rapid Effect System) programme which has a number of key decisions coming into view in the not too distant future.

FRES seeks to deliver a family of medium-weight, network-enabled, air-deployable armoured vehicles to meet the needs of the British Army in up to 16 battlespace roles.

The key drivers are the need for a rapid effect land capability, the ability to meet a wide number of operational roles, maximum interoperability with other UK forces and allies, and addressing the obsolescence of existing vehicles. FRES is a challenging project, faced with the conundrum of balancing capability, affordability and early delivery.

Prime contractors are developing alternative solutions for the Army; and, quite naturally, much attention is being given to the individual and collective capabilities of the supply chain in the North of England.

With a good, long-standing reputation in the world of armoured vehicles, confidence is justifiably high that, no matter what the



Dr Sandy Wilson - General Dynamics UK

ultimate outcome of the FRES programme, companies in the North will have opportunities to win lucrative contracts.

This theme was developed at conference by

Dr Sandy Wilson, President and Managing Director of conference co-sponsor General Dynamics UK. He said: "One of the reasons we are part of NDI is that this is an area of the country relatively untapped in our supply chain. General Dynamics is starting to set up a supply chain for the FRES programme, so we see this as a relevant area in which to get involved. If companies have the capability to do things relevant to armoured fighting vehicles we want to know."

"We also want to tell them how we behave as a prime contractor. We need a real partnership between primes and SMEs. In the final event, we depend on these people as we are a pure systems integrator."

NDI's Trevor Harrison welcomed Dr Wilson's comments, saying: "FRES has already been running for a number of years and progress has not been as fast as people would like. Northern SMEs have the right capabilities to make a big contribution to the programme; they certainly have a lengthy track record in supplying armoured vehicles and their component parts to the British Government, so should be collectively well placed this time around."

Boeing team flies in...

In early May, NDI was pleased to host a two-day visit from global partners Boeing.

Led by Mary Goetz, Boeing's Director of Industrial Participation - UK Programs, the Boeing team met a large number of member companies on May 9th over a buffet lunch at the NDI offices in Central Square South.

Suitably refreshed, the Boeing team gave a detailed presentation on ways in which NDI member companies can engage with the Boeing supply chain in the UK, before holding a small number of one-to-one meetings at the end of the afternoon.

The following morning saw the Boeing team make site visits to Hardy's at Alnwick, and Express Engineering and Petards Joyce Loebel in Gateshead before they travelled to Yorkshire to meet other NDI member companies including Mayflower Technologies in Sheffield.

During the visit, Boeing highlighted a number of specific areas where they are seeking assistance. These include: Composites; IVHM (Integrated Vehicle Health Management), and Homeland Security.

IVHM is a particularly exciting area, with Boeing looking to establish a research centre for remote vehicle maintenance in one of three regions in the UK, with a decision expected before the end of 2007.

If Boeing were to decide on the North of England as the base for the new centre it would entail developing engineering skills and generating intellectual property (IP) which would be of great benefit to the region's defence industry.

IVHM is Boeing's term for a comprehensive maintenance programme for vehicles (land, sea and air), remotely monitoring them and aimed at ensuring as few breakdowns as possible, thereby extending their working life beyond what would normally be expected.



Mary Goetz explained: "With IVHM the concept is tools, technology, hardware and software to enable fleet managers to predict their maintenance and repair needs, ensuring the operational readiness of both commercial and military platforms.

"On our recent visit to the region, we asked

to meet with firms that have unique skills in composites, in IVHM, and technologies that might support the contracts we have won with the US Department of Homeland Security - a \$20bn programme for the defence of US borders".

Regular readers of NDI News will, of course, be aware that Boeing has a strong interest in the Ministry of Defence's FRES (Future Rapid Effect System) military vehicle programme.

Speaking more generally during her recent visit, Ms Goetz said: "Boeing is a member of NDI and has been for some time. Throughout the UK, and particularly in the North of England, we are constantly searching for the 'diamonds in the rough' of the defence industry. We already buy from 250 companies throughout the country, spending almost \$1bn (£500m) per year. In fact, the Boeing company spends more in the UK than in any other country in the world outside of the US".

On the subject of UK-US collaboration and cooperation, Mary told NDI News: "There are opportunities for transatlantic integration of technology and ideas. There are opportunities for UK innovation to go into US programmes. UK contracts with the Department of Defense in the US have tripled in the last three years, and we - Boeing - have helped with some of that".



Unison wins \$2.5m order for tube-bending machinery for USA's future carriers

Scarborough-based NDI member Unison Ltd has won an order, worth over \$2.5 million dollars, to supply tube-bending machinery to Northrop Grumman Newport News for aircraft carrier production.

This is the largest order Unison has ever received, and was secured in conjunction with the company's USA partner, Horn Machine Tools. The order is for three of Unison's Breeze machines, to bend tubes of up to six inches in diameter, plus tooling and spares.

Each aircraft carrier includes hundred of miles of tubing for the ship's systems, and the machinery will provide the shipbuilder with

the means to fabricate the shaped tube parts required. As each section of the aircraft carrier is built, the data for each part in that section will be downloaded automatically from the design database.

Unison's machines have been chosen because of their 'all-electric' nature. Whereas most tube benders today are powered hydraulically, and need to be carefully set up for each bending task by a skilled fitter, Unison's machines employ electric servo motors to control the bending process. This provides very precise bending under software control, allowing each operation to be configured automatically from downloaded

design data, and replicated precisely again and again as required. The technology is ideal for the small batch production environment of shipbuilding, where many component parts are fabricated in very small quantities, and often in quantities of just one.

Unison will also fit each machine with a special laser measurement system. These will automatically measure the final dimensions of each part as it is fabricated, and compare it against the specification to check that it is within tolerance. This process will ensure that any minor variations in the tubing shape - which can be caused by variations in

Heard in the House...

From a debate on the Economy of Yorkshire and Humber in the Lords on Monday April 30th:



Baroness Harris of Richmond: *My Lords, I, too, congratulate the noble Lord, Lord Woolmer, on securing this debate, but it is with some temerity that I speak tonight.....*

....I want to talk about (three) areas with which I am connected. The first area is that of Northern Defence Industries. While it is run from the north east, a large number of the companies operate from Yorkshire. The defence and aerospace industries contribute £2 billion to the regional economy and we estimate that Yorkshire's share of that accounts for about £1.2 billion and around 12,000 jobs - a not insignificant number. They are mainly SMEs, and it has been my pleasure to visit a number of them since becoming the umbrella company's patron. NDI brings together all the companies which feed into the defence and aerospace industry and acts as a catalyst to inform and encourage companies to work together to offer economies of scale and innovation to the industry as a whole.

Boeing has a £28 million partnership with Sheffield University to establish the Advanced Manufacturing Research Centre, a project which has already directly created 44 new jobs at AMRC and generated £55 million of additional revenue into predominantly

Yorkshire-based SMEs...

Meanwhile, in 'another place'.....

Extract from House of Commons Oral Answers 14th May 2007:

The Secretary of State was asked -

Warships

5. Mr. Ben Wallace (Lancaster and Wyre) (Con): What plans he has to order warships for the Royal Navy. [136573]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): Over the next 20 years we expect to contract for, or build, more than 20 major warships, including nuclear attack submarines, new aircraft carriers and more air defence destroyers, and to begin a new class of fleet escorts. Numerous Royal Navy support ships will also come into service over this period.

Mr. Wallace: There has been some exploration of the possibility of working with the French in a joint venture on the two super-carriers. It is probably welcome that we should share costs by joint working on design and other aspects, but will the Minister take this opportunity to rule out any option that includes building the ship in French yards, and guarantee that our carriers will be built entirely and wholly in British yards?

Mr. Ingram: I would like to think that we could bid for the French ship to be built in British yards as well-and I am sure that the hon. Gentleman would see that as a major success, but would still say that the converse would somehow be wrong. We have a deep and growing relationship with the French on this, and their contribution to the cost has been welcome. We are working to get

common design, which again we welcome in terms of our relationship over the decades ahead with the French as a major ally. Let us take this a step at a time. At present our plan is to build those ships in British yards, and that is what we seek to do. That is what the maritime industrial strategy is all about, and every encouragement should be given to it.



Mr. Kevan Jones (North Durham) (Lab): Does my right hon. Friend agree that this is good news not only for the Navy but for the UK defence industry? Will he join me in congratulating organisations such as Northern Defence Industries, which is working hard to ensure that medium-sized and small enterprises access the supply chain for these contracts, not only in the north-east but throughout the north of England?

Mr. Ingram: Yes, I can say "Hear, hear" to that. It is important that the areas that have that expertise, and have had it for a good number of years, see this as a major opportunity. The more small and medium-sized enterprises in the supply chain see that opportunity-and, more importantly, seize it-the better it is for our industrial base overall. We have a strong supply chain, and support not only for the maritime industry but across the range of defence industries. I give every encouragement to those organisations, including the particular one mentioned by my hon. Friend, to work hard to ensure that they maximise the opportunities available to them.



temperature or material composition, for example - are compensated for automatically. The process will help to ensure that the design dimensions of the ship are maintained with great precision, so that each section of

the aircraft carrier interfaces perfectly as it is integrated.

The combination of servo control and laser measurement means that these machines will probably be the most accurate tube benders ever produced.

NDI's Business Development Director Robin Fox said: "During the recent Boeing visit, Unison was hailed by the team as being a shining example of how SMEs can successfully compete on the global stage. Since Unison's first visit to the Farnborough Air Show - when they secured a £1¼ million Airbus contract - NDI has been actively supporting the company in their bid to compete in the aerospace and defence

markets. We're delighted to see them making a significant entry into the marine sector with this latest win."

Unison's managing director Alan Pickering told NDI News: "An aircraft carrier is just about the most complex product that mankind has ever made. The sheer scale and precision of the engineering operations at Northrop Grumman Newport News is breathtaking, and to have our machinery selected to help with such a task is a tremendous accolade. We are extremely proud to be associated with this organization."

Unison is currently expanding the workforce at its Scarborough headquarters to assist with the order.

MOD opens its market to more SMEs

Northern Defence Industries has welcomed the announcement made by the Ministry of Defence on April 30th that threshold values for advertising MOD contracts will be lowered.

Thousands of defence contracts will now be opened up to nationwide competition, with NDI member companies set to benefit.

In simple terms, the Ministry has decided to advertise all its requirements for goods and services down to a minimum contract value of £40,000 - and indeed it has gone further by stating that from June 30th, MOD project teams will be 'encouraged' to consider advertising requirements with values as low as £20,000.

So what will this announcement mean to SMEs in general - and to NDI member companies in particular?

Until now, the MOD has only employed SMEs through its approved supplier list, or through sub-contracting with the prime contractors. Previously, the advertising threshold for 'warlike' requirements was set at £500,000. From April 30th this has been reduced to just £93,000, and on June 30th it will

be reduced again, this time to £40,000. The situation for 'non-warlike' requirements is similar and will also be reduced to £40,000 on June 30th.

This means that, for the first time, SMEs will have access to greater opportunities at lower cost and with less administration - and it is certainly true that, until now, many SMEs have been frustrated and discouraged by the perceived high cost of access to potentially lucrative defence contracts. Quite simply it has often appeared to be just 'too much hard work' for the scant and distant prospect of success.

The Ministry's change in approach has been welcomed by industry experts who hope this will mean more of a 'what you know, not who you know' culture in the future.

At NDI we applaud this initiative.

It is in line with one of the key themes of the Defence Industrial Strategy which states the Ministry's aim of making the MOD easier to do business with by SMEs. There is no doubt it will also enhance both the visibility and transparency of the UK defence equipment market and that, too, is deserving of praise.

We asked the MOD to estimate how many extra advertisements for work this new initiative might result in. They replied that it could mean up to 7,000 additional opportunities, so from the SME perspective the 'flood gates' do appear to be opening up. All it needs now is for our members to embrace the potential for new business and confirm to the MOD that this announcement is both timely - and correct.

NDI sponsors North East Economic Forum leadership seminar



At the 2006 North East Economic Forum (NEEF) annual conference, a lack of leadership training was cited as one of the region's greatest weaknesses. NEEF members agreed that the regional leadership deficit needs to be addressed if the North East is to compete successfully in a global economy.

Earlier this month, NDI was delighted to sponsor and support a seminar organised by NEEF at which General Sir Richard Dannatt, Chief of the General Staff, gave an informed and insightful address on the subject of leadership.

The seminar saw Sir Richard return to Durham University, where he had studied Economic History. During his speech, Sir Richard offered his views on the qualities and attributes that go to make a good leader. Drawing heavily from his experiences in the armed forces, he described how leadership qualities are identified, developed and supported within that hierarchical structure, and then went on to discuss how these same techniques can be applied in the commercial environment to allow the future leaders from the region to grow.

At the conclusion of Sir Richard's discourse, NEEF Chairman Hugh Morgan Williams thanked the General, and then led a lively and informative question and answer session with the assembled audience.

Express wins £1/2 million F35 JSF contract

NDI member company Express Engineering has secured a £500,000 contract for work on the F-35 Lightning II Joint Strike Fighter programme.

The deal will see Gateshead-based Express manufacture complex fuselage components that have no flat surfaces and require 'five axis' machining techniques.

The components will use special titanium alloys and aluminium to achieve both lightness and strength, and Express has invested in new IT software to run the computer-controlled machines.

We spoke with Managing Director Nigel Davison about the new contract. He told us: "Naturally we are pleased to have secured this work in the face of stiff competition.

"We first got involved when the programme was in the test stages, developing machining techniques and then prototype components. We have now secured this contract on the system development



and demonstration phase of the project.

"Assuming everything runs according to plan we hope to secure a significant amount of additional work as the programme progresses. We have developed a team of the highest calibre here which will do all it can to provide quality services and products for the project partners."



SUPPORTED BY



The Government Agency for the North-East of England



Supported by THE EUROPEAN COMMUNITY European Regional Development Fund



Yorkshire & Humber Regional Development Agency

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