



# Manufacturing Barometer Results:

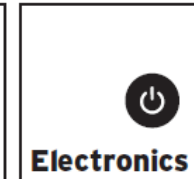
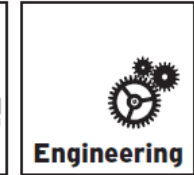
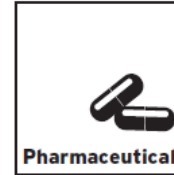
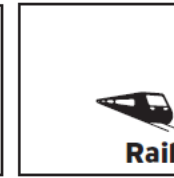
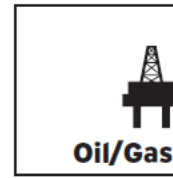
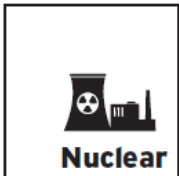
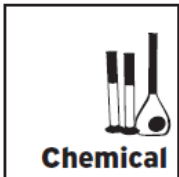
## South West

Q3 (October, November and December 2016)  
Surveyed in January/February 2017

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# UK Industrial Strategy – Is the UK doing enough to build its reputation as a stable and predictable business environment?

- Introduction
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# Introduction



**Simon Howes**  
Managing Director  
SWMAS Group

**Welcome to the latest Manufacturing Barometer collecting the results, views and opinions of manufacturing SME's.**

Senior decision makers within small and medium sized manufacturers have shared their views on UK Industrial Strategy and whether the UK is doing enough to build its reputation as a stable and predictable business environment.

## **The Core Trends**

SME manufacturers across the South West have remained resilient with 57% of firms experiencing an increase in sales turnover in the past six months, up from 45% in the last survey, and 5% up from the same period last year. There has also been a noticeable jump in future turnover expectations, increasing from 56% last quarter to 68% .

Investment over the past 6 months in both new technology and new machinery have remained even with only a 1% increase since the previous quarter, however, firms are forecasting increased investment within the next 6 months, with 50% expecting to increase their spend, compared to 43% last quarter.

Finally, there has been a slight dip in the number of firms expecting to increase employment in the next six months, decreasing from 48% last quarter to 46%. However, this percentage shows there is still a significant number of businesses looking to recruit, which is good news for the sector and for the UK economy as a whole.

## **The Special Focus**

In this quarter's survey we sought to understand SME manufacturers thoughts on UK Industrial Strategy.

**Continued Overleaf...**



# Introduction



**Simon Howes**  
Managing Director  
SWMAS Group

Perhaps the key finding is that a surprising 47% of respondents, don't know whether UK Industrial Strategy is built to deliver their business needs, clearly showing there is a lack of visibility and understanding amongst SME manufacturers within the South West.

When asked what *should* be the main focus for UK Industrial Strategy, R&D and Productivity were clearly high on the priority list for businesses, closely followed by Operational Skills and Export.

## **Conclusions**

The overall picture seems clear - although remaining resilient, South West SME manufacturers are feeling disconnected from Industrial Strategy and considering SMEs make up over 90% of businesses in the UK, it is an issue that needs addressing. The budget – with additional money for disruptive technology and new T-Levels to boost technical skills – showed there is an appetite to support manufacturing and we'd urge Government to listen to SMEs as we move forward.

*“To update, modernise and improve productivity on the back of a buoyant and profitable business”*  
**Vicaima**

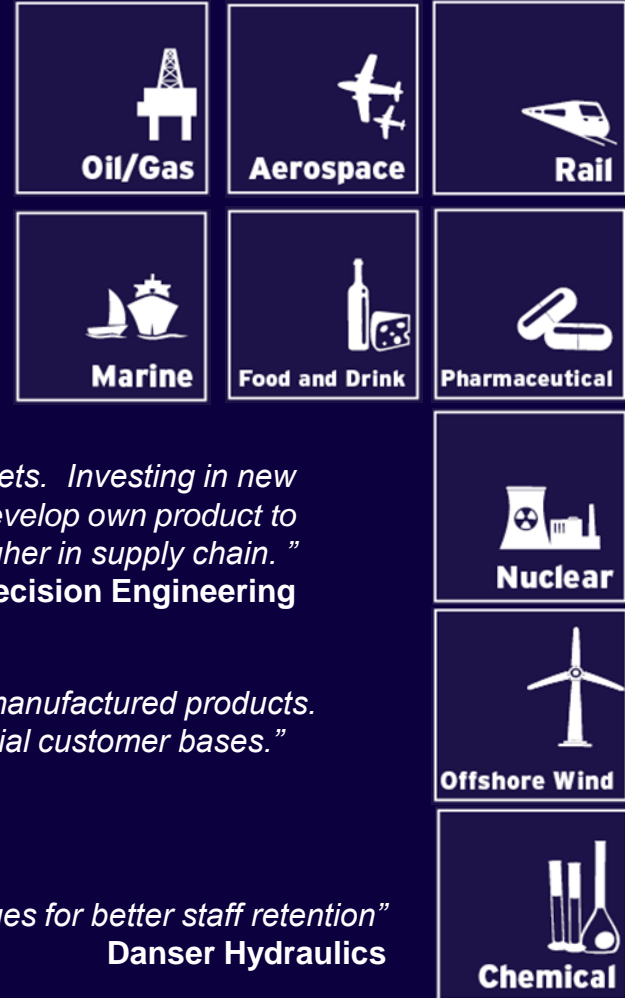
*“Grow into purchased Unit within 5 years and develop knowledge base staff skills.”*

*“5 year growth plan to treble turnover. Invest in smaller similar businesses to help with growth where there are good products but little management skills”*

*“Growth in current markets. Investing in new technology for growth and develop own product to reduce risk from higher in supply chain. ”*  
**Groveley Precision Engineering**

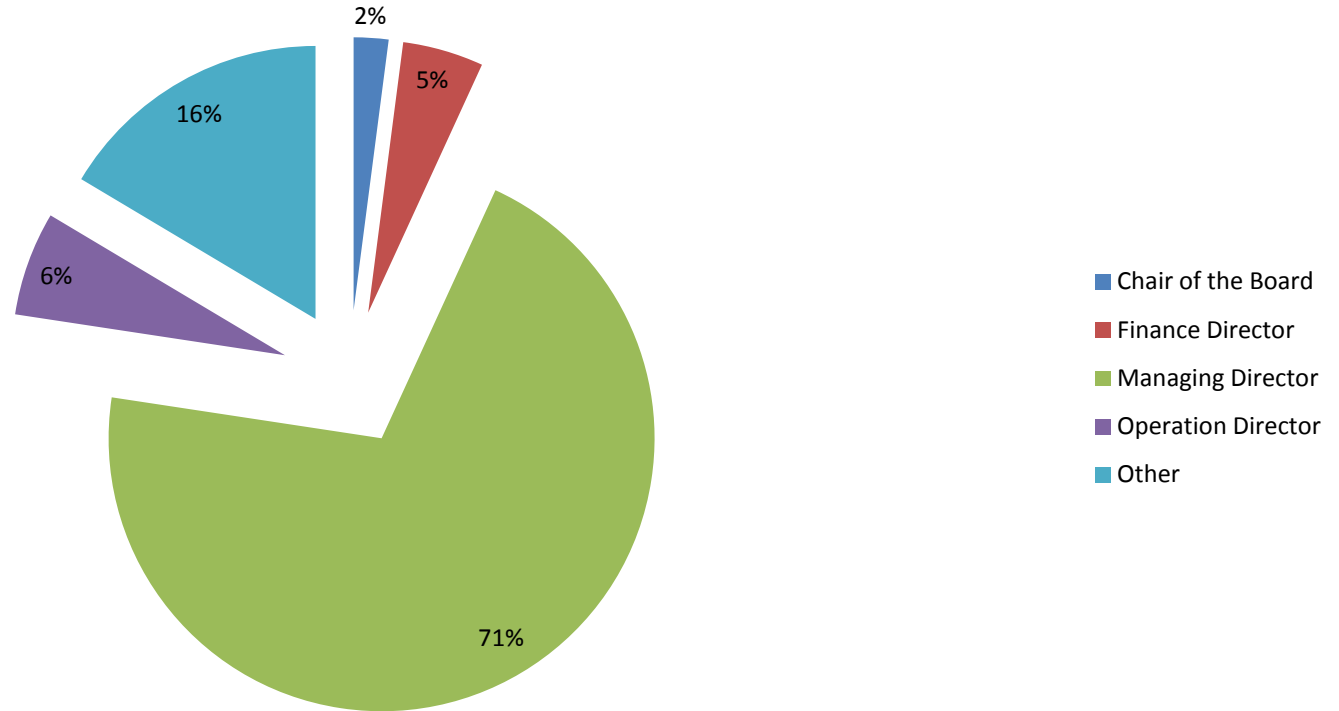
*“Increase growth through offering a wider range to complement our in house manufactured products. Chase export potential more aggressively, while also investigating local potential customer bases.”*

*“Employ more people on higher wages for better staff retention”*  
**Danser Hydraulics**



# Business Aspirations

## Survey Demographics

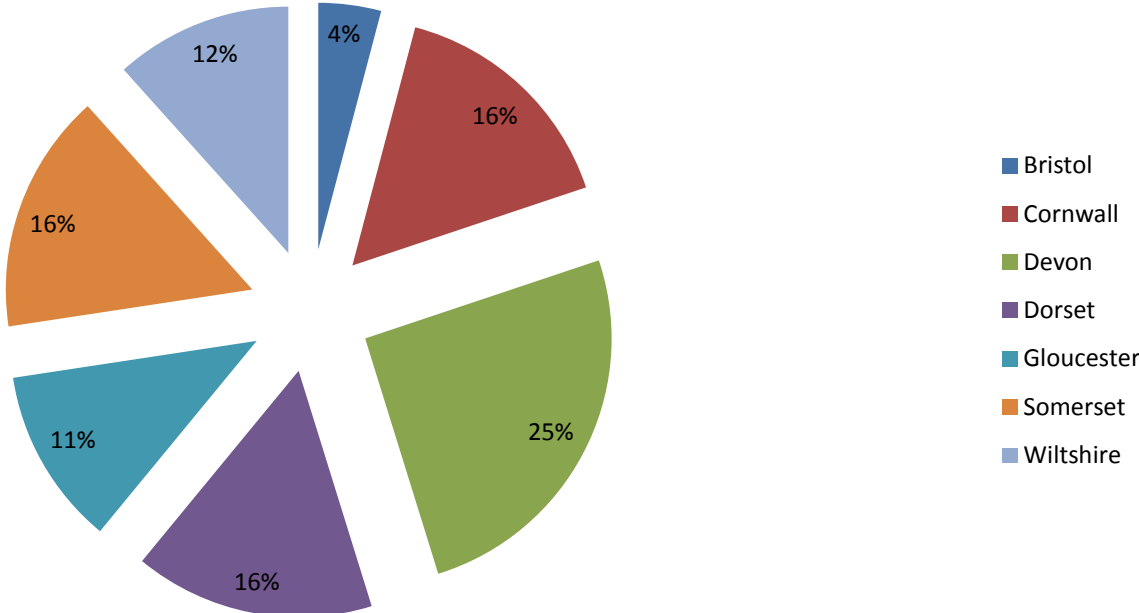


**Over 71% of respondents were managing directors.  
Individuals who are in the business, hands-on, running it day-to-day.**

146 Respondents

# Survey Demographics

## Regional breakdown

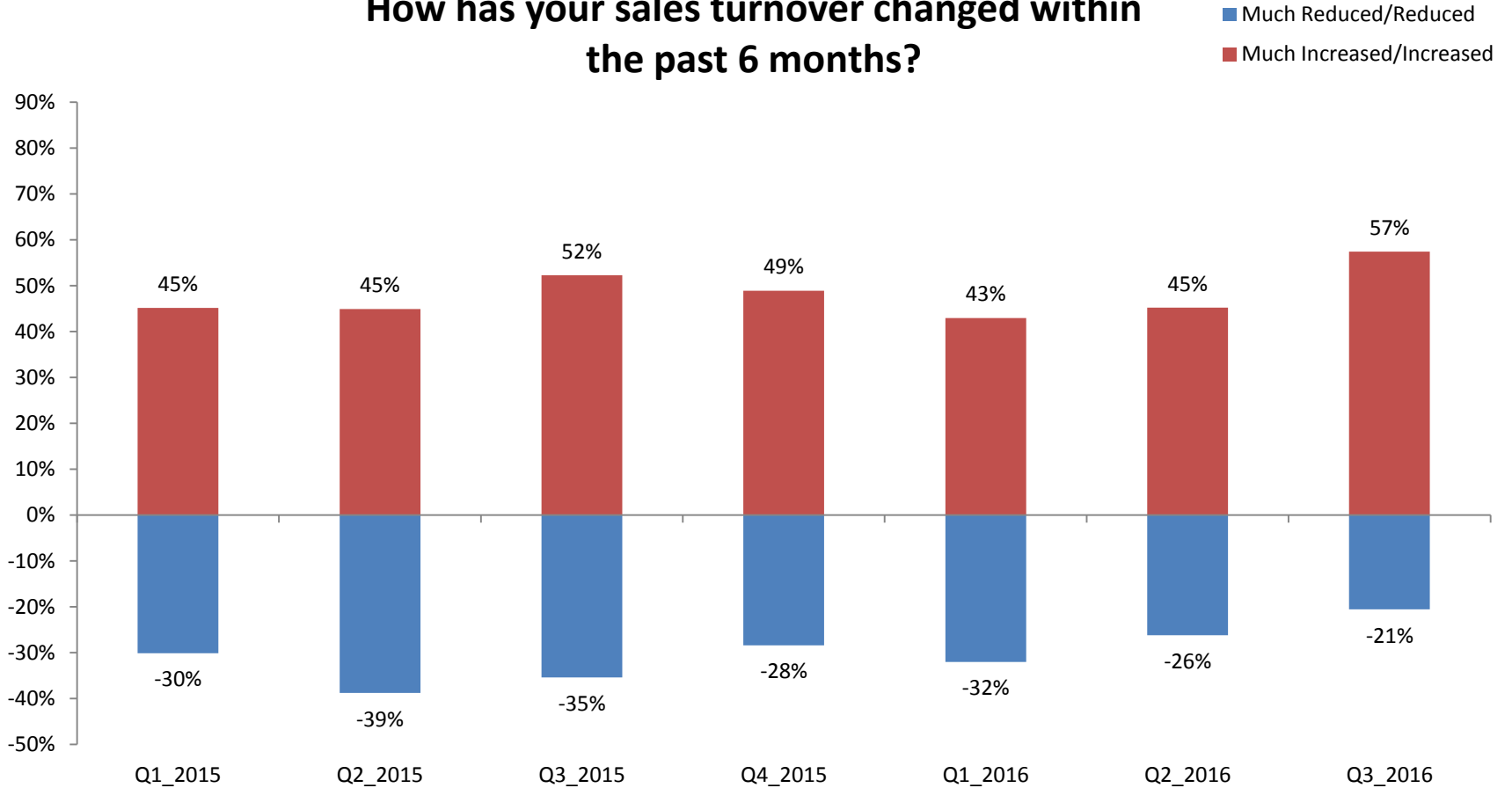


146 Respondents



# Past Sales

## How has your sales turnover changed within the past 6 months?



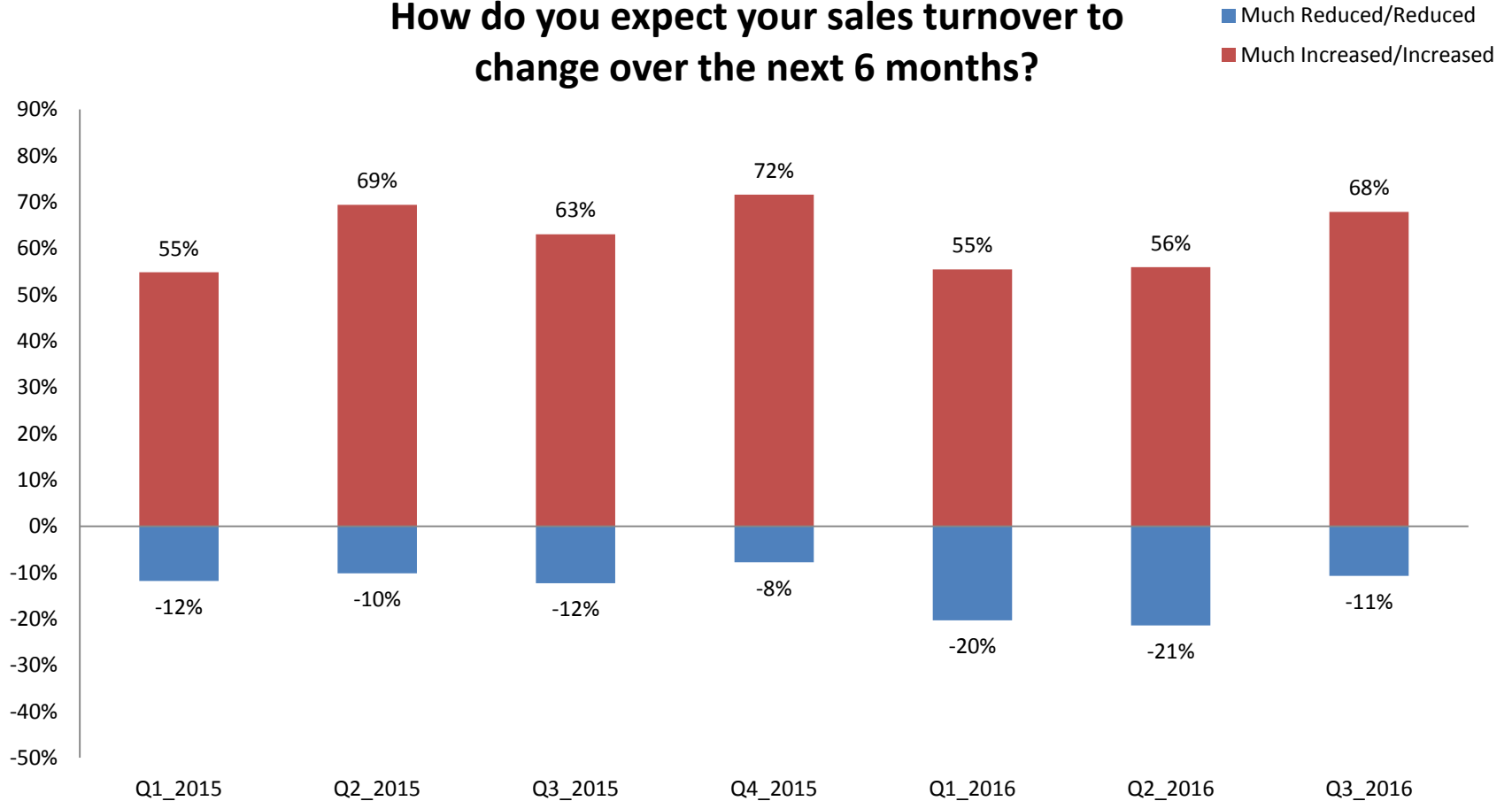
141 Respondents





# Future Sales

## How do you expect your sales turnover to change over the next 6 months?

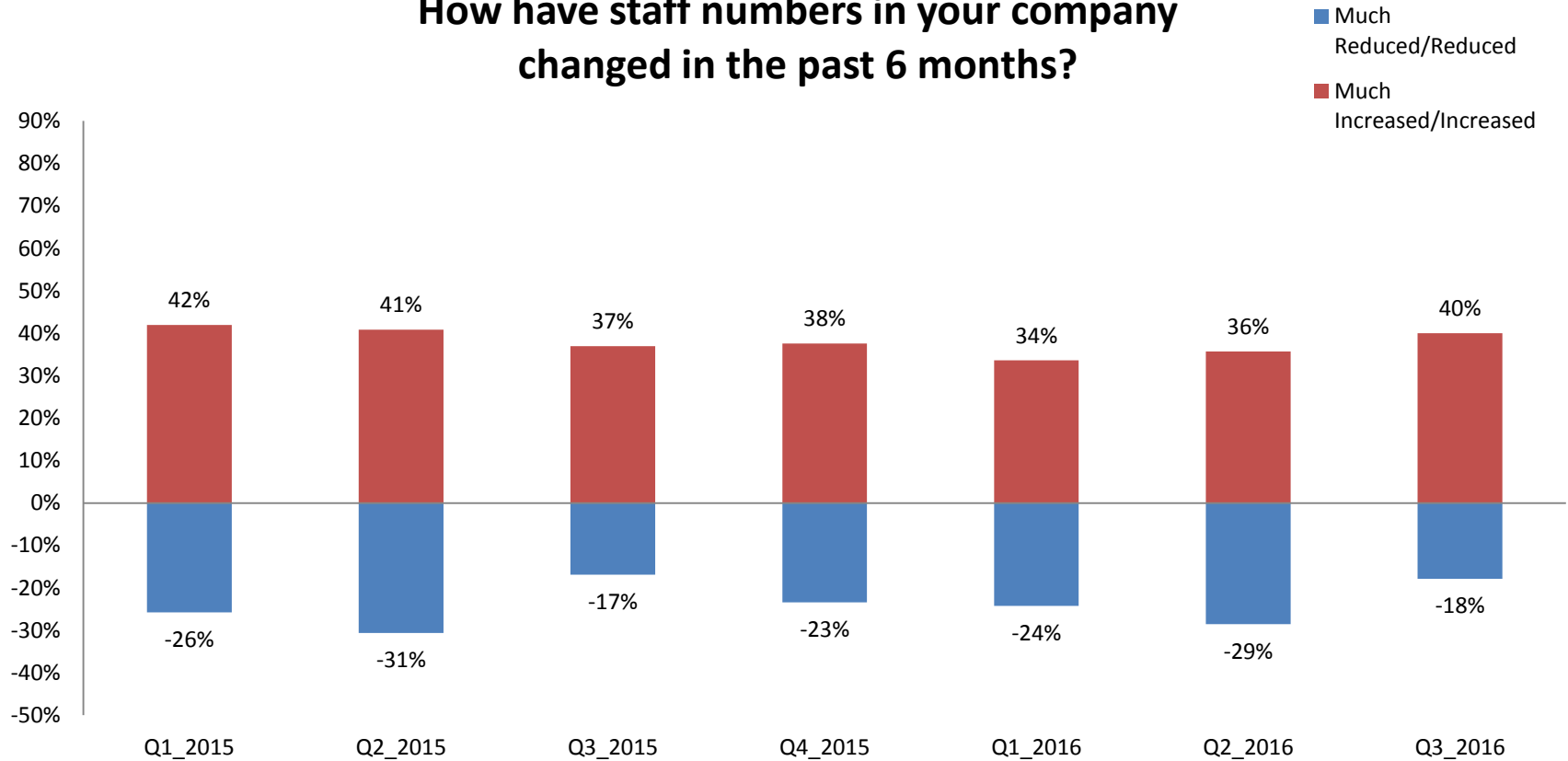


140 Respondents



# Past Employment

## How have staff numbers in your company changed in the past 6 months?

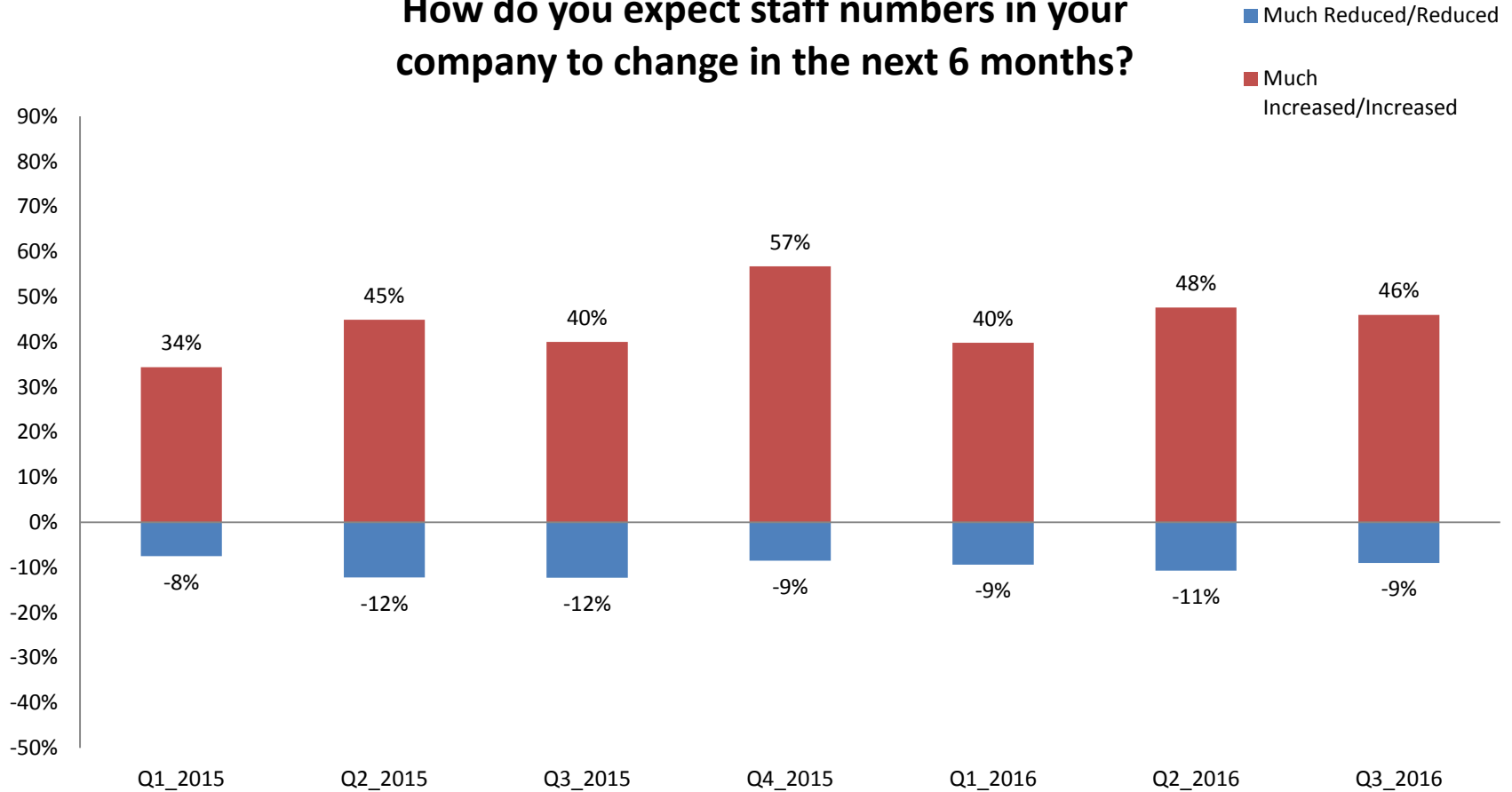


140 Respondents



# Future Employment

## How do you expect staff numbers in your company to change in the next 6 months?

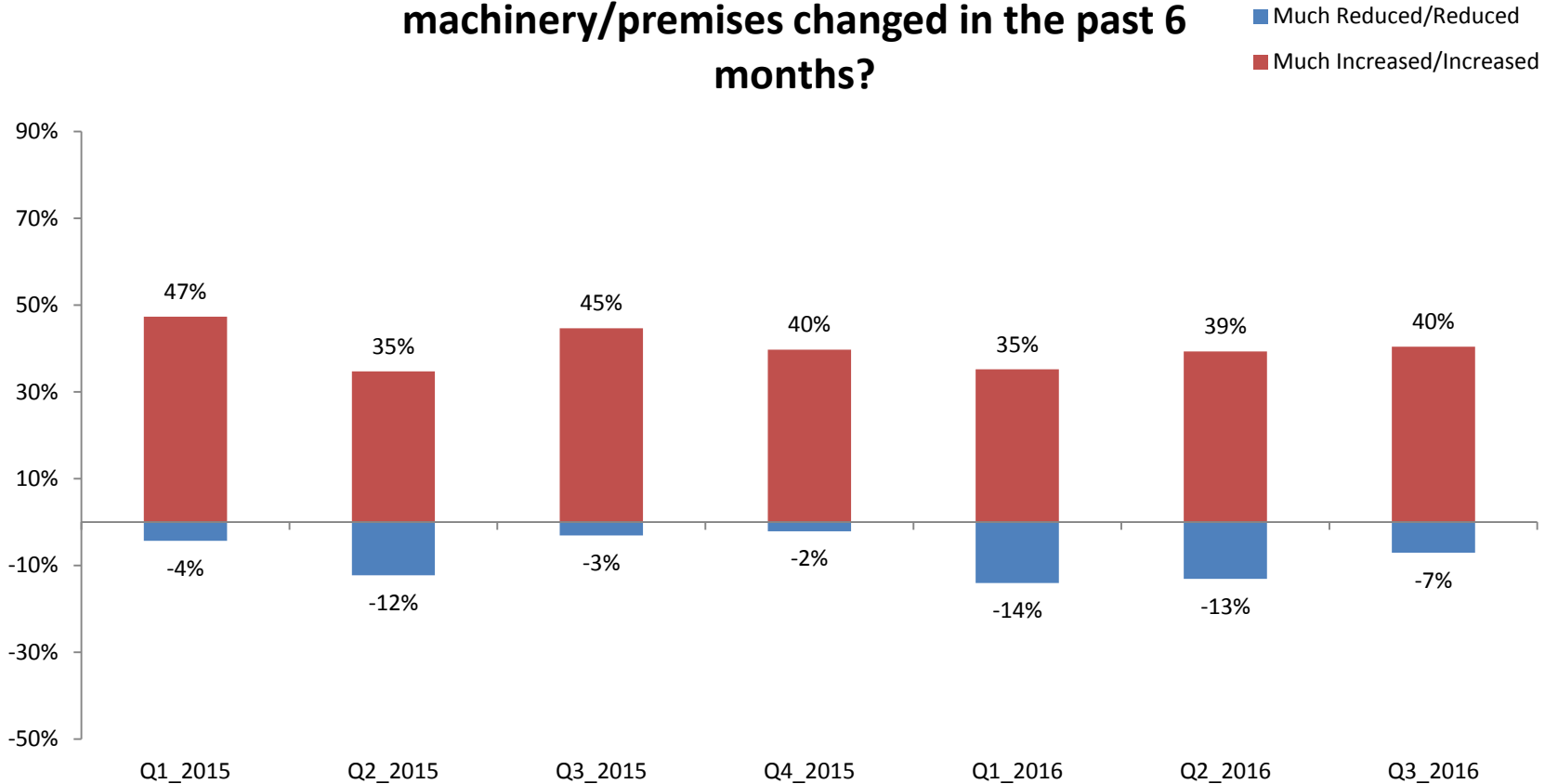


141 Respondents



# National Past Capital Investment

How has your investment in new machinery/premises changed in the past 6 months?

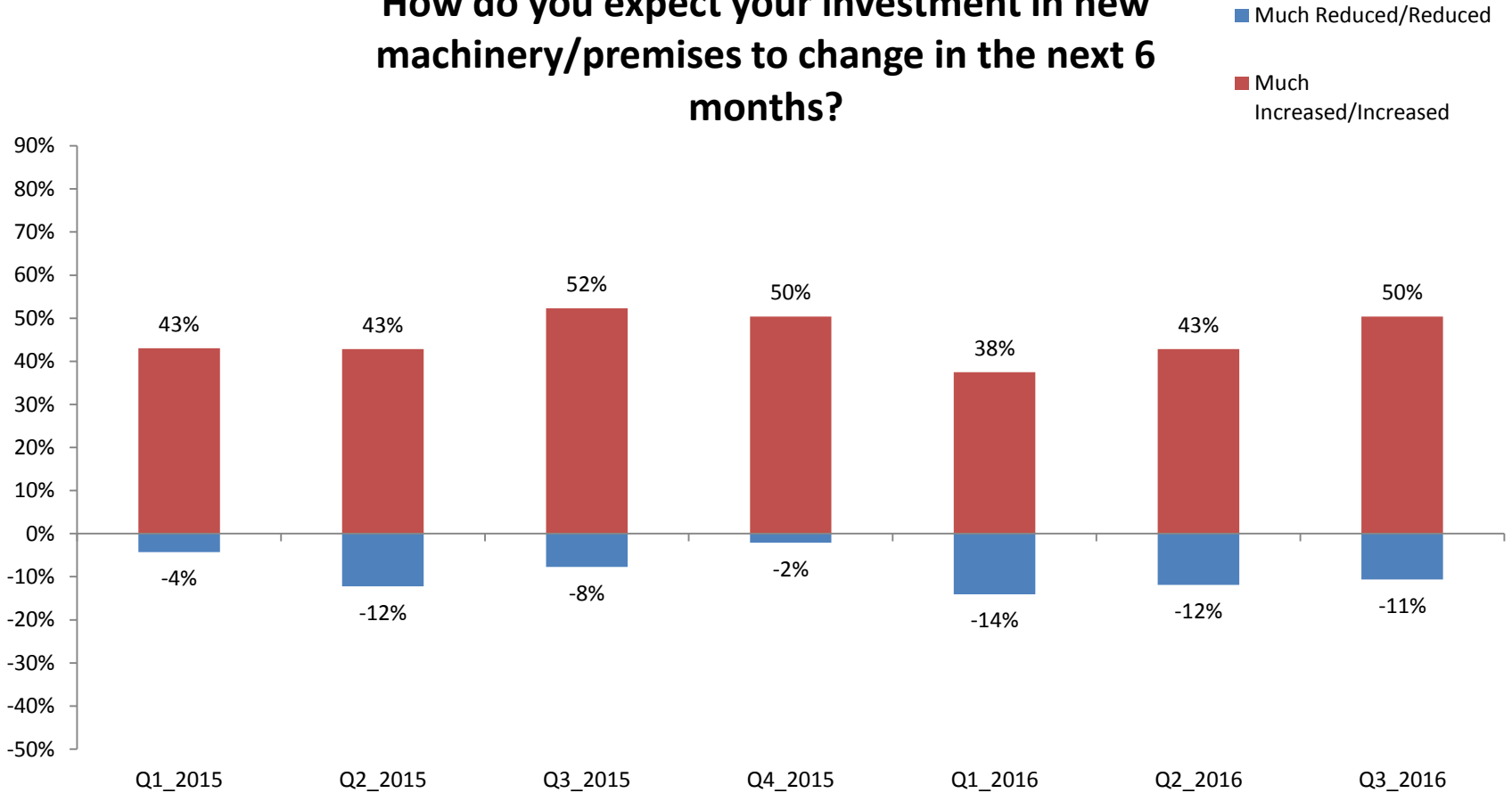


141 Respondents



# National Future Capital Investment

How do you expect your investment in new machinery/premises to change in the next 6 months?



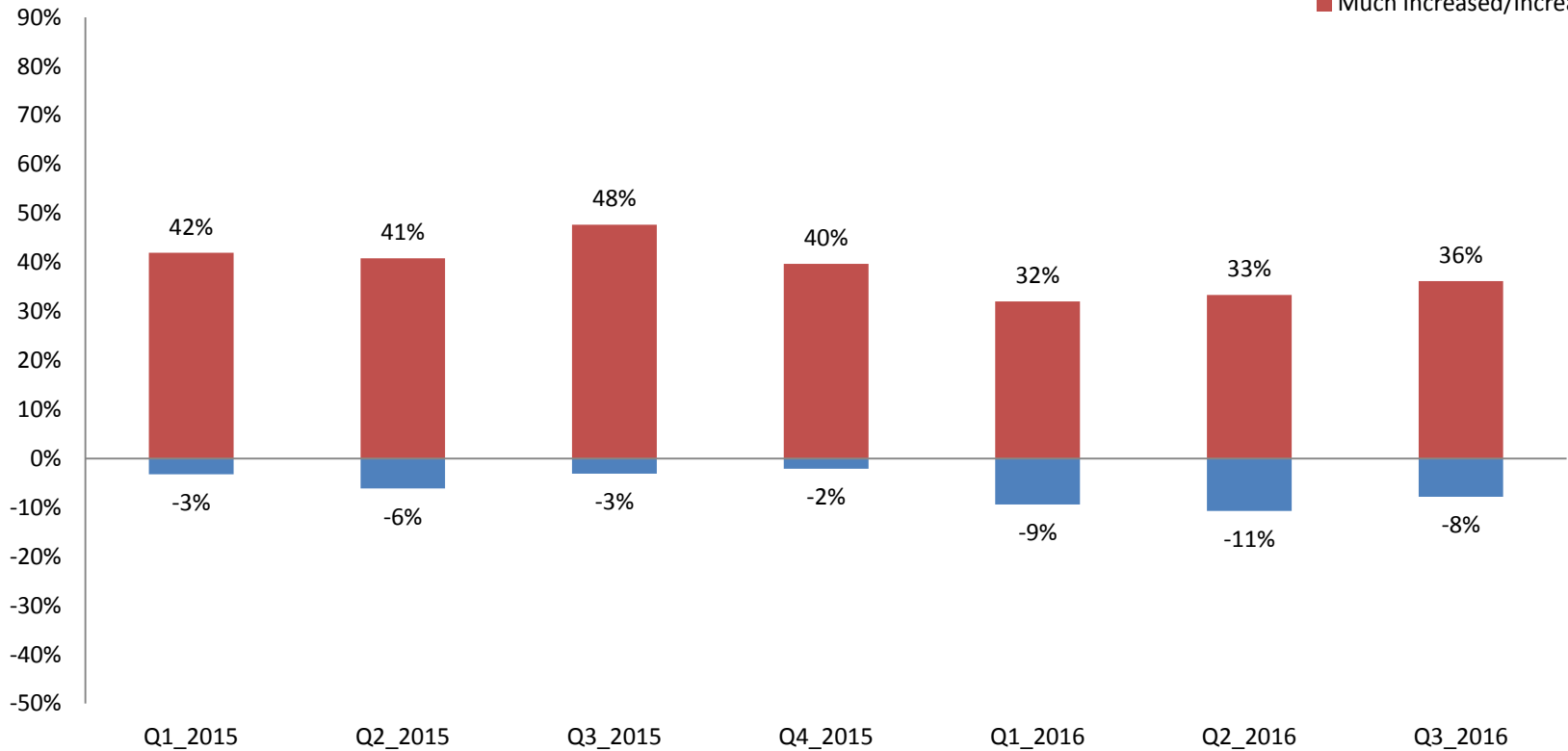
141 Respondents



# National Past New Technology

## How has your investment in new technology changed in the past 6 months?

■ Much Reduced/Reduced  
■ Much Increased/Increased



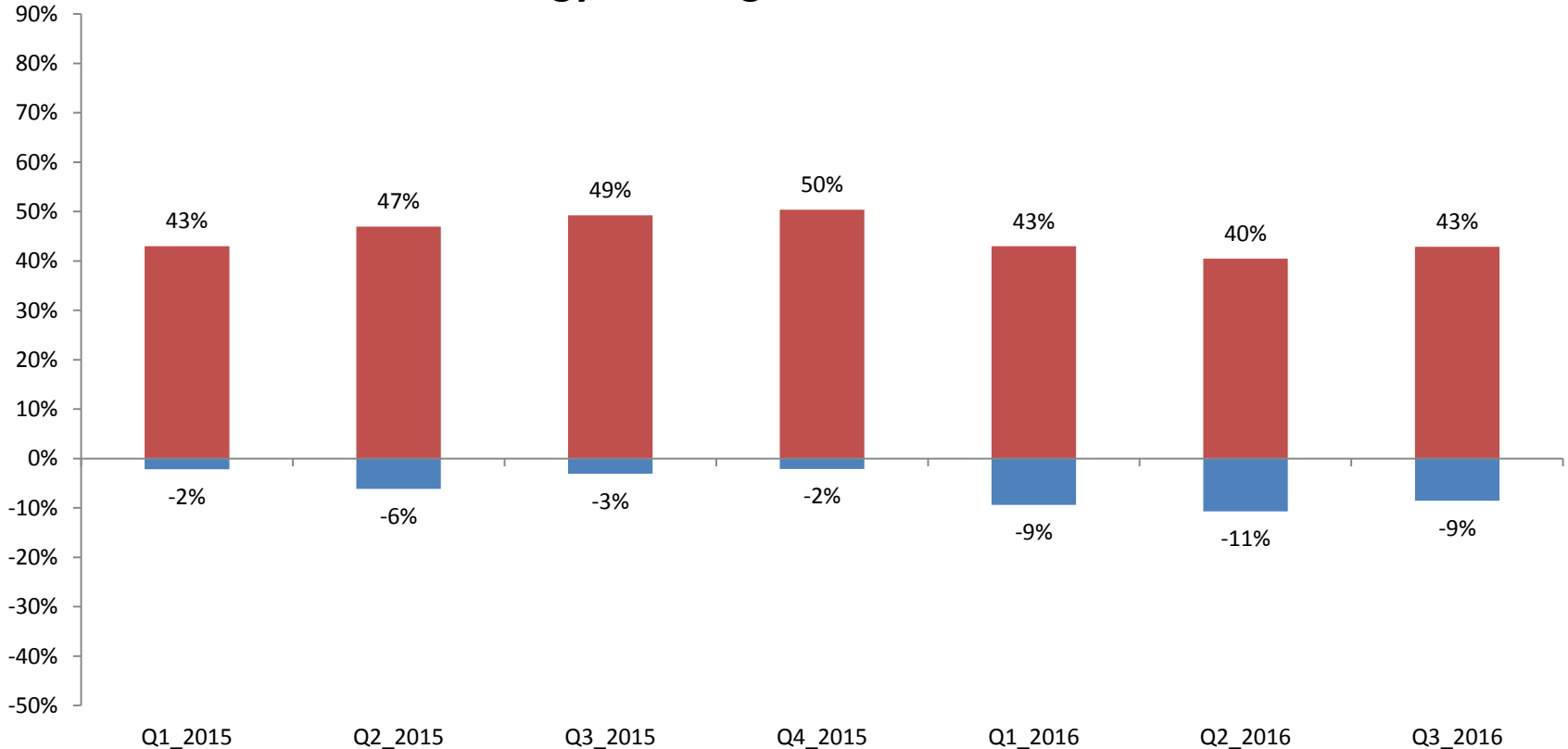
141 Respondents



# National Future New Technology

How do you expect your investment in new technology to change in the next 6 months?

Much Reduced/Reduced  
Much Increased/Increased



140 Respondents



## Special Focus – What key thing do you feel Government need to address to help better support the growth of UK manufacturing?

Reduced bureaucracy...

Skills is the main issue facing all businesses in the UK. It's the single biggest barrier we all have to growing profitably...

Longer term view on finance and ensure the banks are aligned with government policy...

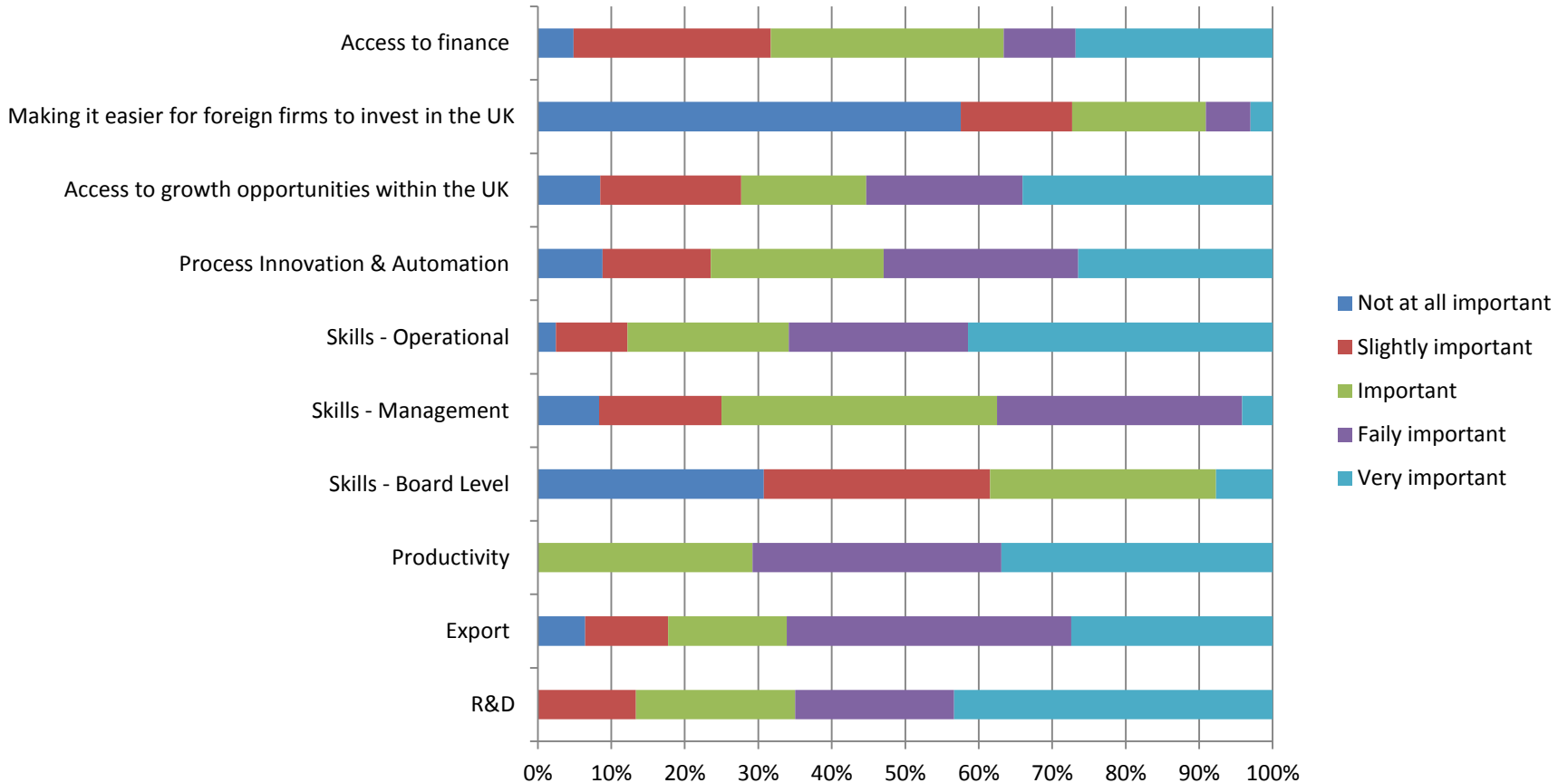
Greater support from the Department for International Trade to develop overseas business..

Reduce corporation tax and continue to promote exports and R&D incentives...

Keeping the UK open for business...

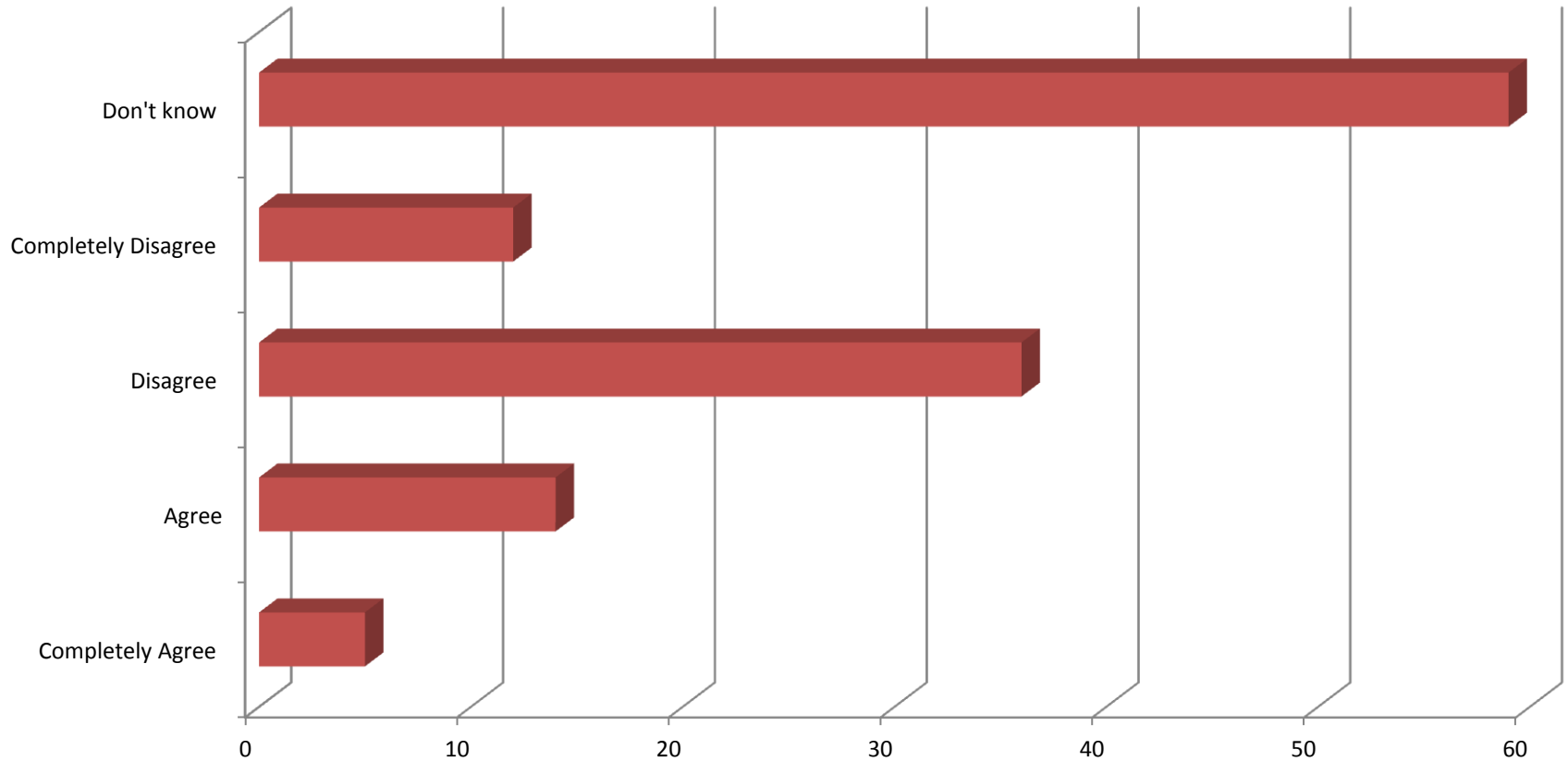


# Special Focus – What do you believe should be the main focus for UK Industrial Strategy?



Respondent numbers vary

## Special Focus – Do you believe current industrial strategy is built to deliver you business needs?



126 Respondents

## About the Manufacturing Barometer

The Manufacturing Barometer is a quarterly survey that charts the experiences of UK SME manufacturers. It is the largest survey of its kind and has informed both government industrial strategy and the national debate on manufacturing.

Run by SWMAS since 2009 in the South West of England, the Manufacturing Barometer records trends in employment, turnover and investment. Each quarter, a 'special focus' explores an issue in greater depth. In the past this has included issues such as productivity, overseas production and energy efficiency.

Companies are able to use this quarterly Manufacturing Barometer to compare themselves against other firms within their sector or region.

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