



# Running a Joinery Business

Essential Advice - to growing your joinery business

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# Running a Joinery Business

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# Section 1

## Introduction

### 1.1 About this Guide

Managing a joinery or woodworking business is a complicated and time consuming exercise. With this in mind, the BWF has prepared this guide as part of its continuing commitment to improving best practice within the joinery and woodworking industry.



It seeks to represent a comprehensive single guide to the legislation, regulation and best practice within the industry. This guide can help companies and members of their management and supervisory staff improve their business operations and effectiveness, something that is particularly important for smaller joinery businesses that do not have the in-house resources of larger firms.

In encouraging its own members towards being the best companies in the industry through its Code of Conduct, BWF is committed to publishing a wide range of up to date guidance and best working practice. Find out more about the Code of Conduct here: <http://www.bwf.org.uk/about-bwf/code-of-conduct>

The guide also provides an overview of the varied resources available to members either through the BWF or via other outside sources.

If you would like more assistance, the WITForum's [Business Improvement Project](#) could provide you with additional support to help grow and improve your business.

### 1.2 A Joinery Business – what is involved

#### When starting out...

When starting up some of the onerous tax, regulatory and practical matters can seem rather daunting. However, not everything needs to be done all at once.

Have a quick study first of whole guide and then come back to individual sections later.

When you are thinking of starting any business, it helps to make a business plan. It does not have to be an extremely formal document so long as it sets out what you are going to do, how much it will cost to do it, who you're going to do it for i.e. your customers, how you will find them and how much you'll make from doing it. Further guidance on developing a business plan can be found in Section 1.3 Your Business Plan

You also need to set up a separate bank account for your business finances, get business insurance and let Inland Revenue know that you're in business.

The most important thing you need to do with your business is let people know what you are doing. Word of mouth is the best way. Get a few satisfied customers to provide you with references. If you do a professional job, you should never be short of work.

BWF is a valuable source of help and advice in getting it right first time if starting up and just as much use in helping run your business effectively and profitably!

#### If you are already established...

This guide is a useful reference source to keep abreast of current regulations and best working practice. No matter how long you may have been in business, on occasions it is useful to take a moment or two to look at what you are doing, how you are doing it and what you are or could be doing, to improve the way in which operate.

Again please remember that at its heart the BWF with its seven key objectives or guiding principles:

- An influential lobbying voice
- The number one source on woodworking matters
- Zero accidents in the workplace
- A fully qualified, engaged and competent workforce
- Grow the market for wood products
- Increase sales and profitability for members
- A well-resourced organisation delivering exceptional value to members

#### and BWF is here to help!

See [Appendix A](#) for a summary of services and benefits of BWF membership

## 1.3 Your Business Plan

### Putting together your business plan

Your business plan should be written to show where you are now and clearly state

- your, and if forming a limited company, your shareholders objectives
- budget and cashflow to take account of all overheads including non-productive time of management
- the strategies you will use to achieve success in your Joinery Business
- the resources needed and
- the timescales involved.

### Writing the business plan

As part of your business planning you will need to understand or thoroughly research the joinery industry and the area in which your business will operate such as general joinery or say doors or windows specifically.



### What is the Plan for?

There are two reasons why a Business Plan is produced.

First of all, anyone that you are going to approach for funding for the business needs to see that your proposal has been carefully researched. They will want to know:-

- how the business will operate
- why you consider that it will be successful
- what financial performance to expect.

Secondly, but no less importantly, you need to set out clearly your aims and targets so that you can monitor your own performance once the business is up and running.

### What should I put in the Plan?

#### History of the business

If the business has been up and running for a while and now you propose to expand, or change direction, you should include some details of:

- when it first started
- how it has performed financially
- how the new expansion /change of direction will build on the existing business.

### The proposed business

You should include in this section an outline of the business you plan to set up, saying:-

- how it is different from its competitors
- what are its unique features (the Unique Selling Point, or USP)
- why customers will choose your business or products rather than someone else.

The market research you carried out as part of estimating your cash sales will help you with this.

If you would like more assistance, the WITForum's [Business Improvement Project](#) could provide you with additional support to help grow and improve your business.

### Who will manage your business?

Anyone lending money for your business will want to be reassured that you and anyone else involved in running the business will have the necessary management skills. You should include details of previous management experience, CV's for key personnel (to show that staff have the requisite skills), identifying strengths and recognising any weaknesses by saying how you will overcome these.

### Your market

It is very important that you identify the sector of the market that your business will operate in and whether this is growing, static or contracting. You should set out your strategy for:-

- winning market share and keeping customers loyal to you
- identifying who will be your major competitors and how you will deal with any possible threat to your business
- pricing, advertising and selling.

### Practical matters

In this section you should cover:-

- where the business premises will be
- the equipment you have or will need
- where your supplies will come from; and
- other operating details.

### Cash requirements

As well as a business plan, you will also need to complete a cash flow forecast and a profit and loss forecast for your new business

venture. You should include notes explaining all the reasoning behind the figures you include. [See also Section 3.6 – Cash Flow](#) for further guidance on planning your cash flow forward in as much detail as you can so that nothing will surprise you.

These notes should identify anything that might affect these forecasts, to demonstrate that you have anticipated the possibility that things may not go exactly according to plan. (Your accountant will be able to help you with these forecasts.)



## Raising finance

The most suitable finance option for your business depends on many things, including:

- how much funding you need
- your current business revenue or if you're a new business
- whether or not you're willing to offer personal assets as security – this can make it easier to get funding but is risky if you are not able to maintain payments
- whether or not you own a business property – this can make it easier to get funding
- whether or not you're willing to sell shares

Further guidance on the following types and sources of finance can be found <https://www.gov.uk/growing-your-business/get-extra-funding>

- Investment finance
- Crowdfunding
- Loans
- Grants
- Overdrafts
- Invoice financing
- Leasing and asset finance

## The future

You should outline how you see your business growing and developing in the future. If you are looking to raise money for your venture you should include details of how much you will need and how the money will be repaid.

Don't forget to make your business sound interesting to a prospective investor by stressing its unique features and demonstrating how well you have researched the market.

## 1.4 Business Continuity

Most small business owners recognise the need for putting together a business continuity plan, but few get beyond the stage of "planning to have a plan". Your small business disaster recovery and continuity plan is no good if it never goes beyond just making a list of the worst things that could happen to your business. A real plan does more than just identify risks; it finds ways to reduce those risks, and ways to put things right if they do go wrong.

If you are finding it difficult to build a strong plan, try breaking things down into the following steps:

### Step 1: Assess Your Risks

This part should be easy for most businesses. Make a list of the worst things that could possibly happen to your business. That could be a break in, a systems failure, a fire, or the illness of some key personnel. You will need a business continuity plan for each of these scenarios.

### Step 2: Minimise Your Risks

Once you identify the most significant risks to your business, you need to work out ways to minimise the risk. This includes backing up your data and computer systems, upgrading your security system, carrying out a fire risk assessment and where possible multi-skill-training your employees so that you will always have someone who can step in if someone is taken ill. For each potential issue, identify ways to reduce the risk, and implement those measures as soon as possible.

### Step 3: Create Your Plan

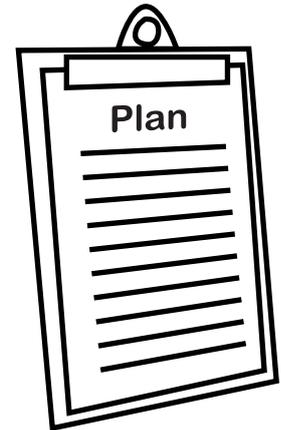
No matter what precautions you put in place, some risks still exist, so do not get complacent after step two. You still need to have a sound plan in place to ensure that your business can recover if the worst happens. That plan should be as detailed as possible.

Include emergency contact details for locksmiths, glaziers, your insurance company, plumbers, the local council, the local police, IT support and other relevant specialists. Also, include a section with the details of key staff members, your main suppliers, and current clients. You should also keep records of these off-site together with your insurance policy details, and anything else that you're likely to need to get hold of in a hurry.

Lay out detailed instructions for your employees about what they should do if they're the first on scene at a crisis. You should make sure that all of your senior employees know who to contact, what to prioritise, and what to say if there's any media interest. If this sounds like overkill, remember that it's better to have a business continuity plan that contains information you never need, than one with major omissions.

### Step 4: Test, Test, Test

Once you have a business continuity system in place, test it. Obviously, you cannot create an emergency, but you can role-play one. Get your employees to pretend they've arrived on-site to find it's broken in to. Ask them who they would call, and what they would do. Pick a quiet day and although it may feel silly, but you will learn a lot by testing your plan.



## 1.5 An overview

For many business owners and managers of small companies, finding the time to stand back from the day-to-day running of their business to take stock of performance and longer-term strategic issues, can be challenging. However, reviewing your progress and understanding how to get the best out of your business and where to take it next can be hugely beneficial.

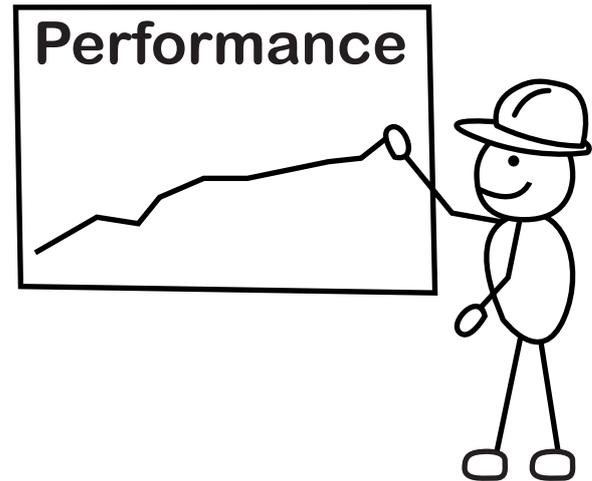
This is particularly true if there have been recent changes to your business, your market or the economic environment that you operate in.

Businesses need to ensure they are:

- moving in the right direction
- competing in the right markets, with the right products and services
- making the most of their market situation - performing better than the competition
- using the right mix of assets, skills, finance, infrastructure and relationships to deliver good value propositions to customers
- minimising costs that add little or no value to customers
- aware of external environmental and regulatory changes and are capable of responding quickly to new opportunities or threats
- measuring performance so that they can be properly informed about current performance and the success or otherwise of their business plans or initiatives i.e. a simple costing system for labour and material, time spent on a job against time planned; material useage

## Resources

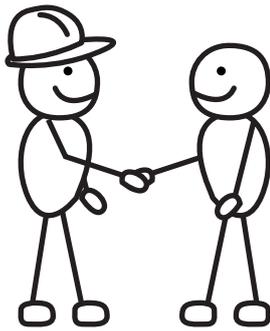
Further guidance on preparing a Business Continuity Plan [BWF Guide - Business Continuity Guide for Small Joinery Businesses.](#)



# Section 2

## Winning Work

A consistent workload is essential for any business and you will need to look carefully at both your existing customer base as well as any potential new clients to help you maintain and grow your business.



Additionally, the reason you went into business selling products and services to customers was to make a profit. If you are giving away your services for less than cost, or just breaking even, the business is likely to fail. There are a variety of components that feature into whether or not a business is profitable, but one of the most important decisions you need to make to determine whether you turn a profit or not is how to price your products and services.

Therefore your estimating/pricing strategy is a key factor at the commercial heart of the company.

The role of Joinery Estimator can vary in responsibility depending on the size of the company. In larger firms, the role maybe more administrative, working off set calculation lists to price jobs. In small and medium-sized companies, an estimator will need more specialist knowledge in understanding wood and its characteristics as a natural material and the joinery production process. They calculate the total cost and time likely to be needed to make an item of joinery. The estimator may also have a customer-facing role, taking details, creating designs and estimating prices. See Section 2 5 Essentials of Estimating below

A good knowledge of wood materials, technical drawing, and joinery production methods are needed, to ensure the most cost-effective use of the wood material and the best method of production to achieve a satisfying outcome for the customer.

The follow provides a basic overview of some of the things you need to consider:

### 2.1 Existing customers:

- Who are you selling to?
- How much is repeat business?
- What does the customer need?
- Why do they choose you over others?
- What services/attributes do they value?
- List all sub sectors and try to identify their needs and rank in order of profitability/importance

### 2.2 Potential customers:

- Who are your potential customers?
- Why would they buy your products/services over others?
- List why they might buy from you and which aspects or your product or service they might cherish as well as any barriers
- Try to rank as likely, possible and unlikely

Once you have reviewed the above you may wish to consider the following to achieve your business ambitions.

### 2.3 Keeping customers happy

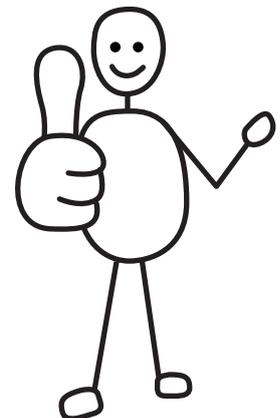
Keeping customers happy is a challenge. Clients expect much more these days than just a good price. Flexibility, team ethos and value engineering are essential. You need to be more pro-active in these areas.

You need to go to your clients and say: "This is what we are doing". Ensure that you keep them informed every step of the way, that they know you have their best interests at heart and are, for example, keeping ahead of regulations?. This will keep your customers happy.

Every effort must be made to complete contracts on time, to the price agreed and to the satisfaction of the client or their representative. It is recommended that all goods manufactured for 'supply only' contracts are signed for at the time of hand over to the customer.

It is also recommended that you should have written records of the complaint, formal records of any subsequent site or product inspections, as well as the steps taken to resolve the matter. Any queries or complaints should be dealt with positively and promptly.

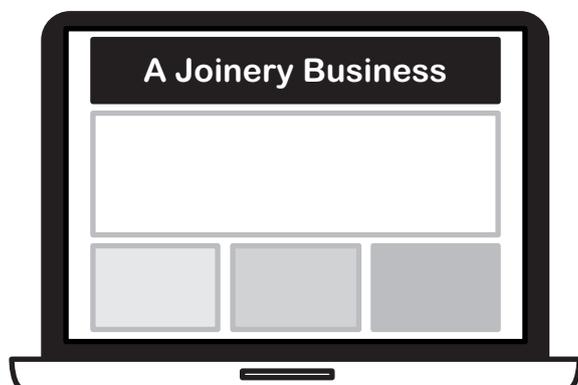
The Customer Care section of the BWF Code of Conduct requires all Members to act fairly and equitably in dealing with their customers, so as to meet proper standards of workmanship, integrity and courtesy. As part of this, the BWF recommends that a company should devise and adopt a complaints procedure. The [BWF model Complaints Procedure](#) and record of complaint format is provided as a guide and example.



## 2.4 Marketing your products and services and setting up a website

Marketing is a crucial part of any business to ensure you retain clients, develop new business, and increase profit. The BWF has designed supporting marketing guidance to assist its members in their marketing, PR and other communications. [BWF guidance](#) starts by helping members develop a marketing plan, using a template with support guidance to help assess:

- How the business currently undertakes marketing
- The quality and effectiveness of current marketing
- the market and the competition
- Identify your strengths and opportunities
- Help overcome weakness and threats
- Set SMART (Specific, Measurable, Achievable, Realistic and Time)marketing objectives
- Develop key messages as it is important to get these right
- Identify tactics to reach the objectives including the setting up of a website -
- Put in place an action plan of marketing activity, examples of which may include leaflet drops where working, mail shots, press releases, local free-press always want material, local architects and builders etc.
- Putting in place a frame-work to measure the effectiveness of marketing activity



## 2.5 Essentials of Estimating

Estimating is the detailed and accurate analysis of price, it is both a science and an art with the objective of providing the necessary information to:

- submit meaningful and competitive prices.
- enable the efficient management of any job and ensure that costs are within estimate, i.e. material costs and usage and labour hours.
- to ensure any variations in the originally specified works are dealt with in a fair manner.

An estimate can be described as a tender, an estimate or a quotation.

The role of estimating is not just to win the jobs, but to establish the optimum structure for completing the job whilst meeting the client's needs.

Although the bottom line is always defining a competitive price, other critical factors include determining the best way for you to complete the work and to meet the client's deadline.

### What you must ask and what is the client expecting?

To the majority of your customers they will all mean the same thing. The client wants you to give them a price for doing a particular job and, subject to minor variations, pay you that price when you have completed the job.

Generally you will be bound by the figure that is accepted and there is no right to change or be able to randomly vary the price.

The quotation should clearly describe what is being quoted for i.e. overall size, softwood/hardwood, treated, finish, ironmongery, glass, whether it is a delivered cost and whether further finishings need to be applied.

The quotation should clearly state the net cost and the percentage cost added for VAT.

The build up of cost will constitute the following items:

- Total amount of materials used including waste at purchase price.
- Total production hours involved x standard estimating rate.
- Overhead costs
- Profit / Contribution

### A well prepared estimate/tender will:

- show every main item and be able to answer most questions about a job
- enable a business to be most competitive at a time of difficult trading
- greatly improve a business's chances of making money on all its projects.

### What to consider when invited to submit a price

The size, type and nature of contract:

- Is this the size and type of job the firm is used to dealing with?
- Will this job produce enough work to keep all sections of the firm busy, thus giving a balanced effect? For example will the job cover supply only or supply and fix.



## Finance

- Has the firm the necessary capital to pay for labour and materials until money can be obtained through invoicing / payment?
- Can arrangements be made with the bank for an overdraft if necessary?
- Can a deposit or stage payment be arranged

## Labour, materials and plant

- Has the firm the labour available both skilled and unskilled?
- If the firm has not sufficient labour, is this available elsewhere and what will it cost?
- Are the materials readily available, easy to handle and store?
- Are the suppliers of the materials good reliable firms to deal with?
- Has the firm the necessary plant or machinery available?
- Will the firm have to buy additional plant or machinery?

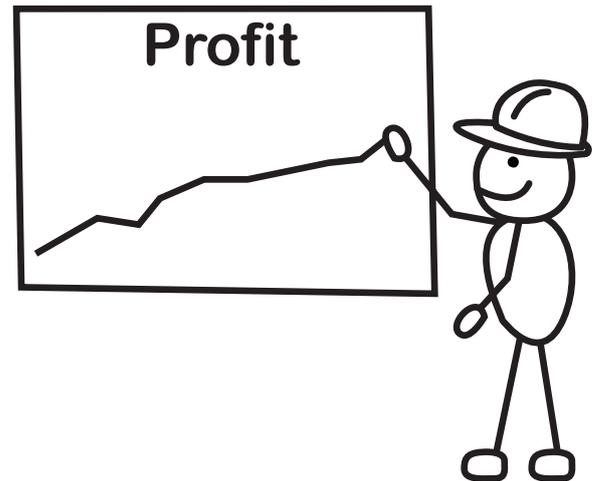
## Contract, Architect, Quantity Surveyor and Client

- Is the contract a reasonable one and can the firm abide by all the conditions?
- Note contract period, intervals of payment, length of maintenance period and
- any special conditions.
- Is the architect competent to produce details when required, showing they know their clients' requirements?
- Is an accurate bill of quantities available?
- Are the architect and quantity surveyor reasonable when it comes to dealing with valuations and variations?
- Has the client the necessary capital available to finance this work? [See credit checking advice Section 3.1 below](#)
- Is this contract likely to bring in further work from any of the parties involved?
- If there is no architect or surveyor you may, as the provider, have to take their place, in which case is the client a person you can deal with? This may include preparing drawings and obtaining planning consent or building regulation approval, in which case is the client willing to pay you for this service?

## Estimating for Profit

### Locality, travelling, subsistence, time of year, supply only or supply and fix

- Is this a reasonable area to work in or will special safeguards have to be taken in terms of site access and location?
- How far is this job away from your permanent offices / works?
- Will subsistence have to be paid and can digs be obtained?



- When will the work be commenced and will winter precautions be necessary?
- If supply and fix and with large contractors, this could involve requirements for CSCS cards. If this is the case the estimate should be prepared in 2 parts for in-house manufacture and site installation costs. Further information on obtaining the right cars can be found at <http://www.cscs.uk.com/>

## Competition

- What is the competition like?
- Has the estimator the time to prepare a competitive tender?

## Present and Future Commitments

- Has the firm already sufficient work on?
- Would the firm have sufficient staff to control the work?
- Is there sufficient time to prepare competitive accurate estimate?

## Analysis & Build up of Rates and Prices:

The STANDARD ESTIMATING RATE FOR LABOUR can be built up by:

1. the standard hourly rate for the production worker plus National Insurance, plus the average number of overtime hours premium cost
2. The addition of the total holiday pay plus allowances for sick or pensions etc divided by 46 production weeks divided by the standard weekly hours (i.e. 39 hours).

The addition of these two items will result in THE STANDARD ESTIMATING RATE FOR PRODUCTION LABOUR

To this, one should provide for efficiencies or actual production hours taking into account i.e. allowances for refreshment breaks, comfort breaks, clean-down time etc. This can mean an efficiency of 80% which should then be taken into consideration in the final calculation of the Standard Estimating Rate.

## Overheads & Profit

### Overheads

These are all the other costs that are involved in running the business that cannot be charged individually to jobs. They include such items as:-

- Vehicles - running cost and purchase (where not charged)
- Insurances - all types
- Postage and stationery
- Heating, light and fuel - for offices and yard
- Office / Admin Staff & Secretarial costs
- Management cost - bosses wages (if not a direct charge)
- Tools and machinery - repairs and purchases
- Repair of own buildings
- Office Expenses - Rent , Telephones, Electricity, Computers etc.
- Professional Fees
- Bank Charges
- Advertising & Marketing
- Depreciation on plant, machinery, motor vehicles, office equipment etc.
- Contingency for miscellaneous costs



The following costs (as per the list) will be obtained from the budget or Business Plan for a period i.e. 6 months or 1 year. The total of these for the period are then divided by the total number of production hours in that period, i.e. number of production people x standard weekly hours x production weeks – taking into account public holidays etc.

There are 2 methods of including the overhead costs in an estimate:

1. By adding it to the standard estimating rate or
2. By using it as a percentage on the gross cost, i.e. material cost plus labour cost.

Remember! Overheads are spent and are not allocated.

### **Profit - The easiest thing in the industry is to win a job but it is much more difficult to win one at a profit**

What is profit? It is the figure not money left over at the end of a period after all expenses have been paid. It is the reason why the business was established and without it over a number of periods, the business will not survive

Having arrived at the net cost of the work, you will need to consider what profit to add.

### Profit or contribution

This can then be added to the cost of material, labour and overheads for an estimate but will only be finally calculated after accounts for the same period as the budget business plan has been finalised. Before that it is best to use the word 'contribution'.

In each case this will be modified by a range of factors.

- What price will the market stand?
- How much is the client prepared to pay?
- What is the competition?
- Could this job lead to further work?
- How much does the firm want the job?

All of these factors and more will affect your final decision on how much profit to add.

Remember: Any fool can undercut a job and you cannot compete with cowboys and idiots.

### Further Points

- There are a couple of fundamental mistakes made by most when first embarking upon estimating – the first is picking up a pencil and this is then compounded by using a pen – at least you can rub out pencil!!
- In more serious terms, when first beginning to estimate there is a tendency to assume that employees will be capable of carrying out a job in the same time it would take you personally, not so – base upon more.
- Under estimation of true materials costs – delivery & collection costs, waste & small quantities. Whatever method you decide to use for estimating the prime intention is to ensure each individual job is estimated to provide the necessary background information to complete the job profitably, as without a profit no business is able to succeed or continue.
- As the business grows and progresses aids to estimating can be obtained by software programmes. Various ones are available and details can be obtained from trade magazines, the Internet or your fellow [BWF associate members](#).

## Resources

BWF model Complaints Procedure and record of complaint <http://www.bwf.org.uk/publications/bwf%20code%20of%20conduct>

Details of this resource can be found on the BWF website - <http://www.bwf.org.uk/toolkit/marketing-toolkit>

Complaints procedures A BWF Code of Conduct Compliance Guide

If you would like more assistance, the WITForum's Business Improvement Project could provide you with additional support to help grow and improve your business.

# Section 3

## Managing the Workload

Maximising your time, the briefing process and managing the project life cycle are essential in managing the workload efficiently and profitably.

This section will cover processes within the company that ensures that that you are able to effectively manage your workload in terms of:

- Availability of staff
- Availability of materials
- Materials control
- Production Control
- Cash Flow
- Credit Control and Credit Applications

A starting point to trading profitably should be to review the basics.

### 3.1 Get the basics right

Having a business plan in place early and an accurate set of financial forecasts and budgets will allow you to prepare in advance for the effects any downturn is having on business. Getting accurate financial reporting and stringent account management processes set up will be crucial to secure business loans if needed.



#### Cut costs

Scrutinising expenditure to identify non-essential costs is recommended. Streamlining costs and careful continuous consideration of monthly overheads by looking for easy ways to cutback common non-essential business costs is another and can sometimes be easily overlooked.

#### Careful cash flow management

Ensuring that the business has enough cash to take it forward is identified as a crucial factor for survival. Whilst a business can be fundamentally good, it does not mean it will not run out of cash especially if all incoming and outgoing costs have previously been an unimportant issue. Getting deposits or organising stage payments are essential. [See section 3.6 below.](#)

#### Spend on marketing

Despite any recommendation for cost-management across most of the area of the business, a need to remain competitive and visible is important. Marketing is one area seen as crucial to generating business during a period of downturn.

#### Determination

A determination to do whatever it takes to succeed and stay in business is essential. There is not only a need to work harder, but also smarter.

#### Hold onto existing customers

Creating new business should be your primary goal. However remember to cherish your existing customers as they are the most common source of revenue growth even during a recession. Rationalising efforts in winning new business opportunities among your existing customer base can lead to successful organic growth and new revenue.

#### Diversify your product and customer base

Look at ways to adapt or broaden the appeal of your product may be a way of maintaining growth in your business. Through opportunities arising as a direct result of the economic climate, it could be re-looking at your business and adapting it for a different market. Be alert and on the lookout for new ways to market your products in order to grow your business base.

#### Delivering excellent customer service

With existing customers recognised as the lifeblood for small businesses during a period of the downturn, delivering excellent customer service is essential. However whilst being flexible and reliable to meet their requirements to help keep current customers loyal, it is important to ensure that you are not squeezed by their demands.

#### Credit check customers

When times are difficult and recession bites and a customer goes out of business, ensure they do not owe large sums of money. This is the key to the financial health and longevity of a business.

Keeping a close eye on overdue payments and asking for payment within shorter payment terms or even in advance are frequent measures that can be taken to enable tight control over incoming payments.

The BWF has a free company credit check service for members - <http://www.bwf.org.uk/member/creditcheckingservice>

## 3.2 Availability of staff

Getting the right mix is always easier said than done as workload can vary dramatically in difficult times.

Weighing up your staff requirements against current and expected orders can be a headache as employing employees as well as reducing staff levels brings with it additional complications and obligations. Further information on taking on and managing your employees can be found under [Section 4](#).



## 3.3 Availability of materials

Having the right materials available for the job in hand or the project shortly to commence can be a complex balancing act. Too much stock and you will have problems of money being tied up in stock as well as creating cash-flow and possible storage issues. Equally you do not want to be waiting for timber supplies when your customers desperately want the products they have ordered and delivery times have been exceeded.

Managing materials effectively is important for any business. Without enough materials, production and sales will grind to a halt. Materials Control involves careful planning to ensure that the business has sufficient materials of the right quality available at the right time. It is important therefore that a business either holds sufficient materials to meet actual and anticipated orders, or can get materials quickly enough to meet those orders.

Materials can mean different things and depends on the industry the firm operates in. In the joinery industry it can include:-

- Raw materials
- Components from suppliers including glass, hardware, coatings etc
- Work in progress or part finished goods made within the business
- Finished goods ready to dispatch to customers

In order to meet customer orders, the product has to be available – although some firms are able to arrange deliveries Just in Time. If a business does not have the necessary materials to meet orders, this can lead to a loss of sales and a damaged business reputation. This is sometimes called a 'stock-out'.

However, there are many costs of holding materials, so your business does not wish to hold too much material either.

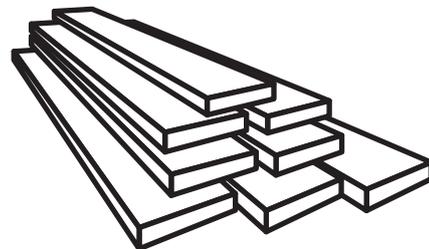
The costs of holding materials include:

- The opportunity cost of working capital tied up in materials that could have been used for another purpose
- Storage costs – the rent, heating, lighting and security costs of the space used for storage
- Bank interest - if the materials are being financed by an overdraft or a loan
- Risk of damage to materials by fire, flood, theft etc; most businesses would insure against this, so there is the cost of insurance
- Materials may deteriorate.

## 3.4 Material Control - application and evaluation

When a material or materials control situation is presented in an examination, it is likely to be in the context of a business that is facing change – so it is rarely simple.

Applying materials control principles to the particular situation, and make practical suggestions to help address the question.



Examples might include:

- A business that is growing will need to review its re-order and buffer materials levels, and the frequency and size of orders
- Have clear specifications and check they are met
- Look out for seasonality in a business; larger or more frequent orders may be needed in busy times
- If the supplier is having trouble supplying goods on time, the firm might need to re-order at an earlier point (or seek a new supplier!)
- Does the firm have a back-up supplier in case of delays?
- Could small additional orders be made with a supplier as a stop gap if the firm's stocks of materials run out quicker than expected? Note - these orders may be more expensive because of extra transport costs and higher unit costs.

### 3.5 Production Control

The purpose of any Factory Production Control system is to systematically control the manufacturing process, within the boundaries set by specifications, standards and/or regulations. It provides the means to maintain records of the measurements and checks carried out; carry out corrective actions when non-conformity is identified and provide traceability through the process from customer order to delivery.

Having a written Factory Production Control System (FPCS) in place is a mandatory part of CE marking. An FPCS is a formalised series of procedures that together ensure the consistency of quality and performance of products made in a workshop or factory. It is the method used to demonstrate that the products made available for sale on an on-going basis consistently perform to the technical specifications and levels stated in the manufacturer's Declaration of Performance (DoP).

Complying with this part of the regulations should not become a complicated and bureaucratic process; therefore any system should be designed to meet the needs of the business.

### 3.6 Cash Flow

Making money and creating a positive cash flow in your business always beats being busy and getting orders at any price. You need cash to carry out your day to day operations and make the products that you have sold to your customers. It is important therefore to plan your cash flow forward in as much detail as you can so that nothing will surprise you.



First you need to be able to predict your sales revenues and this means accurate sales forecasting - again in great detail. It's a skill not practised very well even in the largest of businesses. It is after all from the top line of sales that everything else will be driven, right down to your operating profits and cash generation.

In difficult market places it is very easy to be sucked into getting orders in at any price believing that you need to keep your workforce and fixed assets working at full throttle. Clearly working flat out is an ideal situation and it is one where the full productivity of your facility can be tested. But it should also have the other key good ingredient, healthy trading margins got from good selling prices and efficient cost control.

These aspects of any business can be had by concentrating on providing your customers with six star customer services in all aspects of product quality, lead times, on time delivery, value for money, after sales service and where appropriate compliance with legislation.

In small businesses it is critical to make sure that you get paid in good time from your customers, never give credit to anyone or business that you cannot get an Industry credit rating on, If you can't insist on cash up front. Never give in to lengthy payment terms, being small does not mean give in to bullying. The larger Companies can pay you in good time and will do if you provide the right service and product.

Conversely you can negotiate extra credit terms from your suppliers provided that you regularly pay them on time. From this combination of creditor days and debtor days you can almost run your business on the positive cash flow that this drives into your business.

When the market picks up and demand grows be extra careful and don't again get drawn into a fast expansion as you will suffer from cash being sucked out of your business to fund extra working capital to pay for new materials.

If in times of inflation and pressure on costs inputs make sure you put your selling prices up well in advance of the new cost prices hitting you, otherwise margins and profits will depreciate.

When looking at profit margins it is important to make sure that you cover the depreciation of your fixed assets in your profit and loss account so that you can provide the essential cash to replace these with new investments.

As a rule if you are in manufacturing gross margins after direct costs should be in the region of 40 to 50%, whereas in merchant trading or factoring goods you can operate on 25 to 35%. Also practice and teach everyone in your business the difference between a mark-up and a sales margin, as few people really understand this clearly.

So the rule is get the right orders in at the right time and price first and then make it happen throughout to delight your customers. The cash then should be there.

### 3.7 .Credit Control and Credit Applications

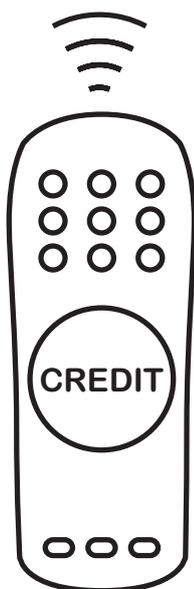
The key to successful credit control is to be dedicated and regimented in the handling of your invoices, both before and after they are due for payment.

After invoicing your client, you should expect payment in a timely fashion. But your company approach to credit control can make all the difference in your cash flow.

Taking a proactive approach to credit management results in less bad debt, less cashflow interruptions and increased profitability. Does your company take an active role or do you just wait for the payment to materialise in the bank as if by magic? If it is the latter the first indication your company will have that something is amiss is when the promised payment fails to arrive on time.

By following the simple points in the [BWF/ Safe Collections Guides to Credit Control and Credit Applications](#) you will not only ensure your payments arrive on time, but you will also have early warning of any potential problems that may delay timely payment.

Before you commit yourself to a credit transaction and permit your buyer to receive goods or services prior to payment, you must be completely confident that you have made a wise investment, as that is precisely what you are doing! You are investing your time and effort into their company!



### Resources:

Resources on CE Marking Guidance and Template Documents available here: [www.bwf.org.uk/publications/ce-marking](http://www.bwf.org.uk/publications/ce-marking).

[FPC for CE marking manual part 1 - The Introductory Guidance](#)

[FPC for CE marking manual part 2 - The Manual](#)

[FPC for CE marking manual part 3 - The Process Maps](#)

[FPC for CE marking manual part 4 - The Forms](#)

[FPC for CE marking manual part 5 - The Inspection Guidance](#)

[CE Marking template - DoP for micro-business \(window\)](#)

[CE Marking label template - for micro-business \(window\)](#)

[CE Marking template - DoP for micro-business \(doorset\)](#)

[CE Marking label template - for micro-business \(doorset\)](#)

[CE Marking template - DoP for small to large business \(window\)](#)

[CE Marking label template - for small to large business \(window\)](#)

[CE Marking template - DoP for small to large business \(doorset\)](#)

[CE Marking label template - for small to large business \(doorset\)](#)

See also:

[BWF/Safe Collections Guide to Credit Control](#)

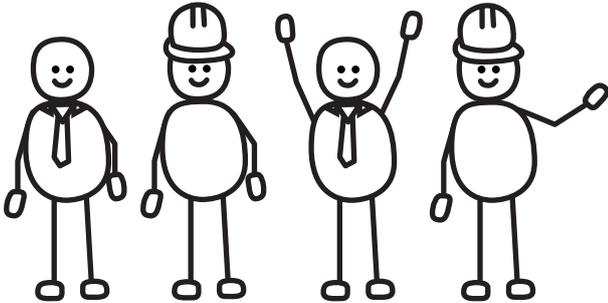
[BWF/Safe Collections Guide to Credit Applications](#)

Resources available here: <http://www.bwf.org.uk/publications/>

# Section 4

## Managing your Employees

### 4.1 Overview



The employer-employee relationship should not be looked at simply in economic terms. It is a significant human relationship of mutual dependency that has great impact on the people involved and both the employer and the employee have moral obligations arising from this relationship.

There are, of course, situations when necessary action needs to be taken to protect the business.

Employees should always be treated with respect and it is the company's obligation to see that individual managers or supervisors do not abuse their power or mistreat their subordinates.

### 4.2 Employee engagement

Employee engagement is often spoken about by organisations of all sizes as an ultimate goal - but why? Do we really know what is at stake and how compelling it can be to work in an organisation where engagement is high?

To work somewhere you feel stretched, valued, have fun as well as work hard, and feel proud of your own and the company's achievements is time well spent.

So what is the key to better engagement and results? It is not always about large pots of cash. There are many simple and highly effective things we can all do to help our teams feel engaged, positive, happy and productive.

#### Ensure everyone knows what the end goal is

Paint a clear and compelling picture of your company's goals. What does the company do, for who, where are the services/products used? What does the next year, two years look like in terms of growth? Is it time for goals to be refreshed? How can everyone in the organisation make goals a reality?

Many organisations can take for granted that their employees know all of this, but it's interesting that gaps can appear in their understanding of your corporate goals over time. They

need regular communication that reminds them why they get up for work every day. A clear link between goals, contribution and reward is also important to have employees understand what they can continue to do to have an impact.

#### Be Visible

Talk to employees regularly, spend time to really listen to what they are saying about the organisation and then act on it. That does not mean saying yes to all ideas but it should mean saying "I heard you, and these are the things I am going to do", then explaining why. This has to be consistent too, not a once a month wander around the office. Whilst it can be difficult to maintain a balance between being an authoritative leader and a friendly presence in the office, the best leaders manage it with ease. Ultimately, respect you earn from your teams must feel mutual.

#### Lead your leaders

Developing your managers and supervisors does not have to be expensive. On the flip side it will cost you dearly if you have poor leaders, which could lead to disgruntled employees leaving. Teach those who manage staff to be great coaches to employees to help them thrive. Help them work with their teams to create personal development plans linked to company goals. And if people need to stretch to reach their objectives, help your managers to help them and provide a steadying influence.

#### Don't neglect your internal communications

It's not just large companies that need internal communications processes. Just telling is not communicating. Have a Monday morning meeting, or first shift of the week meeting, and share the results of the previous week, all the things that went well and the things that could have gone better. Gather ideas on how to improve things even further. What are the team goals for the week and how can everyone support each other to achieve them? Talk about customers and what they are saying about the organisation, and consider what competitors are doing. Take time to thank people for their efforts, and above all be genuine and transparent.

#### Get awarded

There are awards organisations of all sizes you or your company and employees can enter. Getting placed and winning awards is a wonderful way of celebrating the successes of the organisation and employees. There is also no better feeling than knowing you work for a company which is quite simply, great at what it does- and an impressive trophy cabinet to prove it instils pride and loyalty amongst your team

#### Duty of Employees

Employees also have moral obligations, and they go beyond giving a full day's work for a full day's pay. Loyalty goes both ways and employees also have moral duties to the company, colleagues and customers.

## Employee engagement

There will be occasions when problems do occur and action has to be taken to resolve these. What can go wrong and how do I deal with this:-

### 4.3 Employment: A Checklist for Employers

When you employ someone, you take on a number of legal obligations and it is your responsibility to make sure you fulfil them. The following provides an overview of your responsibilities, with a specific focus on:

- Recruitment.
- Terms of employment.
- Pay.
- Your ongoing responsibilities as an employer.

#### Recruitment

- Taking on new staff.
- Contract of employment.
- Job description.
- Qualifications and skills.

#### Taking on new staff

It is a criminal offence to employ anyone who does not have the right to work in the UK. You are required to follow these three steps:

**Step 1:** Potential employees must provide documentation specified in two lists on the Home Office website:

- One of the original documents from List 1, (typically a passport or document showing the holder is a national of a European Economic Area country).
- OR
- Two of the original documents described in List 2, such as a full birth certificate, P60, P45 or National Insurance card.

All of your employees should be subject to this check. If you check only those who you feel may not have the right to work here, you may face a claim for discrimination.

**Step 2:** Ensure that your candidate is the rightful owner of the document(s).

**Step 3:** Make a copy of the parts that provide personal details and any page containing a United Kingdom Government stamp.

#### Contract of employment

You are required to issue [basic terms of employment](#) within the first two months of employment or be liable to pay compensation.

Once an oral agreement has been made, it's good practice to clarify the terms in writing as soon as possible to avoid confusion or dispute.

This contract should be signed and dated by you and your employee. It should include:

- The full names and addresses of the parties involved.
- Start date.
- Job title or description.
- Pay, including holiday entitlement and sick pay.
- Place of work.
- Hours of employment.
- Disciplinary, grievance and appeal procedures.
- Pension information.
- Notice periods.
- Any collective agreements.
- Duration of contract if not permanent.

The contract does not cover all the obligations between employer and employee. Note that:

- Nothing in a contract can detract from an employee's statutory rights and the employer's statutory obligations.
- If the contract does not mention an employee's rights in a particular area, that doesn't mean they don't have any

The BWF has produced an [Employee Handbook](#) which provides a model statement of the policies of the business, how the business is to be conducted and one of the most important communication tools between a company and its employees.

#### Job description

You should always provide a formal job description, detailing the type of role and the duties involved.

To allow your employees to carry out a number of different tasks without breaching their contract, make sure the description covers the full scope of the job. If you try to change the nature of an employee's job, it may be considered a breach of contract and 'constructive unfair dismissal', for which you could face an Employment Tribunal claim.

#### Qualifications and skills

All workers must have the necessary qualifications and skills legally required to do their jobs. If working on site make sure appropriate or necessary trade/skill cards are maintained e.g. CSCS, FIRAS Make sure they have the relevant practice certificates and professional insurance. Keep these certificates or copies as part of their personnel records. Under health and safety law it is also mandatory for employees to be given adequate instruction and training and that novice and refresher training is carried out. Training is required at all levels, regardless of age, qualifications or experience and must be done every 3 to 5 years



## Terms of employment

- Part-time workers.
- Temporary fixed-term contracts.
- Probation.
- Working hours.

### Part-time workers

Part-time workers are entitled to the same benefits, bonuses and opportunities as full-time workers, calculated on a pro-rata basis.

### Temporary fixed-term contracts

Employees on fixed-term contracts enjoy most of the rights of those on permanent contracts, so if you employ the same person on an ongoing basis be aware that after four years or more of consecutive fixed-term contracts, the employee may be able to claim permanent status.

### Probation

For the first four weeks of employment, there is no statutory right to notice. Setting this as a probation period means that you can terminate the contract immediately if your chosen candidate turns out to be unsuitable. Equally, they are under no obligation to give you notice should they wish to leave.

After four weeks, an employee is entitled to receive statutory minimum notice of dismissal unless they commit gross misconduct.

### Working hours

Working Time Regulations set a statutory limit of 48 working hours a week in most jobs, as well as rules for night work, daily rest and days off per week. You should keep up-to-date records of the hours your employees are working.

By signed, mutual consent, employees can opt out of these terms, but you must ensure that Health & Safety requirements are still being met.

## Pay

As an employer, you are obliged to pay your workforce fairly, whilst meeting legal requirements and ensuring that any necessary contributions are made on their behalf. These are the key items to cover:

- National Minimum Wage (NMW).
- Tax.
- National Insurance.
- Pay statements.
- Equal pay.
- Paid holidays.
- Sick pay.
- Pensions.
- Health & Safety.
- Insurance.



## Tax

You are required to:

- Tell HM Revenue & Customs whenever you employ someone, even if that person is you.
- Deduct PAYE (Pay As You Earn) income tax and National Insurance contributions from their earnings.
- Provide your employees with a P60 tax form every year and a P45 at the end of their employment.
- Provide HM Revenue & Customs with an annual return for every employee in addition to the business return and/or your personal return.

Other deductions may include pension schemes, student loan repayments, money ordered by Court, the Child Support Agency and GAYE (Give As You Earn) contributions to charity.

HM Revenue & Customs will also want to know about non-cash benefits such as company car or health insurance, which may be taxable.

### National Insurance

There are three levels of National Insurance Contributions (NICs): Class 1, Class 1A and Class 1B. Class 1 NIC is generally collected at the same time as PAYE income tax. For information on which apply to you, contact HM Revenue & Customs (HMRC).

Pay statements (see above)

You are legally obliged to give each employee a written itemised pay statement detailing:

- Gross salary.
- Any deductions.
- The employee's net pay.

### Paid holidays

Full time employees are entitled to a minimum of to 5.6 weeks (Pro-rata for Part-time employees).

Those working a five-day week are entitled to 28 days holiday a year. You control when your employees take their holiday and it is up to you to decide how much notice they give.

Employees do not have a statutory right to paid leave on the eight bank/public holidays. If you decide to give paid leave on those days, this can count towards the minimum holiday entitlement. Alternatively, you may wish to offer time off in lieu.

Remember also that employees start building up holiday as soon as they start work. If they leave the job, they should get paid for any holiday not taken.



# HM Revenue & Customs

## Sick pay

Your employees are entitled to statutory sick pay from the fourth consecutive day they are off, provided they meet the qualifying conditions.

Dismissing someone who has been off sick regularly or for a long time should be done with sensitivity and with respect for their rights. Fail to do this and you could be liable to pay compensation for unfair dismissal and/or disability discrimination.

## Pensions

You are not obliged to contribute towards an employee pension plan, but if you employ five or more people, you may need to offer them access to a pension scheme and collect their contributions on behalf of the pension company. However with the introduction of Auto Enrolment under the Government's auto-enrolment project in the coming years this will change.



Between now and 2018 employees not currently on workplace pensions will be automatically placed onto savings schemes, though they can choose to opt out within a month of joining.

And it is the smaller employers - those with up to 50 staff - with little experience of pensions who are more likely to find it difficult to cope with the administrative and cost burden of auto-enrolment, rather than large firms well versed in workplace schemes. Further information can be obtained from the Pensions Regulator website <http://www.thepensionsregulator.gov.uk/automatic-enrolment.aspx>.

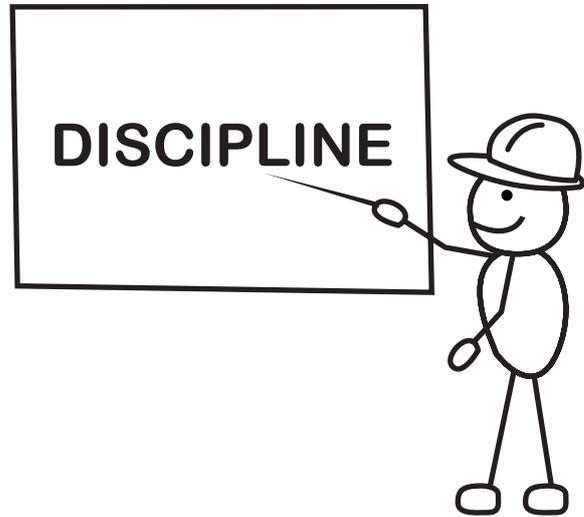
## 4.4 Ongoing responsibilities as an employer

Once you have recruited your employees, you are responsible for their wellbeing at work, taking out the necessary insurance policies and guarding against discrimination or harassment. This includes:

- Health and Safety.
- Insurance.
- Discipline and grievances.
- Discrimination.
- Harassment and bullying.
- Leave.
- Maternity leave.
- Adoption leave.
- Paternity leave.
- Parental leave.
- Emergency leave.
- Other types of leave.
- Flexible working.
- Young people.

- Redundancy.
- Gardening leave

Each of the above are touched upon in more detail below:



### Discipline and grievances

By law, you must set out dismissal, disciplinary and grievance rules in writing. If you fail to follow these requirements, any dismissal will be automatically held to be unfair, and the employee will be entitled to an increase in any compensation they would have got for an unfair dismissal claim.

You must also be able to demonstrate that any complaints are taken seriously and fully investigated. If you do nothing, you could be held responsible. [A detailed guidance and briefing guide is available from the BWF.](#)

### Discrimination

Neither you nor any employee may discriminate against other employees or potential employees on grounds of gender, sexual orientation, marital status, age, race, colour, ethnic origin, nationality, beliefs or because of a disability, pregnancy or trade union membership.

### Harassment and bullying

You may be liable if an employee suffers sexual, racial or other harassment or bullying at work – even if you had no knowledge of it. To discourage such behaviour, it is a good idea to have a bullying and harassment policy.

## Leave

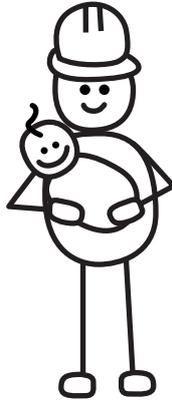
Your employees are entitled to certain time off work over and above holidays and sick leave.

### Maternity leave

Rights for pregnant women will vary depending on the expected week of childbirth, how much she earns and the length of time you have employed her. A pregnant employee is entitled to one of the following:

- Statutory Maternity Pay (SMP).
- Contractual (company) maternity pay.

And possibly other family benefits are also available depending on her situation.



### Adoption leave

- If an employee has worked for you for 26 weeks when the adoption agency certifies that a match has been made, they are entitled to Ordinary and Additional Adoption Leave.
- Statutory Adoption Pay (SAP) is paid at the same standard rate as SMP.

### Paternity leave

- The father of a child or the mother's husband/partner is allowed to take one or two consecutive weeks leave within 56 days of the birth or placement for adoption.
- Eligibility for Statutory Paternity Pay (SPP) is assessed on the same terms as SMP and paid at the same weekly rate.

### Parental leave

If an employee has worked for you for at least a year, they are entitled to:

- 13 weeks off work (in total, not per year) for each child, up to their fifth birthday (or up to five years after the placement date of an adopted child).
- 18 weeks for each disabled child, up to the child's 18th birthday.

You are obliged to hold the employee's job open for them or provide them with a broadly similar job on their return from parental leave.

## Emergency leave

All employees have a right to take reasonable time off work to deal with emergencies involving a dependant.

### Other types of leave

Time off must also be allowed for:

- Public duties.
- Union activities.
- Training.
- Job hunting or training when their role is at risk of redundancy.
- Jury service (although you do not have to pay staff unless you have stated otherwise in their contract).

### Flexible working

Employees are eligible for flexible working if:-

- They have been continuously working for 26 weeks.
- They have a child under the age of six (or a disabled child under the age of 18).
- Reasons for refusing an employee flexible working must be set out in writing and be legally justified.

### Young people

There are separate rules for workers under 18. These cover issues such as parental consultation and consent, hours and higher standards of health and safety.

### Redundancy

Generally, it is fair to dismiss someone when the job (rather than the person) is no longer economically viable and the business no longer requires that role to be fulfilled.

You will have to make a redundancy payment to employees who have been with you for more than two years.

You could be liable to a claim of unfair dismissal if it can be shown that:

- You used redundancy as an excuse for dismissal for other reasons.
- You failed to follow the correct redundancy procedure, for instance by failing to offer a suitable alternative position in the business.
- You failed to follow a fair procedure in selecting an employee for redundancy.

[A detailed guidance and briefing guide to dealing with redundancy is available from the BWF.](#)

## Gardening leave

Gardening leave is when an employee gives an employer notice, or an employee resigns, but they are sent home or told to stay away from work for the duration of their notice period on full, normal pay.

Gardening leave is commonly used by employers to prevent employees who are due to leave the company from being privy to confidential or sensitive information; having access to clients or customers; or from encouraging other employees to leave.

If the employee has a new job with a competitor, gardening leave may be used by the employer to ensure that information is not gained and passed to the competitor.

During the gardening-leave period, the employee's access to certain information is usually restricted or altogether denied. However, they are still under a contract of employment and can be asked to return to work by the employer.

There are however certain rights and restrictions so it is best to seek further advice.

## Resources:

The following are available to download from the BWF website <http://www.bwf.org.uk/publications>

### [BWF Employee Handbook](#)

A model statement of the policies of the business, how the business is to be conducted and one of the most important communication tools between a company and its employees.

### [Discipline in Employment](#)

How to take fair and prompt disciplinary action against an employee including how to conduct a disciplinary hearing plus sample letters on disciplinary matters.

### [Statement of Main Terms of Employment](#)

Model statement covering employment terms and conditions an employer is legally required to give its employees.

### [Age Discrimination](#)

Practical guidance for employers on how to comply with the Employment Equality (Age) Regulations which makes it unlawful to discriminate against workers, employees, job seekers and trainees because of their age.

### [Drugs and Alcohol at Work Policy](#)

This model outlines a company's positive approach to healthcare as well as assisting with disciplinary procedures.

### [Employee Appraisal Techniques](#)

Guidance for members on employee appraisal techniques, including model appraisal form.

### [Handling Employment Tribunal Claims](#)

At some point, you may feel that you need to dismiss or take disciplinary action against an employee or a group of employees. This guide provides an overview of what you need to consider.

### [Long Term Sickness – A Briefing](#)

A number of actions employers can take in order to keep better control over long-term sickness absence and avoid tribunal proceedings.

### [Model Company Vehicle Policy](#)

Essential guidance on developing a company vehicle policy.

### [Mobile Phone Usage Policy](#)

Policy guidelines covering appropriate uses of personal/company mobile phones.

### [Procedure for Handling Ill Health Absence](#)

Guidance designed to help employers manage prolonged periods of absence or persistent short-term absences.

### [Redundancy Guidance](#)

How best to handle redundancies including advice on establishing an agreed procedure; selection criteria and assessment and draft letters for adaptation.

### [Smoke Free Policy](#)

Simple guidance in complying with the legislation that prohibits smoking in premises and vehicles.

# Section 5

## Managing your Contracts with Customers

### 5.1 Overview

You are required to act fairly and equitably in dealing with your customers, meeting proper standards of workmanship, integrity and courtesy.

In terms of contractual arrangements, it is recommended that you use written contracts, prepared according to your business requirements particularly with regard to delivery, terms of payment, quotation periods etc, wherever it is reasonable to do so. Contract terms should always be clearly stated in language which can be understood by both you and your clients.

These terms can be simple rules that you and your customers will be legally bound. They may however in some cases be more wide-ranging depending upon the complexity of the contract and relationships between the parties to the contract.

Suppliers may have to comply with terms imposed by others so it is essential that in such cases they fully understand terms under which they will be supplying the products and the specification relating to the products in question.

Under contract law, never assume, be sure!

In general terms you should:

- provide written quotations for all contracts. Quotations should include an explanation of conditions of sale and a request for written confirmation of any order. Verbal orders should always be confirmed in writing.
- provide clients with delivery dates if requested - subject to the client providing all necessary contract information within an agreed time period.
- provide clients with written confirmation of any changes to contract details which are made or called for by the client, indicating changes in quotations, effects on contract time schedules, additional work etc.
- supply sufficient information at the commencement of a contract to satisfy the client's needs. This information should include all relevant prices, rates and extras, technical information (including technical product literature, if necessary) and additional options, if relevant. Care should be taken to describe exactly what the quotation covers and excludes.



- provide the general public with quotations which reflect their lesser technical knowledge. All wording should be self-explanatory and avoid an overly technical bias.
- where relevant, make clients aware of the current Health and Safety regulations with the appropriate information included in each quotation.
- where appropriate, supply products with advisory sheets covering installation, decoration, protection, maintenance and packaging waste disposal.

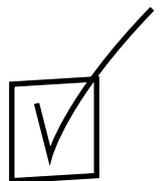
If a written contract is not used for any reason, you should ensure that you have explained the nature of the work to be undertaken; the price and the delivery date, and that this agreement forms a contract.

### 5.2 Basic rules of contract management

The following [basic rules of contract management](#) provide a guide to the do's and don'ts when dealing with contracts with clients and suppliers. If there is any doubt whatsoever, you should consult a solicitor or contact the BWF helpline for further guidance.

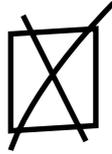
#### Making a Contract - DO:

- confirm contracts in writing. Make terms and conditions clear including those relating to deposits. Contracts can be made verbally but they are much more difficult to prove if there's a problem later.
- keep the originals of any contracts and other documents that you relied on when signing the contract. File them where you can find them again!
- put any claims made by a salesperson or representative about the goods or services in question into the written contract (particularly if persuaded to buy the goods or services because of those claims).
- check whether you can bring a contract to an end by giving notice. Make sure you are clear about how much notice must be given and if you must do specific things before giving notice (e.g. pay all sums due in the contract).
- be clear about how you will measure the standard of goods and services provided. If they fail to meet the required standard can the service be improved, the cost altered or the contract terminated?
- state in the contract when delivery or performance must occur. If it must happen on the dates stated write on the contract that "time is of the essence".
- also write subsequent changes to the contract down and keep a copy with the original contract. Write to the other party confirming the changes with a copy letter for them to sign and send back to you.



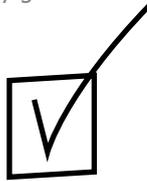
## DO NOT:

- sign anything without reading it first! You are bound to all the items in any document you sign whether you are aware of them or not.
- sign anything you have read that you do not understand. If you don't understand something – ask for clarification and if necessary ensure the contract is altered so that it is clear
- agree to a contract that lasts for more than two years unless you can end it earlier by giving notice
- forget to take and check up on references if the supply is for something important (e.g. company searches, credit ratings or satisfied customers)
- accept "Standard Conditions of Sale (or Purchase)" from the other side without reading them first. You may get some conditions changed if you ask.



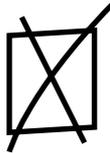
## Problems with a contract - DO:

- state in writing any concerns that you have if you are dissatisfied with supplied goods or services quickly and clearly
- review any contract that you have before taking action. Refer to a particular clause of a contract when complaining
- be specific when you complain. Point out the failure in standards or quality and ask the other side to remedy it in a specified time
- send a copy of any letters or documents that will assist you (e.g. an estimate which is much lower than the eventual invoice)
- if dealing with a customer complaint, state that any offer of cash or compensation has been made "Without Prejudice". This means you are not admitting that you were at fault
- make any offer of cash or compensation clear and comprehensive, stating exactly what is being offered, how much and for how long. Give a deadline for acceptance and ask for acceptance or refusal in writing by that date
- keep a proper record of what has been stated and offered. If you have offered cash or re-performance of services - say how and when the relevant action will be taken and ensure that you do what you have agreed to do.



## DO NOT:

- get emotional or angry. State the facts simply and do not threaten to take any action which you do not actually intend to take
- allow time to lapse between complaining and taking further action - the other side could think that you have given up your right to complain and seek a remedy
- just stop paying the other party if there is a problem. State what the problem is and why you have decided to withhold payment



- admit liability when dealing with complaints. Do not state that you are "sorry", but that you are "disappointed" by any lapse in standards
- leave the matter open once you have dealt with a complaint. State that any offer is "in full and final settlement of any claims that you may have in respect of this matter."

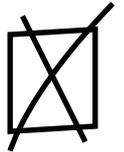
## Ending a contract - DO:

- try to get the other side to remedy any breach of contract they have committed before you try to terminate the contract (see Contract Guidelines: Problems with a Contract above)
- read a contract first to make sure that you are entitled to terminate a contract before doing so
- consider all the relevant documents. A contract should usually state what you must do in order to terminate (e.g. the notice period required)
- follow the contract's requirements for termination precisely. Make sure notices are sent to the correct address. Use first class post, recorded Signed for™ delivery and do not send by fax unless the contract says you can. Even then, send a hard copy in the post to make sure!
- take legal advice if you are not sure whether you can terminate the agreement or not. If you terminate a contract incorrectly you could be sued for breach of contract
- review all your written contracts from time to time so that you are aware of your obligations and rights in the contracts.



## DO NOT:

- stop making payments under a contract. This will not terminate the contract successfully
- just return any goods held on a lease to the company you got it from. You must make payments under a lease throughout its duration whether the equipment is still in your possession or not!
- consider that a contract is terminated because you are suing the other party or being sued by them. You will still be liable to make payments under the contract until the court dispute is settled
- forget that if you terminate a contract, you may still have to pay something to the other party under that contract. If you ordered 100 goods and you received 50 of them (and they are acceptable) you will probably have to pay for the goods or services you actually received. If in doubt check before terminating the contract.



## Resources:

The following are available to download from the BWF website <http://www.bwf.org.uk/publications>

### [Contracts - Basic Contract Law - Golden Rules of Contract Management](#)

A brief guide to the do's and don'ts when entering into contractual arrangements with another party.

### [Contracts - Directors or Personal Guarantees](#)

When operating a business on a limited liability basis, the law states that the company's directors are protected from liability for that business's debts should the company go under. This briefing note includes a sample guarantee template.

### [Contracts - Retention of Title - a briefing guide](#)

Contracts for the supply of goods often involve a number of different parties. Deciding who owns various goods and materials at a particular point in time can be a surprisingly difficult task. People tend to assume that ownership (or title) in goods will not pass to a purchaser until the goods have been paid for. However, this is not the case and title will often pass at a much earlier stage. This guide covers the basics.

### [Contracts - Sample Terms & Conditions of Sale](#)

A sample set of terms and conditions that most businesses would wish to contain in their standard terms and conditions. Containing lots of different options, the document is not suitable to be used as it stands and should be adapted according to the needs of the company.

### [Contracts - Sale of Goods Act overview](#)

A brief overview of the Sale of Goods Act as amended by the Consumer Protection from Unfair Trading Regulations 2008 including responsibilities under the Supply of Goods and Services Act 1982 is provided for member's information. Further advice on these topics is available from the BWF Helpline.

### [Contracts - Sample Letter To Be Sent When Supplying \[and Installing\] Goods](#)

A sample letter which can be used to confirm your terms to supply [and install] goods following a verbal agreement.

### [Contracts - What is a Guarantee?](#)

This briefing offers guidance on what is a guarantee which may be requested or offered by manufacturers of products.

### [Contracts - What is a Warranty?](#)

This briefing offers guidance on what is a warranty which may be requested or offered by manufacturers of products.

### [Customer Care - Complaints Procedure Model](#)

Model complaints procedure to assist members' in complying with the BWF Code of Conduct requires all members to act fairly and equitably in dealing with their customers.

### [Model Notice of Cancellation Clause for use with Consumer Contracts](#)

If you enter into a contract with a consumer in the consumer's home or workplace, you need to be aware that new rules apply which entitle the customer to a cooling-off period, whether or not you were asked to meet them in their home. Note: Be aware of how this impacts on deposits taken i.e. 25% deposit with order may have to be held until cooling-off period expires.

# Section 6

## Technical Expertise and Information

### 6.1 Overview

Companies are required to comply with all current European, National and Industry standards and regulations which are relevant to the products and services they provide.

Manufacturers of doors, windows, staircases and other timber products are in many cases required to ensure the products they make comply with current regulations or standards so it is essential they are conversant with those that apply to their products.

It is recommended that you maintain and keep up to date, relevant British Standards, Building Regulations and industry/trade standards applicable to your field of operations or at least be aware as to where you can get support and guidance. If in doubt contact the BWF Technical Helpline on 0844 209 2610

As a joinery manufacturer it is recommended that at the very least, you should have copies of:-

- BS EN 942 Timber in Joinery
- BS 1186 Timber for and workmanship in joinery

If these are not held by the company, you should be able to demonstrate how an understanding of relevant standards is achieved and applied throughout the various stages of the order process from enquiry to delivery and/or installation.

Because of the wide-ranging requirements of running a joinery business it may not always be possible to understand everything relating to products manufactured. Apart from experience probably developed from years of hands-on experience things do change and it may be necessary to develop technical skills and knowledge to meet these demands. See also [Glossary of Wood & Woodworking Terms](#). Some of the terms have a couple of different meanings and some you will be familiar with and some maybe not so.

The BWF provides extensive technical support to its members and the joinery industry and has produced a wealth of technical publications. Some of these technical information and advice guides are referenced below under Resources and are available from the BWF with most publications downloadable from the BWF website <http://www.bwf.org.uk/publications>.

Changes in regulations and standards which impact on joinery and woodworking products necessitate development of additional skills to ensure a complete understanding of specifications; changes in timber, coatings and hardware technology; new manufacturing methods and new technological developments.

The following summarises a number of important areas where these relate to joinery and woodworking business operations.

### 6.2 Building Control

Building regulations contain the rules for building work in new and altered buildings to make them safe and accessible and limit waste and environmental damage. Those carrying out such work must usually arrange for their work to be checked by an independent third party to make sure that this meets the required standards. In some cases the installer can certify themselves that their work complies.



The most recent versions of the Approved Documents that support the fourteen technical "Parts" of the Building Regulations' together with Regulation 7 are accessible from the Government's Planning Portal <http://www.planningportal.gov.uk/buildingregulations/approveddocuments>

With reference to windows and doors, a new Part L Approved Documents and guidance has been published by DCLG. For further guidance contact the BWF Technical helpline on 0844 209 2610 or see the BWF website - [New Part L Approved Documents and guidance published by DCLG](#)

Building practices, technology and construction techniques are constantly evolving and it is essential that companies keep up-to-date regulations that affect the products they provide.

Alternatively companies and individuals can become members of Competent Person Schemes (CPS) which were introduced by the UK Government to allow individuals and enterprises to self-certify that their work complies with the Building Regulations as an alternative to submitting a building notice or using an approved inspector.

A Competent Person must be registered with a scheme that has been approved by The Department for Communities and Local Government (DCLG). Schemes authorised by the DCLG are listed on its website at <http://www.communities.gov.uk>

One of the more recognisable of such schemes is FENSA which provides documentary evidence that window installation work has been self certified as complying with the Building regulations.

BWF has strong relationships with Building Control offices and representative bodies such as LABC and NHBC and a strong track record of supporting its members when building control issues arise. Members can call our technical helpline or email [bwf@bwf.org.uk](mailto:bwf@bwf.org.uk) if they have questions or need help in dealing with a building regulation issue.

## 6.3 Planning

Similar to Building Control, most new buildings or major changes to existing buildings or to the local environment need consent - known as planning permission. Without a planning system everyone could construct buildings or use land in any way they wanted, no matter what effect this would have on other people who live and work in their area. When dealing with customers, you should be aware of whether such permission such as those relating to party walls impacts on the products you may be installing. Further information can be obtained from the Government's Planning Portal <http://www.planningportal.gov.uk/planning>

## 6.4 Standards

British, European and industry timber and product standards are constantly changing and joinery companies need to keep abreast of developments.



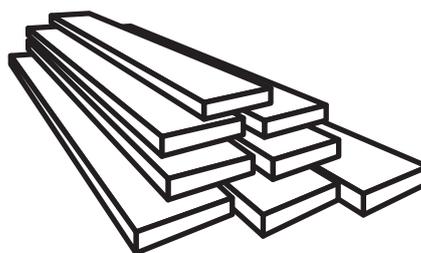
The BWF takes a leading role in developing UK and European joinery standards and is continuously involved in projects which seek to advance the merits and use of joinery products.

These standards impact on numerous areas of your business and again the BWF is an essential source of guidance on joinery and timber standards. If in doubt contact the BWF Technical helpline.

## 6.5 Regulations

Apart from Building regulations, companies need also to be aware of the possible impact of other regulations such as the [Construction Products Regulation 2011 \(CPR\)](#), where from 1st July 2013 it has become mandatory for manufacturers to apply CE marking to any of their products which are covered by a [harmonised European standard \(hEN\)](#) or European Technical Assessment (ETA). [See also section 3](#) where more detailed information is provided on the requirements for CE marking including the need for a written [Factory Production Control System \(FPCS\)](#) plus reference to further information and advice that is available from the BWF website.

Apart from numerous health and safety regulations referenced elsewhere in this guide, note should also be taken of the [Biocidal Products Regulations \(BPR\)](#) and Biocidal Products Regulations (Northern Ireland) (BPR NI) that covers a very diverse group of products, including disinfectants, pest control products and preservatives and outlines the process you must follow to gain authorisation for a biocidal product/biocidal product family or approval of an active substance under EU BPR.



## 6.6 Timber

The properties and characteristics of timber together with the manufacturing timber process are factors which may affect the performance or appearance of timber products after they have left the manufacturer.

The quality, durability and aesthetic appearance of timber is created by the growth conditions and the features which appeal to the end user can also on occasions create unusual results during use.

Some of these aspects that are noted here may not appear until the timber product is installed and may be out of the control of the joinery manufacturer. Awareness of such characteristics is necessary to be able to advise and reassure customers accordingly.

Timber is a natural material and customers should be provided with relevant information for the care and maintenance of the products supplied. By doing so, you can protect yourselves from potential complaints and avoid many time-consuming problems.

Contact the BWF for advice on timber characteristics and specification issues or see the Technical guidance provided on the BWF website - <http://www.bwf.org.uk/publications/technical-1>

## Resources

### [New Part L Approved Documents and guidance published by DCLG](#)

BWF Building Regulations Guidance- Part L

Building Regulations Guidance Approved Document B Fire Safety - 2006 Edition

The 2006 edition of Approved Document B - Fire Safety (ADB) introduced a number of changes with respect to the 2000 edition. This Guidance Note explains those changes that affect timber window and door manufacturers.

### [Accessible Thresholds](#)

Explanation of the requirements of Approved Document Part M of the Building Regulations relating to new dwellings covering a number of different provisions, including the need to provide accessible thresholds to the principal entrance to the dwelling.

### [Care of timber doors on site](#)

Good practice tips to ensure that after delivery doors are correctly treated to ensure that the moisture content is appropriate for the situation and that they are not physically damaged in unloading, storage and installation.

### [Care of Timber Windows on site](#)

Timber windows produced by Members of the British Woodworking Federation are accurate components designed and manufactured using the best available techniques to produce performance rated components. The way they are handled and stored on site can affect their long-term performance. Good practice avoids damage, maintains quality and saves money.

### [Design Guide: Timber stairs](#)

A Guide to Designing and Manufacturing Safe and Compliant Staircases

### [Die form doors](#)

Good practice guidelines for all types of moulded wood fibre doors (also known as Die Form Doors) irrespective of the door skin producer or door manufacturer.

### [Door cores](#)

Door core definitions used by the timber door industry when describing their door products.

### [Emergency Egress \(escape\) windows](#)

In July 2000 the Approved Document B (Fire safety) introduced a new concept of Emergency Egress windows to dwellings with an upper floor level of not more than 4.5m.

### [End grain sealants - Application & testing](#)

Guide to the selection, application and testing of end grain sealants for timber windows. It also proposes a simple test, which can be used to identify suitable materials, both proprietary and general products and that will also confirm whether a full decorative coating system is suitable to seal end grain timber

### [Installing Timber Windows](#)

Good practice guidance for installing timber windows which avoid damage maintains quality and saves money.

### [Relationship between BS 644 and BS EN 14351](#)

This guide is intended to explain briefly the relationship between the British Standard for timber windows, BS 644, and the European Product Standard for windows, BS EN 14351-1

### [Resin Exudation in Joinery Timber](#)

General advice on the cause of resin exudation in joinery timber and the procedures which can reduce its effect in service.

### [Stair Scheme Fact Card \(PDF\)](#)

Introducing the BWF Stair Scheme

### [Stair Installation Guide: Top 10 Tips \(PDF\)](#)

Top 10 Tips to Stair Installation

### [Timber variability vs performance](#)

This guide is intended to provide advice to end users on factors which may affect the performance or appearance of timber products after they have left the manufacturer.

### [Timber windows in service](#)

General advice on the procedures that are carried out during the manufacture of timber windows and the effect of poor protection or changes in climatic conditions can have on the windows in service

### [EU Biocides Regulation 528/2012 \(EU BPR\)](#)

Guidance for woodworking companies in dealing with the requirements of EU Biocides Regulation 528/2012 (EU BPR).

# Section 7

## The business and the environment

### 7.1 Overview

In recent years, the timber-using industries have made the most of the growing interest in sustainable development to promote their products and material as the most environmentally friendly choice. However, being environmentally friendly does not start and finish with the materials. A claim like this will look pretty poor if a business ignores the environmental impact of the rest of its processes and activities.

Businesses, especially smaller businesses, may feel that they do not have time to think about the environmental impact of their business or for writing policies: they are just too busy doing what has to be done to keep going. But there are good reasons for adopting an environmental policy.

The amount and scope of environmental regulation is increasing, and many clients, whether businesses or consumers, now want to deal with companies which they know are aware of the environmental consequences of what they do, and take an open and responsible attitude towards handling them. Showing that you are committed to good environmental practice can boost the impression you give to current and potential customers, to your community and indeed to your own workers.

The BWF Code of Conduct requires Members to ensure that they minimise and manage waste and avoid causing pollution. The easiest way for a business to demonstrate its commitment is to adopt an Environmental and Waste Management Policy as a statement of what it will do to manage, and if possible, reduce its environmental impact. The following touches upon some of the many environmental issues that should be considered when preparing your environmental policy statement.

### 7.2 EU Timber Regulation

On 3 March 2013, the EU timber regulation came into force across the EU. The regulation prohibits the “placing on the market of illegally harvested timber or timber products derived from such timber”, and states the obligations that those who buy and sell timber and timber products on the EU market are required to have in place in order to comply with the regulation.

The implementation of the regulation is enforced by national level competent authorities, such as the National Measurement Office (NMO) in the UK, that undertake checks and ensure the enforcement of the regulation, with penalties for non-compliance.

Extensive guidance on checks joinery manufacturers have to make is available from the BWF <http://www.bwf.org.uk/publications/environmental-and-waste-management>.

### 7.3 Sustainability

It is recommended that all companies should use their best endeavours to purchase timber and wood based products from sustainable sources whether this is the purchase of new timber or wood based products. Preferably these should be from supply sources which can confirm, by independent certification such as the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification schemes (PEFC) or any other recognised system that such products come from well-managed and sustainable sources.

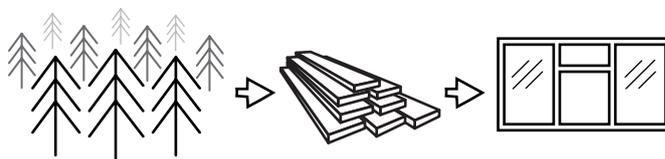


You should always be ready and able to provide evidence to your clients or potential customers that your business is either certificated, if required, with one of the above bodies or trying to meet the spirit of the schemes. Evidence of this could be found in the text of purchase contracts and purchase orders, as well as correspondence with suppliers about the availability of products from sustainable sources. One example of this would be the use of suppliers adhering to Forest Forever’s Environmental Purchasing Policy.

Also, if asked to supply a product in a species which cannot be obtained from certificated sources, you should seek to offer a comparable alternative.

### 7.4 Chain of Custody

Chain of Custody (COC) Certification is a process of ensuring that a forest product has come from a legal, sustainable source. It is a link from the initial logging stage, through the supply chain, potentially ending with the joinery company. Even if you used certified timber, you can only claim to be passing on a COC product if you are a certified link in the chain. If you are not, then you break the link. By having COC, you allow an environmentally conscious potential customer to make an informed choice and uphold the position of timber as the most sustainable mainstream construction material.



The BWF has set up a Group COC Scheme for companies with 15 employees or fewer wanting FSC certification or with 50 employees or fewer wanting PEFC certification. The scheme is able to offer both FSC and PEFC certifications, and is not limited to just joinery manufacturers. Further information can be found on the [BWF's ToolKit+ website page](#)

The BWF has put a package in place for the larger companies - companies that have more than 15 employees (or more than 50 in the case of PEFC) and wish to achieve certification. The package includes an experienced consultant visiting your factory to assist you in setting up the procedures required to satisfy the requirements of the COC and the audits required to achieve and maintain the certification. Further information can be found on the [BWF's ToolKit+ website page](#)

### Why undertake Chain of Custody Certification?

Over 90% of timber brought into the UK is now legal, and sustainably sourced, with nearly 2000 companies having achieved COC Certification. The demand for certified timber is increasing as more and more contractors, house builders and government projects insisting on it. FSC and PEFC certification can also go some way to ensuring that you meet the due diligence criteria required under the [EU timber regulations](#) for 'operators' placing their timber and timber products on the EU market.

### What are FSC and PEFC?

[The Forest Stewardship Council \(FSC\)](#) is an international network designed to promote responsible management of the world's forests. It was established in the mid 1990s. Over 130 million hectares of forest in over 80 countries are certified over 19000 companies have FSC COC certification.

[The Programme for the Endorsement of Forest Certification \(PEFC\)](#) is a framework for the recognition of forest certification schemes meeting internationally recognised requirements for sustainable forest management. Launched in 1999, PEFC accounts for more than 220m hectares of forest and 6000 COC certificates.

### What is involved?

Implementing a COC process is a fairly straightforward task that relies on everybody in a company taking responsibility for maintaining the integrity of the chain. The basis for COC is that you manage your supply of timber in a way that identifies certified timber from any non-certified timber.

To start with, you must buy from companies that can supply FSC or PEFC timber. When that timber arrives at your workplace, everybody involved in checking goods in must see that it is accompanied by the correct paperwork. The timber must then be stored and managed separately from any other non-certificated timber.

When a customer asks for FSC or PEFC products, this must appear on all of your internal paperwork. When the product is assembled ready for despatch, delivery notes and invoices must include the COC certificate number, a valid claim for the certified products and a description of the certificated product.

## 7.5 Waste Management

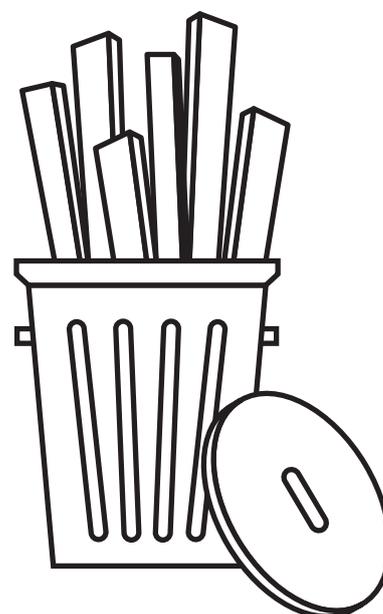
It is best practice for companies to use their best endeavours to minimise and manage waste and avoid pollution by disposing of waste in a controlled and appropriate manner. It can also save money.

All manufacturing processes involve production waste to some degree and you should try their best to:

- minimise waste by constantly seeking to improve production processes
- ensure appropriate waste control procedures which avoid pollution of the environment are used
- provide for the controlled disposal of all waste in an approved manner.

Evidence of your efforts to manage waste effectively could be found in any or all of the following ways:

- Responsibilities for waste management clearly defined within the management hierarchy
- Awareness of the volumes and values of waste produced within the production process
- A waste management policy and/or targets for improvement
- A minimal amount of waste visible in production areas
- Appropriate storage containers and collection facilities, including effective dust extraction.
- Use of water-based paints, finishes and other chemicals
- Separation of materials for recycling
- Selling on of waste for alternative use
- Internal use of waste to generate energy, for example in heating systems or electricity generation.



## Resources

The following are available to download from the BWF website <http://www.bwf.org.uk/publications>

<http://www.bwf.org.uk/publications/general-business-support>

This free-to-members publication provides a brief overview of the EU Timber Regulation, giving information about what joinery manufacturers need to do in order not to break the law.

### [BWF Group Chain of Custody Scheme](#)

Links to BWF Group COC Scheme and Consultancy arrangements for larger companies

### [Waste Management Guide](#)

Useful guide which provides information on how to manage your company's waste correctly and the steps you may need to take to comply with UK waste legislation

### [Business Environmental Improvement](#)

Guidance document aimed at providing information for businesses regarding environmental grants and loans as well as free environmental support.

### [Environmental & Waste Management Policies](#)

Guidance on preparing a statement of a company's commitment to proper environmental and waste management

### [Fuel & Storage](#)

Guidance aimed at providing information for compliance and best practice in relation to fuel and oil storage requirements in England, Wales and Scotland.

### [Template EUTR Due Diligence System](#)

This document is primarily concerned with providing a template due diligence system that BWF members who place wood based products on the EU market for the first time (known as operators) can use to help them comply with the regulation

### [EUTR Company Timber Policy](#)

A Company Timber Policy to adapt as part of your EUTR Due Diligence System

### [EUTR Declaration of Conformity](#)

A EUTR Declaration of Conformity to adapt as part of your EUTR Due Diligence System

### [EUTR Product Origin Information](#)

A EUTR Product Origin Information spreadsheet to adapt as part of your EUTR Due Diligence System

### [EUTR Product Risk Assessment](#)

EUTR Product Risk Assessment document to adapt as part of your EUTR Due Diligence System

### [EUTR Annual Submission Report](#)

An Annual Submission Report spreadsheet to adapt as part of your EUTR Due Diligence System

# Section 8

## Managing your Health & Safety

### 8.1 The Essentials

The woodworking industry has one of the highest rates of accidents in manufacturing and this is not a statistic to be proud of.

You have legal requirements to meet and your objective should be to work safely and the BWF is therefore proud to play its part by initiating its Health & Safety Target Hero campaign aimed at achieving a zero tolerance of fatal injuries, RIDDOR related incidents and occupational ill health incidents.

With fees for intervention changing the way that the HSE is interacting with the woodworking sector and fines/consultancy fees starting to hit companies, we need to respond and step-up as an industry. This however is only part of the reason why we are working at on new Health & Safety services to extend the BWF's commitment to help members improve their businesses. Consider whether you need to use external advisors to manage this for you.

This time the focus is **cultural change**. But how are we to achieve this change?

- We are seeking the backing of the woodworking industry. That's why we are asking all members to pledge their commitment to make their health and safety systems and processes robust with a zero tolerance of accidents in the workplace.
- We will encourage member to fostering cultural change in the workplace - no more "we have always done it this way"
- Accepting that this sort of safety culture doesn't happen overnight – the BWF will encourage everyone involved to embrace safety, buy into the process, and accept their safety responsibilities.

How are we going accomplish this? By:

- Providing training and education
- Increased and promotion
- Providing better guidance

Thereby reminding our members that

- the attitudes and decisions of senior management are critical in setting the priorities of their organisation
- at senior management level, they must, want to hear what is really happening in the workplace
- they need to want their employees to work safely and comply with the rules, but also want them to show initiative and be proactive in improving health and safety health and safety should not viewed as a separate function, but as an integral part of productivity, competitiveness and profitability



**The BWF is fully committed to a process of demonstrable, continuous improvement in the pursuit of health and safety excellence.**

The following provides an overview of employer and employee responsibilities with references to further guidance where appropriate.

#### 8.1.1 Assessing your workshop and other control measures

Conditions will vary from clean workshops to those where machines are buried under dust and off-cuts. General tidiness is often a good indication of how well other issues are being managed. Bear in mind that there is a:

- ban on dry sweeping – use a vacuum cleaner that meets at least the dust class M (Medium hazard) classification
- ban on blowing down using compressed air
- use of downdraught benches – effective ones can be made. Both types need to be incorporated within the 14 month LEV testing regime.

#### 8.1.2 Help with Health and Safety Matters

Do you have a competent person to assist with health and safety matters?

This doesn't necessarily mean employing an external consultant; there is no reason why, with the right amount of knowledge and information, this couldn't be done in-house, by yourself or one of your employees. Don't forget that BWF member have access to a wealth of information and guidance via the BWF Helpline or through the BWF Website. Through our training partners we can provide relevant Health & Safety training for you and your employees. Such training not only recognises competence, but will also improve how you manage your health and safety.

Don't forget - the First Aid at Work Regulations require companies in the higher risk category (which includes almost all woodworking companies employing between five and 50 people), to have a trained first aider (companies with 1-4 employees are required to have an appointed person). It is easy to find details of the first aid courses in your area as both St John Ambulance and The British Red Cross have search facilities on their websites where you can type in your town or postcode - see below:

[www.redcrossfirstaidtraining.co.uk/Courses/CourseInformation.aspx](http://www.redcrossfirstaidtraining.co.uk/Courses/CourseInformation.aspx)

[www.sja.org.uk/sja/training-courses/courses-for-the-workplace.aspx](http://www.sja.org.uk/sja/training-courses/courses-for-the-workplace.aspx)

### 8.1.3 Do I need a Health & Safety Policy?

Describing how you will manage health and safety in your business will let your employees and others know about your commitment to health and safety. This will be your health and safety policy. It should clearly say who does what, when and how.

If you have five or more employees, you must have a written policy.

The policy does not need to be complicated or time-consuming. To help you, BWF has [model template policies for both small and larger companies](#) that you can download and complete.

A policy will however only be truly effective if you and your employees follow it and you review it regularly.

### 8.1.4 Are you displaying the health and safety law poster?

If you employ anyone, you must display the Health and Safety Executive's poster Health and Safety Law – What You Should Know, or give them the equivalent pocket card. The poster and pocket card contain a list of what you and your must do, as well as showing what to do if there is a problem.

A new version of the poster became available on 6 April 2009; if you have an older version of the poster or equivalent leaflet, you can continue to use it until April 2014.

Alternatively, you can download a copy of the pocket card at [Health and Safety Law - What you need to know](#)

### 8.1.5 Risk Assessment – what it entails

A risk assessment is nothing more than a careful examination of what, in your work, could cause harm to people; what measures you have in place to prevent this harm from occurring and whether you need to do any more to reduce the risk of harm to a level which is as low as is reasonably practicable.

To help risk assess your business, take a look at the [BWF's Model Risk Assessment](#), a sample of which can be found on the BWF website. This gives an example of what a risk assessment should look like and is a great source of information when it comes to considering the particular hazards and control measures you should be looking for in your workplace. BWF has also produced other risk assessment and COSHH assessment templates.

All employers must conduct appropriate activity risk assessments and employers with five or more employees have to record the significant findings of their risk assessment and you should maintain copies of [COSHH assessments](#) and [risk assessments](#) and health surveillance records (or summaries).

### 8.1.6 Woodworking machinery – is it maintained and safe to use?

Your key obligations in this area come within the requirements of PUWER 98 and additionally where relevant, the Lifting Operations and Lifting Equipment Regulations

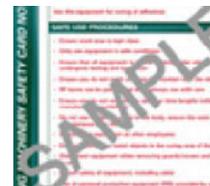
The Regulations require risks to people's health and safety, from equipment that they use at work, to be prevented or controlled.

In general terms, the Regulations require that equipment provided for use at work be:

- Suitable for use, and for the purpose and conditions in which it is used;
- Maintained in a safe condition for use so that people's health and safety is not at risk; and
- Inspected in certain circumstances to ensure that it is, and continues to be, safe for use.

Further guidance includes the set of [Machine Safety Cards](#), a series of "Safe Use Of" guides which set out to provide essential guidance for those either using or responsible for maintaining the many different machines found in the modern joinery shop or timber product manufacturing establishment.

The set of cards together with our comprehensive 'BWF Guide to Health and Safety in the woodworking industry', can be downloaded by members for free.



### 8.1.7 COSHH and the use of high risk chemicals – Are you aware of your obligations?

Where organisations are using products of a high risks, such as those that contain Isocyanates they must take additional actions to ensure employees are not put at risks. These actions will include the following:

- obtain all relevant COSHH data sheets from your suppliers
- devise and implement a suitable system of health surveillance to include lung function/skin and urine checks, to be delivered by a competent Occupational Health Professional
- ensure that full risk/COSHH assessments have been completed, with regular review and update
- where possible, replace high risk materials with a lower risk material



- ensure all materials meet Workplace Exposure Limits (WELs)
- carry out periodic tests of air quality to ensure that the control measures you have put in place are delivering air quality. The frequency of such tests should be based on a risk assessment, but the COSHH ACOP recommends that periodic tests should be carried out at least every three months, and more often when the quality of air cannot be assured to these levels. Testing for these components may be carried out using any appropriate method, e.g.
- simple colour change tubes;
- on-line gas testers;
- sample collection for laboratory analysis elsewhere.

Only low-level health surveillance is needed for general wood dust. But high-level health surveillance must be in place where there is exposure to high-risk woods like Western Red Cedar.

### 8.1.8 Are your employees appropriately trained in health and safety matters?

Everyone that works for you needs to know how to do so safely. Employees should know what hazards and risks they may face and how to deal with them. New recruits, people changing jobs and young/vulnerable employees may have particular training needs. BWF can help – It offers a range of training solutions and other services through the [WITForum](#) (Woodworking Industry Training Forum) that are tailored for the joinery industry. We offer over 40 different training course that serve the joinery industry or those working closely with us.

ARE YOU AWARE THAT HSE REQUIRES THAT ALL EMPLOYEES USING WOODWORKING MACHINERY ARE TRAINED AND REFRESHER TRAINED EVERY 3 to 5 YEARS (regardless of age, experience and qualifications)?



### 8.1.9 Do you consult with your workers?

You are legally obliged to consult with your employees on matters of health and safety. Employees should be able to raise any concerns about health and safety either directly with you or through health and safety representatives (if a recognised trade union exists).

### 8.1.10 Do you know how to report work-related accidents, diseases and dangerous occurrences?

The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) requires that certain work-related incidents are reported (usually to the HSE's Incident Contact Centre). These include fatalities, serious accidents, injuries which prevent an employee doing their normal job for over seven days, injuries to members of the public requiring hospital treatment, certain work-related diseases and dangerous occurrences.

The deadline by which the over-seven-day injury must be reported has also increased to fifteen days from the day of the accident.

### 8.1.11 Are your welfare facilities up to scratch?

It goes without saying that your employees should have access to facilities such as toilets, washing facilities and drinking water. They also have a right to expect their workplace to be at a reasonable temperature, well lit and ventilated.

To find out exactly what you should be providing as an employer, download the [BWF Guide to Health & Safety in the Woodworking Industry](#).

### 8.1.12 Have you assessed the risk of back and joint pain?

Musculoskeletal disorders (lower back pain, joint injuries and repetitive strain injuries) are the most common occupational illness in Great Britain, affecting one million people per year.

If you can't avoid the need for hazardous manual handling, you'll need to assess and reduce the risk of injury so far as is reasonably practicable. You can get help with this matter from the [BWF website](#).

If you have employees using display screen equipment on a regular basis, you'll need to assess their risk of musculoskeletal disorders.

### 8.1.13 Are you managing asbestos?

Asbestos is the largest single cause of work-related deaths in the UK. It was extensively used as a building material from the 1950s until the mid 80s, often for fire proofing and insulation. It can be found in roofs and exterior walls, boilers, pipe work, ceilings, interior walls and panels, flooring materials etc. Asbestos causes ill-health when its fibres become airborne and are inhaled.

If you are responsible for the maintenance or repair of a building, you must manage any asbestos within it. You'll need to identify any materials which may contain asbestos and keep a record of their locations. If any asbestos-containing materials are in a poor condition, they will need to be repaired, enclosed or removed (a licensed contractor may be required for this work). Asbestos containing materials in good condition can often be left alone, provided that their condition is monitored for signs of deterioration/damage. You can download a leaflet on the [Duty to manage asbestos](#) from the HSE Website

## 8.2 The Detail

### 8.2.1 Machinery - is it maintained and safe to use?

Ensuring your machinery is effectively maintained and safe to use is essential in protecting everyone using any piece of work equipment.

Severe injuries will result from making contact with blade/ tools of moving machinery or being struck by an ejected workpiece or tooling from moving machinery.

Many of these injuries are caused by either inadequate safeguards or the machine not being used correctly. Investigations have identified that this is often because the operator had not been adequately trained. Braking and the use of correct (legal) tooling should also be considered when looking at woodworking machinery. Key obligations in this area come within the requirements of PUWER 98 and additionally where relevant, the Lifting Operations and Lifting Equipment Regulations

The Regulations require risks to people's health and safety, from equipment that they use at work, to be prevented or controlled and that it is

suitable for use, and for the purpose and conditions in which it is used.

Additionally regular maintenance and inspection can prevent users from being put at avoidable risk.



Make sure;

- you have suitable and sufficient guarding in place for operations being carried out and staff use and adjust them at all times
- you have suitable protection devices available and are being used, such as push sticks
- all illegal tooling has been removed and only chip limitation tooling is used on hand fed machines

To ensure compliance, make sure of the following:

- woodworking machinery has the necessary safeguards provided so that it can be used safely.
- Ensure interlocks or other safety devices remain in place and are not bypassed but employees
- the operator is following safe working practises. This includes the correct use of guards and jigs, protection devices such as push-sticks, brakes, dust extraction and use of correct tooling and that they are comply with current braking and tooling regulations
- woodworking machinery should all be well maintained and have the correct safeguards. It should also only be used by those trained and competent to do so and you should be able to provide evidence to prove this
- novice and refresher training has been carried out. Training is required at all levels, regardless of age, qualifications or experience. This must be done every 3 to 5 years and that training records are held and up to date
- ensure adequate supervision for those operating machinery. Many people in these positions do not hold the necessary skills and knowledge to carry out this effectively, therefore appropriate training at this level is also required.
- risk assessments are complete and regularly updated
- safe systems of work followed
- suitable and sufficient maintenance is in place.

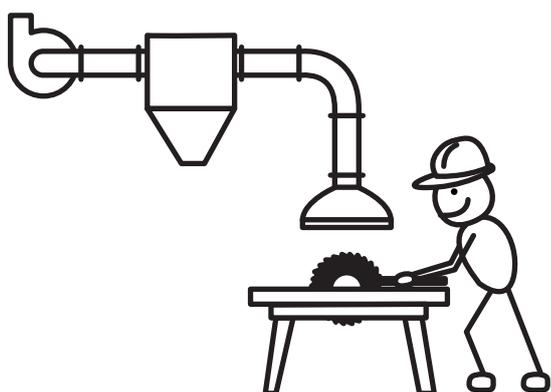
More information on woodworking machinery can be found at <http://www.bwf.org.uk/assets/bwf-15-woodworkingmachines.pdf> or <http://www.hse.gov.uk/woodworking/workingmachine.htm>

## 8.2.2 Dust Extraction – Have you got it covered?

- Local exhaust ventilation (LEV) must be thoroughly examined and tested every 14 months;
- A competent person should also carry out weekly inspections.(e.g. spray booth filters)
- A suitable record must be kept of all thorough examinations and tests carried out on LEV.

Reducing the risks to employees in this area essentially comes under the Control of Substances Hazardous to Health Regulations 2002 (as amended). For further information on your obligations see the BWF Guide to Health & Safety in the Woodworking [www.bwf.org.uk/publications/](http://www.bwf.org.uk/publications/) and the HSE information sheet Wood Dust – Controlling the Risk [www.hse.gov.uk/pubns/wis23.htm](http://www.hse.gov.uk/pubns/wis23.htm)

There should be evidence of maintenance and test records for any extraction equipment and instructions for employees on how to use it properly.



### Local Exhaust Ventilation (LEV) – Wood Extraction – Main Systems and Stand-alone Dust Collectors

The following MUST be carried out

- look daily for signs of damage to the ducting, fan and air filter. Noisy or vibrating fans can indicate a problem. Repair any damage immediately
- at least once a week, check that the extraction system and gauge work properly, with no dust leaks
- you need to know the manufacturer's performance specification to know if extraction is working properly
- if this information isn't available, hire a competent ventilation engineer to determine its performance
- the engineer's report must show the target air speeds
- keep this information in your testing logbook
- get a competent ventilation engineer to examine the system thoroughly and test its performance at least once every 14 months
- keep records of all examinations and tests for at least five years.

### Local Exhaust Ventilation (LEV) – Portable systems for use on power hand tools

The following MUST be carried out

- look daily for signs of damage to unit. Noisy or vibrating equipment can indicate a problem. Repair any damage immediately
- at least once a week, check that the unit and gauge work properly, with no dust leaks
- you need to know the manufacturer's performance specification to know if unit is working properly
- if this information isn't available, hire a competent ventilation engineer to determine its performance
- keep this information in your testing logbook
- get a competent ventilation engineer to examine the system thoroughly and test its performance at least once every 14 months
- keep records of all examinations and tests for at least five years
- Do not forget PAT testing which must also be done annually

And do not forget:

### Local Exhaust Ventilation (LEV) – Spray Booths

Often, these systems are forgotten about compared to main wood dust LEV systems. The following MUST be in place:

- arrangements to ensure that a thorough examination and test is completed at least every 14 months by a competent person
- an effective maintenance regime to ensure filters are cleaned / replaced on a regular basis to ensure they remain effective.

## 8.2.3 Wood Dust – Health Surveillance and Risk Assessment

You MUST complete a suitable and sufficient wood dust risk assessment in which you consider the risks to employees and identify existing / additional measures that are required to control the risk to a low as reasonably practicable. The risk assessment should (although list not exhaustive) include:

- who may be harmed and how
- the types of soft and hardwoods other materials used
- the hazardous properties of the dusts generated; see toxic woods at <http://www.hse.gov.uk/pubns/wis30.pdf>
- activities with high potential for exposure e.g. sanding, routing
- an assessment of compliance with the workplace exposure limits, currently 5mg/m<sup>3</sup> for hardwood and softwood dust
- for most woods, low level health surveillance is required. When someone first starts in a job where they are exposed to wood dust they should fill in a questionnaire. After six weeks they should then complete a follow up questionnaire and this should then be repeated every year. These

questionnaires tell you what to do if you think someone has been affected. (Copies of initial and ongoing sample questionnaires can be found at [Link to sample questionnaires http://www.bwf.org.uk/publications/health-and-safety/3](http://www.bwf.org.uk/publications/health-and-safety/3))

- A higher level of health surveillance, including lung function testing and skin checks, are needed for exposures to woods such as hardwoods, western red cedar which are a known asthmagens and other high risk wood based products
- records should be kept for at least 40 years.
- you should complete a programme of air monitoring to establish how efficiently your dust extraction systems are removing the identified harmful high risks wood dust from the atmosphere, and to ensure wood dust concentrations present are below the legal workplace exposure limit (WEL), therefore not placing employees at undue risk.
- employees should be given adequate Instruction and Training regarding the risk from wood dust and findings of the wood dust risk assessment
- results of health surveillance and air monitoring provided to employees
- requirement that employees make full and proper use of any control measure.

Also remember that with PPE/RPE:

- requirement wearing of P3 masks for sanding and other high risk operations such as bag changing
- if disposable or half masks are specified to be worn employees must be clean shaven.
- PPE/RPE should be individually 'face fitted' to each employee to ensure a sufficient seal can be obtained between mask and wearers face.

## Resources:

The following are available to download from the BWF website <http://www.bwf.org.uk/publications>

### [The BWF Guide to Health and Safety in the Woodworking Industry](#)

An indispensable reference guide to health and safety for joinery and woodworking companies. This Guide in both hard-copy and downloadable formats provides the most comprehensive information on regulations as well as guidance best practice

### [BWF Briefing - Accident Investigations Guidelines](#)

This briefing guide is designed to assist Members to improve their methods of investigation when dealing with accidents in the workplace.

### [BWF Briefing - Accident Reporting Requirements](#)

This briefing guide is designed to help Members be more aware of their reporting obligations when dealing with accidents in the workplace.

### [Consultation Toolkit-Consulting employees on health safety](#)

This briefing guide is designed to assist Members to improve their methods of communication with their employees and management on health and safety matters.

### [COSHH and the Joinery Manufacturer](#)

Using chemicals or other hazardous substances at work can put people's health at risk. Help for employers to control exposure to hazardous substances to prevent ill health as required by the Control of Substances Hazardous to Health Regulations

### [COSHH - Model COSHH Policy for adaptation](#)

A model sample policy for adaptation by members which can be used as part of improving safe systems of work.

### [Fire: A simple guide to carrying out a risk assessment](#)

Responsibilities under the Regulatory Reform (Fire Safety) Order 2005, for ensuring that premises are fire safe.

### [Fire Risk Assessment Questionnaire](#)

This additional tool has been designed to highlight those areas within the workplace that could impact on your fire risk assessment.

### [Health and Safety Policy Statement - Guide](#)

Briefing notes on how to prepare a simple health and safety policy statement.

### [Health and Safety Policy Statement - Small Company](#)

Model health and policy statement covering the essential requirements for a small company.

### [Health and Safety Policy Statement - 10 or more employees](#)

Model health and policy statement covering the essential requirements for a company with 10 more employees.

### [Health & Safety - the Essentials](#)

How to avoid HSE's intervention costs of £124 per hour (if a breach in Health & Safety law is discovered). Key actions to ensure you comply with health and safety laws that apply to nearly every business.

### [Health and Safety workshop inspections guidance](#)

Woodworking businesses are being targeted by rigorous HSE inspections under FFI and your workshop could be next .

### [Manual Handling Presentation \(PPT\)](#)

A simple manual handling training guide in the form of a PowerPoint presentation together with speaker's notes.

### [Monitoring your employees health & safety](#)

A monitoring tool for use within companies as a means of identifying, recording and subsequently managing work-related ill health amongst employees, including office and administration staff.

### [Risk Assessment Guidance Notes \(including sample\)](#)

Simple risk assessment guidance (including a sample risk assessment for a spindle moulder) which can be adapted for other machines.

### [Working Alone Safely](#)

There are no absolute restrictions on working alone; it will depend on the findings of a risk assessment

# Section 9

## Education & Training

Training and qualifying your staff is a critical part of having an effective business, as well as a safe one.

The joinery training environment is complex, with a number of different routes to entry, up-skilling and continuing development.

A reputation for high-quality craftsmanship attracts customers, whatever the economic conditions. Major contractors and local authorities increasingly demand that suppliers demonstrate a commitment to staff training. Qualifying your workforce, through apprenticeships or on-site assessment and training (OSAT), promotes continuity of business.

### 9.1 Apprenticeships

The traditional route to train staff is through an apprenticeship. This can apply both to the shop floor trades as well as in the back office.

Education is a devolved issue, which means that apprenticeships are different in England, Scotland, Wales and Northern Ireland.



#### England

Two options are now available to employers in England. Recognised training providers can deliver apprentice training on your premises, giving your business more productive time. Alternatively the apprentice can attend college on day or block-release. Both methods attract funding from government, dependent on the age and qualifications of the apprentice.

Apprentices receive specific areas of training under a 'Framework' relevant to our sector, and must achieve all the set milestones to receive the full Framework award. The four elements are:

- a knowledge-based technical certificate (often called the Diploma)
- a Vocational Qualification showing competence (NVQ Level 2 or 3)
- training in employee responsibilities & rights, and
- training in essential 'life' skills such as communications and IT.



The frameworks available are:

- Bench or Architectural Joinery (part of CITB Wood Occupations)
- Carpentry & Joinery (part of CITB Wood Occupations)
- Shopfitting (part of CITB Wood Occupations)
- Woodmachining (Construction) (CITB)
- Furniture, Furnishings & Interiors, which covers aspects of joinery & component manufacture (ProSkills)

Vocational competence (NVQ Level 2 or 3) training costs, plus the required training in employee responsibilities & rights and in 'life skills' (e.g. ICT, communications) are funded by government at different rates according to age:

- 16-18: fully-funded
- 19-23: 50% funded (employer pays remainder)
- 24+: learner loans can be used via government for the learner, or alternatively the employer can pay 100%

Grant Incentives for your business include:

AGE 16-24 Recruitment grants of £1,500 are available to employers with less than 1,000 staff, taking on a first apprentice aged 16-24, or recruiting their first apprentice in one year.

Further Information: National Apprenticeships Service [www.apprenticeships.org.uk](http://www.apprenticeships.org.uk) and the [training section of the BWF website](#)

There are further grants available for those companies that are in-scope and registered with CITB that are available to firms in any UK nation (see below).

Additional grants are often available at a regional or local level. Use the BWF's funding search to see if there are funds available in your area:

#### Scotland

Apprentices must achieve all the set milestones to receive the full Framework award. The elements include:

- a knowledge-based technical certificate
- a Vocational Qualification showing competence (SVQ Levels 2-3)
- training in essential 'life' skills such as communications and IT.

Construction Modern Apprenticeships or Specialist Apprenticeships linked to specialist trades, available through ConstructionSkills Scotland:

- Bench Joinery (part of CITB Wood Occupations)
- Carpentry & Joinery (part of CITB Wood Occupations)
- Shopfitting (part of CITB Wood Occupations)
- Woodmachining (Construction) (CITB)



Apprentices must be registered with both CITB Scotland and the Scottish Building Apprenticeship Training Council (SBATC).

ProSkills is in the process of accrediting centres in Scotland to deliver Modern Apprenticeships in furniture manufacture, but a range of SVQ qualifications covering the furniture sector are already available. For details, contact ProSkills by visiting: [www.proskills.co.uk](http://www.proskills.co.uk)

CITB Scotland pays the full cost of college-based apprentice training. Skills Development Scotland may potentially offer a contribution: check with [www.skillsdevelopmentscotland.co.uk](http://www.skillsdevelopmentscotland.co.uk)

Scottish Government has a number of recruitment incentives:

- **Employer Recruitment Incentive (ERI)** Available for recruitment of apprentices, and for recruiting those undertaking Skills Development Scotland pre-employment programmes or those facing barriers to employment. For companies with under 50 employees, the ERI for each recruit is £2,000; for companies above 50 employees: £1,000 per recruit.
- **Adopt an Apprentice** A one-off wage-support payment of £2,000 for companies employing an apprentice made redundant part-way through an apprenticeship.

## Wales

Under an Apprenticeship Agreement, apprentices receive various types of training comprising a 'Framework'. On-the-job training is provided by your company, at your premises; off-the-job training is given at college on day-release. Apprentices can be any age from 16 years upwards.



Three levels of apprenticeship are available in Wales: Foundation Apprenticeship (equivalent to 5 good GCSE passes); Apprenticeship (equivalent to 2 A-level passes), and Higher Apprenticeship which leads to Level 4 qualifications.

Apprentices receive specific areas of training under a 'Framework' relevant to our sector, and must achieve all the set milestones to receive the full Framework award. The elements include:

- a knowledge-based technical certificate
- a Vocational Qualification showing competence (usually NVQ Levels 2-3)
- training in essential 'life' skills such as communications and IT.

Frameworks Available are:

- Bench Joinery (part of CITB Wood Occupations)
- Carpentry & Joinery (part of CITB Wood Occupations)
- Shopfitting (part of CITB Wood Occupations)

Furniture, Furnishings & Fitted Interiors, which covers aspects of joinery & component manufacture; offered at Foundation and Apprenticeship levels (ProSkills)

There are further grants available for those companies that are in-scope and registered with CITB that are available to firms in any UK nation (see below).

### What are my obligations for apprentices?

Under an Apprenticeship Agreement, your business commits to the following:

- Paying the apprentice's wages, at least to National Minimum Wage rates for apprentices.
- Investing time training the apprentice to your standards and working practices.
- Appointing a member of staff to be their 'work-based recorder', responsible for recording their milestones and achievements – an essential element of achieving NVQ qualifications. (Funding may be available for half-day work-based recorder training.)
- Mentoring apprentices as they develop and explaining future remuneration.

### CITB grant rates for apprentices

(figures correct as of 1st August 2013)

CITB grant rates are reviewed every year and are normally and the new rates normally come into force on the 1st August each month.

A two year apprentice can attract up to £6,000 (plus supplementary grant of 22% for those qualifying employers):

- £1,965 for first year attendance
- £1,660 for second year attendance
- £400 S/NVQ 2 achievement
- £1,975 for apprenticeship framework achievement
- **£6,000 TOTAL**

A three year apprentice can attract an additional (on top of the two year grant above) £4,250 (plus supplementary grant of 22% for those qualifying employers):

- £1,125 for third year attendance
- £400 S/NVQ 3 achievement
- £2,725 for advanced apprenticeship framework achievement
- **£4,250 ADDITIONAL TOTAL**

For more details on these grants and the other grants offered through CITB, visit: <http://www.citb.co.uk/levy-grant/claiming-grants-available/>

## 9.2 Refresher Training

As part of your health and safety requirements, all employees using woodworking machines must receive refresher training at least every five years if they are using the machines regularly, or at least every three years for machines they use less frequently.

You are required to keep training records of this, and should be available in the event of a HSE inspection. Training must be carried out by a 'competent' person. This can be done in-house, but the member of staff training the other employees must also be 'competent' on the machines and have training records to back this up, as well as have the skills to pass on those skills in a training environment.

To achieve this, your trainer should be trained at least every 5 year externally. The BWF WITForum runs refresher courses on machines that are delivered on your premises: <http://www.bwf.org.uk/training/courses/machinery-and-equipment-training/machine-woodworking-woodwise-training>



## 9.3 Continuing Professional Development

It is crucial that your staff continue to up-skill throughout their careers, both from a compliance perspective (regulations change etc) and to bring fresh, innovative new skills into the business. This is true of all staff members, from the shop floor, to the back office, to the senior management – including the owner.

This up-skilling does not always need to be formal training or qualifications, but could be e-learning, private study, workshops, seminars, publications, attending conferences and exhibitions and so on.

The BWF WITForum runs the woodworking industry's only CPD scheme. It is a framework for a development, helping you and your staff to plan and structure their development and identify where skills need to be developed. The WITForum does run some CPD accredited events, but anything externally can also be logged as CPD activity.

### Resources

For more information on the BWF CPD programme, visit [www.bwf.org.uk/CPD](http://www.bwf.org.uk/CPD).

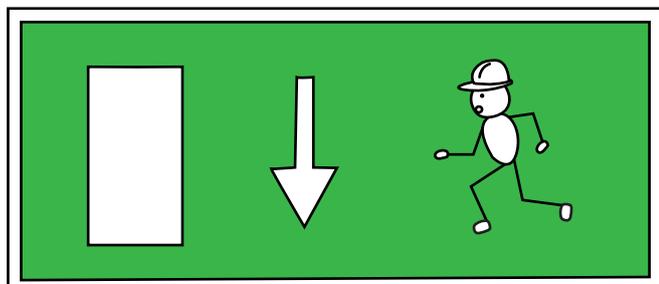
To find courses or training through the WITForum, visit [www.bwf.org.uk/training/courses](http://www.bwf.org.uk/training/courses)

If you would like more assistance, the WITForum's [Business Improvement Project](#) could provide you with additional support to help grow and improve your business.



# Section 10

## The Next Step - Planning your Exit from The Business



If you simply close the doors of your business you will get nothing for the value of your goodwill; indeed you may end up having to pay off outstanding liabilities e.g. under a lease.

It can be better to sell or transfer the business; your business is likely to be worth something to someone else. You should be aiming to make that value as high as possible.

It is never too early to work out your strategy for exiting your business. Recent surveys highlight poor succession planning in the UK and sellers who have not prepared get less for their businesses than those who do, or who can't find a buyer at all. A buyer might make an offer now, but two years is the usual time frame for a successful sale. Changes you need to make cannot be achieved overnight, so it is essential to plan ahead.

The following provides a brief overview to effectively pass on the business to others and succession planning - the process for identifying and developing potential future leaders or senior managers, as well as individuals to fill other business-critical positions.

### 10.1 Passing the Business on

Many business owners view their business as their retirement fund or a nest egg for their children. However, your business is not the only way you can provide for your family and there will come a time when you have to decide what you wish for the future.

You will need to take into account both management and ownership of the business and look at the alternatives - to pass the business on or to sell it.

Most people find that it takes at least couple of years to prepare. Although it is possible to pass a business on at short notice, it can take several years to handle activities such as grooming your successor effectively. The sooner you can discuss your plans with your advisers, the better.

### 10.2 What are the main areas I need to plan?

These may include:

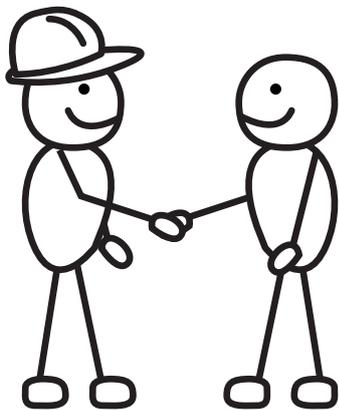
- whether you want to retain any investment in the business
- whether you want to realise any capital from the business and whether the business needs to raise additional financing to allow for this
- how ownership of the business will be shared between yourself, your spouse, your children and any other owners
- how any transfers of shares or assets can be arranged tax-efficiently
- who will manage the business, including whether you will have any future role in management
- grooming your chosen successor and planning the handover of control

Other questions you need to ask include the following:

- Is it a good idea to pass the business on to the family?
- What alternatives do I have to passing the business on to the family?
- When should I pass the business on?
- How can I share ownership among several children?
- How can I share control among several children?
- How can I treat my children fairly if some work in the business and some do not?
- What can I do if my successor is not ready to take control?
- Am I free to choose whoever I like to be my successor?
- How do I groom a family successor?
- Who should be involved in succession planning?
- What are the most common problems in a family succession and how can we minimise the risks?
- Should I stay on as an adviser after I retire?
- Should I retain a financial interest in the business after I retire?
- How can I pass the business on to my children but protect my spouse?
- What is the best way to take money out of the business as part of passing it on?

## 10.3 Succession planning and Identifying needs

Succession planning is essential to ensure that your business continues to thrive when you step aside. A planned programme will reduce disruption and will ensure that you have the right people, with the right skills, to take the business forward.



Whilst it may be simply seen as an attempt to identify someone to fill your shoes, this can sometimes be the wrong approach, particularly in growing businesses with changing leadership needs.

Succession planning should be linked in to your business strategy. More broadly, management succession gives you an opportunity to think about the overall management structure and culture of your business.

As part of succession planning you should identify any key values and business priorities you want the business to retain. Even after the management succession, you are likely to have a continuing emotional – and perhaps financial - attachment to the business.

### 10.4 Succession planning and management development

Effective succession planning starts years in advance, giving you time to develop a successor with the right skills and experience.

As part of the management succession process, you may want to consider giving potential successors exposure to different experiences – for example, working in different areas of the business.

As the time of the management succession approaches, you should take steps to ensure that your successor develops personal relationships with key customers, suppliers and other contacts that you have built up over the years.

## 10.5 Succession planning – broader issues

Succession planning typically focuses on identifying and developing an internal successor. This approach to management succession helps retain a strong company culture and motivate employees who see the opportunity to progress. It can however also risk leaving the business inward-looking.

As part of your succession planning process, it may be worth considering whether an external appointment might make sense – and if so how to plan for it. You should also decide whether to identify and develop a single successor or several potential candidates

You will also need to think carefully about the handover of control during the succession. While it may help to work together while your successor is shown the ropes, you need to commit to stepping aside sooner rather than later. Work towards a planned succession deadline and think carefully about any continuing consultancy role you might retain – will you be adding real value or just interfering?

At the same time as planning the management succession, you should identify any other areas of the business that need tidying up before you go. Informal arrangements that worked while you are in charge may no longer be suitable. For example, you may need to clarify which assets belong to the business or to you personally.

No matter how large or small the business is, it is a complex area where expert advice is essential.

**Note: Whilst every effort has been made to ensure the accuracy of advice given, the BWF cannot accept liability for loss or damage arising from the use of the information supplied in this publication.**

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# Appendix A

## Benefits of BWF Membership

The BWF focuses on helping companies manage risk via four key areas of service:

- R Representation** – exerting influence and providing a voice for the sector
- I Information** – access to our library of publications and online resources
- S Sales Leads and promotion** – built on the foundations of our code of conduct
- K Know-how** – helplines manned by recognised experts

The BWF exists to help members trade more profitably. Ticking the right boxes, its key aims include:

- Providing a strong and unified voice for the UK wood working industry
- Delivering cost effective support to members in the management, promotion and development of their businesses
- Developing the BWF brand and that of our schemes to be synonymous with quality manufacture and compliant products
- Recognition as the leading authority on wood working in the UK
- Ensure that BWF is financially robust and has a growing engaged membership
- Leading the UK Wood working industry towards improvement in quality, standards and innovation

### A tick in all the right boxes

<p><b>Representative work</b> A powerful voice for the woodworking sector, affecting change for you</p> <ul style="list-style-type: none"> <li>A voice on regulatory change <input checked="" type="checkbox"/></li> <li>A voice on product issues <input checked="" type="checkbox"/></li> <li>Technical and technical standard matters <input checked="" type="checkbox"/></li> <li>Promotion of timber products <input checked="" type="checkbox"/></li> <li>FREE Membership of the Construction Products Association <input checked="" type="checkbox"/></li> <li>FREE Membership of the National Specialist Contractors Council <input checked="" type="checkbox"/></li> </ul> <p><b>Technical Support</b> Developing standards and providing technical advice and support</p> <ul style="list-style-type: none"> <li>Technical consultancy (via helpline) <input checked="" type="checkbox"/></li> <li>In-depth technical consultancy (surcharges may apply) <input checked="" type="checkbox"/></li> <li>Access to BWF technical meetings <input checked="" type="checkbox"/></li> <li>Access to online technical library (e.g. Guide to CE Marking, EUTR etc.) <input checked="" type="checkbox"/></li> <li>Environmental advice via helpline, online training and access to the groundbreaking TREP initiative <input checked="" type="checkbox"/></li> </ul> <p><b>Promotion</b> Benefit directly from BWF promotion of the UK Joinery sector</p> <ul style="list-style-type: none"> <li>Opportunity to promote your business as Code of Conduct Compliant <input checked="" type="checkbox"/></li> <li>Listing on BWF Joinery Directory <input checked="" type="checkbox"/></li> <li>Inclusion in Buyers Guides <input checked="" type="checkbox"/></li> <li>Referrals from BWF Technical helpline <input checked="" type="checkbox"/></li> <li>Promotion at appropriate exhibitions and events <input checked="" type="checkbox"/></li> </ul> <p><b>Market research</b> Vital information and market data, helping you to make informed decisions</p> <ul style="list-style-type: none"> <li>Quarterly State of Trade Survey <input checked="" type="checkbox"/></li> <li>Benchmarking work <input checked="" type="checkbox"/></li> <li>Construction market updates from leading experts (CPA, NSCC and others) <input checked="" type="checkbox"/></li> </ul>	<p><b>Business Support &amp; Network</b> Advice and reassurance from the BWF team and leading professional advice brands</p> <ul style="list-style-type: none"> <li>Updates on regulations affecting you <input checked="" type="checkbox"/></li> <li>Access to the <i>BWF Business Toolkit</i> (e.g. Template contracts, T&amp;Cs, FPC) <input checked="" type="checkbox"/></li> <li>Free Business Audit when you join <input checked="" type="checkbox"/></li> <li>Dispute resolution via Code of Conduct Processes <input checked="" type="checkbox"/></li> <li>Access to BWF Regional Meetings and 1 free ticket to BWF Members Day, the UK's largest woodworking conference <input checked="" type="checkbox"/></li> <li>Discounts on <i>BWF Toolkit</i> Services (e.g. Chain of Custody, u-values and simulations, QMS) <input checked="" type="checkbox"/></li> <li>Dedicated contractual advice helpline <input checked="" type="checkbox"/></li> <li>Dedicated employment law helpline <input checked="" type="checkbox"/></li> <li>Dedicated taxation helpline <input checked="" type="checkbox"/></li> <li>Dedicated Health and Safety helpline <input checked="" type="checkbox"/></li> <li>H&amp;S and Employment manuals <input checked="" type="checkbox"/></li> <li>Procurement and tendering support <input checked="" type="checkbox"/></li> <li>Free credit checking service <input checked="" type="checkbox"/></li> <li>Health and Safety framework support <input checked="" type="checkbox"/></li> <li>Insurance and Risk Management advice and support <input checked="" type="checkbox"/></li> </ul> <p><b>Training Support</b> Developing standard and providing technical advice and support</p> <ul style="list-style-type: none"> <li>Qualification development <input checked="" type="checkbox"/></li> <li>Grant finding support <input checked="" type="checkbox"/></li> <li>Access to BWF Continuing Professional Development scheme <input checked="" type="checkbox"/></li> <li>Membership of the WIT Forum <input checked="" type="checkbox"/></li> <li>Free online training (e.g. Waste Management, General Joinery) <input checked="" type="checkbox"/></li> <li>Bespoke training packages <input checked="" type="checkbox"/></li> <li>Discounted training from 3<sup>rd</sup> parties <input checked="" type="checkbox"/></li> </ul> <p><b>Promotional Schemes</b> BWF operate and manage a number of promotional schemes: the Wood Window Alliance, BWF Stak Scheme the Fire Door Inspection Scheme and BWF-CERTIFIRE Fire Door &amp; Doorset Scheme</p>
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