



Grow

Building better supply chains has been a Brexit dividend for StoneTec

When your business sells and manufactures products in Ireland and the UK for both markets then it makes sense to be Brexit aware.

That's the case for StoneTec Distribution, a Dublin-based company which develops and sells specialist cleaning, sealing and adhesive products to the natural stone industry.

Established in 2010 to distribute specialised Australian-made products to the civil engineering industry, StoneTec soon decided to develop their own products under the StoneTex trademark for general trade and distribution through StoneDoctors.ie. The company now has almost 60 products under its own range.

At the time the UK voted to leave the EU, StoneTec manufactured more than 75% of its products under license at a factory in England, with around

20% made in Cork, and an adhesive product manufactured in Belgium. For a company with its largest market in Ireland, a growing market in the UK, and products moving between both, Brexit presented multiple challenges.

Managing Director Damian Loughrey explains: "We knew that Brexit could leave us facing issues over things such as restrictions over importing chemicals, new tariffs and additional costs associated with moving products between the UK and Ireland. We could see that our costs were going to increase regardless of how soft or hard Brexit is going to be."

StoneTec completed a Brexit Scorecard to evaluate their exposure to Brexit and have also received mentoring through their Local Enterprise Office [LEO] in Fingal on all aspects of their business dealing with the impact of the UK leaving the EU.



“We had used the Local Enterprise Office in Fingal when we were starting up, so as soon as Brexit happened we contacted them again and explained the situation to them,” Damien says.

“We did the Brexit Scorecard and it kind of showed what we already knew, but it was still good to see on paper what was coming down the line and what our exposure was. The LEO also got us another mentor and she’s been fantastic. Within the first 45 minutes of sitting down with her we had completely changed our approach to Brexit.”

StoneTec has now made significant changes to its supply chain to mitigate its exposure to the impact of Brexit.

Damian says: “The first thing we did was make contact with the Irish factory that manufactures our Stonetex products. We sat down with them and looked at that the raw materials that they use currently and then looked at all the products that are currently being manufactured in the UK for us, and we were able to increase what is made here going forward. The factory in Cork is going to go from making two products to making 18 products for us.

“Then there’s the company in Belgium that makes a specialist adhesive for us and after going over things with them, we realised that they can actually manufacture all kinds of high-performance civil engineering protection products. So, we sent those products over to Belgium.

“We’ve had to reduce what we manufacture in the UK. They’ll continue to make Stonetex products for the UK market, and we’re keen to continue growing our market there. However, we’re probably looking at around 60% of our products being manufactured in Cork post-Brexit.”

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StoneTec has also used its Brexit preparations as an opportunity to look at other parts of the business with their LEO mentor, including how best to scale. The company is updating its StoneDoctors.ie website, using the Trading Online Voucher, and is working with their Local Enterprise Office to explore new markets in Europe.

Damian explains: “We’re already talking to a company in Spain about looking to distribute our products in that Barcelona area.”

Oisín Geoghegan, Head of Enterprise, Local Enterprise Office Fingal, said that the most important thing for businesses is to be aware that Brexit can impact them.

He said: “There are there is still a good number of small businesses that maybe aren’t immediately aware of the risk that Brexit pose them – because they’re not trading directly with the UK, they can’t readily determine how it’s going to impact upon them.

“We’re proactively trying to identify companies who we believe could potentially be exposed to Brexit and may not have made necessary preparations and we’re actively contacting them to identify the areas of exposure and to put plans into place where necessary to ameliorate it and prepare for a worst case scenario.”

Looking to the future, Damian now sees Brexit as having been an opportunity to prepare StoneTec for the future. He says: “Obviously I feel a lot better now that I have plans in place that if worst case scenario happened, my supply chain is not going to be affected. My cash flow will in the short term, but my business won’t. We’re ready for Brexit and the support we’ve received from the LEO has been invaluable in preparing for it.”