

Fit 4 Offshore Renewables: A Year of Impact

What F4OR delivered for the UK supply chain in 2021



GENERIC REPORT

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In partnership with:



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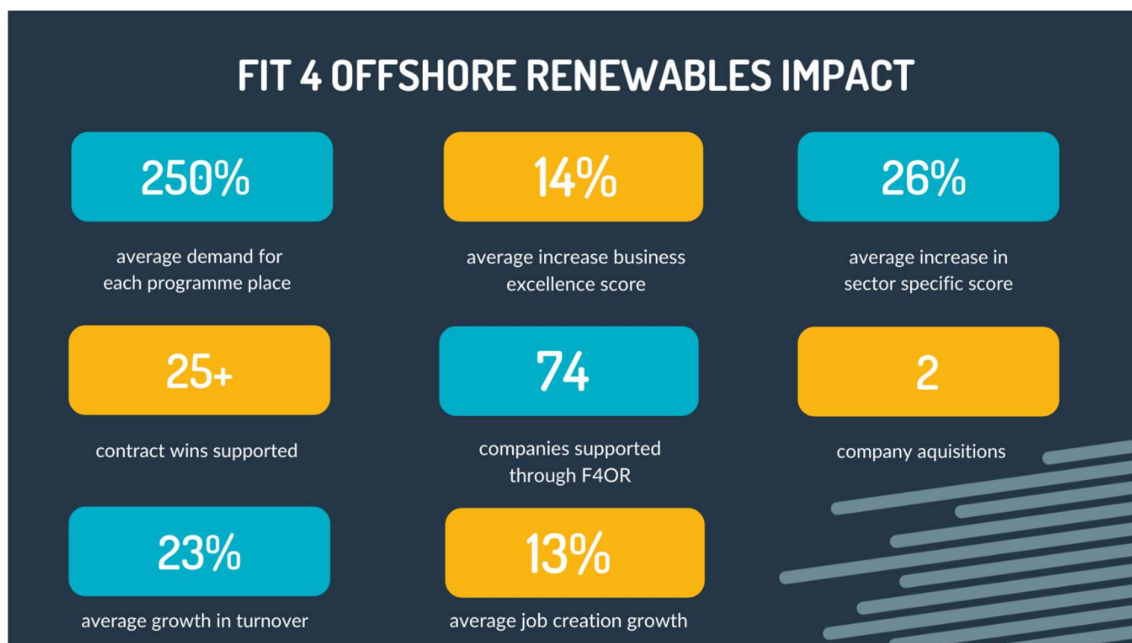
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1 INTRODUCTION



The Offshore Renewable Energy (ORE) Catapult's Fit 4 Offshore Renewables (F4OR) programme is a unique service to help the UK supply chain get ready to bid for work in the rapidly growing offshore renewable energy sector.

It is a journey of business improvement and sector specific capability building, using a proven process that typically takes 12 to 18 months. Companies are guided and supported through each step by expert advisors, but to ensure that changes firmly take root, each company must also dedicate significant resource.

The programme is based on the proven and successful Fit 4 Nuclear programme, developed by the Nuclear Advanced Manufacturing Research Centre (Nuclear AMRC), and further developed with input from Opergy Ltd.

To ensure the programme provides high value outputs by way of a supply chain equipped to win work in the offshore renewables sector, it has been shaped by senior representatives of the industry, ensuring that when a company completes the programme and is awarded 'granted status', they are operating at a level that meets the needs of their potential customers.

This means they will have both a rigorous set of business management systems and principles in place, evidenced by concrete examples of where it is put into practice, and a thorough understanding of the renewables sector's unique characteristics. For companies to succeed on the programme, they must demonstrate that they can articulate their value proposition, understand their role in the supply chain and recognise their potential customer base.

Five successful regional schemes have been launched to date and their impact has been recognised by the industry, which has just funded and supported the launch of the first national cohort, where we open the doors to the most suitable candidates from across the UK.

2 SELECTING THE MOST PROMISING UK BUSINESSES

Choosing applicants for the F4OR programme is a highly competitive process. We've had over **200 applicants** so far for approximately **85 places**, with an average 250% demand for each place on the programme.

We strive to identify companies that have products or services which are in high demand, and who have scope to improve in either Business Excellence or Sector Specific competence.

Successful applicants must be companies above a certain size, achieve a minimum business excellence self-assessed score and must be committed to enacting positive change and making commercial headway in offshore renewables. This ensures we can maximise the programme's impact on our cohort.

We attract applicants from across UK business sectors - for **84% of participants**, the offshore renewables sector is **not their existing primary market** and we have been successful in pulling in **new entrants** from outside the sector, accounting for **20% of our participating businesses**.

Our regional F4OR programmes are also supporting the UK Government's '**levelling up**' agenda, with almost all companies headquartered outside London and the South-East.

3 BUILDING A COMMUNITY

At the time of writing our F4OR community, either those already 'granted' or currently 'on the journey', now comprises **74 businesses** and is growing all the time.

One of the most important features of the programme and at the heart of our approach is the way in which it **stimulates inter-company learning and relationship-building**. This is what we call our '**cohort model**'.

By hosting regular workshops and educational sessions, we are able to encourage a dialogue and awareness building between the cohort members. Not only does this help raise their profile but they also have the opportunity to gain valuable insight from their peers. One example of this came from F4OR advisors noticing that one company had the most comprehensive 'competency matrix' he'd ever seen. As such the team actively shared this approach and wisdom with other companies on the programme.

Awareness of the capabilities of fellow cohort-members, gained via our cohort group sessions, has already contributed to the securing of **company acquisitions**. OEG Offshore Ltd., an Aberdeen-based supplier of cargo carrying units, has acquired both Pegasus Welfare Solutions and Fern Communications, thereby strengthening the platform on which these two businesses can grow.

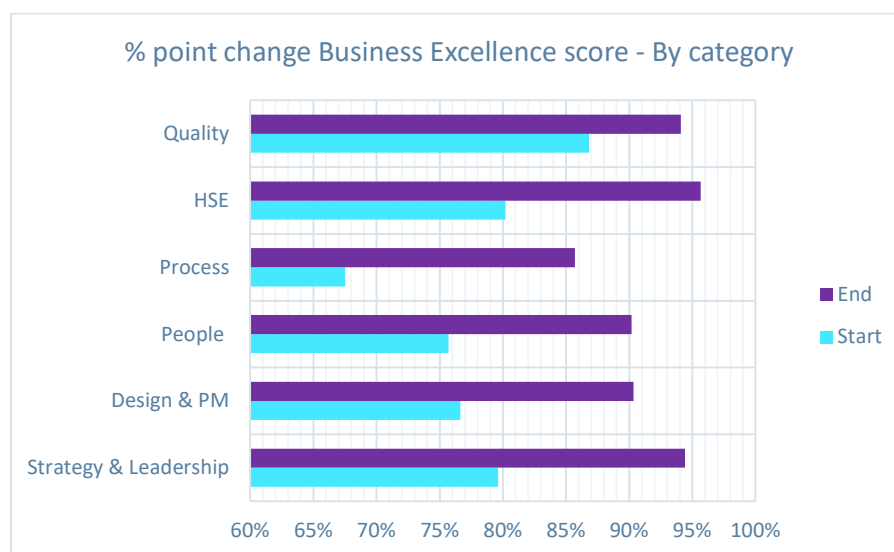
4 MEASURING SUCCESS

As companies move through the programme and achieve 'granted' status, we are seeing a measurable impact on their businesses, their capabilities, and their success in securing contracts.

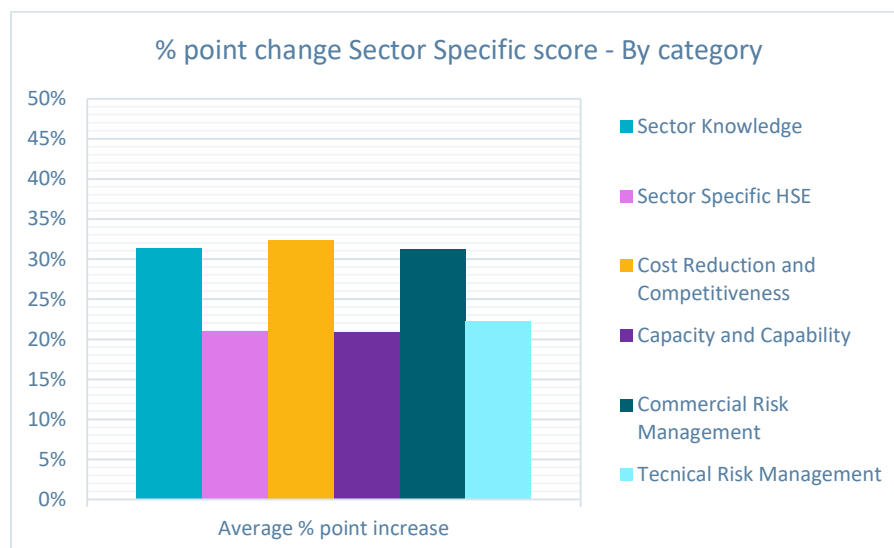
4.1 Building competence

A company's acumen in both business practices and in sector knowledge is evaluated at the start of their journey, and continually measured throughout the programme up until completion. An increase in these scores reflects a growing competence.

On average, business excellence scores have **increased by 14% points**, with sub-category scores increasing as per the below chart.



Under the Sector Specific strand, average scores have **increased by 26% points**, with sub-category scores increasing as per the below chart.




4.2 Company growth

During the programme, companies typically see a substantial growth in the scale of their business, with, for example, reported **turnover** increasing on average by **23%**. Similarly, there has been a significant increase in the number of jobs created, with the number of full-time employees increasing by 26 on average – equating to **13%**.

4.3 Contract wins

Contractual success in the sector is a clear measure of the programme's impact. Although more likely to be secured subsequent to achieving 'granted' status, we have already seen several businesses win significant contracts after joining the programme. These include:

Company				
	Southampton Marine Services Ltd.	TECOSIM Technical Simulation Ltd.	Fern Communications (OEG group)	2H Offshore Ltd.
Example contract wins	<p>Since starting the programme SMS have successfully secured a 4-year framework agreement with a major operator for the provision of survey and maintenance services of their vessel pontoon system.</p> <p>In the last financial year SMS have secured maintenance contracts covering Crew Transfer Vessels, typically including dry-docking, electrical engineering, fabrication, painting and hydraulics work. Other vessel contracts secured include sea-fastening works for Jack-up vessels during installation and survey vessels during project development activities.</p>	<p>Floating generator design: CFD analysis of flow paths, velocities, rotor torque and efficiency. FEA/CAE and design analysis, ensuring and optimising structural integrity.</p> <p>Supporting a joint research project with Leibniz University in Hanover. The project aims to develop and test new kinds of materials for wind turbine rotor blades with the emphasis on durability and weight.</p>	<p>Signed a four-year contract with Moray Offshore Windfarm (East) Ltd to support and maintain the Moray East communications system.</p> <p>Secured additional new contract secured with offshore wind customer in Scotland.</p>	<p>More than 10 contracts secured across a range of engineering services including FEED studies and feasibility assessments in both fixed and floating wind.</p> <p>Providing solutions for clients both in the UK and around the world.</p>

5 TESTIMONIALS

"As a result of internal and external reviews [undertaken] for the F4OR programme, [we] now have a **more defined strategic approach** to the sector. We have more documented plans and strategies and we have **developed a more proactive approach**, working with clients and potential customers to identify future potential hazards and cost savings."



"The F4OR programme is at the forefront of enabling the energy transition, helping to establish a truly world-class domestic supply chain. Accordingly, EnerMech are very proud of our involvement. More relevant is that what we learnt through achieving granted status has been **profoundly important in shaping our approach** to the opportunity the burgeoning renewable energy market represents; it has provided us with a key platform on which to build our future renewable energy business success"

"The F4OR process has **highlighted the opportunity** to work with other cohort companies in future. For example, Proeon, a company we have worked with successfully in the oil and gas sector now become a potentially valuable partner for future renewables projects"



and experience to help us grow and sustain a business fit for the future. Importantly this is **now core to our forward strategy**"

"[There is a] **changed perception** within the company of the high-quality services that we can offer to the Offshore Wind Industry. [We are] developing new areas aligned to the sector, for our skilled and competent workforce which draw upon their hydraulic, mechanical and electrical knowledge

"We are now tendering for two offshore wind packages [where] the F4OR [programme] has given us a **better understanding how the system works**. We have **filled in gaps in our procedures and processes** that were brought up during the process [which] will help the company moving forward in all areas not just wind."



"The process of the F4OR programme has **made a significant impact to how the leadership team communicate** to the work force, the programme enlightened how a strong communication line between the two can **bolster the output** from the workforce whilst giving the leadership a better understanding of where the gaps are."



*"The programme has already had a **marked impact on our operational effectiveness**. We see the benefits of the industry cohort model as not only raising the standards of our individual companies, but also raising the standards of the local supply chain as a whole. Our **manufacturing processes have improved** as a result, which has allowed us*

to adapt to renewable energy and a wider market. Having recently been awarded a 4-year contract to manage and service the Moray East communications system and picking up a new offshore wind customer in Scotland, Fern Communications will be able to draw on the practices and processes we developed for the programme that will only lead to further success during the next few years planned expansion in the UK"

6 GRANTED BUSINESSES

Our 'granted community' consists of promising businesses that we firmly believe are ready to win work in the sector, and at the time of publication, comprised 22 companies, with that number set to grow significantly throughout 2022.

Each of the businesses below has proven that they operate at a high standard, have a commitment to sustaining business excellence long-term, and are strategically focused on the offshore renewables market.

Find out more about each business via our [F4OR website page](#).

Granted businesses	
2H Offshore Engineering Ltd.	KRG Specialist Engineering Services Ltd.
Apollo	Aquaterra Energy Limited
Balmoral Comtec Ltd.	Armutra Ltd
Birlinn Offshore Ltd.	EnerMech
CarnaudMetalbox Engineering Ltd.	Fern Communications (OEG Group)
JBA Consulting	PPI Engineering Ltd
JGC Engineering & Technical Services Ltd	Prior Power Solutions Limited
Leask Marine Ltd.	Proeon Systems Ltd
Peritus International	Stowen Clean Energy Ltd
Rix Renewables Ltd.	TECOSIM Technical Simulation Ltd.
Warren Services Ltd	InterMoor Ltd.

7 CONTINUING THE JOURNEY

Support for our F4OR cohort doesn't end with achieving 'Granted' status. Our approach means that the improvements companies make along the way are **hard-wired** into each business, embedded throughout the workforce.

This gives them the best possible chance to see a **sustained and ever improving level of competence** as they continue to seek contracts in the offshore renewables sector.

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