

Sutton Tools hits a century

For 100 years, through two world wars and the Great Depression, one of Australia's oldest family-owned companies has been delivering quality tools to the world. **By Chris Sheedy**

There are very few companies in Australia that can say they have survived for long enough, or provided a consistently impressive workplace culture, to have a staff member stick around for over 60 years. But several days a week Alan Mitchell, who is in his late 70s and now works part-time (having attempted retirement many years ago), walks through the doors of Sutton Tools' Melbourne manufacturing plant to do the technically demanding job of calibrating sophisticated measuring equipment.

Alan began with Sutton Tools

when he was just 15. At the time the company was being managed by Henry George Sutton and Leslie Sutton, sons of William Henry Sutton. William had launched the business in 1917. He had first arrived in Australia from Great Britain in 1912, but as a leading tool engineer he was called back to the motherland to share his technical skills during World War One.

The original manufacturing plant was in Melbourne's Westgarth, but soon was so successful it had to move to bigger premises in nearby Northcote. Henry and Leslie took over the business in 1940 and continued to build it into

a larger operation until 1970, when Bill and Jim Sutton, the third generation, took the helm. Nowadays, when Alan Mitchell comes to work, he is greeted by the fourth generation of Suttons—Peter and Robert.

"You always sense some pressure from the previous generation. You don't want to disappoint your parents," smiles Robert Sutton, now Commercial Director of Sutton Tools.

"I think our company's longevity has something to do with genetics. We have always thought long-term. We are risk averse. We focus on the product and are obsessive about finding the very best equipment, which has meant each generation has done a great deal of overseas travel to procure that equipment. Being a private, family business has helped us in that way as our competitors, typically large corporates, have focussed on bottom line rather than quality."

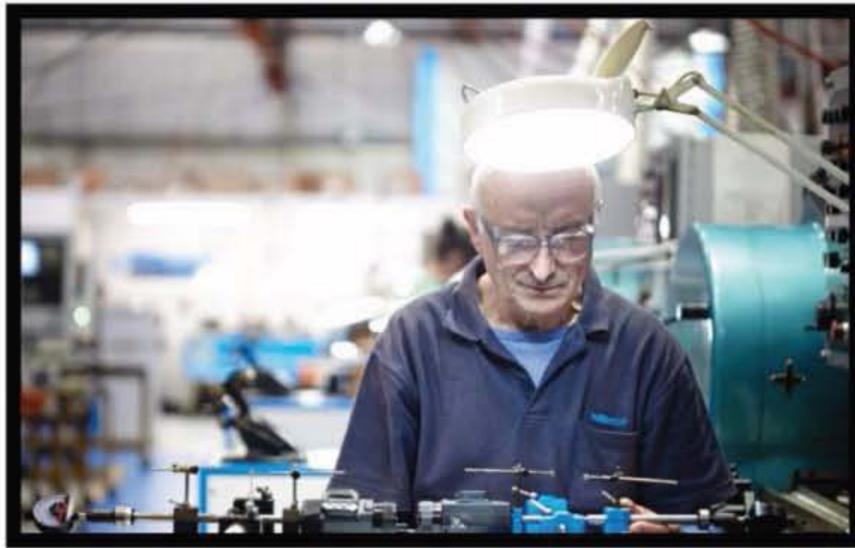
Quality relationships

With his cousin, Managing Director Peter Sutton, Robert has been guiding the family business since the 1990s. The company's tools have been involved in the manufacture or service of just about everything you can think of. The micro-threading tools used to produce the iPhone in China are from Sutton Tools, for example. Boeing and Airbus come to Sutton Tools for



Rob Sutton, fourth generation family member and Commercial Director at Sutton Tools.

COVER STORY



their specialist needs. So do Triumph Motorcycles, the Ford Motor Company, Continental Automotive, Suzuki and almost every other automotive manufacturer.

Then, of course, there's the fact that Sutton Tools products are available at retail, including at CSS member stores where they are independent traders, meaning the tools used by many of the world's leading manufacturers are also used by tradespeople and home handy people.

"We're relatively new in terms of being a supplier to CSS, and the relationship is growing fast. We've been with them for over two years," Robert says. "One of their members wanted

access to our product and it has been a great relationship ever since. They're a very good group of people to deal with."

Keeping it local

Perhaps the most surprising fact about Sutton Tools is that the business chooses, after a century of manufacturing in Australia, to continue doing so even as other producers have been jumping ship to Asia for a cheaper offering. But as Robert said, the Sutton Tools philosophy has never been about the bottom line.

"We've got significant manufacturing in New Zealand as well," Robert says. "Why do we continue in Australia? Well, we're not making nails, we're making precision tooling with human hair-width types of tolerances. Every product requires up to a dozen operations to

complete. The labour component, while expensive, is certainly not the dominant factor in our costs. It's a lot about the technology involved in producing these products, and you can't just pick up our manufacturing plant and move overseas.

"The people here are critical too. Every one of us is responsible for something highly specialised, and there is a lot of knowledge in our people. Many have been here for 30, 40 or 50 years. It all adds up to the fact that we make a premium product by any measure around the world."

Around 50 per cent of Sutton Tools product is sold in other markets including Asia, the Middle East, Europe, UK and the USA. Sales cross numerous industries including construction and DIY, metalworking, medical, aerospace, electrical, plumbing, automotive, maintenance, repair and operation and more.

The higher-end products tend to be in greatest demand in Europe, although specialised pockets in Asia, such as the Chinese manufacturer of iPhones, can also require very high-tech pieces. Interestingly, the business has exported since day one, such was the reputation of William Henry Sutton.

An innovative product

Some of the tools have changed dramatically during the company's history. Some have become obsolete as industries have moved onwards. Some have only appeared recently. A few have been produced for the entire one hundred years.

The business used to make hobs for gear cuffing, for instance, which were

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supplied to the automotive industry for gearbox production. These are no longer made. But in 1917 Sutton Tools made drills and drill bits and one hundred years later, in 2017, they are still doing the same.

"Those drills are different of course," Robert says. "They're much better made than what they were in the past and they're made in a different style with different geometries and materials and with a lot of value-adding features and benefits, but fundamentally we're still making jobber drills. If you go and buy one tomorrow, it probably looks not that much different from what you would have bought 100 years ago."

Challenges along the way have included the demise of Australian manufacturing in general, which has meant Sutton Tools has had to look offshore for new markets in which to sell their products. Then there is the constant requirement for research and

development to ensure a strong flow of innovation.

"Competition is probably the biggest driver of innovation," Robert says. "You have to innovate or you die. It's that simple."

"There is a lot of overseas competition at the high end that drives innovation. There is also a constant need to reinvent your product offering. You must re-present your products and demonstrate new value. You're always striving to get something more for your product than you did in the last version of it. That drives innovation."

A people business

But all the while amongst all the technology and shiny new products, it's the people in the business that matter most. The people hold the knowledge. The veteran of over 60 years of Sutton Tools employment, Alan Mitchell, has the equivalent experience of six

long-term (over 10 years each) staff members in a typical firm.

Why do the staff stick around for so long in a business that employs over 450 employees, that produces over 20,000 drilling, threading and milling products and that boasts a turnover of more than \$100 million? Surely it's just another big business? Actually, it's not. It's a simple but very successful family business, Robert says.

"We have a strong family ethic and an associated moral code goes along with that," he says. "As we say, 'One plus one always equals two'. We keep the business quite uncomplicated. We don't play games. We don't drive flash cars. Everything we make goes back into the business. I think it's those conservative, old-school types of approaches that have helped us stay in business and retain key staff. It's a simple, family approach, and it's one that people respond to." ■



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