



Fire Industry Association

Market Conditions Review

WAVE 8

Market Conditions Review

Looking at our 8th Market Survey as a whole, there are clearly many factors remaining roughly the same with very few noticeable changes. We are well past the initial BREXIT shock where most companies deferred any growth or business re-direction plans, however there are clearly concerns on the future based on what “deals” we will get over the next 2 years.

The three main areas companies will be watching in the BREXIT talks are: migration, customs, and tariffs. They will all affect us (not just exporters), albeit some more than others, based on the make-up of the workforce (skilled and unskilled), export sales (current or aspirational) and profitability changes (e.g. component price changes etc.). As for sales, UK companies want to hold on to the best possible access to the EU as it is our biggest trading partner. With an early general election called, hopefully we can have a stable platform to negotiate our future (depends on who gets in, but I will leave you to decide who is best suited to do that!).

Focusing on the specifics of the report, sales enquiries generally appear slightly up but the conversion rate to orders doesn't quite match. Supplier price increases is clearly the biggest change with most survey participants indicating a significant rise in costs.

When you read some of the comments offered by those surveyed at the end of this report, it is clear that there remains the same concerns in a number of key areas. Many of the comments received covered the same points so only a few are shown. Those main concerns being: -

- **Labour.**

It is clear that there remains a shortage of skilled labour in our sector. There has been a lot of good work in the apprenticeship area (Trailblazer to name but one we are involved with) to address this issue, but we have yet to see the results. It is also a concern that there could be a reduction in European skilled labour staying/coming into our market should the migration rules be changed.

The answer is about investment into our future now as it is an important time, and not wait until it is critical (which many would state that we are already at that level). We need to attract young talent and train them professionally with meaningful qualifications.

- **Competence.**

Education is an area the FIA feel strongly about as do, it appears, most of those surveyed. The current Government has an appetite for de-legislation and expects the industry to self-legislate. This unfortunately will lead to some unprofessional individuals and companies operating and potentially putting the public at risk. What are the FIA doing about it?

The FIA have been working for over 2 years on becoming an Awarding Organisation (AO) to offer these professional and formal qualifications that the industry desperately needs. The start are four new qualifications

designed to reflect the main job roles of the sector i.e. designer, installer, maintainer, and commissioner. Working in combination with employers, recruiters, member organisations and learners, the FIA developed the qualifications around the precise needs of each specific job role. You can learn more at the upcoming FIREX Exhibition where we will be launching.

This survey has clearly identified that members want more comprehensive training for their Fire Detection and Alarm Technicians which leads to a nationally recognised qualification. Even though this would require twice as much training at twice the cost of current FIA training courses, most members would be willing to invest.

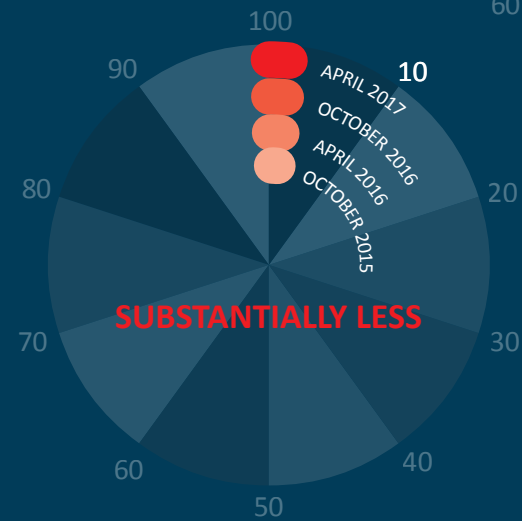
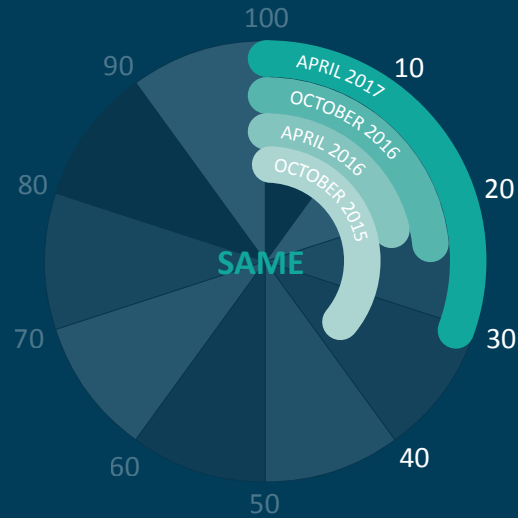
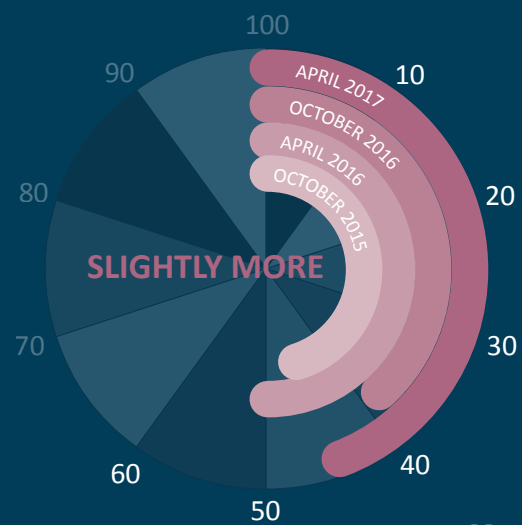
- **Competition.**

The clear message again is that members and non-members just want an “even playing ground”. You will see from some of the comments at the end of this report that it is a common theme and it is for us as an industry to stop unprofessional work in our sector that undercut those who have higher running costs created by offering a professional service.

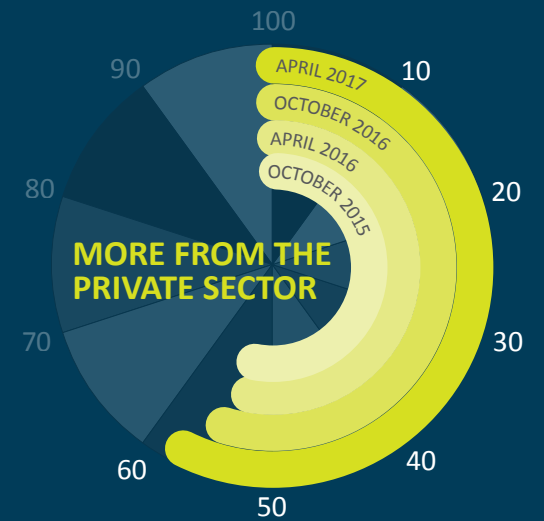
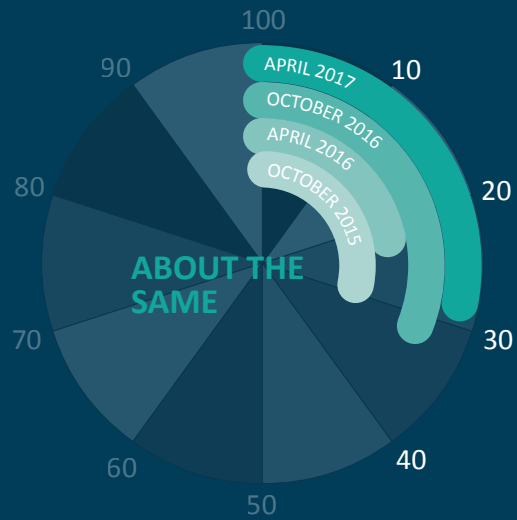
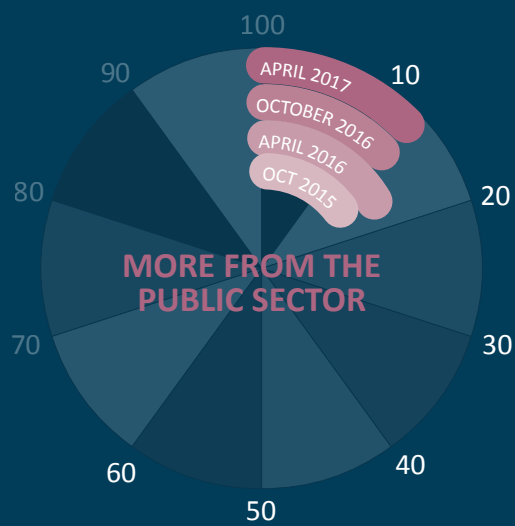
There are many highly experienced and skilled individuals that work with or without the FIA. They are more than capable through years of experience to offer a professional service, but how does the public know? How can a consultant or end-user ensure the company use trained technicians to do a professional job?

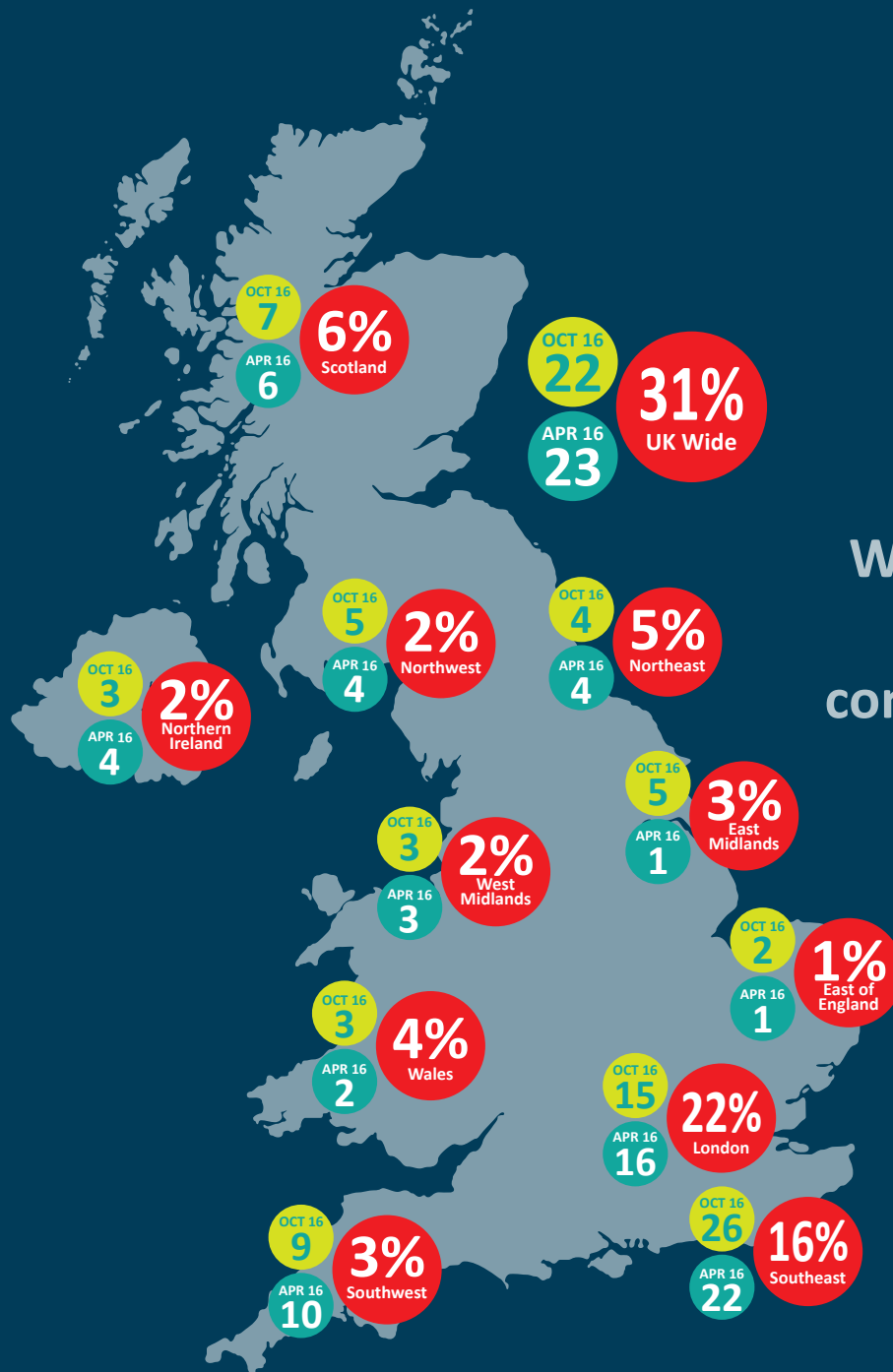
The FIA Market Conditions Survey is open to both FIA members and non-members and is carried out at six month intervals. To take part contact us at fia-team@fia.uk.com.

Have you received more enquiries in the last six months than in the previous half year? (%)



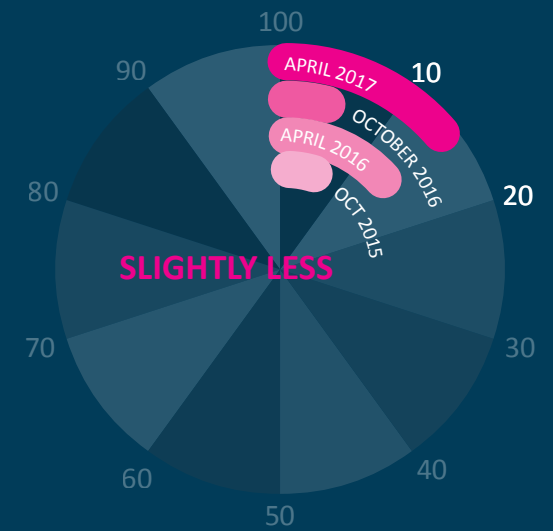
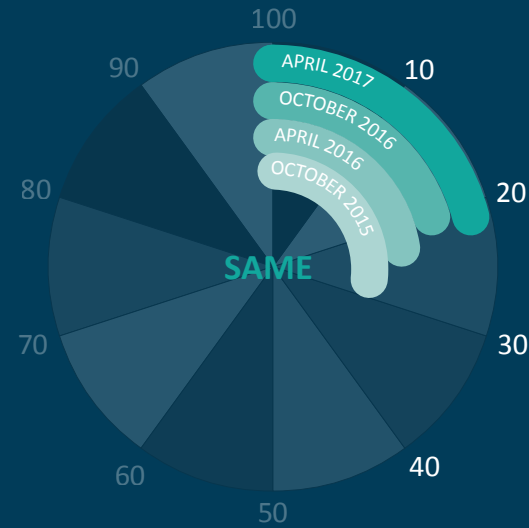
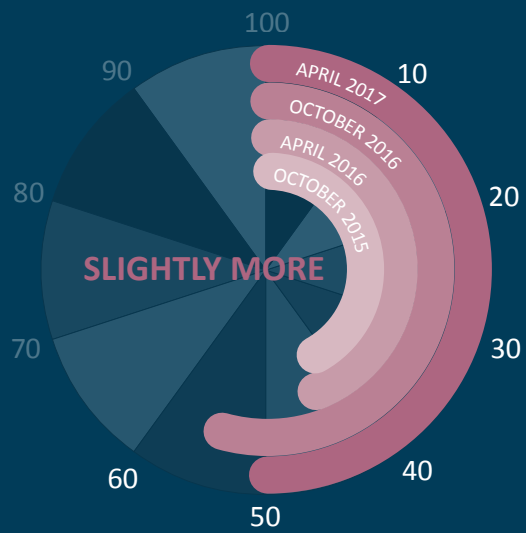
Have you had more enquiries from the Public or Private Sector? (%)



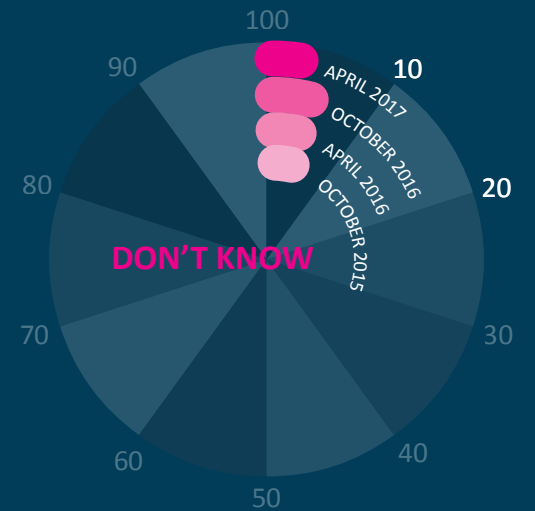
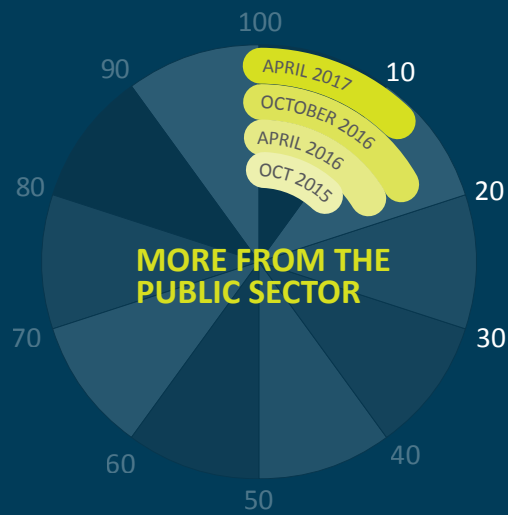
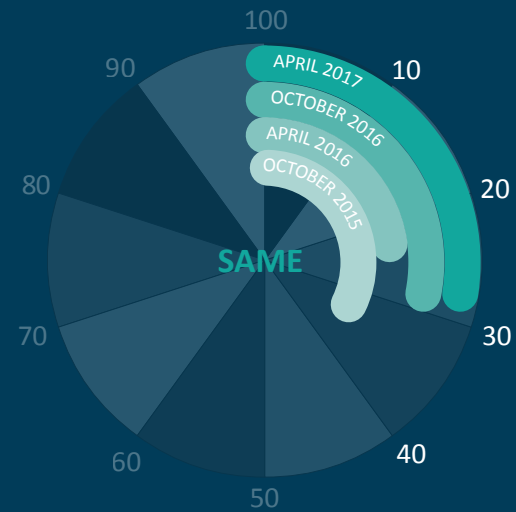
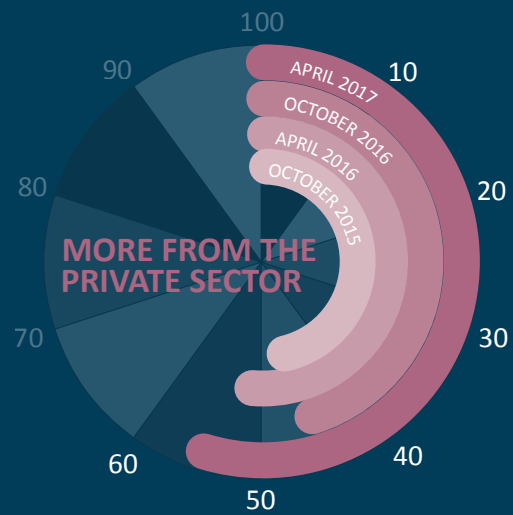


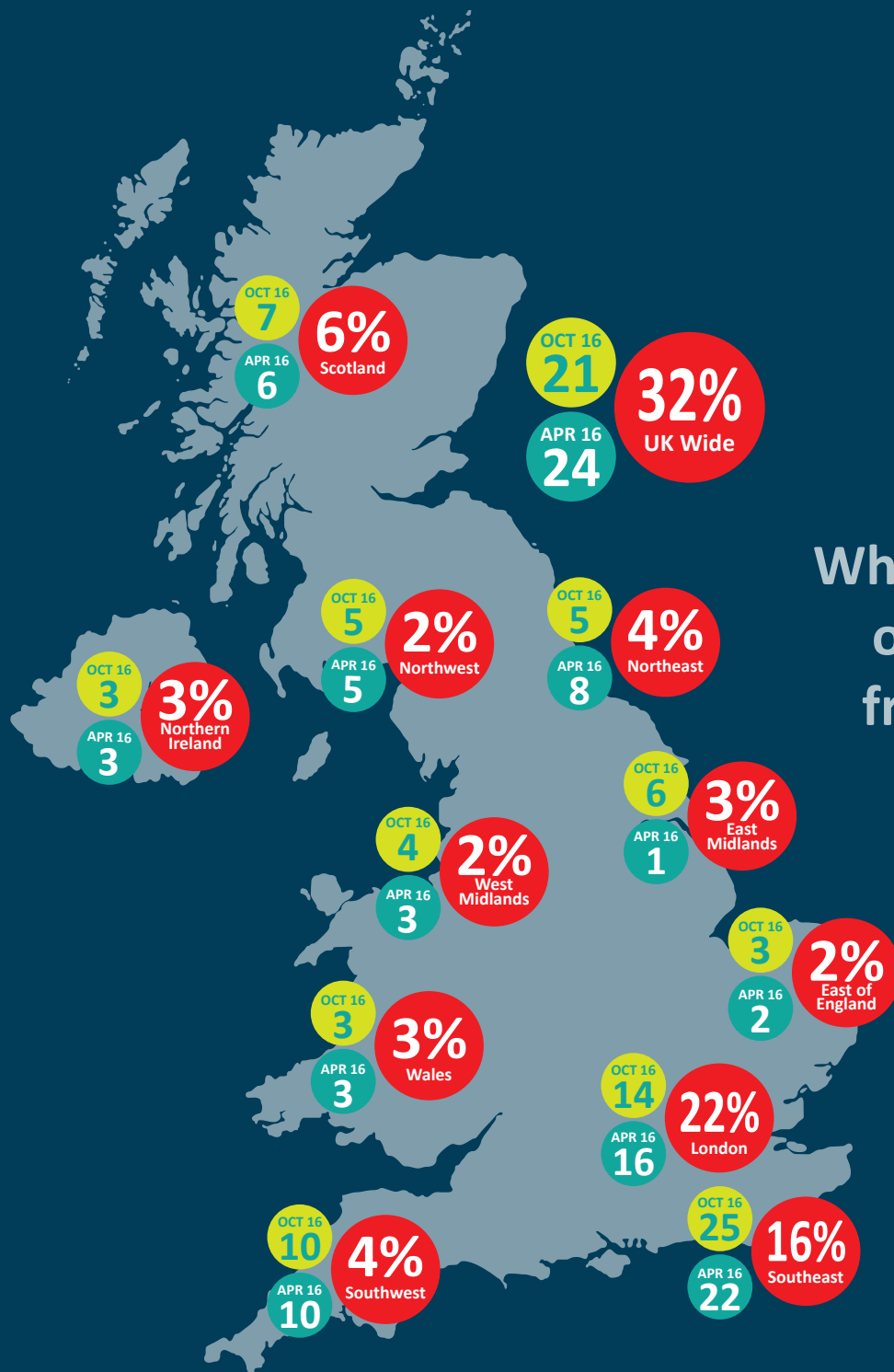
Where have the majority
of your enquiries
come from geographically?

Have you received more orders in the last six months than in the previous half year? (%)



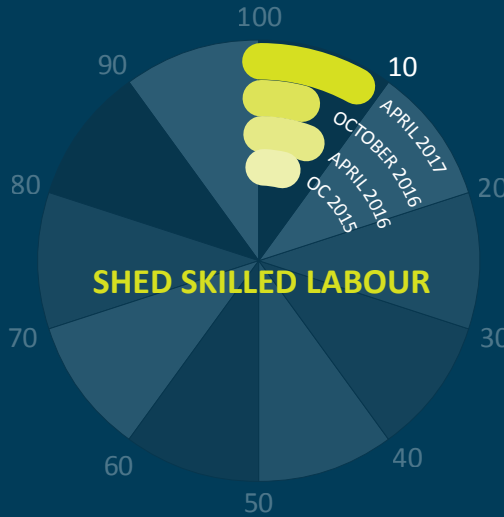
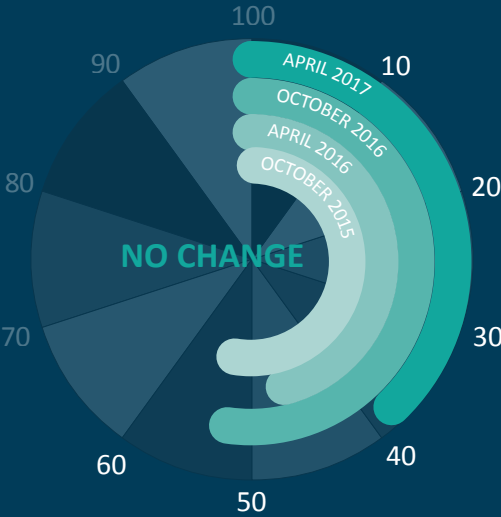
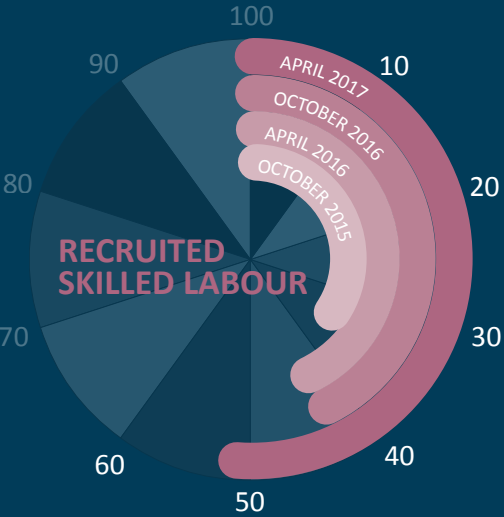
Have you had more orders from the Public or Private Sector? (%)



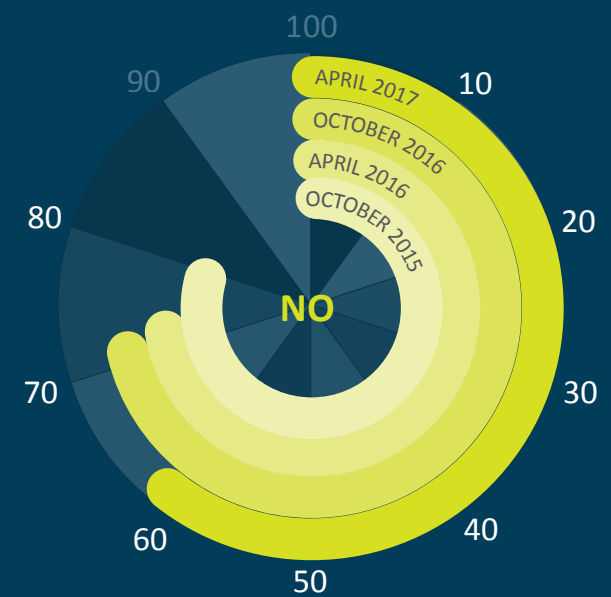
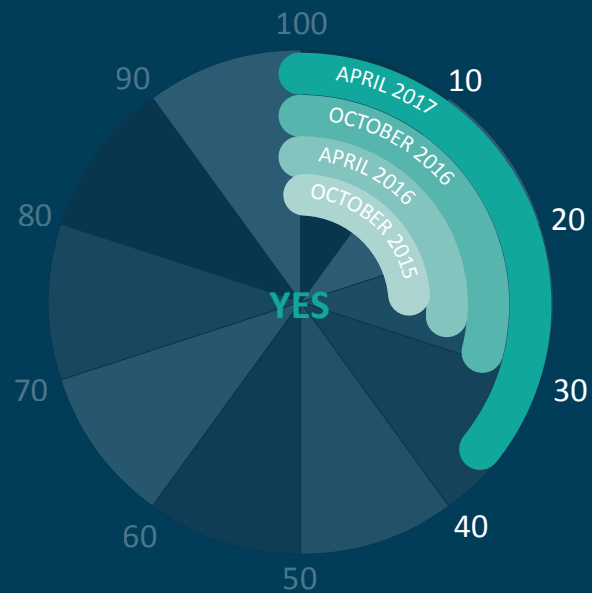


Where have the majority
of your orders come
from geographically?

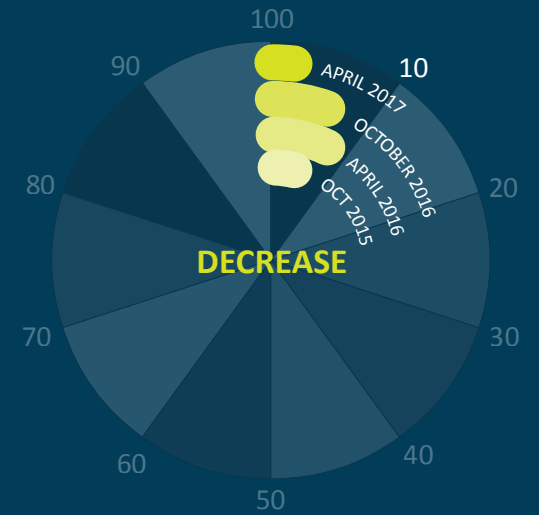
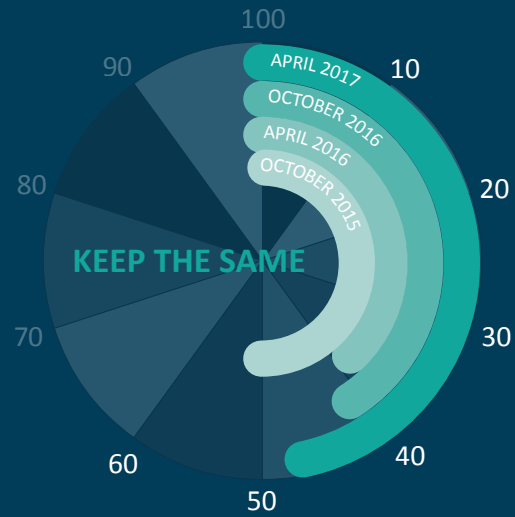
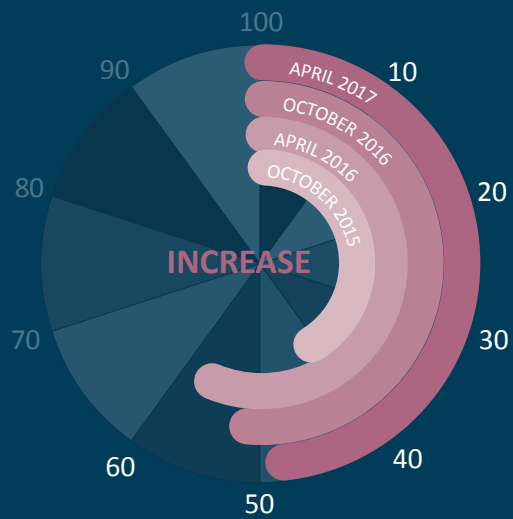
Have you recruited skilled labour in the last six months or
have you shed skilled labour in the last half year? (%)



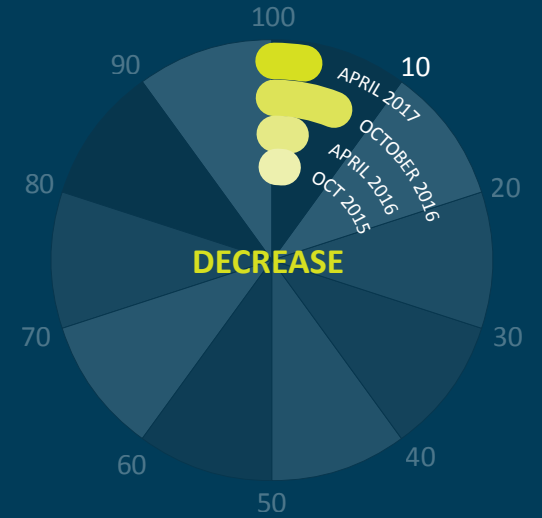
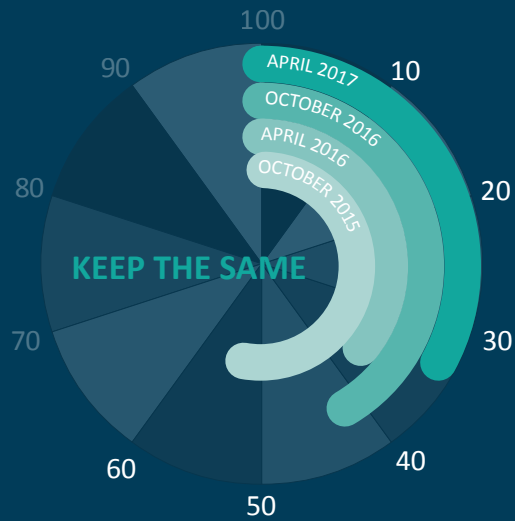
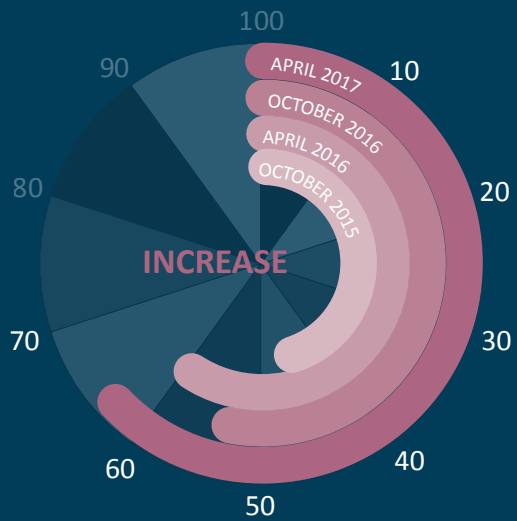
Have you recruited apprentices in the last six months? (%)



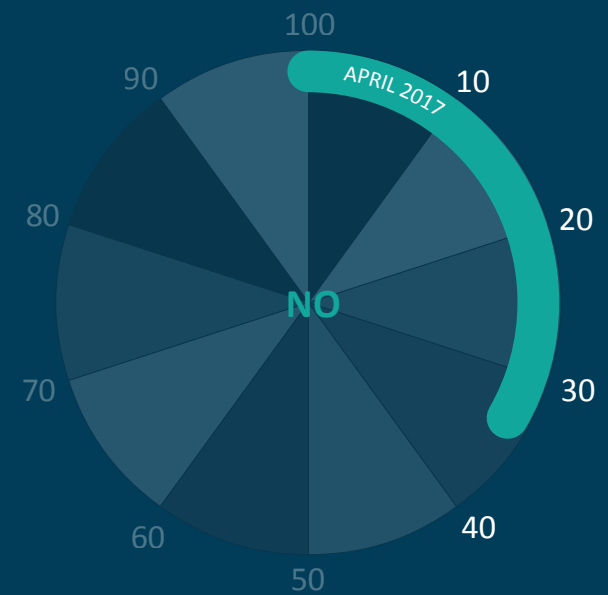
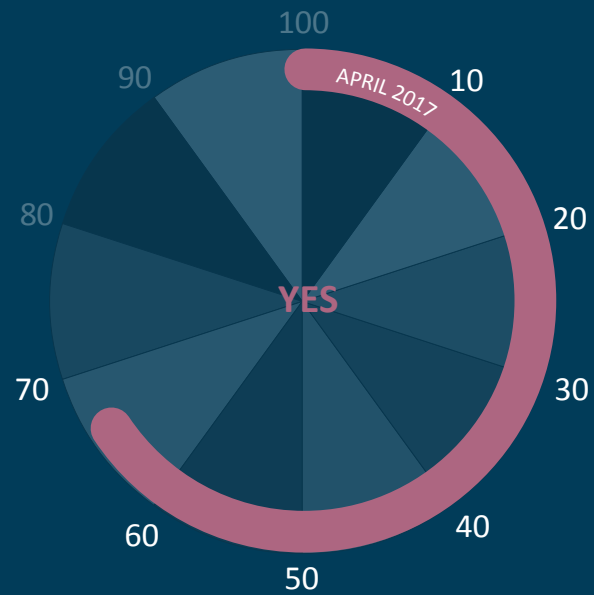
Have you increased or decreased the amount of training for your workforce in the last six months? (%)



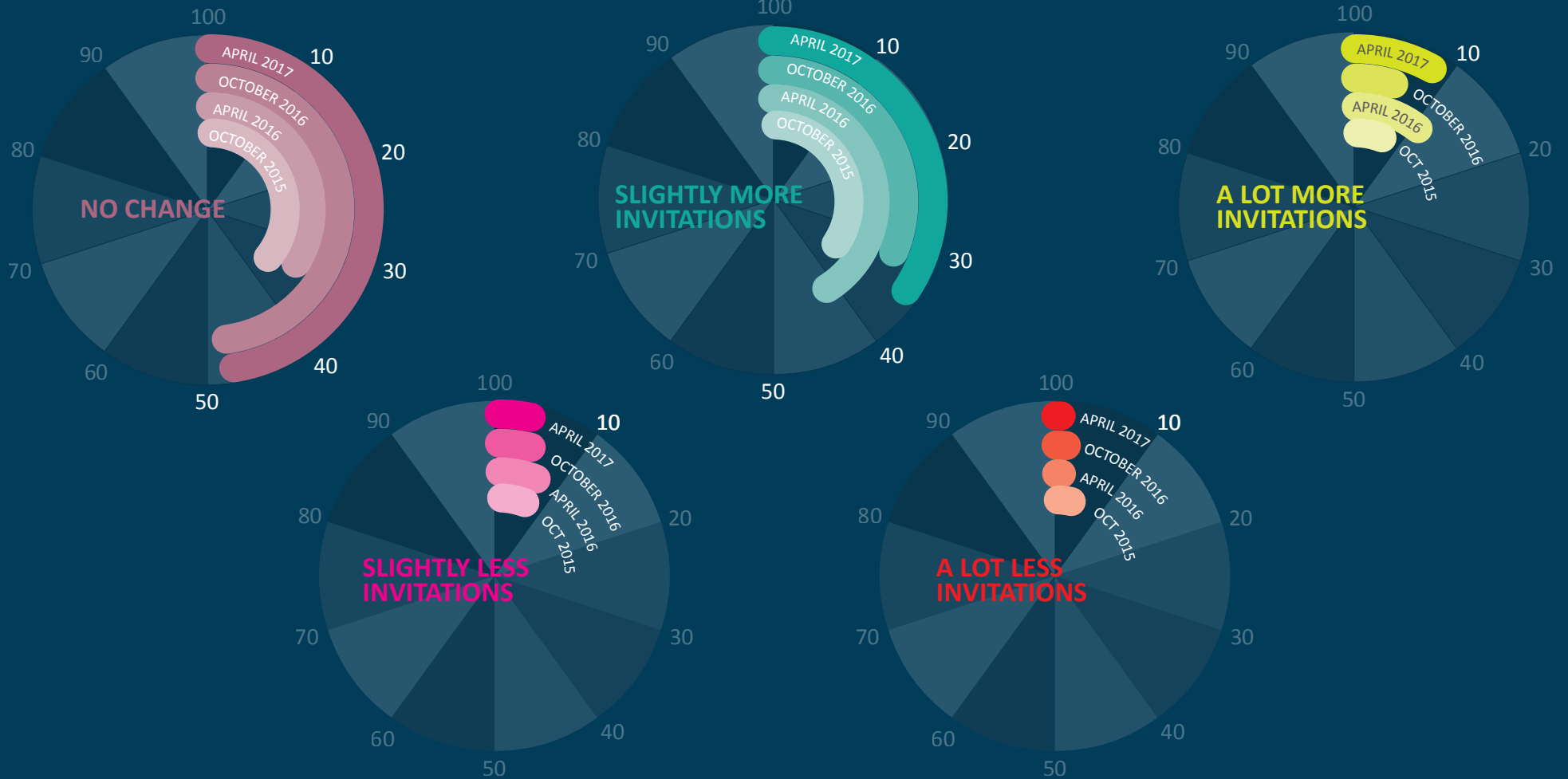
Do you intend to increase or decrease the amount of training for your workforce in the next six months? (%)



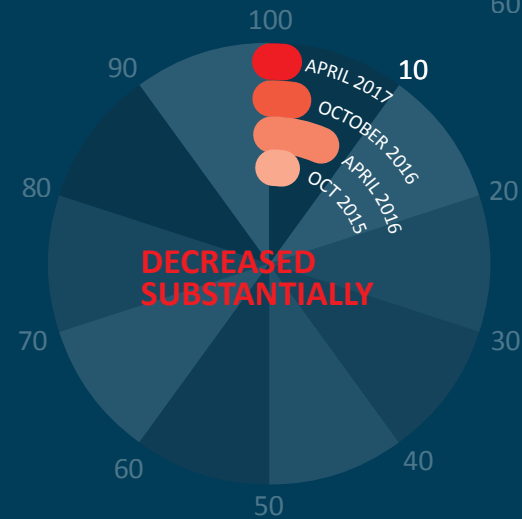
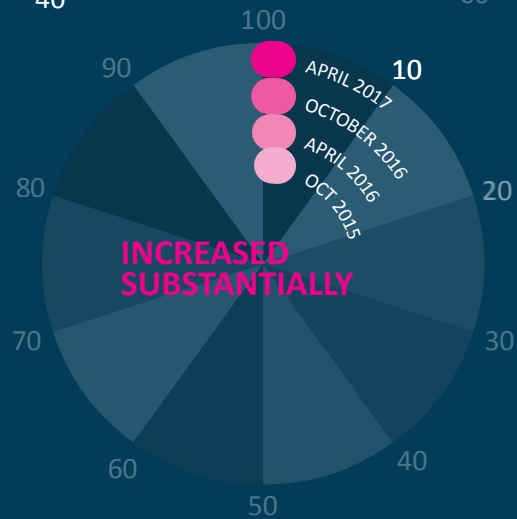
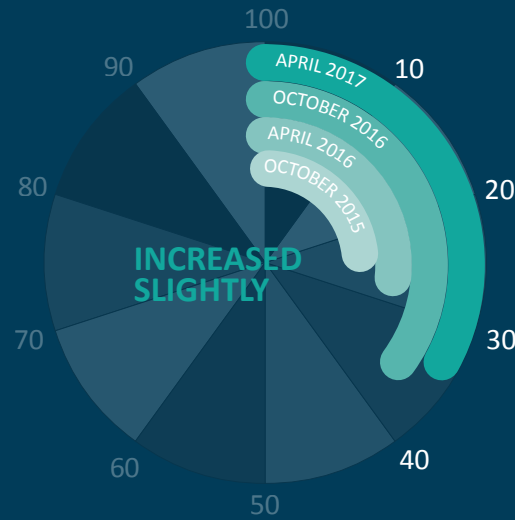
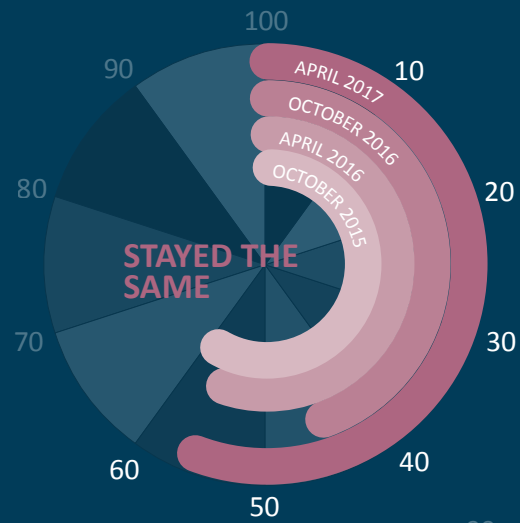
Would you be willing to invest more time and money to get your technicians a nationally recognised qualification?



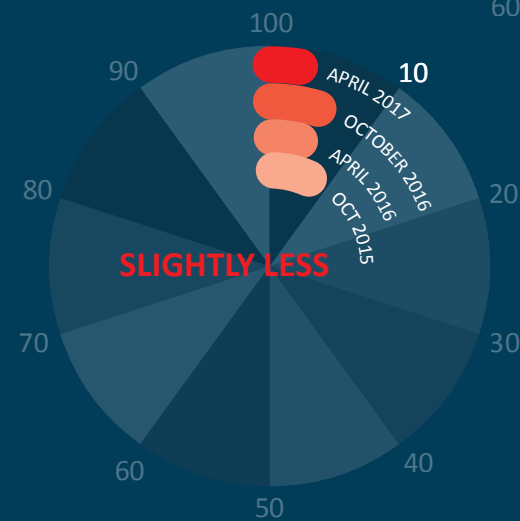
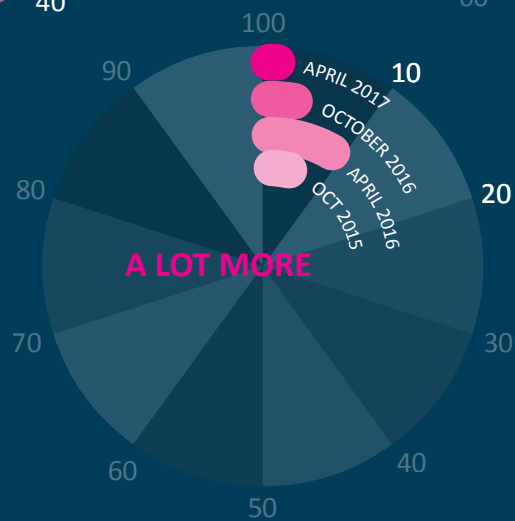
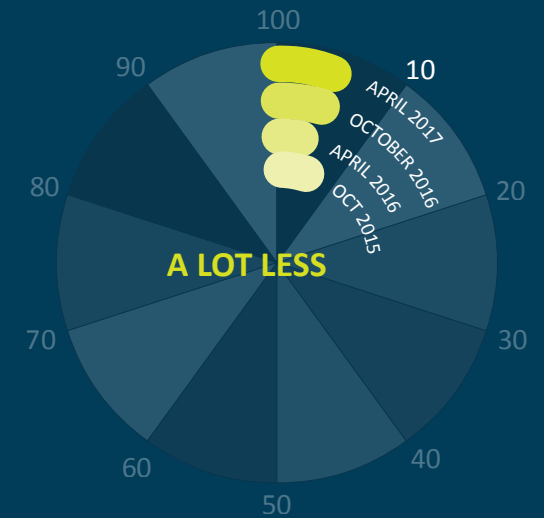
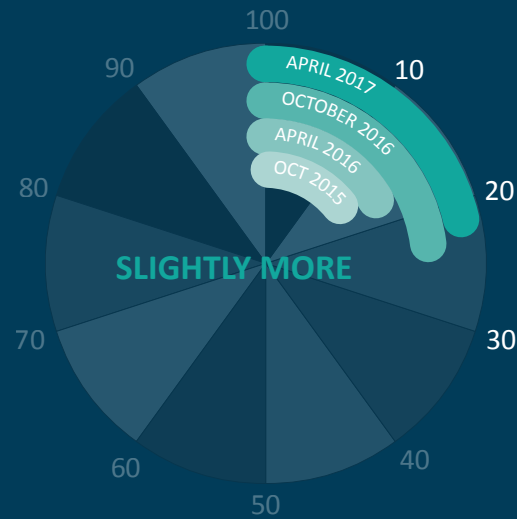
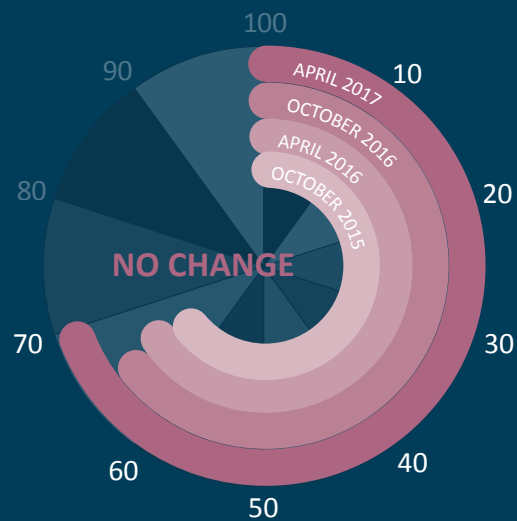
Have you received more or less invitations to tender for work in the last six months when compared to the previous half year? (%)



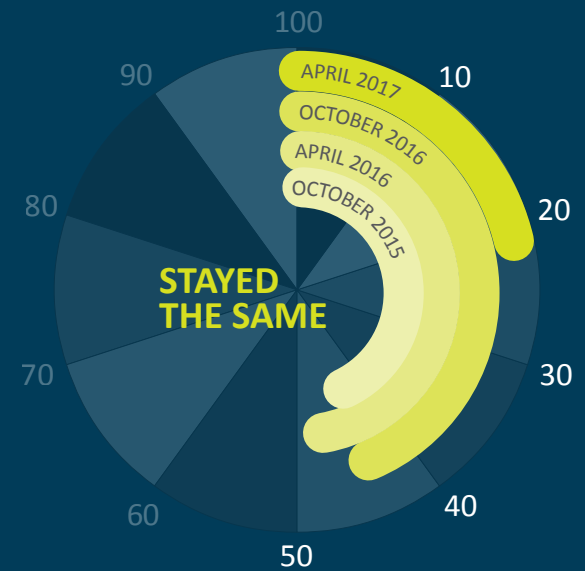
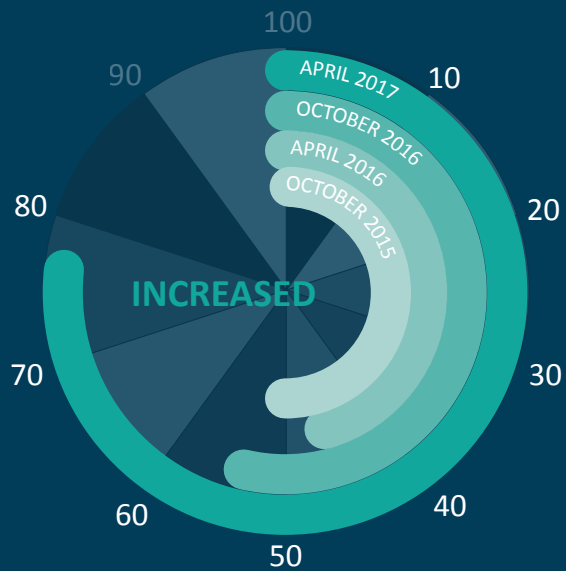
Have tender prices increased in the last six months when compared to the previous half year? (%)



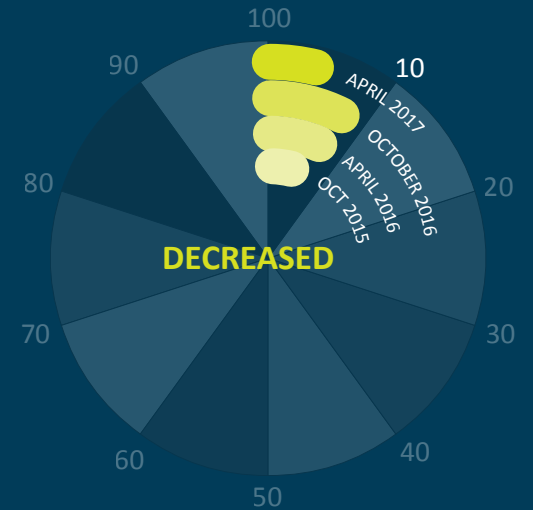
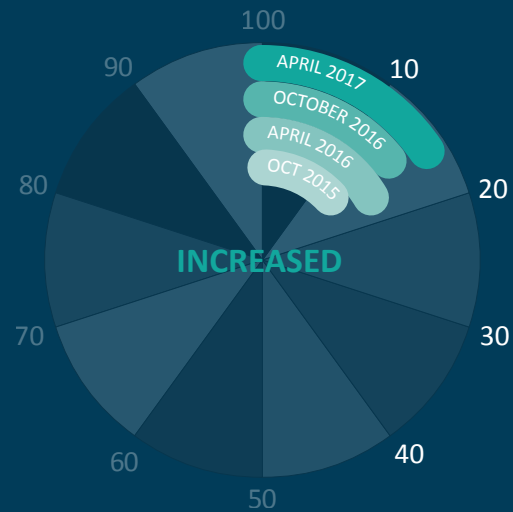
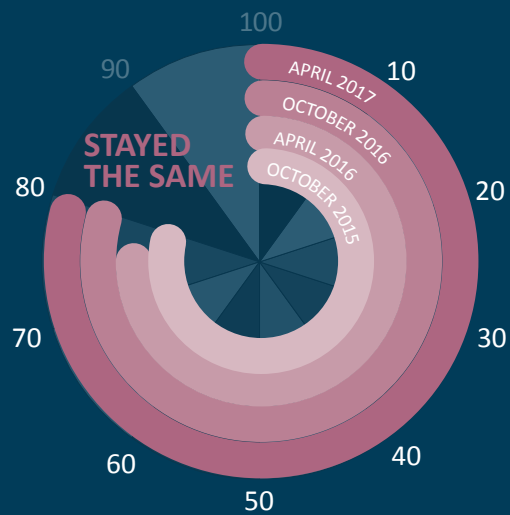
Have you seen more or less tenders in the last six months that require Third Party Certification when compared to the previous half year? (%)



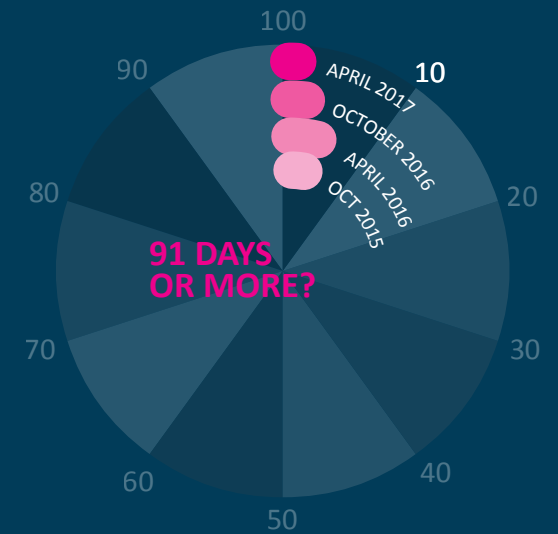
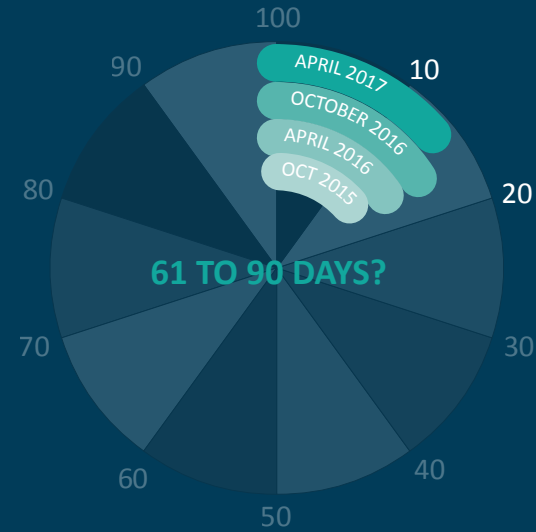
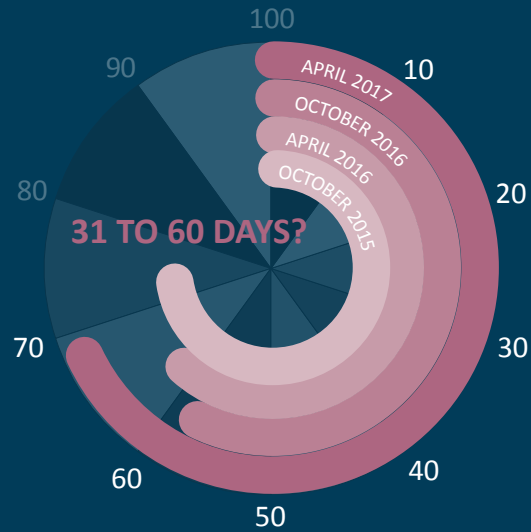
Have suppliers prices in general increased, stayed the same or decreased in the last six months when compared to the previous half year? (%)



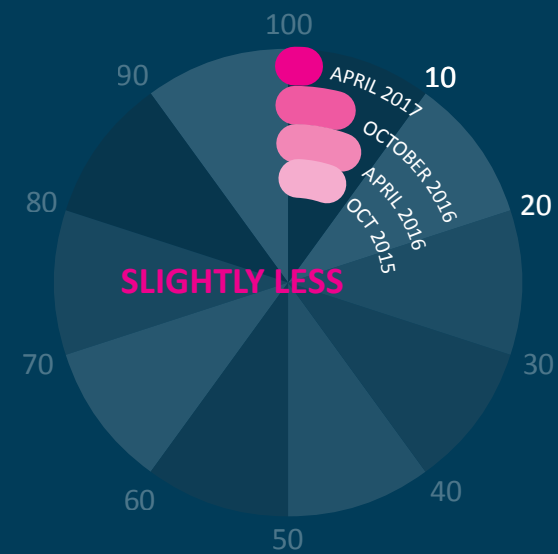
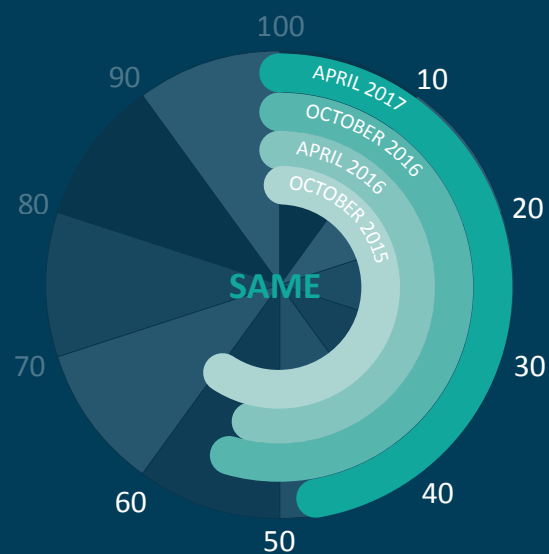
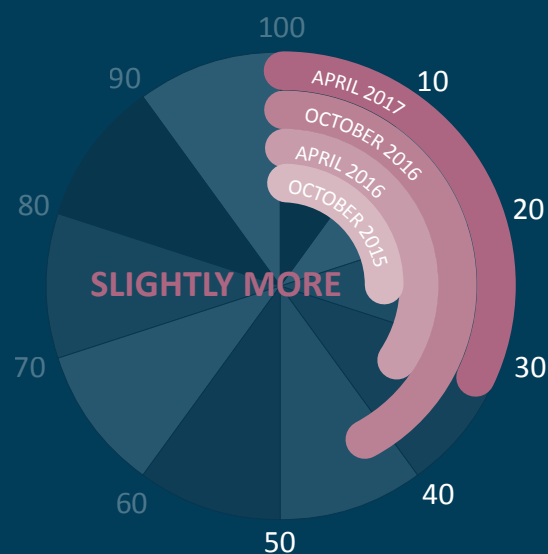
Have suppliers delivery times in general increased, stayed the same or decreased in the last six months when compared to the previous half year? (%)



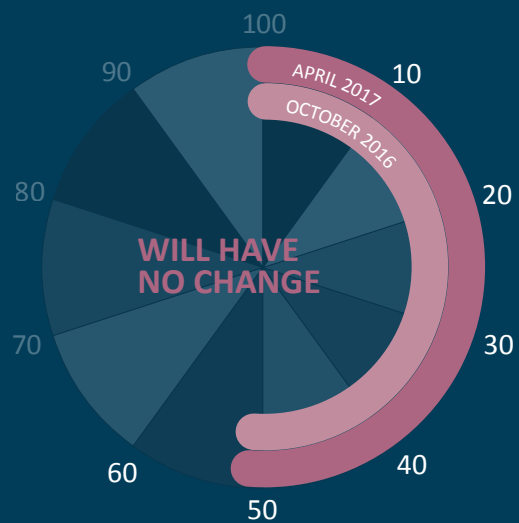
Are you generally receiving payment in (%)



If you are an exporter, has your export business grown in the last six months when compared to the previous half year?(%)



How do you think Britain's exit from the EU will affect your business?



General Comments

Market

“Increase in fire safety consulting & risk assessment activity”

“The increase in trade is due to a new strategic approach where we make compliance easy and appropriate”

“Prices are getting tighter with higher supplier costs and fuel increases”

“Centralised R&D and a better understanding of price disparity by the FRS’s (Fire and Rescue Services) should improve the buying habits and processes within FRA/FRS”

“More needs to be done about governing online Fire Extinguisher companies and educating the public on what is required when purchasing”

Labour

“Work is increasing but skilled engineers are few and far between”

“Struggling to recruit decent quality commissioning engineers and project managers for high level projects”

“The lack of apprenticeships is being felt within South Wales where there is a limited amount of qualified engineers. A regular flow of new engineers would be greatly welcomed”

“Companies who hold industry recognised accreditations, employ competent and experienced staff and use cost effective equipment will benefit from an increase in enquiries and business growth”

Competence

“Still too many Electricians getting away with very poor and cheap installs”

“We feel there should be more education to fire companies with regards to passive fire protection and the requirement for post discharge extract ventilation”

“People are struggling for competency due to the costs with budget cuts”

“Still a great concern over the skills levels of installers. Many installation companies are sub-contracting labour intensive work which is having a detrimental effect on system commissioning”

“Too many unqualified people giving bad advice or not completing work correctly at a lower cost resulting in us either losing work or having to reduce our charges meaning we can’t afford more training or more engineers. People should have to be qualified to work in the fire industry so the advice given is compliant with current legislation”

Competition

“It would be good if everyone had to do training so we were all on a level playing field when it comes to contracts”

“We feel that there are a lot more uncertified, unskilled and inappropriately insured fire alarm sole traders and small companies slashing prices and generally devaluing the market. As a suppression specialist we are also finding more SP203-1 members quoting on suppression installs and maintenance with poor advice and much reduced margins”

“Too many companies selling cheap non-compliant emergency light fittings. Also fire companies offering a cheap service by only going once per year”

Miscellaneous

“Innovation needs to be embraced otherwise the industry will be left behind and nobody wants to be the next Kodak, Blockbuster or Nokia”

“The question on Brexit impact is too narrow. Needs to be short term e.g. within next 2 years and after 2 years. The short term impact is related to the weakness of the £ while the longer term impact relates to the actual exit”