



Innovating for today and tomorrow

Innovation is the key business driver for Analog Devices as Mike Britchfield, the company's European Vice President of Sales, explains to Neil Tyler

Last month Analog Devices opened the doors of its new UK headquarters office in Hayes, London, in a move it described as not only strengthening its ability to connect with its customers but also providing greater access to London's huge pool of talent – from software and hardware engineers, to the city's vibrant community of entrepreneurs and start-up workers, together with skilled staff in non-engineering disciplines.

The office underpins the company's ambitious plans for growth in the UK, according to Mike Britchfield, Analog Devices' European Vice President of Sales. "While it easily accommodates all the staff who previously worked at ADI and in our legacy Linear Technology offices in Weybridge and Marlow, we're now at the heart of London's newest technology cluster. It gives us the opportunity to build a diverse, creative and talented workforce."

Much like its campus site in Limerick, where the company has set up the Analog Catalyst, the London office is intended to attract customers and start-ups to work with ADI in its new offices, breaking down technology barriers and creating a relationship at the very start of the development process.

"In truth there's a lack of analogue design knowledge and having a facility like this will help customers and start-ups alike."

At a time of considerable political and economic turbulence in the UK and the wider global economy, Britchfield believes that the investment demonstrates ADI's continued confidence in the UK.

"Despite the 'noises off' we take a long-term view and we believe that the UK has plenty going for it. From large international companies like Dyson, Airbus and Jaguar Land Rover to small businesses and start-ups there are a lot of businesses innovating and driving growth. The UK is a very diverse market – that's one of its key strengths - and has, in the past few years, successfully re-invented itself as a centre for new, innovative businesses.

"From fintech to medical technologies, AI and machine learning, there are hubs of innovation all around the UK and, as a company, we need to be a part of that fast growing eco-system. We need to better understand and engage with it and use that innovation to drive growth.

"Our business philosophy is one that sees innovation as the key to success and that is at odds with some of our main competitors."

According to Britchfield, while there are companies like ADI, who

focus on innovation, "There are plenty of others that target revenue and the financials and, as a result, have tended to innovate less being focused as they are on the bottom line."

Looking at the broader picture, he thinks that despite headwinds ADI remains in a relatively strong position.

"We're in a cyclical business and having reached a peak I think it's fair to say that we are in a period of consolidation. The market has certainly slowed but it's not a typical cyclical trough. To date in Europe, for example, the trade problems between the US and China are having only a limited impact.

"When it comes to specific markets the automotive space is struggling, as is the smartphone segment, but we operate in a diverse industrial space and that's still doing remarkably well – our communications infrastructure business is growing strongly and ADI is expecting double digit growth in Europe as a whole."

However, at the global level the company, like many of its peers, expects revenues to fall year-on-year as a direct result of the clash between the US and China.

"Despite the underlying strength of the business we need to manage costs," Britchfield concedes. "Huawei is a big customer of ours and the decision by the US to add it to the Entity List is having an impact. We are working with our legal team to understand what we can ship and what impact this will have on our quarterly revenues."

Britchfield is clear, however, that while certain sectors are struggling, the company's European operation is performing well.

This uncertainty, though, is not good for business and Britchfield acknowledges that it's adding additional layers of complexity, especially in terms of contracts and legal requirements, when it comes to doing business.

"On top of this we have Brexit, which is another problem. Anything that restricts trade has an impact and we've seen suppliers building up stocks as a response."

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MIKE BRITCHFIELD CV

Britchfield has demonstrated an ability to inspire teams, develop and articulate strategy and build up a business from low levels.

An engineering graduate from University College Dublin and with an MBA from the University of Limerick, he has broad experience including design engineering, all levels of marketing and has held a number of marketing management roles. At ADI he was Product Line Director (1999 to 2009), leading R&D and marketing groups, VP Industrial Segment and is now VP of its European Sales organisation.

Targeting clusters

Despite these challenges ADI remains focused and has identified specific clusters or end markets grouped under mobility, connectivity, aerospace and defence and industrial.

“We want to develop long-term relationships with our customers but we also need to focus on those next generation, emerging companies within the broader ecosystem,” Britchfield explains.

“By understanding their needs and seeing where the market is headed we can better align our own research & development. If you rely on, and only listen to, Tier One customers and ignore your broader customer base you will miss certain nuances that will help you to address the way in which the market is moving and the next technology trend.”

Building these long term relationships is critical, according to Britchfield. He argues that customers need to be assured that ADI is committed to delivering core technologies and that it buys in to their specific road-maps.

“Businesses are faced with a rapidly changing environment, so they want to work with a supplier, like ADI, that is committed to supporting their business and to developing the technologies that they need, not only now but in the future. It’s crucial that we demonstrate that long term commitment and that we are investing in the technology, the systems and the software that they need going forward.

“Today it’s more about solutions than components and it’s about multi-year engagement.”

ADI is also heavily engaged in shaping the industry and works on and closely with a number of leading industry bodies.

“That too helps demonstrate our long term commitment to specific technologies,” according to Britchfield.

Many semiconductor companies have grown through acquisition such as Renesas, who bought Intersil and IDT, and Infineon.

Some of these have worked but many have not proved as successful for the buyers as anticipated, but that has not been the case with ADI’s acquisition of Linear Technology or with the many other that the company has undertaken in the past few years.

“With the acquisitions that we have made all of them are dependent on measuring up to our underlying strategy – innovation equals growth. They need to give us greater depth and access to new technology and we wouldn’t consider buying a company that didn’t help with our core strategy.”

A lot of companies are developing and testing new business models and are looking at how new technologies such as AI and ML can be used to add value.

“We need to understand these models and the technologies underpinning them,” says Britchfield, “and we need to work closely with these companies. Making the wrong bet can prove extremely expensive.”

