

# Industry Report

## The 100th Anniversary of the UK Laboratory Technology Suppliers Trade Association

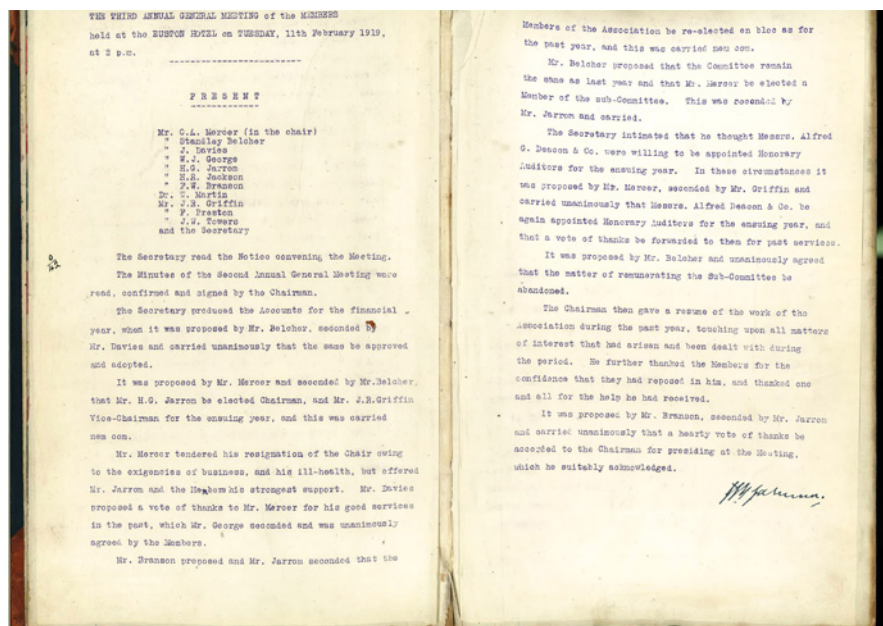
Tim Collins, GAMBICA

In 2015 the laboratory technology suppliers sector within GAMBICA, the Trade Association for Instrumentation, Control, Automation and Laboratory Technology, will be celebrating its centenary. In this article, we cover some of the history of the Association.



### THE EARLY YEARS – 1915 to 1950s

During the prewar years, the market for scientific glassware, instrumentation and general laboratory supplies was dominated by Germany. Following the outbreak of the First World War, it became necessary to develop alternative sources of supply for these essentials, and so, in 1915, The British Laboratoryware Association (BLWA) was formed. Among the eleven founder members were Messrs C.A. Mercer, John R. Griffin and W. J. George. These three were later responsible for the formation of two of the major catalogue companies, Townsen & Mercer and Griffin & George. The same eleven members were still running the BLWA in 1919 - see picture – From the minutes book of the BLMA, 3rd Annual meeting of members 11th February 1919)



Instrumentation and equipment for the teaching of science in universities, and industrial research, were vital to the war effort, and therefore the members approached, John Moncrieff (the Perth glass manufacturers) and the Worcester Royal Porcelain Company. With German samples provided by members of the association, a start was made on the production of laboratory glassware in Perth and porcelain in Worcester. In addition two members, with Government co-operation, obtained the release on parole of a number of German prisoners of war who were skilled operatives in the German scientific glassware industry; a manufacturing unit was set up at Alexandra Palace. Indeed, after the war, a number of the prisoners stayed on in England and helped to create the British scientific glassware industry.

The Association's main objectives at that time were set out as follows:

- \* To protect the interests of manufacturers and dealers in Laboratory Equipment and Instruments
- \* To promote goods of high standard and quality
- \* To promulgate information and offer advice to those engaged in the industry
- \* To protect the trade against offences under the Merchandise Marks Act

The first catalogue of equipment obtainable from British companies was printed in 1915 and advertised through technical journals such as Nature.

Standards, (still a major part of the Association's remit today), were also high on the agenda, as the minutes of the 3rd Annual meeting of members, held at the Euston Hotel on 11th February 1919, report: "Mr JR Griffin gave a detailed report on the meetings of the committee on the standardisation of laboratory glassware held at the Chemical Society in January. After considerable discussion Mr Belcher proposed that actual samples of our beakers (ie the BLWA ones) be produced at future meetings of this committee as they make such a good impression. Mr Griffin said he would try to get the Association's beaker sizes accepted.

Mr Mercer reported on the discussions regarding the graduating and testing of glassware under the B test at NPL, which with slight alterations would most likely be adopted."

Many will still remember Griffin & George (formed later) and Townsend & Mercer (also formed later) as catalogue-type general laboratory suppliers up until the 1980s.

In the 1920s there was no annual fee for membership of the Association, but funds were obtained by calling on members when bills needed to be paid. Typically there might be three or more calls a year for between £3 and £5 each, sometimes being collected at the meeting. The main cost at that time was the secretary's salary - 100 guineas (£105) a year. In 1930 there were still only 12 members of the association.

The BLWA was the prime mover in persuading the Government to protect the British scientific apparatus industry by ensuring that the dilemma in which the country found itself in 1914, without supplies of vital equipment, should not be repeated in the event of another war. As a result of Government legislation the Key Industries Duty came into being and gave the manufacturers protection with a basic 33.3% duty on imported equipment. This agreement ensured the survival of the British manufacturers, and the continuation of both the home and export markets, in the face of intense German competition.

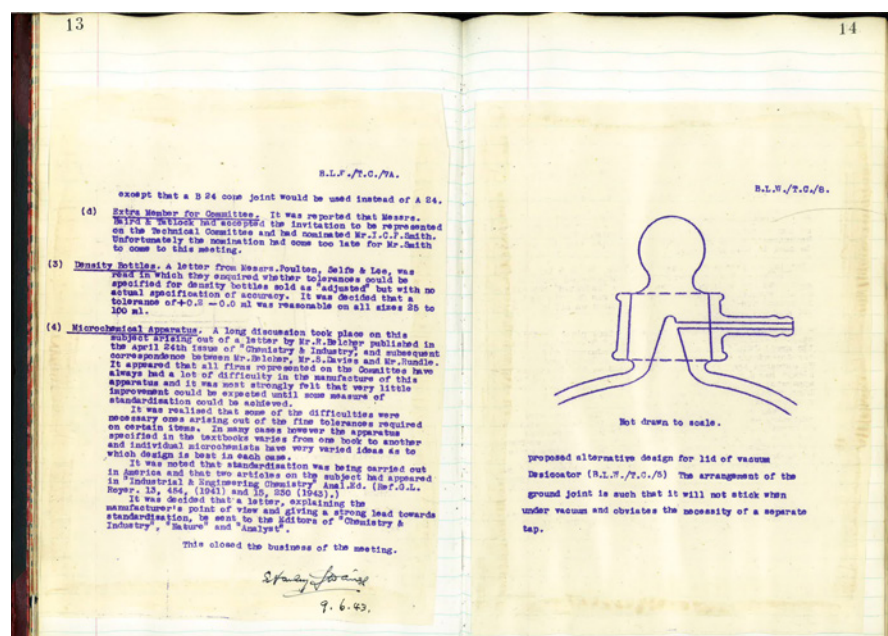
However, relations with the Government were not always cordial, and in late 1929 the minutes of the Members' Meeting report that the association had no alternative but "to make ourselves a perfect nuisance to the board of trade" after the Government failed to amend the Merchandise Marks Act (1926) to the Association's satisfaction - this despite Lloyd George MP raising a prayer (question) before the House of Commons in connection with the Order-in-Council placed on the table by the Board of Trade.

The Merchandise Marks Act (1926) issue continued to rumble on in to the 1930s, with the BLWA seeking legal interpretation and views – all with a view to circumnavigating a need to put 'foreign' on certain imported products.

Things were certainly different with regard to some of the customers, as a letter, in late 1928, from the controller of the Chemistry stores of UCL to Mr Mercer via the association showed. In the letter he requests that they should be treated as a dealer so as to allow them to sell at the same prices as outside. This is because the stores was run as an organisation independent of the University and was obliged to sell on laboratory apparatus and materials to students and others at a profit, to cover salaries and management costs. After much discussion it was agreed to give them a 10% discount.

In the early 1930s, discussions took place about enlarging the Association's membership. After some deliberations it was decided to invite only four more companies to join - companies deemed suitable because of their standing in the industry and their ability to broaden the scope of the association. This was the start of the BLWA becoming a more national, although at this point selective, organisation.





An extract from the BLMA technical committee minutes book dated June 1943. It shows the BLWA proposal for a vacuum desiccator lid that will not stick and eliminates the need for a separate tap

The association also worked with other associations and the minutes report discussions and agreements with the British Optical Instrument Manufacturers Association in 1932 with regard to selling to users at list price. Indeed, the BLWA at this time had a price committee, whose job was to monitor and agree prices and discounts with suppliers. Woe betide any distributor found discounting, such was the strength of the BLWA at that time! They could call the manufacturers to account should they be found discounting too highly to other resellers, who were not members.

In 1936, with 15 members paying £8 a year each, the BLWA decided it was time to broaden the Association's membership, and they wrote to 20 other suppliers (mostly smaller ones) inviting them to attend a meeting to discuss the benefits of membership. These benefits included the special concessions afforded to BLWA members by manufacturers, and information on import duties, BSI drafts, the Poisons Act and IPT apparatus amongst others.

Within two months eight suppliers had indicated a wish to join, and seven had requested further information. Within four months, nine had joined at an annual subscription of £5 for smaller companies, thus setting the annual subscription, as opposed to the regular whip round! However, due to other activities and the increasing costs of hiring meeting rooms, by 1937 they were again having to make additional calls on members with a levy of £3 being made in February 1937.

Of those nine companies, one was Poulton Selfe & Lee who are still members of the Laboratory Technology Group at Gambica. Most of the rest no longer exist (often either merged or taken over).

## THE SECOND WORLD WAR

With the outbreak of the Second World War, the sale of German apparatus and instruments in Britain and the British Empire once again came to a complete stop. This caused some issues, but the BLWA helped ensure that UK suppliers were able to take over production of apparatus that had previously been imported.

After Dunkirk in 1940 it was imperative that production of glass ampoules should be increased by 100% and the British rose admirably to the challenge. Some 30 million ampoules were made and tested in Britain during 1940-1945. A technical committee of the Association rationalised the huge variety of laboratory glassware being produced and their recommendations were later adopted as the basis of many British Standards specifications.

The war years also saw the death of two of the pillars of the Association, Mr C. A. Mercer, one of the founding members and first Chairman of the BLWA, and Mr Douglas Baird.

In the Council meeting of 13th February 1940 the Chairman inferred that the existence of the Association was largely, if not entirely due to Mr Mercer.

Later that year the minutes of the council meeting record; "with all members standing, the Chairman, Mr H. A. C. Trepte said: "Gentlemen, I feel that you would wish me on your behalf and on behalf of all members of the BLWA to send to Mrs Baird and her family our respectful and deep sympathy at the loss they have sustained by the passing of Mr Douglas Baird, a late and highly respected Chairman and Vice-Chairman of this association, a man of sterling worth, a man of outstanding personality and a man to whose character and ability it is difficult to adequately pay tribute. The British scientific apparatus industry has suffered a great loss."

After the war, the BLWA continued to operate as the Laboratory Supply Association for the UK. Until the 1960s companies would find it almost impossible to operate in the market unless they were members: the BLWA had agreements with suppliers at rates very



The British Information Stand at CHEMASIA 81 in Singapore. (l to r) Mr J E C Bailey CBE, President, Karina Bateman, Promotions Manager, Mr R E Silverton, Chairman and Mr J D Hennings, British High Commissioner in Singapore.



Retirement dinner for Constance O'Farrell MBE: with Constance is Mr W E Belither, immediate-past Chairman of the BLWA.

favourable to their members. However, membership of the BLWA was not always easy to come by, with the Council often refusing applications from companies wishing to join, apparently for no other reason than that they didn't deem them useful.

This all began to change in the late 1950s and early 1960s, when the Association started to take exporting seriously again, and a UK group to Achema was organised in 1967, with support from the then Board of Trade.

The BLWA continued until 2001, when it merged into GAMBICA: the latter, as an umbrella association, formed from a number of other associations. Some of these dated back to the first world war and were formed at around the same time as the BLWA (and for similar reasons). GAMBICA already included a number of British scientific and laboratory instrument makers, so for the first time there was now a single British association for the laboratory technology supply industry.

As part of this 100 year milestone, the annual Laboratory Technology Suppliers Conference (scheduled for January 20th 2015) will see a special dinner the night before at Fawsley Hall Hotel, nr Daventry, on January 19th 2015. The dinner, as well as allowing attendees to catch up with colleagues, will see special guests and a very special guest speaker.

The Conference will hear from a range of top line speakers including Wall Street analyst Paul Knight, of Janney Montgomery Scott; the Global head of Johnson Controls laboratory services, Sion Jones, a leading UK expert on branding and the EEF Chief Economist, Lee Hopley.

More details on the conference can be found on the GAMBICA website at [http://www.gambica.org.uk/QVJT7H177241\\_ref;events](http://www.gambica.org.uk/QVJT7H177241_ref;events)





# Industry Report

## What Does the Future Hold for the Laboratory Technology Supply Industry?

Tim Collins, GAMBICA

GAMBICA is the UK trade association for companies in the instrumentation, control, automation and laboratory technology supply industries. There has been a UK laboratory technology suppliers' association for a hundred years: firstly the British Laboratory Ware Association (The BLWA, founded in 1915); then in 2001 the BLWA merged into GAMBICA. Today the laboratory sector within Gambica consists of around 120 member companies, ranging from the very large to the very small, and supplying everything from pipette tips to mass spectrometers and autoclaves to fume cupboards. In an earlier article we looked at some of the past history of the association; here we take a brief look at what might happen in the future, both for the association and the industry.

### The Association

Much of what the trade association does today it has always done and is likely to do in the future. Areas such as standards are as important now as they were back in the 1940s. The difference today is that more standards are worldwide or at least Europe-wide, rather than being drawn up just for the UK. Being involved in the development of these standards ensures that companies are able to keep abreast and ensure their products meet the standards.

With more Free Trade agreements (e.g. EU-Korea and the on-going EU – USA FTA discussions) the requirement for international standards is only likely to increase. One question to answer is would the UK's ability to influence the development of EU standards be harmed were we to cease being part of the EU? And since many ISO standards are developed from the EU standards, would our awareness as well as our influence be harmed by such a move?

The association is significantly active in collaborative learning. As companies expect their employees to do more in less time, trade associations can supply some of the sharing of best practice and CPD that companies no longer have time to carry out individually. The association's special interest groups (export, service, standards, regulations, etc.) are very popular and well attended; they allow managers and staff in these areas to work with others on issues of general concern, hear from experts and leaders in the fields and, where necessary (as mentioned in the article about the early years of the BLWA) become a thorn in the side of the government, when government plans run against the members' best interests. In recent times this has included apprenticeships, export support, the NHS, and a host of regulations from both the EU and our own government.

Market statistics is an area in which GAMBICA has seen much growth over the last decade; we are continuing to add new market areas as well as collaborate with associations from Europe, the USA and Asia to collate market data on the global market.

### The Industry

Ian McCafferty, the former CBI chief economist and now Bank of England monetary policy committee member, said when speaking at the Annual Laboratory suppliers conference two or three years ago that there two types of economic forecaster, "One who lies and one who knows nothing". With that comment ringing in our ears let's try and see what may occur going forward.

Sometimes looking back helps us to look forward. In the 100 years of the trade association many companies have come and gone, and many names which were once familiar have faded from the memory. Why? - because companies get bought and sold. There seems, in the last 10 to 15 years, to have been an increase in the number of companies being bought.

We now have several very large laboratory technology supply companies. Thermo Fisher and Danaher are two of the largest: both have been very acquisitive in the last ten years, but so have other large multi-billion dollar companies such as Agilent, Bruker, VWR and Perkin Elmer. Recent acquisitions by most of these large companies have focused around the life science area, as global spending on healthcare and personalised medicine continues to rise. In the next five years most experts predict a great rise in molecular diagnostics for areas such as cancer treatment.

How might these companies expand in the future? The key to the success of most large companies lies in having the correct supply chain in place (i.e. the route to market and the customer) and then filling it with the correct products.

It is therefore almost certain that further acquisitions will take place, because many large companies find it very difficult to be innovative and therefore usually end up buying that innovation. It is the small companies that tend to develop the innovation - the spin-outs and start-ups are pushing the new and groundbreaking technologies.

### The Rise of China and Other Developing Nations

The majority of large multinational laboratory suppliers are in the USA, Europe and Japan but in the last 10 years we have seen companies from China, South Korea and some other new markets start to increase their ability to produce creditable laboratory products or acquire developed market companies. Most of these manufacturers are not at the level of their more developed competitors yet, but they have come a long way very quickly and it is likely it will not be long before they are making products that really compete on quality and performance with their more illustrious competitors. The real question though is whether (or when) they will ever catch up in terms of innovation. What is certain is that you will not be able to ignore them.

So what do the existing laboratory suppliers need to do? Talking to companies at a recent overseas exhibition two common themes emerge. Firstly companies must continue to develop their offering. "We have to innovate and evolve, that is where our edge lies," offered one company MD. The other theme was the need to expand and sell outside the UK if you are a UK manufacturer. It is well known that companies that export are faster growing and more innovative, probably because they have to be.

So what about UK-only companies? With the introduction of purchasing consortia and similar schemes, the sale of new products and services by individual companies into areas such as the NHS, universities and research institutes is becoming more difficult.

As a taxpayer you want best value, but as a consumer or end user you also want access to the best and newest. It is a difficult balancing act. The NHS and universities with their approved supplier lists and framework agreements are supposed to save money (and in many cases can and do), but we should be wary of excluding the smaller and more innovative or specialist suppliers. Government funding has a double role in these areas, as it is both customer and a key partner for the country as a whole.

If a company has to wait three years to get in to the next framework, or if the cost/time needed to get on to the approved list is too onerous, the risk is that the introduction of innovative products is lost. Other industries have found that if the smaller and innovative suppliers are forced to go through either a primary or secondary supplier, costs end up higher - if not initially, then as time goes on.

We should not be too despondent though. Currently most markets and industries in the UK are still accessible (if space allowed, there would be much to be said about marketing and the changes occurring there).

Certainly every customer wants more for less, so those that find a way of delivering the level of service and products at the right price will win - and that's called innovation.