



Colin Smithers

Colin Smithers, chairman of the Plextek Group and one of its three cofounders, has been involved with radio and electronics projects for more than 30 years. He maintains an active role in guiding the development of custom product and system solutions.

Prior to founding Plextek, he spent four years with PA Consulting Group and before that he worked for Philips, where he completed his PhD in linear power amplifiers.

Onwards and upwards

Plextek Group chairman **Colin Smithers** tells **Graham Pitcher** how it's time for the company to move forward.

When is a design consultancy not a design consultancy? That's the problem with which Plextek has been wrestling for some years. Established in 1989, the company has grown to become one of the leaders in its chosen field. But as it has added more strings to its bow, in the view of group chairman Colin Smithers, it kept 'bumping into itself'.

The solution? At the beginning of 2013, it formed the Plextek Group to separate the consultancy from the various businesses created along the way. The move is intended to catalyse the growth of the business by giving each spin-off a greater focus, whilst fostering a culture dedicated to innovation within the core consultancy business.

"We spent our first 10 years as a consultancy," Smithers recalled, "working at every level. But things burst and we had to ask ourselves what to do next." A big design win at the time was for the LoJack stolen vehicle recovery system. "We worked this into a full supply contract," said Smithers. "We only needed to add one person to the staff, but it increased our turnover fourfold. We held the sole contract for seven years, even displacing Motorola, and saw five million devices enter the market. Few other companies have managed to do that."

Other ventures followed, including the Blighter radar surveillance system, RedCloud and Icen, focusing on cashless money transfer, RedTail Telematics and Telensa, a street lighting control specialist. And the establishment of Plextek RF Integration will take advantage of its rf design expertise.

Plextek experienced a slow period in 2003, when a third of its workforce was 'underused', according to Smithers. This gave the opportunity to develop Blighter. "We thought of it as a way to use our resources," Smithers explained, "but it was part of a longer term plan; it can take a decade to get a product like that accepted for operational tests." And only recently has Blighter begun to match up to earlier expectations.

By 2008, Plextek was navigating the third recession in its history. "It was just as difficult as the others," Smithers said, "but it's lasted longer and has been challenging for all markets. It has taken a bit of thinking to get through it."

Smithers said the new structure is a recognition of the company 'growing up'. "It's a fact that we have 100 engineers focused on communications and there's only so much going on in that sector. It's also an emulation, to a certain extent, of the Cambridge model.

"We needed to simplify the structure of the business," he reflected. "Until now, we have been a consulting organisation selling things like radar systems. Our businesses are now mature enough to be separated out; not only in structure, but also in their identity. We've spent three or four years getting things ready and now it's time to move forward." The result, he believes, is not only a consulting entity, but also a portfolio business. "To

some extent," he contended, "you could regard the move as a deliberate generation of internal customers."

He asserts the creation of spin-offs has been the right way to go. "We developed an ultranarrow band (UNB) communication technology," he pointed out, "and have applied that to controlling street lights. Setting up Telensa turned out to be completely the right decision; it's now winning more than 50% of all tenders for street lighting control and it's all based on UNB. Similarly, the RFIC group has matured to the point where its business is clear."

As part of the restructuring, Simon Cassia has assumed the chief executive role for Plextek's consulting business. He said there's plenty of

business out there, but added the nature of the work is changing. "Plextek Consulting is still the largest part of the Group; it has around 70 people and makes around 55% of the contribution to the bottom line."

The fact that consulting represents the largest part of the Plextek Group is not an accident. Cassia says there is 'plenty of business' out there. "But the

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nature of the business is changing. Because the UK consulting base can only service a certain size of business, we need to develop capabilities in other technologies, markets and countries.

"We have a solid business in design, build and manufacture," Cassia claimed. "The opportunity for us now is to expand into systems and solutions. To do that, we need to further develop our capabilities and our new management structure will allow us to expand what we have without losing our focus on design and manufacture."

Growth at Plextek remains 'organic', said Smithers. "It's always been that way." Skills have also been acquired organically. "When we started, we didn't have an antenna engineer," he said, "now, we have a lot of work in that area. It's the same for image processing; we've gone from no specialists to a complete department. One reason for this is that we have a very low attrition rate; it's all to do with the intellectual challenge and the working environment," he claimed.

Plextek has built a reputation around its communications skills and that track record remains a useful asset. "Despite the fact that we can be considered as focusing on niche markets, much of our business comes from companies recommending us and it's surprising how much of that is general engineering," Smithers concluded. "Our manufacturing experience is vital in some of these areas and we have the scars."