

## Case Study

### Jeyes Group Ltd.

Jeyes is a household name in the UK and in parts of Western Europe. The company is intent of reducing its manufacturing and distribution costs from expensive UK and German bases and is planning to increase its volume and market share in mainland Europe particularly in the new EU member states and those who have accession programmes.



In late 2004, Jeyes commissioned Alpha to research across the region and to identify possible acquisition targets in countries that met certain criteria (cost, logistics, management abilities, business friendly, etc.).

At an early stage Bulgaria, Romania and Hungary were eliminated and the search focussed on Poland (large domestic market), Slovakia (central location) and the Czech Republic (access to Western markets). In parallel with this research, Jeyes was looking at the possibility of setting up a small satellite manufacturing plant in the Czech Republic to replace older and more expensive production lines in the UK.

The two studies came together with a report from Alpha recommending that manufacturing in the Czech Republic could produce major savings, that significant employment creation and training grants were available and that distribution to existing and new markets was very cost effective. Jeyes decided to increase the project scope and to work with their German logistics supplier in purpose built facilities in N. Bohemia.



Alpha set up the Jeyes s.r.o. company, located sites, identified and recommended the most appropriate developers, carried out negotiations and handed over the site to the most appropriate developer who delivered the two buildings totalling 17,500 m<sup>2</sup> on the chosen site at Kadan in December 2006.

In parallel with the construction works, Alpha recruited Jeyes s.r.o. top team and the first round of production workers. A training centre was established near to the factory enabling workers to be trained and acting as a short term base for top team staff as they were recruited.

Alpha applied and managed an application under the 'creating employment in disadvantaged areas' on behalf of Jeyes. This was totally successful and funds have already been received by the company for the 320 workers who will be employed.

Jeyes commenced production in their new facility in February 2007 and the build up of workers is as planned. This project will reduce substantially Jeyes manufacturing costs and will allow them to make further inroads into the UK and mainland European markets.