

MEDIA COVERAGE

PUBLICATION: BRADFORD TELEGRAPH & ARGUS
DATE: MARCH \ 2008
PROJECT: PACE MICRO TECHNOLOGY (BRADFORD)

Telegraph & Argus

'Pace of change is vital'
By Chris Holland

Even the brightest stars flicker occasionally.


This has certainly been the case for Pace Micro Technology, the set-top box producer that seems to have put the bad times behind it and is playing a leading role in the digital TV revolution.

In January the company announced a trebling in profits to £15m, more or less a mirror image of the bad times a few years ago when losses were of a similar magnitude.

That problem, caused largely by major delays in shipping products to its key US market, led to the appointment of Neil Gaydon as chief executive and a root-and-branch restructuring of the company.

One of his first moves was the creation of a combined sales, product and engineering team for each customer grouping.

Each team is a mini-business centre with autonomy to develop relationships with their particular customers but also responsible for the bottom line results.



One of the Pace employees at work

Mr Gaydon's approach reduced management layers, encouraged new talent and brought Pace closer to its key customers. The mood in its Saltaire offices, where the company has sensitively modernised large internal areas of Salt's Mill, is relaxed and confident.

A new reception area greets visitors, along with a suite of meeting rooms and a demonstration area for its range of set-top boxes for markets across the globe.

Large wall-mounted flat screens, looking not incongruous in this former hub of Victorian enterprise that put Bradford on

the world map, are used to show Pace's wares which are at the forefront of digital TV technology development in the United States, Europe and Australasia.

In a sense it's full circle for the mill. It was once the centre of Sir Titus Salt's pioneering business of processing which formed the basis of his fortune and the development of Saltaire.

Now the building houses another pioneering enterprise that is securing its future by keeping ahead of the competition. Across the mill yard is the light and airy new staff canteen in a former weaving shed and providing a relaxed environment for informal meetings or formal presentations.

On the day I visited Neil Gaydon was having one of his monthly employee lunches which gives around a dozen people at a time the opportunity to meet the boss on an informal basis.

Last year Pace celebrated its silver jubilee. The business was founded in 1982, originally to make computer modems which led to the first low cost, commercially available modem three years later.

In 1987 Pace launched its first analogue satellite set-top receiver which formed the basis of its future development. In the intervening years Pace has suffered its share of ups and downs as the digital TV revolution failed to emerge as quickly as expected, both in the UK and globally.

Now, the picture has changed dramatically. There are expected to be 238m high-definition televisions in homes and 200 high-definition channels globally by 2010 and Pace is at the heart of delivering these systems.

Saltaire remains the Pace global headquarters and literally the brains behind the business. There are 400 people employed here now. In addition to the senior executives, most are highly qualified design and development engineers, a high proportion with doctorates.

MEDIA COVERAGE

PUBLICATION: BRADFORD TELEGRAPH & ARGUS
DATE: MARCH \ 2008
PROJECT: PACE MICRO TECHNOLOGY (BRADFORD)

Production of its set-top boxes is now concentrated in China. Pace has maintained its strategy of staying ahead of the competition by developing pioneering products that attract a premium price before they become more commonplace.

Pace has led the world market for personal video recorders since 2000 and supplies equipment to more than ten of the world's top pay-television companies worldwide.

One of its key customers is BskyB for which it produces the Sky Plus boxes and its leading-edge high definition equipment Pace launched its first HD product in 2002 for a US cable company and is now at the forefront of this growing market.

One of its newest areas of development is a system to enable occupants of apartment blocks to have access to digital services using existing wiring. The system is being tested this year and the company anticipates a high level of demand in the US, the world's largest market for digital technology, and other countries with a high level of multi-occupancy homes.

Pace is also set to return to the UK high streets for the first time in many years with a new product, still under wraps, which it describes as "an advanced hybrid product."

Another major chapter in the Pace story is about to be completed with the £68m acquisition of Philips' set-top box business which will make it one of the world's top three set-top box makers.

The Philips' business employs 335 staff, mainly in France. The deal will create an operation which has global annual sales of 8.5 million boxes. At the time of the results announcement, Neil Gaydon summed up the company's position by saying: "The Board is pleased with progress and the benefits the organisation is delivering in the form of a solid, sustainable platform for growth that has been embedded across the group.

"We are confident that Pace is investing in the right products and technologies to meet the demands of its growing customer base."

10:26pm Sunday 30th March 2008