

UPU Industries Has 'The Spirit Of Enterprise' All Wrapped Up



Pictured with the Award are (from left) Pauline Jones, Philip Orr, Graham Galbraith and Mark Weir

UPU Industries Ltd (UPU), the Dromore manufacturing company specialising in crop protection products such as Netwrap and Balertwine has been named as the Spirit of Enterprise Award winner for March.

The series of awards, organised by the Ulster Society of Chartered Accountants and LEDU in association with Business Eye, has

been introduced to identify the best young SMEs with the innovation, creativity and endeavour to succeed.

The Award's judges were impressed by the growth which UPU has achieved since its incorporation in 1996. The company has become the largest manufacturer of Netwrap and Balertwine in the UK, and the fourth largest producer of those

goods in the world. UPU's growth has made an impact in the sector worldwide, the company now exports to 23 countries around the globe.

UPU grew out of sister company Steve Orr Ltd, a family-run agricultural distribution business established in 1977. In 1996 Philip Orr, Managing Director of UPU, realised that changing trends in the sector meant it would be difficult for the business to survive

as large manufacturers began to sell directly to their customers.

"The answer was to start from scratch and create our own manufacturing plant", says Philip. "We investigated every aspect of the manufacturing process, understanding the market was the first important step. We brought the right engineers on board to see how it could be done here in Dromore, put a business plan

together and approached LEDU. It was a complete change in strategy but within 18 months we were up and running."

The company has now grown from 12 to 47 employees and has racked up a series of world firsts for the industry. For example, the output of the company's polyethylene line is over twice that normally achieved. Before the line was developed many in the industry said it couldn't be done.

"There is a very special culture at this company which has played a large part in its success", says UPU's Financial Controller Mark Weir. "Philip had the vision and nerve to make this strategy a success in the first place and he takes a very personal involvement in many aspects of the business. He has found people who share his drive and who are prepared to question the accepted ideas of how things are done. 'Thinking outside the box' is often talked about at management seminars, but at UPU challenging conventional practices is a really crucial part of our approach."

The company has sought equipment suppliers that are prepared to work in partnership with UPU to understand and fulfil its requirements. Telling suppliers what they want instead of asking what suppliers can provide is vital. So too is ensuring that all UPU staff understand the manufacturing process and can optimise production once the machinery is in place. UPU recently achieved its Investors in People accreditation and over half of the employees on the production floor have NVQs in relevant disciplines. The overall result is a highly skilled and adaptable workforce.

Links to academia have also been important in keeping the company at the forefront. Heavy investment in product development has been accompanied by a close working relationship with the Polymer

Processing Research Centre at Queen's University.

"The University has assisted us greatly in the transfer of technology into the company as we have developed our processes, they have helped us to cultivate a culture of innovation which ensures that our product is the most reliable in the world", says Philip.

Reliability is a very good marker by which netwrap and balertwine can be judged. A baling machine can cost up to \$100,000, which is an expensive machine to have lying idle if the roll of netting doesn't work. UPU's philosophy is that the product must work perfectly every time without fail. Since incorporation UPU has not yet had one product complaint upheld.

Innovation is also helping to create a more user friendly and ecological product. As the agricultural sector, as with other areas of business, moves towards more environmentally friendly policies, UPU is at the forefront of developing biodegradable netwrap. This is just the next step in making all of UPU's netwrap edible by cattle, giving the farmer one less thing to worry about when using UPU's products.

UPU is also preparing to launch a new website which will make it easier for customers throughout the world to do business with the company. An internet based fully integrated ordering system will be unveiled soon, making it easier for the company to do business in the relatively new markets of Australia and New Zealand.

As regards further expansion, it is possible that the company is about to take the biggest step in its development to date. Philip Orr explains, "At present we export to just about everywhere except the world's biggest market for our products - the USA. This is because of an existing patent in the USA which is due to expire in February 2003. From next year we will be able to take advantage of the tremendous opportunities in the



States and we are already working at building routes to the US market and making American customers aware of the quality of our products. So far the response from America has been very positive."

In nominating UPU for the award Graham Galbraith of Chartered Accountants Ernst & Young said: "UPU has embraced innovation and technology as a strategic success factor. The company's vision centres on the requirement to understand the customers needs both today and in the future and to ensure that the product they manufacture exceeds customer expectation every time."

Eamon Mulvenna, Southern Regional Manager, LEDU said: "UPU's commitment to quality, innovation, employee training, product development and growth make the company a front runner in its sector and a very worthy winner of the Spirit of Enterprise. The way that UPU has adapted to the market and come up with new ways to make a better product is an example to all Northern Ireland companies.

"It is also an excellent example of how a company in a traditional

industry has used innovation, in both process and product, and has utilised the world class research facilities we have available in Northern Ireland to improve its competitiveness in global markets".

UPU will be considered for the Overall Spirit of Enterprise Award when nine more monthly winners have been identified. Meanwhile, Mark Weir shows that confidence within the company is high, "UPU has a huge opportunity in the coming years, and we know that we have the capability. The next couple of years will be tremendously exciting."

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