

## ***GEOGRAPHY IS THE BUSINESS!***

### **SECTION 2**

#### **Economic Regeneration in the Rotherham Area**

##### ***Geography to the rescue?***

#### **Background (teacher & student)**

Many problems were caused when the collieries and linked industries closed down in the Rotherham area of South Yorkshire. The closures reached a peak in the late 1980s but the problems did not end there, and continued to affect the area into the new millennium. Up to the time of their closure these local industries employed thousands of local people.

Most of the workers who lost their jobs were men and many of these men had families that depended on them to provide an income. The Dearne Valley area was particularly badly affected by the closures as there were few alternative sources of employment in the area.

The nearest big city to the Dearne Valley is Sheffield, but that was some distance away and suffering its own problems with declining orders for steel and related products. Nationally new jobs were being created in high-tech industries involving electronics, but it was very difficult to attract these away from areas like **Cambridge** (an area called 'Silicon Fen') and along the M4 (west of London) and to come to places like Rotherham.

**The following activities will enquire into the impacts of the changing economy of the Dearne Valley area**



[View Larger Map](#)

**TASK 1: Identify *three* of the main problems caused by the closure of collieries and linked industries in the Rotherham area towards the end of the 20<sup>th</sup> Century.**

## Help for local companies

Dean Hughes works for the Rotherham Investment and Development Office (RIDO) and part of his job is to attract new businesses, and therefore work opportunities, into the Rotherham area. Bringing the area back to life with regard to business and better employment prospects is a key part of REGENERATION. Few companies today employ hundreds of workers so it is important to attract as many different businesses as possible providing jobs for men and women. The need is for an increasingly skilled and well-educated workforce so education plays a crucial role in preparation for the new work opportunities.



We interviewed Dean about his career so far:

*"I did Geography at GCSE, then studied for a BTEC National Diploma in Computer Studies and an A/S in Statistics. In 1998 I went to Sheffield Hallam University to do a Computing: Software Engineering degree. I worked in my third year on a placement at an engineering Company. While at University I also ran internet advertising campaigns on two sites I owned. After leaving University I worked first for a digital publisher in Doncaster and later worked for an insurance company.*

*In 2006 I got a job with Rotherham Council IT department working with databases, then moved to my current role at RIDO as a Research and Database Coordinator in the Business Development Team.*

*I've always had a keen interest in Geography and it's especially useful in my present job as the Council holds a lot of data which I have to be able to map geographically.*

*Three examples of this are:*

- 1. We hold a database of available commercial properties within the borough which can be easily plotted onto a map, this is especially useful for our customers as they are not all familiar with the borough*
- 2. We have mapped the home addresses of each of the tenants at our four business centres, which enables us to analyse commuting patterns and also target our marketing strategies;*
- 3. Using Geographical Information Systems such as Google Earth, we are able to overlay development plans on top of aerial photos, which give us a clear picture of how the local regeneration projects are affecting the area."*

### HOT TOPIC

Find out more about Geographical Information Systems (GIS), an area which generates a lot of jobs  
[www.geography.org.uk/resources/gisstartshere](http://www.geography.org.uk/resources/gisstartshere)

Through the work of people like Dean a range of different businesses have been attracted to the Rotherham area helped by financial support from the British Government as well as the European Union.

[www.geography.org.uk/resources/careers](http://www.geography.org.uk/resources/careers)

## Specialist and non-specialist industries

*Call centres* provide employment for relatively large numbers of people and as such are especially important if they do locate in the area. Other businesses require far fewer workers but with much more *specialised knowledge and skills*.

The two case studies that follow will enable you to find out more about one very high-tech metal-using company that has located in Rotherham and about the process involved in the decision to locate a call centre in the Dearne Valley area of Rotherham.

### CASE STUDY 1: METALYSIS

Metalysis is a young and dynamic company. It uses the latest technology to produce high value, specialist metals. You will find out more about the company by accessing their website: [www.metalysis.com](http://www.metalysis.com)

**TASK 2: Complete the FactFile below look particularly at the 'About Us', the 'History' and the 'Products and Applications' sections of the website.**

#### FACTFILE ON METALYSIS

Metalysis was founded in ..... by the University of ..... In 2005 it raised

£..... of finance and moved its operation to .....

It uses a new industrial process to greatly reduce the operating costs of producing specialist metals and alloys like ti....., tan..... and tun.....

Since 2006 the company has grown from 3 to .... employees.

Compared to the present methods used to make metals, the new FFC Process has a lower ..... footprint and so is more sustainable.

Harry Pepper is part of the Senior Management team at Metalysis.

When Harry was asked about the importance of geography to his company he said:

*'It is important in our business to have **some geographical understanding and knowledge** as we need to buy our **metal oxides** from all over the world and it's essential on the buying side that our people have some knowledge of where countries are and what the local beliefs and customs are.*



*It helps to be able to empathise with the person at the other end of the phone. At our premises we have scientists from China, U.S.A., Malaysia, Italy and other parts of Europe. They have permanent jobs and live here in England.*

*As a high-tech company we employ skilled labour and we have an average salary of £35,000 per year. We take our human resources from the best possible, wherever it might be. Obviously there are some local individuals here as well and with an international workforce it helps the business if people think globally. Geography helps them to do that.*

*We produce two materials: titanium and tantalum.*

*Tantalum is used in capacitors to make things like mobile phones and is sold mainly to the Far East where capacitors are made. We have a growing sales team that will focus on marketing in that area. People who understand which areas of China we are talking to and which areas of Japan, politically, geographically etc. it is going to help.*

*We sell titanium to U.S.A. and countries in Europe and around the world. There is an awful lot of general knowledge you pick up from Geography that will help in many areas of business. It is invaluable in a general rounded education. Sometimes we employ younger people who do not have that general, rounded education and can be very insular in their outlook. Geography, History and English all provide critical skills that I would like to see people have.*

*We moved to Rotherham from Cambridge for three reasons:*

- Firstly the cost of buildings in this area is a lot cheaper than in the South-East of England. We got a building here for £55,000 that would cost us £250,000 in Cambridge (rent per year).*
- Secondly, this was an especially good area for getting Government and EU grants.*
- Thirdly, we were attracted by the skills-base of local workers, there was plenty of experience of working with iron and steel, specialist steels and engineering solutions. Here we have a skills-base we can build on. I have been amazed at how welcoming South Yorkshire has been to Metalysis. They see us as part of the solution to restoring some of the industrial greatness of the area. I love the fact that we are in this area and will be to expand and help the recovery of the area. It is quite remarkable to notice the number of scientists we have who grew up in the Sheffield area, have studied Sciences and got their PhDs had to leave the area to get jobs in the South East corner and now we have recruited them back into the area. That is great - people are proud to be from this area.*

*Titanium is an awesome material, it is half the weight of steel but the same strength as steel and it just does not corrode. Aeroplanes and ships could be made of it and being much lighter would be more energy efficient. At the moment to produce titanium involves a number of dangerous processes. However at the moment because of the awful process involved in making titanium, it is really expensive.*

*(Titanium costs about \$50 a kilo, compared to \$1 for steel and \$3 for aluminium at present).*

*At Metalysis we ... can make titanium in a much more environmentally friendly way and bring the cost down by about 50%. This could revolutionise the market for titanium and make huge changes to where it is produced in the world. With so much electricity needed to produce titanium in bulk it would be good to use environmentally friendly energy sources like HEP in Norway and geothermal energy in Iceland. Eventually it would make sense to move production closer to the titanium oxide mines as 40% of what is mined is waste so you do not really want to transport that far.*

*We plan to have a small titanium/tantalum factory here in Manvers producing under 1,000 tonnes a year, particularly to improve techniques.*

*We are increasing the size of our operation soon with a mix of experienced engineers, process and operations managers and local operators to work the kit as much as possible, working 24 hours a day in shifts.*

► [Listen to a longer version of the interview with Harry](#)

**TASK 3:** Read through the interview with Harry Pepper, looking for mentions of how *Geography*, with its focus on place and location, plays such an important part in the business decisions that Metalysis makes.

Imagine that you are a journalist who has just interviewed Harry for a magazine which is intended to attract new industry to the Dearne Valley area.

You need to turn the interview into a short article, which includes the following sections:

- a) What does the company do?
- b) Why was geography important in the decision to locate in the Dearne Valley?

## CASE STUDY 2: CHOOSING A LOCATION FOR A CALL CENTRE IN NORTHERN ENGLAND

**OMIS RESEARCH** is a real company located in Oxfordshire that provides specialist location advice for companies setting up for the first time or re-locating.

*For this activity you are going to be making decisions as if you worked for OMIS. You are going to be helping a company called PORT@L Limited.*

**PORT@L LIMITED** is a market leader in UK 'contact centre hosting' (which means *call centres!*)

Port@l asked Omis to look at four sites in three locations and provide relevant information so that a client could make a decision on the location for a major new call centre.

A call centre is a building which houses a large number of people who answer and make telephone calls. These might be for customer services e.g. a complaint or helpline, or to handle accounts for insurance companies, banks etc. These may be located in other countries, where the wages are lower.

Image © Vitor Lima



A new 600 seat call centre was required in a single location for inbound and outbound sales.

The client had identified four possible locations and asked OMIS to evaluate them paying particular attention to the following:

### **WORKFORCE** (People to work at the call centre)

What was important here was:

- current staff availability
- skills that people had
- suitable experience that people had

### **COSTS**

What was important here was:

- salaries and bonuses that would have to be paid

### **COMPETITION**

- whether there were other local businesses, particularly call centres

The 4 possible locations were:

**The Dearne Valley**  
**Manchester city centre**  
**Hulme in Manchester**  
**Tinsley in Sheffield**

*It might be a good idea to find these locations using a map*

For **Workforce** the client decided the key measures were:

- (1) Potential workforce living within 30 minutes travel time of the location(s)
- (2) Current labour pool (number of available people to recruit from)
- (3) Willingness to work part-time
- (4) Present /past work experience in sales / telesales
- (5) Present /past work experience in customer service
- (6) Willingness to work weekends / evenings / shift work

For **Labour** the key measures were:

- (7) Annual average earnings for permanent, full-time, call centre-based telemarketing staff.
- (8) Annual average earnings for permanent, full time, call centre-based customer service agents.

For **Competition** the key measures were:

- (9) Number of established call centre operators.
- (10) Sector *saturation* \*
- (11) Staff *attrition* \*\*
- (12) Presence of other service sector establishments / call centres

*\* Are there many potential employees in the area or are most of them already working in existing call centres in the area.*

*\*\* Based on other similar call centres in the area, how many staff have not lasted a year.*

**When OMIS conducted its survey it counted Manchester city centre and Hulme as the same because they were so close together.**

On the **LOCATION MATRIX**, which you will be given, you can see the results of OMIS 's survey based on the 12 key measures listed above.

The numbers used above appear on the matrix, so you may need to refer to this sheet.

A blank copy of the matrix is also provided so that you can add extra notes as you look at each of the locations and add your answer.

## **ACTIVITY**

- Having made your choice of location for the new call centre you now need to explain it to your client: Port@l Limited.
- Refer to the information in the matrix and particularly to those parts of it that show most clearly why have made your choice.
- You may choose to illustrate your report with a few charts or graphs to highlight the key data.
- You may produce your report on this sheet or produce it on a computer, it is your choice.

## REPORT FOR PORT@L LIMITED

REASONS FOR CHOOSING ..... AS THE LOCATION FOR NEW CALL CENTRE

Further information on OMIS can be found at [www.omis.co.uk](http://www.omis.co.uk)

Further information about PORT@L LIMITED can be found at [www.portal-centres.com](http://www.portal-centres.com)