



Luxury furniture maker strengthens for future success

On the outskirts of Cramlington is a North-East gem. George Smith Ltd creates beautifully crafted, luxury upholstered furniture. Bought by discerning individuals and interior designers for top end residential and hospitality projects; its bespoke sofas, chairs and beds leave the factory at Nelson Park Industrial Estate and travel all over the world. >>

They are laid in and sat upon by a variety of wealthy patrons: ranging from business leaders and property moguls to pop stars and movie legends.

It's well-earned reputation with the rich and famous isn't all that surprising, as from the very beginning, George Smith Ltd set out to make the highest quality handmade products. To do so, it hired the best craftsmen from the local talent pool. Today, George Smith's priorities remain unchanged

and the talent has stayed; with many of the 85 employees at the site exceeding twenty years' service.

Locating its UK showroom on Kings Road in Chelsea and its North American stores in affluent areas of Los Angeles and Chicago, in addition to two in New York, helped consolidate its premium image early on.

The changing dynamics of the luxury goods market, however, has led George Smith Ltd

to reassess how it operates. An increasing demand for unique, personalised pieces has greatly reduced the opportunity to produce a limited range of standard items, sold through its own showrooms in the UK and USA, being replaced instead by a B2B business model, focused on promoting customer loyalty with key interior designers.

It was clear that operational capability would need to be enhanced in order to effectively and efficiently service the changing market.



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Cue Operations Director, Keith Elsey, who joined the firm in June 2015, bringing with him over 30 years of business and operational leadership and expertise. From the outset, Keith was clear about what he needed to do. "Every George Smith product, globally, is supplied from the Cramlington factory. With over fifty percent of orders now for bespoke or customised items, our product development process had to evolve in order to meet the changing challenges. It had to be spot-on, to continue being a real differentiator between us and our competitors."

Upskilling and professionalising the product development process became Keith's priority.



Although impressed with the craftsmanship at George Smith, and recognising the "fantastic" technical skills it had at its disposal, he was conscious that the business must move with the times. It needed to "future-proof itself" through injecting essential generic business skills across design, engineering, lean manufacturing and supply chain to compliment the technical capability of the woodworkers, upholsterers and textile specialists.

Furthermore, with an ageing workforce, Keith was concerned that many tacit skills and knowledge were at risk of being lost.

His strategy, therefore, was twofold: "I wanted to bring in new talent, as well as develop skills for the future by creating an environment where our experienced staff could pass on their expertise to a new generation of George Smith craftsmen."

With Nigel Wright's help, Keith made six "long term" appointments, as well as moving various people into different roles to fit a new, simplified operating structure. After securing a "brilliant" factory manager to head up the Factory Team and replace the outgoing interim solution, Keith turned his attention to establishing George Smith's dedicated product development team, introducing qualified engineers and designers with the latest software skills.

Candidates were attracted to the opportunity to gain "end-to-end" involvement and ownership of projects. Keith notes how most larger manufacturers aren't as joined up as this. "Roles tend to be pigeonholed either supporting sales or manufacturing. This was an exciting prospect for the new team to work with sales to help win orders, provide clear instructions to the factory and then make sure products met the agreed specifications." As the new engineers and designers were brought in and trained in the product range and production processes, the business began moving away from traditional design methods, such as hand drawings, investing instead in 3D CAD facilities. "It now means we can utilise historical projects and product details, to satisfy new project requirements, more accurately, consistently and quicker."

With the product development team taking shape, Keith then focused on optimising the supply chain. "Our supply chain provided us with an opportunity to deliver some real long-term business benefits, as well as some simple quick wins. With the introduction of a professionally qualified Supply Chain Manager to take responsibility for the bigger picture in terms of material technology, stock levels, lead times, terms and conditions, and negotiating cost savings."

"A great example of this is when we asked the simple question 'Why not source locally?'" Our current metalworker was based in Norfolk. We



sourced a new supplier, specialising in Architectural Metal Work, virtually next door in Cramlington. This has allowed queries to be addressed face to face, ensuring timely, accurate, cost-effective project completion."

Alongside this "essential" talent acquisition project, in 2016 George Smith launched a new apprenticeship programme in association with Northumberland College. In the past, Upholstery Apprentices have had to be trained at a College in Nottingham. Five apprentices were hired in 2016 and Keith highlighted how each has been given a mentor within the business to assist with their technical development and support them in becoming "good employees."

It was essential that we only recruited people who would integrate well with our long-serving workforce. Keith was adamant, therefore, about his requirement for hiring attitude as well as ability. "It makes a massive difference to an organisation if you've got people with a positive outlook, energy and enthusiasm."

New Production Planner, Emma, is a good example of how this fresh approach to hiring has worked. A graduate with a 1st Class Honours in Maths, but with no prior permanent work experience; her positive, open, honest and approachable demeanour (along with amazing IT and maths skills), has ensured she is now a key member of the factory team.

Running alongside the recruitment strategy has been Keith's ongoing project to simplify the operating structure and business processes employed at George Smith Ltd. Going live on 3rd January 2017, with the three UK business

units - Fabrics, Manufacturing and Sales - now consolidated and merged into one business and using the same database. Again, a simple change, but one which Keith hopes will make a big impact on how George Smith operates.

Keith and the project team will spend the rest of 2017 optimising the new system, targeting other basic process efficiencies across the business to better support management controls and lower running costs.

With the influx of new skills and so many positive developments being delivered, George Smith is now well placed to target exciting new opportunities and deal effectively with whatever the future may have to offer.

What Keith said about Nigel Wright:

"I used Nigel Wright in the past, so when I moved back to the region they were my first point of call. The consultants who I worked with during the talent acquisition project were excellent. Experts in Supply Chain, Engineering and Manufacturing, they took the time to get to know our business and its challenges. They visited the factory, met with myself and other employees and quickly demonstrated they understood the culture and the type of people who work here. They asked questions which challenged me to think about the type of people and skills we needed and offered market insight allowing me to consider what was available to me within my budget. It isn't easy to recruit in this industry, but the calibre of the people we brought into our business in 2016 shows that the talent is out there if you can find it. Overall, a very positive experience."



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