

# A small company's perspective

BY ALAN MCNULTY

In this article, we hear from **Alan McNulty**, Director from Sheffmed, an SME (Small – Medium Enterprise), who have supplied surgical instruments, consumables and video systems to ENT clinicians for over 12 years. Alan outlines some of the choices and decision companies face in today's market, from beginnings to expansion.

Today we employ 10 people and the company falls into the 'small but significant' bracket – this is where most of the revenues are generated in industry. When banded together the smaller fish represent the majority. Visit any trade show and while the larger stands dominate the skyline the mass of smaller vendors are what make the event viable. So while the motorcycle is long gone, the suit never returned. From the humble beginnings of riding a motorcycle around the UK with samples strapped in place, it is a far cry from the company BMW and a suit of an earlier corporate life.

Mixing it with the big players isn't always easy but there are advantages. I can remember working for a large multinational company and receiving a complaint about the labelling of the products. It took nearly a year and numerous meetings to resolve. If it was to happen now I would drive to the nearest outlet and buy a new printer.

The single biggest factor facing all small companies (1-50 employees) is resources, both financial and human. What this does, however, is promote the need for a lean organisation where efficiency is key, where the buck has a far greater stopping distance.

Product / service line choice is also a key factor for any new start: a new SME launching their own camera system or endoscope line would have a serious mountain to climb without significant financial resources; then there is the chicken and egg scenario of who is going to be the first person to buy from you without any history?

## To distribute or to manufacture?

Carrying another company's product line is by far the most cost effective way to

start a business. However, you will always be at the mercy of not having control, and things can (and do) change overnight. At Sheffmed we are primarily a manufacturer – our customers range from hospitals to large FTSE listed companies for whom we OEM (Original equipment manufacturer) where Sheffmed manufactures the product and under the customer's name.

## What is a 'manufacturer'?

It is taken that if you apply your company name to your product then you are deemed a manufacturer. Most companies employ sub contract manufacturing; as is the case in the car industry, your car is comprised of components made by numerous sub suppliers including the badge on the bonnet. The advantage to the SME is that closer control can be employed and monitored. The CJD crisis with the advent of single use instruments clearly demonstrated this: how many managing directors / company owners visited the factories in Pakistan and walked the shop floor? Simply holding up a child labour certificate does not cut it and BBC Panorama programme went some way to exposing this.

Speaking to customers on a daily basis is vital to the business owner and gives a strong connection leading to a personal touch in an ever automated and detached world of telephone answering. In many ways, the private practice of a clinician demonstrates this, as the customer always sees the owner / partner. It is vital that the owners of the company speak to its customers on a daily basis; this rarely happens in larger organisations. It is by listening to both customers and staff that a company can stay ahead.

Careful choices have to be made when supporting study days, conferences and courses - here the larger companies

**“From the humble beginnings of riding a motorcycle around the UK with samples strapped in place, it is a far cry from the company BMW and a suit of an earlier corporate life.”**

carry a far greater budget. Our preferred route is to work with smaller events and support training / skills courses. You are quickly forgotten and dwarfed at the larger conferences where the multinational stands sometimes seem to have a three-storey building with hospitality overdrive.

The single biggest difference between large and small companies is often the ability to make a decision and drive it through without protracted delay. This can make a huge difference to the customer whether they are looking for a better price or require a prototype for a new idea.

The advent of new 3D design technology allows the smaller company to react even quicker than before putting ideas into something tangible. The downside can be that commercial success takes longer if the company has a limited sales outlet and / or no international distribution.

The larger organisations can flex



L to R: Dave Strachan, Dr Wakisa Mulwafu, Chris Bem.

**“Giving back is important: after surviving the early years and achieving a financially stable business it is important to give back.”**



their muscles to offer deals to hospitals that smaller companies simply cannot compete with. To counter this, the small company has to diversify, offering unique services and products, and constantly strives to design and develop new ideas into a commercial success. This is resource dependent and can prove costly: the need for careful screening and testing is vital along with streamlined manufacturing support.

When a clinician has an idea for a new product the SME will usually put a prototype in their hand much quicker, which can go some way to levelling the playing field with the big players. It can also be the case that the SME

handles the embryonic stage while a larger organisation takes over should commercialisation be realised.

Stock holding is the enemy of the balance sheet, but necessary if a good service is to be offered. Larger companies can often absorb this much more easily. The smaller company must not try to be all things to all people. The similarity is found with clinicians setting up in private practice, where careful choices have to be made to ensure the right equipment is procured for the right services.

**ENT Africa**

Giving back is important: after surviving the early years and achieving a financially stable business it is important to give back.

We have started ENT Africa as it linked closely to what we do. Initially working in Malawi, the company aims to provide equipment to support the small but growing clinical base in Blantyre under the guidance of Wakisa Mulwafu and dedicated support of Dr Chris Bem, ENT Consultant. It is not just a personal / Sheffmed project, I want it to encompass both large and small companies working towards a greater goal of supporting a better future for ENT services in Africa. This is where clinical skills and commercial support come together

to make a difference. Dave Strachan, Bradford has just returned having carried out the first cochlear implant in Malawi, industry needs to support this effort and help to make a difference.

I hope to see several companies come together to ensure funding and equipment are delivered where they are most needed.

For more information about the ENT Africa project contact:



**Alan McNulty,**  
Director,  
Sheffmed, UK  
E: [alan@sheffmed.com](mailto:alan@sheffmed.com)  
[www.sheffmed.com](http://www.sheffmed.com)

**Declaration of competing interests:**  
Alan McNulty is a Director at Sheffmed

[@ent\\_africa](https://twitter.com/ent_africa) [www.sheffmed.com](http://www.sheffmed.com)

