

Q10: TALKING HEADS

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Ben Fountain poses the questions to Howard Biddle of 42 Technology

1) 42 Technology is very much the new kid on the block, at least when compared to the other Cambridge technology consultancies. Do you bring anything new to the party?

Our approach is different from the 'big brand' consultancies in that we have an experienced and able core team, supported by a virtual network. In other words, we bring together the best people and resources for a particular project, rather than just relying on what's available under our own roof.

Clients really appreciate the leanness and efficiency of that approach, which is of course similar to their own business model. We can also access a huge network of associates in academia, technology and marketing and a whole host of other specialists.

And from our perspective, using associates means we can tackle projects that are far bigger than you'd expect for a 'new kid'!

2) Having previously been MD of Cambridge Consultants you have personally worked in the space for some time. How has the world of tech consultancy changed over the years?

Firstly, outsourcing design and development is now widely accepted practice, whereas when I first started in the business we had to spend a lot of time convincing clients of the benefits. The flip side is that clients are now far more expert as buyers; we have to be a lot sharper and more efficient.

One consequence is that we are seeing a greater number of smaller, specialist consultancies and related businesses emerging. Clients seem to like this as over the past few years many of the big consultancies have downsized whilst the small ones have grown.

However, we hear increasingly that many of our competitors are getting most of their business from overseas; in some cases over 90%. For us we feel that a strong home market is the top priority as this helps to keep costs down. Perversely it also makes us more credible to overseas clients.

3) Are there any new technologies or industry sectors you plan to move into?

Healthcare and biotech; clean technology, particularly more energy-efficient heating and cooling; and drink dispensing are already important sectors for us so we plan to expand our profile and sales in those areas.

Right now though, medical is probably one of the fastest growing and most attractive markets for us which is why Richard Archer, who founded The Automation Partnership, joined our advisory board earlier this year. Richard is helping to identify opportunities for us particularly in biotech and in regenerative medicine, where cells are cultured to replace diseased or damaged tissues.

4) How do you plan to grow the company?

Organically – with quality people and a healthy mix of large and early-stage, venture-backed clients. We had a great year in 2007 and are looking to further grow our sales this year by bringing in more project managers, engineers, designers and physicists.

We are also fully committed to ensuring the business remains in the hands of the people who work here. Too many professional service businesses opt for distant or third-party owners, only to find that they are subjected to business pressures that are just not in the best interests of the company, the staff or its clients.



About 42 Technology

42T is a product design and development consultancy that specialises in creating innovative products for consumer and business markets including medical and healthcare, industrial, packaging and dispense, consumer, food and drink, and energy.

The company's core team of industry-experienced product designers and engineers works closely with academia, selected associates and partner companies to offer a cost-effective and efficient approach to new product development. 42T is the perfect partner for SMEs, as well as larger international brands, as it offers everything from assistance with technology strategy and management through to new product creation and UK-based or off-shore manufacturing.

42T was founded in 1998 and is based in St Ives, near Cambridge. For further information please visit www.42technology.com

5) What are the biggest challenges you face as a company?

As you would expect, finding sufficient top quality people is a perennial challenge for any company that's growing. However, that said, we've created and filled five new appointments in the last three months and often find it's the most entrepreneurial people who gravitate towards smaller consultancies such as ours.

6) What are the biggest challenges that Cambridge as a technology cluster faces in your opinion?

The region has grown phenomenally in the 30 odd years that I've worked here and I can't see that changing much in the next 30! But I still feel many early-stage companies struggle in really understanding their markets. Local consultancies like Qi3, the technology marketing specialists can help

plug the gap but marketing and business planning in general can be a weak area for too many technology-led companies.

Infrastructure is still the biggest problem though, particularly the A14 and transport generally! Fortunately, being located in St Ives means that we normally avoid the jams.

7) Is a high-value innovator like 42 insulated from competition from Asia? Can you see this changing?

We've seen very little threat in our core areas of applied physics, mechanical engineering, electronics and industrial design. Lots of our clients certainly get parts manufactured in Asia but we are not aware of them going there for design services.

I think the real reason is that a lot of our activity, whether it is technology strategy or down at

the detailed design level, requires deep understanding of markets or extensive face to face contact. It is just too difficult and costly to transfer that to the Far East. I also don't see too much evidence of independent technology companies like ours evolving in Asia.

8) We live in a newly carbon-conscious world. How are environmental imperatives affecting your activities?

It's a real opportunity for us as we've already got good skills, clients and a track record in developing carbon-reducing technologies and products. So, we are looking to build on that.

9) How is the economic slowdown affecting 42?

Consultancy is often the earliest indicator of a slowdown, because it's a discretionary spend, but right now we are busier than ever. We're not complacent but we haven't seen any slowdown yet either. We keep our fingers crossed!

10) What do you see as 42's biggest achievements?

When I joined 42 in 2002 there were three things that really impressed me and that's still true today: The size and maturity of the consultancy's client relationships; the number of products in manufacture; and the calibre of the team.