

Case Study

RB Farquhar (Manufacturing) Ltd

The RB Farquhar Group is the leading UK manufacturer of modular bathrooms, shower rooms and temporary buildings for purchase or rent. Located in Huntly, 35 miles north of Aberdeen in Scotland, the Company has two main divisions: manufacturing and hire.



The manufacturing business produces completely fitted out small supermarket modules, temporary accommodation and classroom modules, construction site offices, temporary toilet blocks and purpose built bathrooms and shower rooms for hotel chains and other residential building owners.

In 2002, RB Farquhar (Manufacturing) Ltd commissioned market research into the mainland European potential for the hotel bathroom products. This study produced positive results but pointed out the logistics problems of satisfying the heartland of Europe from a peripheral location. Later in the same year, RB Farquhar considered the possibility of manufacturing in the Czech Republic, either through a JV or from a greenfield operation.



Alpha was commissioned to support the research and to identify possible partners and locations. In the autumn of 2002, RB Farquhar committed to establishing a fully owned subsidiary company RB Farquhar s.r.o based in Chomutov in a purpose built 4,000 sq.m. manufacturing facility.

Alpha supported this investment project in a number of ways including:

- Establishing RB Farquhar s.r.o.
- Acting as Jednatel (Chief Executive)
- Obtaining Trade Licenses and Operating permits
- Negotiating leases with the local Developer
- Preparing project management processes, detailed project plans and progress controls
- Assisting in the recruitment and training programmes and obtaining grants from local sources
- Supporting the procurement of steel frames and other components
- Arranging bank accounts, bookkeeping and payroll services
- Assisting with residency permits and applications for Jednatel status for incoming staff
- Providing the translation, interpretation, administration needs of the project

In September 2003, RB Farquhar took possession of their new factory and offices. The Company has senior management in post, trained workers, local suppliers and all operating permissions. The Company has also secured a number of significant orders for bathrooms from a number of different countries.

RB Farquhar would not have been able to secure this new business from their base in Scotland. A key factor in the success of this investment initiative was the commitment of the Manufacturing Division's Managing Director who relocated to the Czech Republic. Other factors contributing to the success are the lower cost and skilled labour force, the geographical location in Central Europe and the available support from local Agencies (Labour Office, Training Schools, etc.) and from the range of Alpha contacts.

Because of the success of the Czech Republic investment, Alpha prepared a second grant application for 150 workers in 2006 and a third for 150 workers in 2007. These grants covered the employment of 300 additional workers.

For details of the RB Farquhar Holdings Group see www.rbfarquhar.co.uk