

Ultraframe UK Ltd. Profile Sheet

Description :

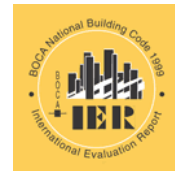
Ultraframe UK Ltd is the UK leader in the design and manufacture of conservatory roofing systems. Based in Clitheroe, Lancashire, the company now employs approximately 300 people.

Innovation is one of the company's core values and this has enabled the business to ensure that its products have remained technically superior to competitive products.

Ultraframe roofs were the first in the industry to be approved by the BBA and are still the only roofs on the market to have passed the BOCA testing system and Building Codes from the USA – the most demanding in the world.

Ultraframe were the first roof system manufacturer to be awarded ISO9001/9002 for design, manufacture and supply.

In 2007, Ultraframe was named as the Best Engineering Plant in the Best Factory Awards.



Ultraframe is a trade supplier and its products reach end users via a complex distribution chain comprising:

- Fabricators – buy products in component form and sell roof kits to installers
- Installers – may buy complete roof kits direct from Ultraframe or from fabricators
- Stockists/Builders Merchants/trade Counters – sell products direct to installers/builders

The business has two main value streams :

- Components (supplied to Fabricators) (approx. 60% volume)
- Complete Roofs (supplied to Installers & Stockists) (approx. 40% volume)

There are a number of “sub” value streams within Complete Roofs, which are based on the product families :

- Classic
- Budget (Uzone, Elevation and Ultralite 500)
- Fabricated items (box gutters)
- Vents
- Wendland

Shingo Prize for Operational Excellence
Ultraframe UK Ltd

History :

Established in 1983, by entrepreneur, John Lancaster, the company was the first to develop a specific roofing system; “fit for purpose” solution.

Acknowledged as the market leader in conservatory roof design and manufacture, the business grew very rapidly with turnover doubling from £41.6m in 1996, to £81.6m in 2000 (at which time it was valued at £600m).

The company was floated on the London Stock Exchange in 1998 and employees were gifted shares in the business. Turnover peaked at £90m in 2003, with EBIT of £27m. From 2003 as a result of a “big ticket” macro economic slow down, a shift in demographics and structural change, competitive intensity increased with the emergence of “me too” competition and Ultraframe’s turnover started to decline as a result of these factors.

In 2004/5 there was a complete change of Board and the business started to focus on lean from May 2005 as a means of reducing costs and increasing capability.

By this time, as a result of competitive pressures, successful implementation of lean was essential for the business to survive.

The business was acquired by private investors (Latium Plastic Holdings) in July 2006 (for £29.2m, having been valued at £600m in 2000) and de-listed from the stock exchange. Following the acquisition, a “sister” company (Wendland Roofing Systems) was successfully integrated into the operation by December 2006. This enabled additional volume to be manufactured and productivity to be improved.

Operating profit was minimal in 2006 (c£500k on £55m turnover) but improved significantly in 2007 (£3.6m on £55m turnover), as a result of lean implementation.

Following the operational turnaround in 2007, a new business structure was established to form “Frameworks Innovations” – a small design house with the objective of developing new products for potential new markets to spread the risk and increase profitability in the medium term.

However, 2008 proved to be a very difficult year, due to the economic uncertainty and volumes in the market place reduced by approx. 25%. As a result, headcount has been reduced to match the future demand. However, investment in innovations continues.