

View
from the **Top**

Plotting a steady course

Despite the uncertainty and turmoil which characterised 2016 in both the US and Europe, Charcroft continues to chart a steady course, as Charcroft Electronics director, Debbie Rowland, explains



Increased orders from the space, rail and high-end audio sectors saw Charcroft end its fiscal year in January 2017 with growth of 9.5 per cent. The company also credited stronger engagement with high-end industrial customers as a source of growth, however, there was a definite slow-down in demand from the down-hole and military sectors.

A decisive factor behind this growth was the number of customers returning to Charcroft's specialist distribution model after being referred to global distributors during customer re-assignment programmes by component manufacturers. A significant number of these customers chose to engage with Charcroft for its narrow customer base, UK-based inventory and strong service ethic, rather than being a small part of the broad customer base targeted by global distribution.

Shielding customers

Robust customer service was certainly needed to smooth the currency fluctuations triggered by the Brexit vote. As an independent distributor, Charcroft was able to move quickly, working on a one-to-one basis with customers, to review their order-books and re-align accounts to ensure that purchases and sales take place in the same currency. This is effectively helping to protect customers by mitigating pricing volatility.

There has also been a growing need to service customers who are becoming sensitive to the restrictions dictated by ITAR and RoHS2 legislation. The demands that these regulations place on component manufacturers are being passed down the supply-chain to distribution. In response, Charcroft has recently completed an exhaustive analysis of the

country of origin and export status of over 2,000 line items.

In the military and aerospace markets, the focus has been on helping customers move towards lead-free processes while maintaining manufacturing reliability. Charcroft also added membership of the Joint Supply Chain Accreditation Register to its status as a BS/CECC-approved distributor and manufacturer.

Positive outlook

Although 2016 was marked by some nervousness over commitments to spend, we are now seeing a return to a more positive outlook from customers. This has been driven partly by the fall in Sterling, but also by the sentiment that customers see the UK as a good place in which to do business.

The Government's industrial strategy confirms this and sends out a strong message that the UK electronics industry can benefit from its world-class intellectual property and development skills. In the coming year, I expect to see this reflected in more business going through Charcroft's UK-based prototyping and custom manufacturing facility.

Above all, however, it is continuity that has been the most important element of Charcroft's business philosophy. Whether it is in ensuring continuity of supply for obsolete components, or maintaining a consistent focus on sectors with long life-cycle products, continuity will ensure that Charcroft provides certainty and stability as we go into the uncharted waters of 2017.

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