



On the face of it, moving surfacing of ophthalmic lens product to overseas laboratories may seem like a continuing trend among multinational lens manufacturers with bases in the UK.

However, Essilor UK would argue that the recent announcement regarding its Thornbury lab (News 21.06.13), which has been turned into a UK Centre of Excellence for digital surfacing (DS), is an altogether different tale. Essilor UK is moving its declining traditional surfacing business to Thailand and Poland, while Thornbury concentrates fully on DS product, an area that has seen growth of 15 per cent in the past year. With this development, its Varilux S series lenses, which were being surfaced in Poland until June, are now being handled in Thornbury.

Essilor UK's managing director Mike Kirkley believes the move to high-end DS manufacturing will secure the future of manufacturing at Thornbury, describing it as re-engineering for the future and an upside. 'Every three months I do a staff briefing and over the past two years as MD I've always said that DS technology is the future and that we will never release another traditionally surfaced product from Essilor. The technology has moved on and for us to be the best business partner, which is very important, we need to make all of our key products locally.'

He explains that the last launch of a non-DS product was the Varilux Liberty lens eight years ago and that in the past seven years all new launches have been DS lenses. 'That's the future. You have to plan things and if you don't plan for the future you can't re-engineer a lab and think "Oh I should have done that two years ago". It's about what the future demand's going to be and future product and you have to gear your business up and put the processes in that you need for now and the coming years. If you do a knee-jerk reaction it takes a long time to install new technology. It's all about having foresight for the future.'

While DS manufacturing is a quick and more accurate process, it does mean a reduction in head count. Although the lab will stay the same size, there are 50 redundancies from a total of 400 staff and Kirkley is keen to point out that almost none of these will be compulsory. 'There has been an enhanced package for voluntary redundancies and the number of full-time heads leaving has been kept to

The digital age

Essilor UK's managing director Mike Kirkley explains the reasoning behind Thornbury's change to digital-only surfacing



Mike Kirkley is pictured with the first pair of Varilux S series off the production line

a minimum. Experience and skill level were considered when it came to those who have been retained.'

One of the main reasons to make key product locally, he says, is to provide a good service to the independent. 'That's the whole basis of the strategy. In all live manufacturing when you are making so many prescriptions daily, there can be occasional problems and there is the need to react and solve problems quickly and efficiently. No manufacturer has a 100 per cent rate.'

On the ground, this means replacing some generators and a reconfiguration of the laboratory, which has already seen an investment of £0.5m in the past two years.

'We've had to change the layout of the floors and we are also expanding the UK Express line for express delivery as it has been a successful campaign. The lab will look absolutely superb,' he says.

Varilux S series

The success of the Varilux S series lens, which won Product of the Year at the Optician Awards this year, is another factor in the change, with sales growing month on month and new business

coming on board. 'Unless I have investment on generators I can't make Varilux S. It will be a major part of our sales. If I don't produce that locally and sales are converting into Varilux S, what will we produce at Essilor?'

Kirkley describes new lens launches as a major driver in new business and vital for the continued growth of independents. That certainly seems true with the Varilux S Series, following a successful showing at Optifair. 'The feedback from our customers has been amazing. The biggest advantage is consumers' adaption to the lens but practices have also had great success with grief patients who haven't adapted to varifocals.'

New product development will continue to be in the high-end area and Kirkley points out there are exciting products coming through in the next six months that will also be produced at the lab, although there are no details as yet.

'We know we have key products coming and we're investing in the technology for those products. If we don't re-engineer our lab and we can't produce the products Essilor is launching, in a couple of years we will be producing nothing as they will all be



made somewhere else,' he says.

A full range of Varilux Comfort, Physio and Varilux S all in the Crizal UV family in clear and Transitions will be produced at Thornbury. 'Eighty per cent of our Varilux manufacturing is still held in the UK. We have a high-tech lab doing all our high-tech products in every index in clear and Transitions. The big thing is that Essilor has invested so much in innovation over the years and with products such as Crizal UV, Optifog and Varilux S and others to come it's imperative we have the production capabilities and the volume to produce locally. It's a given really.'

Focus on health

With Essilor International's recent investment activity concentrating on sunglass and polarised lens companies, and with the Transitions and Intercast move just last week, sun lenses are clearly on the agenda. Kirkley explains that this is in line with Essilor's vision of encouraging more regular eye examinations and creating awareness of eye health, a message that was the thrust of its JulEye campaign. The generic campaign was designed to create eye health awareness across the

market and drive footfall into practice. 'We want the consumer to know that it's an eye examination not an eye test. Looking into the health of the eye is a key message we have to get across. With products like Crizal UV we can do that.'

That the eye health message is well received can be seen with the demand for Crizal UV, whose front and back surface coatings give total UV protection. 'The sales went so fast that we had to change all of our production to UV-only as we were doing a very small amount of non-UV. It was a combination of demand from practitioner and patient and it wasn't viable for us to keep producing non-UV.'

Kirkley, who wears Crizal UV himself to slow down progression of early cataract, points out that people are living longer, there is more sunlight and people travel more. 'They are getting very aware of the dangers of UV. We have brought out the Eye Sun Protection Factor, and that was marketed well, creating awareness and stimulating consumer interest and fast pick up of Crizal UV. It's a big message – "do you want to be protected from UV with your spectacle lenses?"'

Essilor's continued focus will be on the independent, says Kirkley, providing

them with product that gives them the chance to differentiate themselves from the multiples. 'We made a commitment to be business partner of choice to the independents and to give them top-end and innovative product to be delivered quickly and efficiently. The best way to do that is to have control of production of those products in the UK.'

Building the Centre of Excellence gives the delivery and service and quality expected by the independent market, he says, adding: 'It's good for the future of our people and good for our customers in the independent sector.'

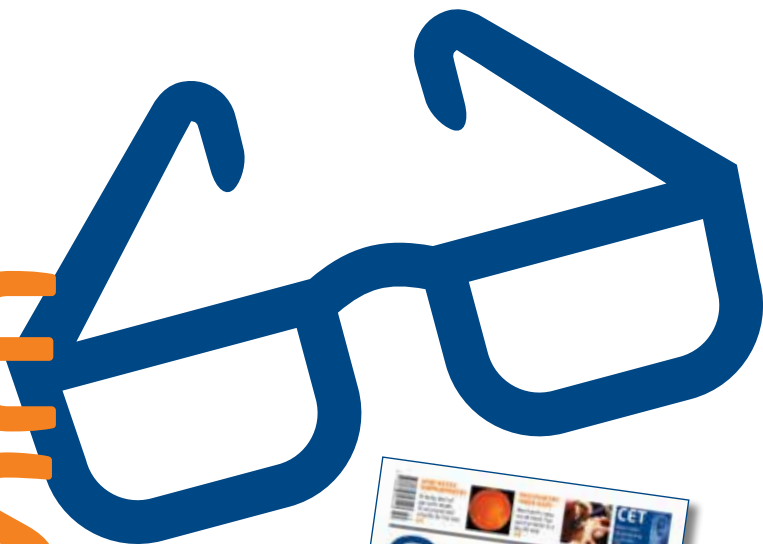
On whether or not increased demand for new product could outstrip supply at Thornbury, this is not a concern. 'We forecast our business very carefully and if that was to be the case, we do have other centres of excellence in Europe that we can rely on for a temporary period should the need be.'

Kirkley is confident about the new business model and believes the upshot will be further investment in Thornbury by Essilor International. 'We have structured the business well and we have good healthy sales, so further investment will certainly be on the agenda. They have been very supportive of the strategy,' he adds. ●

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