



Manufacturing Barometer Results:

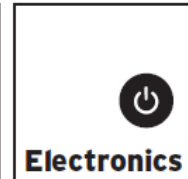
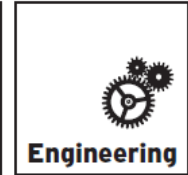
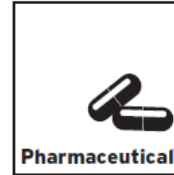
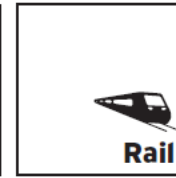
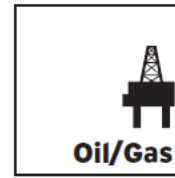
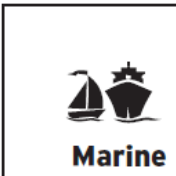
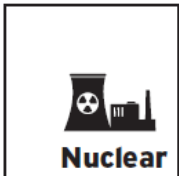
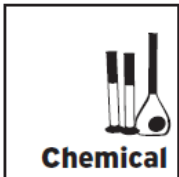
South West

Q4 (January, February and March 2017)
Surveyed in April/May 2017

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Maximising your workforce efficiency to support Productivity and Growth

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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 maximising workforce efficiency to support productivity and growth.

The Core Trends

SME manufacturers across the South West have witnessed a boost in their sales turnover in the past six months increasing from 57% to 66% and up an astounding 17% from the same period last year. Respondents remained optimistic for the next six months too, with 71% expecting their sales turnover to increase.

Investment over the past six months in new machinery has also taken a steady rise with a 5% increase and 57% of business estimating a further increase over the next six months. New technology however, took a 3% dip from 36% to 33% of businesses investing in the last six months, but when asked how they expect the next six months to map out for new technology investment, 57% of business are expecting an bigger spend.

Finally, there has been an 8% increase in employment for businesses over the past six months, perhaps reflective of the spike in sales turnover for 66% of businesses. When asked how they expect staff numbers to change over the next six months, 50% of businesses said they expected an increase, up from 4% last quarter.

The Special Focus

In this quarter's survey we sought to understand SME manufacturers thoughts on maximising their workforce efficiency to support productivity and growth.

Continued Overleaf...



Introduction



Simon Howes
Managing Director
SWMAS Group

The findings highlighted that the main barrier to productivity and growth for manufacturers seems to be skills and expertise within the business, closely followed by their workforce efficiency. Other barriers included cost increases from supply chains, the lack of availability in suitable industrial property and Government spend on infrastructure such as highways, rails and nuclear.

Senior decision makers have revealed they believe strong leadership on the shop floor and the skills of the management team are the most important elements when it comes to improving the productivity and growth of the business.

With a strong and efficient workforce clearly vital to a growing business, we asked respondents what their main challenges were when looking to attract new talent. Lack of industry specific skills was the evident frontrunner, closely followed by geographical shortfalls and pressure to pay higher salaries.

Conclusions

The overall picture is positive, with sales turnover increasing for many businesses within the sector. However, with increases in sales, the need for an efficient and productive workforce is amplified. Whether improvements are made through enhancing skills of the current workforce, or adding to the existing team by attracting new talent into the business, it is key that businesses get it right if they want to prosper, but with lack of industry specific skills and good quality graduates and apprentices coming into the industry, coupled with increasing concerns over free movement of labour, is enough being done to support SMEs in overcoming these obstacles?

“Consolidate recent growth, improve staff skills and processes ready for further growth.”

Inoplas Technology

“Sustain sales growth of 5% per year for next 3 years by introducing new products and expanding existing export markets. Introduce new methods and technology to improve the efficiency of production and thereby hopefully reduce manufacturing costs..”

Pritchard Patent Product Co Ltd

“Build dedicated industrial unit to enable better R&D and manufacturing”

Bay Systems Ltd

“To grow the business in the UK, by product development and expanding into new and parallel markets. Investigate expanding outside the UK.”

Modcell Ltd

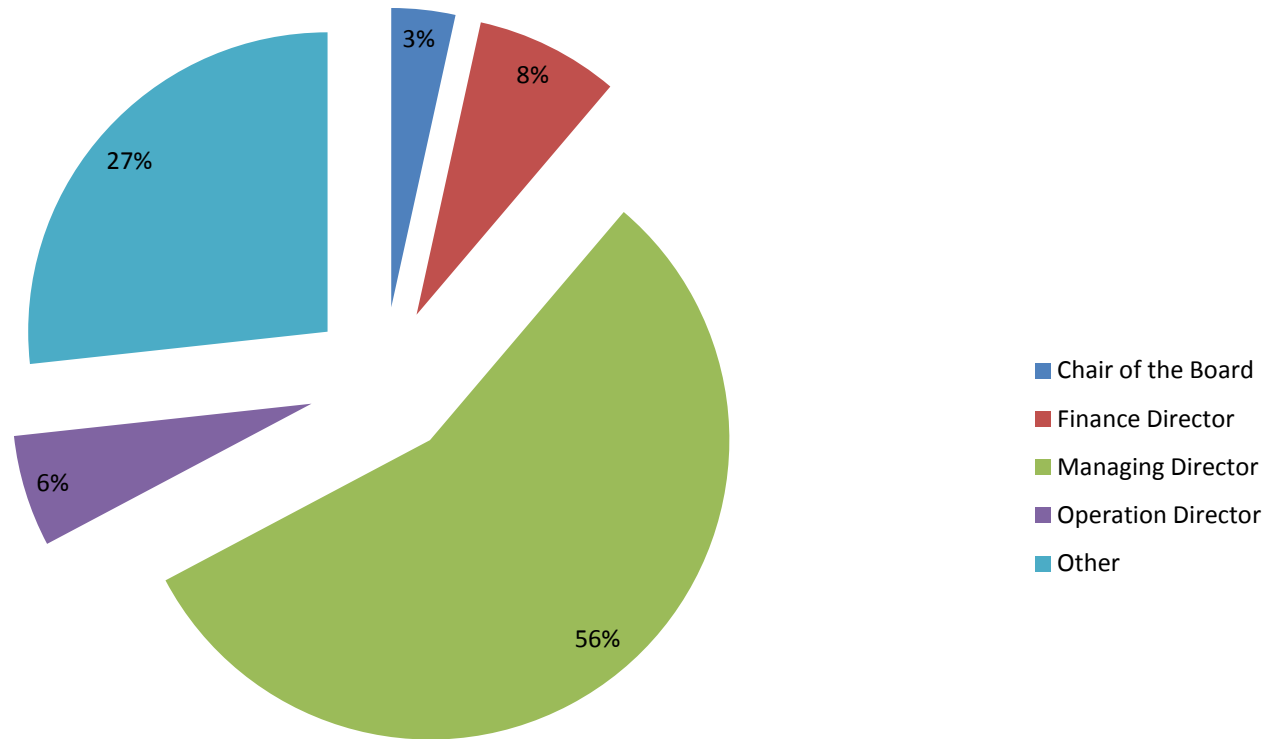
“Brexit has created a challenge as we export 70% of production to Europe. However, we have some super new products that are selling very well and we will export those too. The company is currently expanding, so we need new premises and these are not easy to find. It is also difficult to manage the fixed term property leases with the changing needs to the business. Stamp duty taxation on business property is a notable disincentive to expand.”

Alfatronix Ltd



Business Aspirations

Survey Demographics

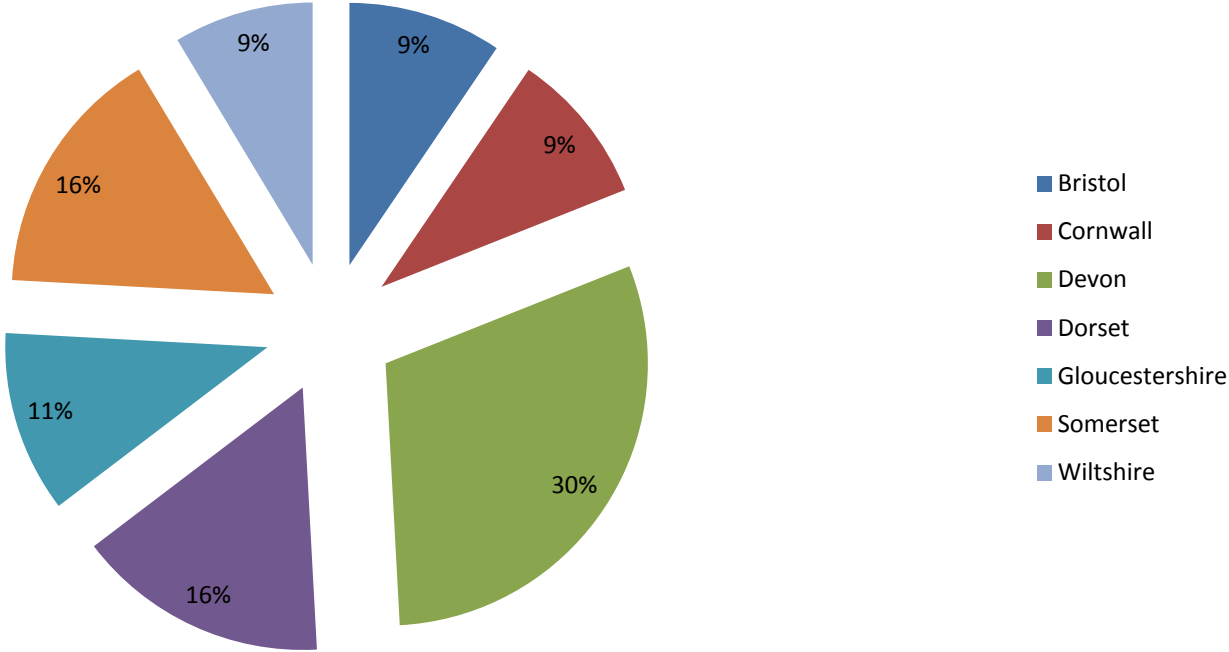


**Over 56% of respondents were managing directors.
Individuals who are in the business, hands-on, running it day-to-day.**

115 Respondents

Survey Demographics

Regional breakdown

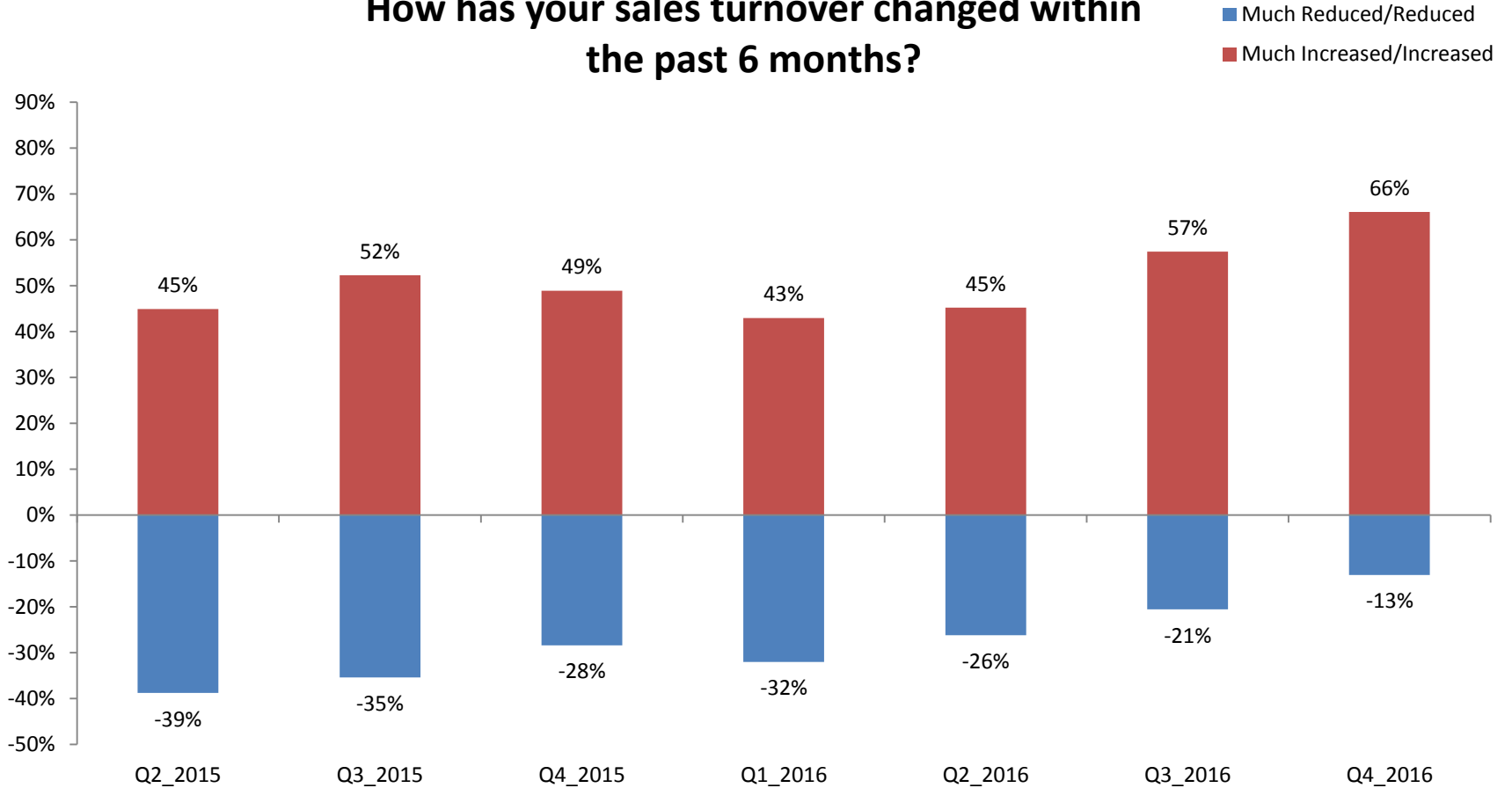


115 Respondents



Past Sales

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

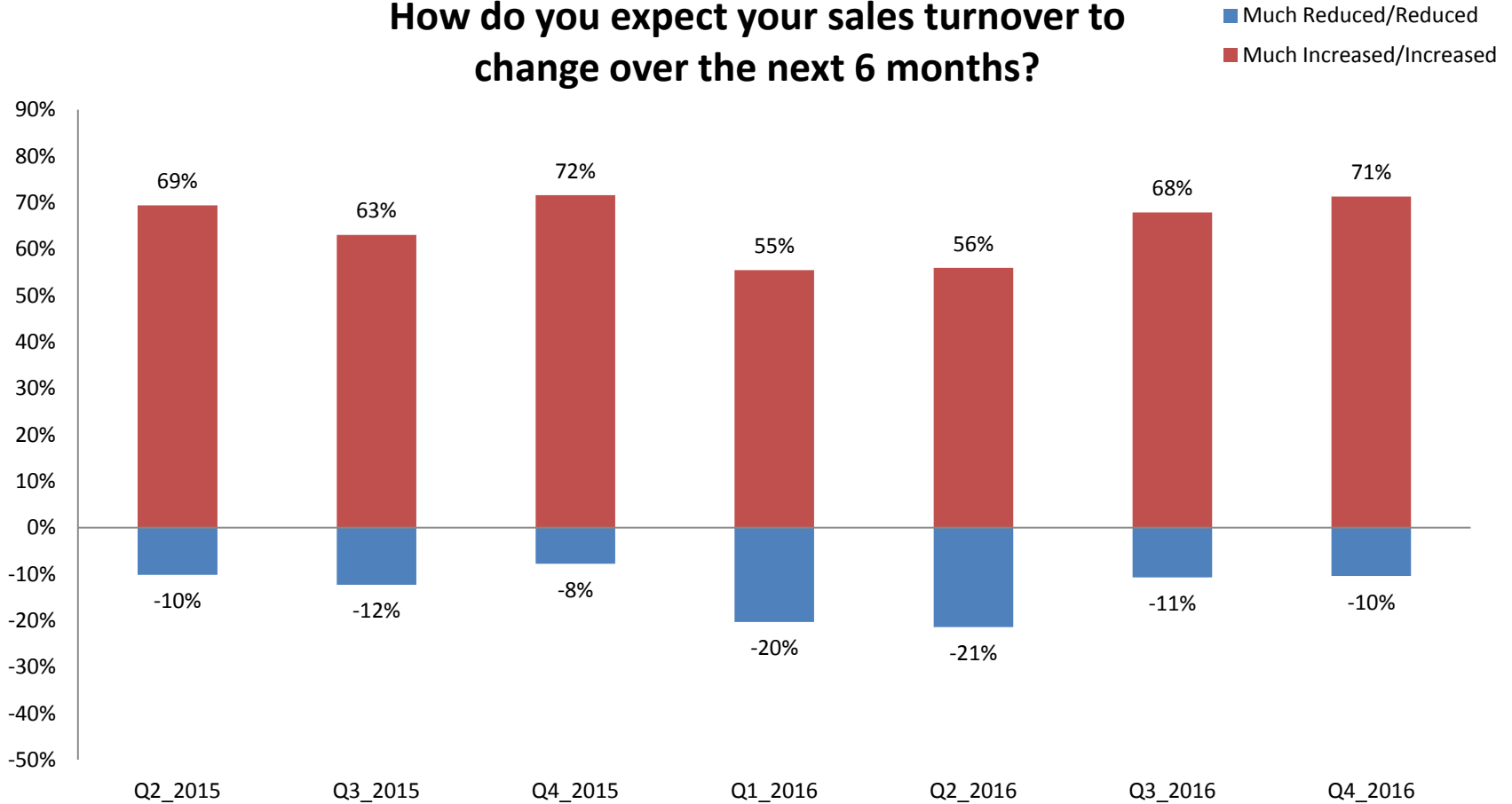


115 Respondents



Future Sales

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

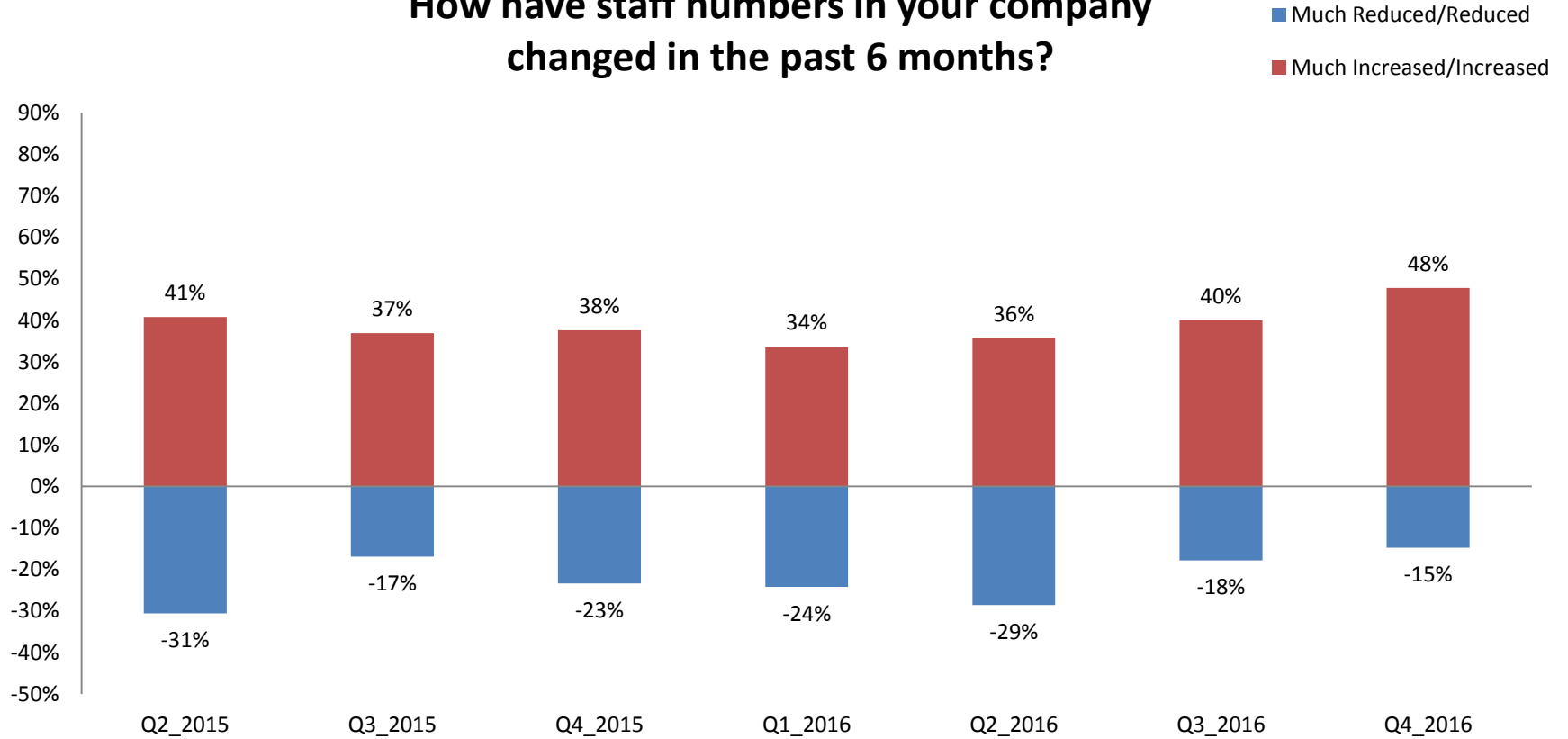


115 Respondents



Past Employment

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

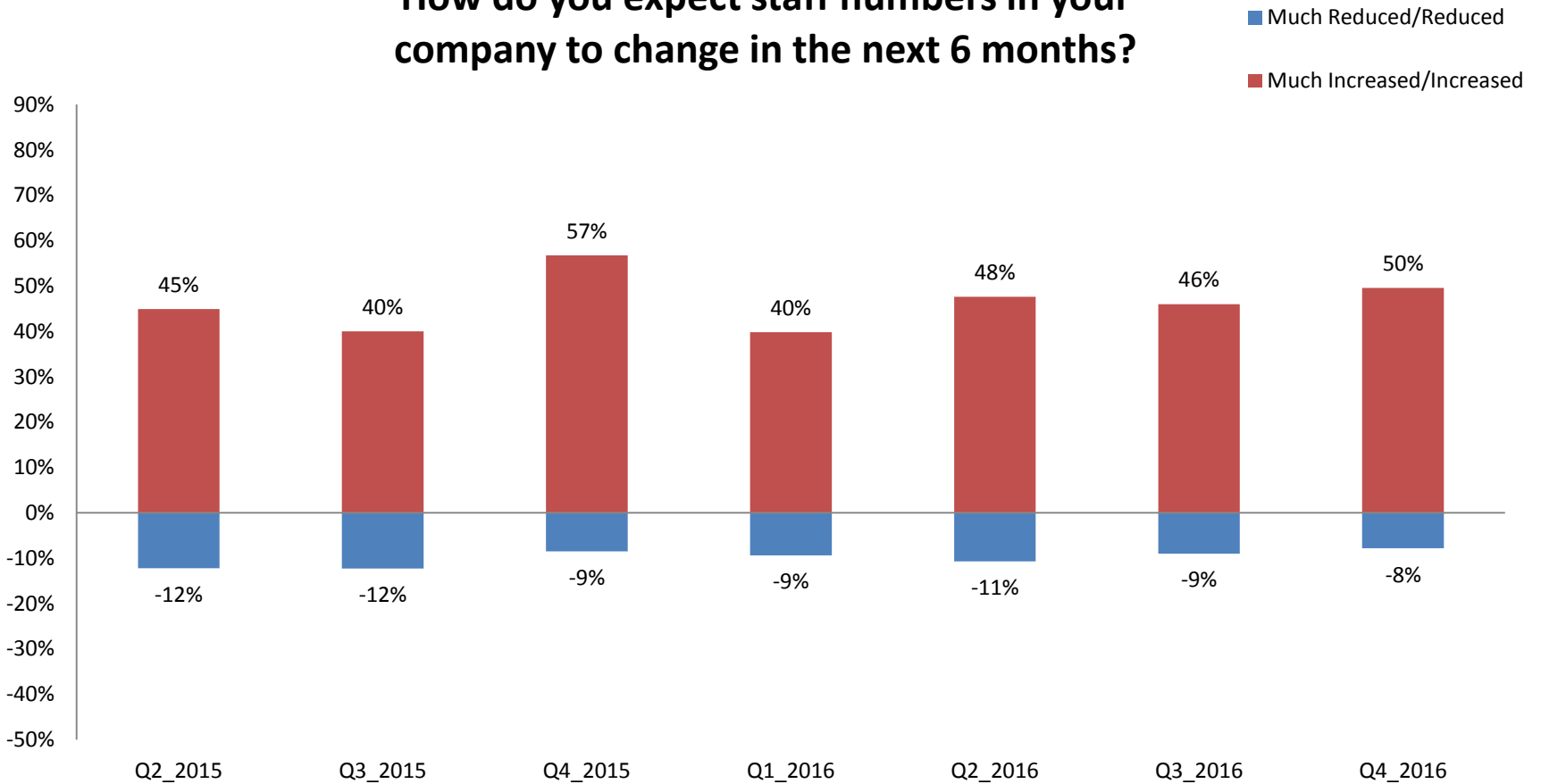


115 Respondents



Future Employment

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



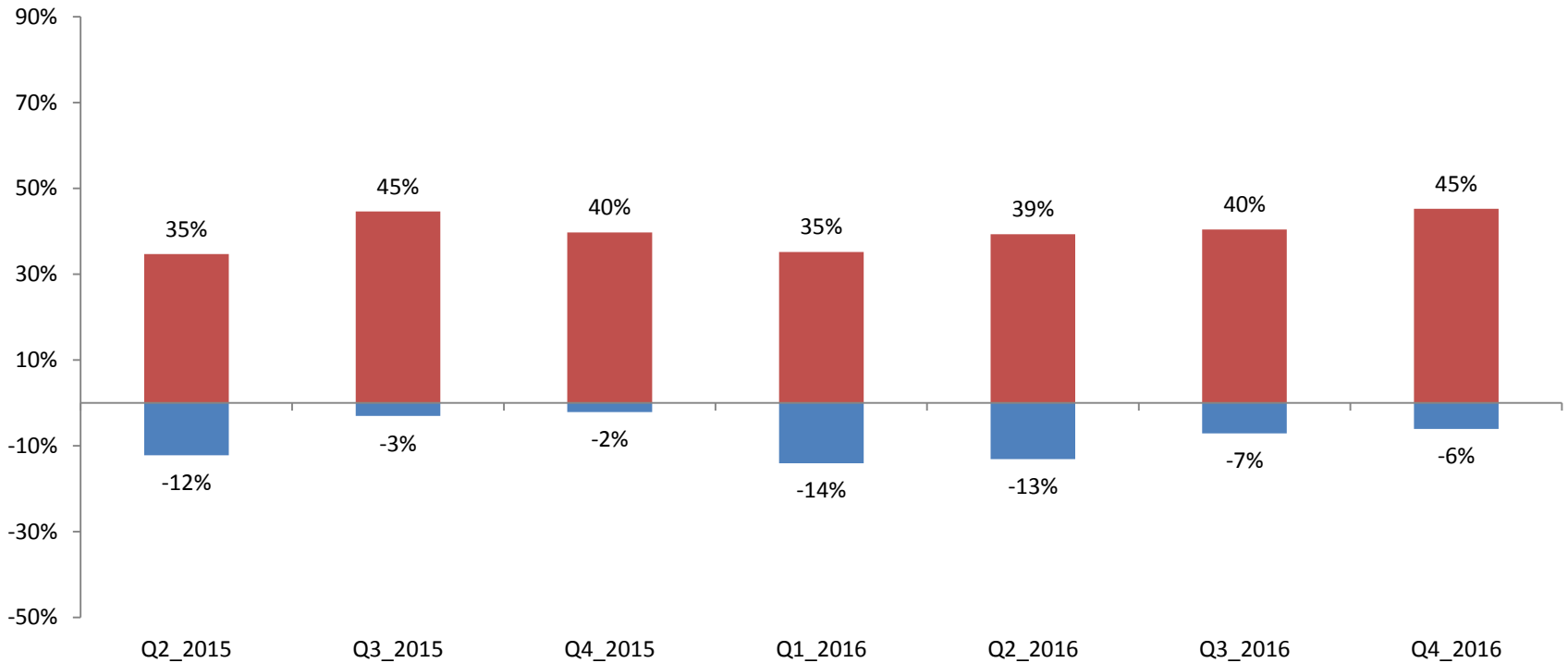
115 Respondents



Past Capital Investment

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

- Much Reduced/Reduced
- Much Increased/Increased

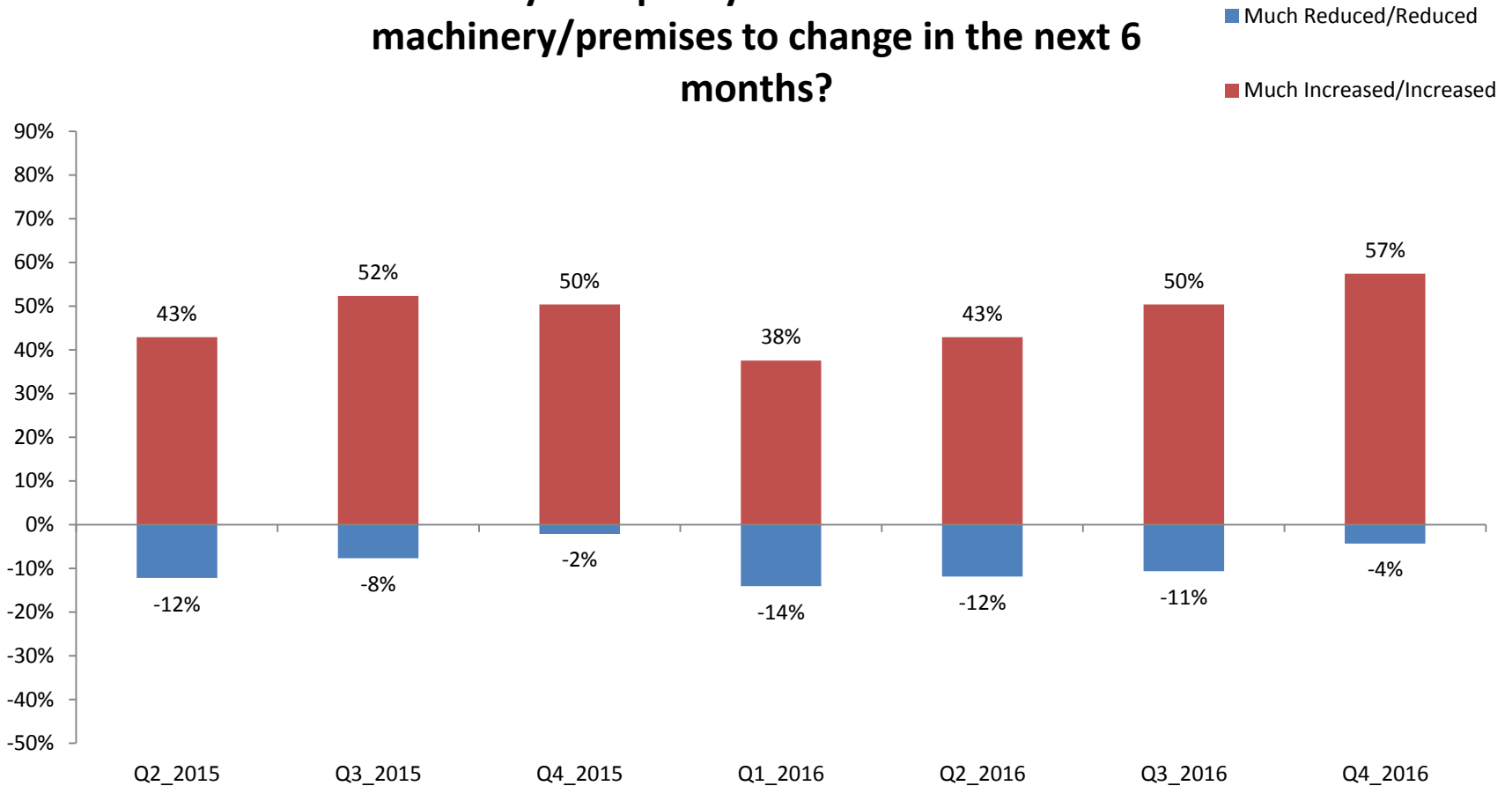


115 Respondents



Future Capital Investment

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

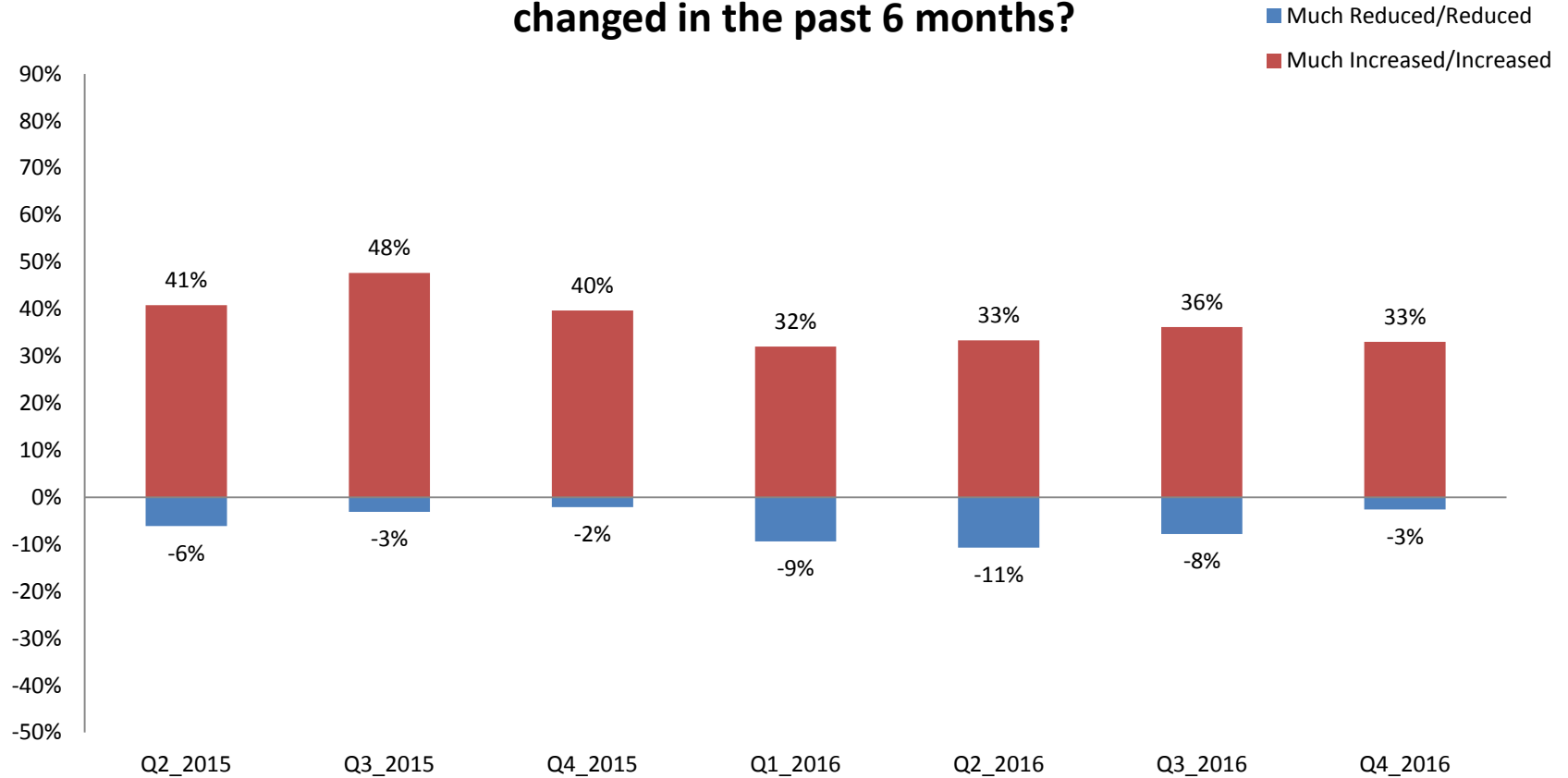


115 Respondents



Past New Technology

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



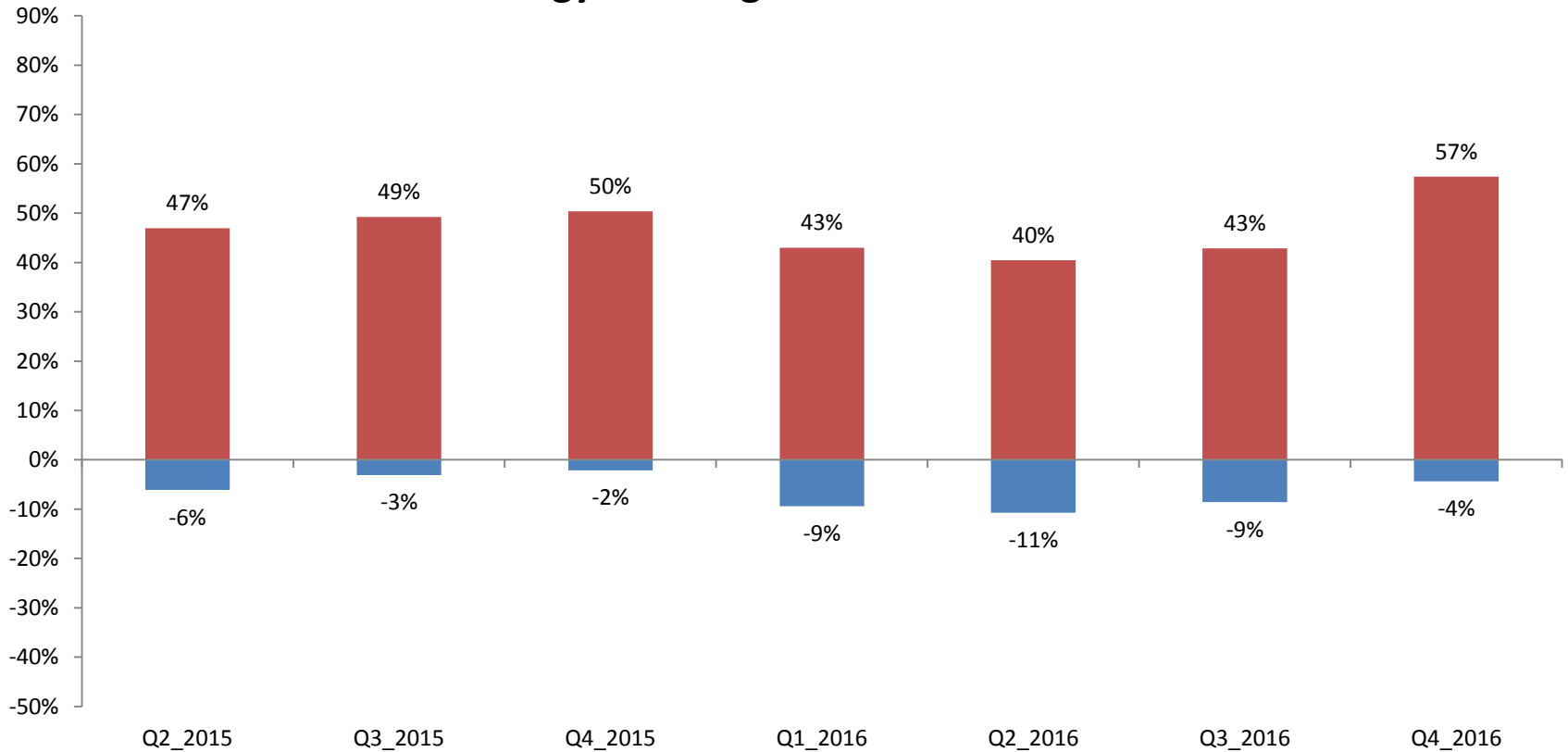
115 Respondents



Future New Technology

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

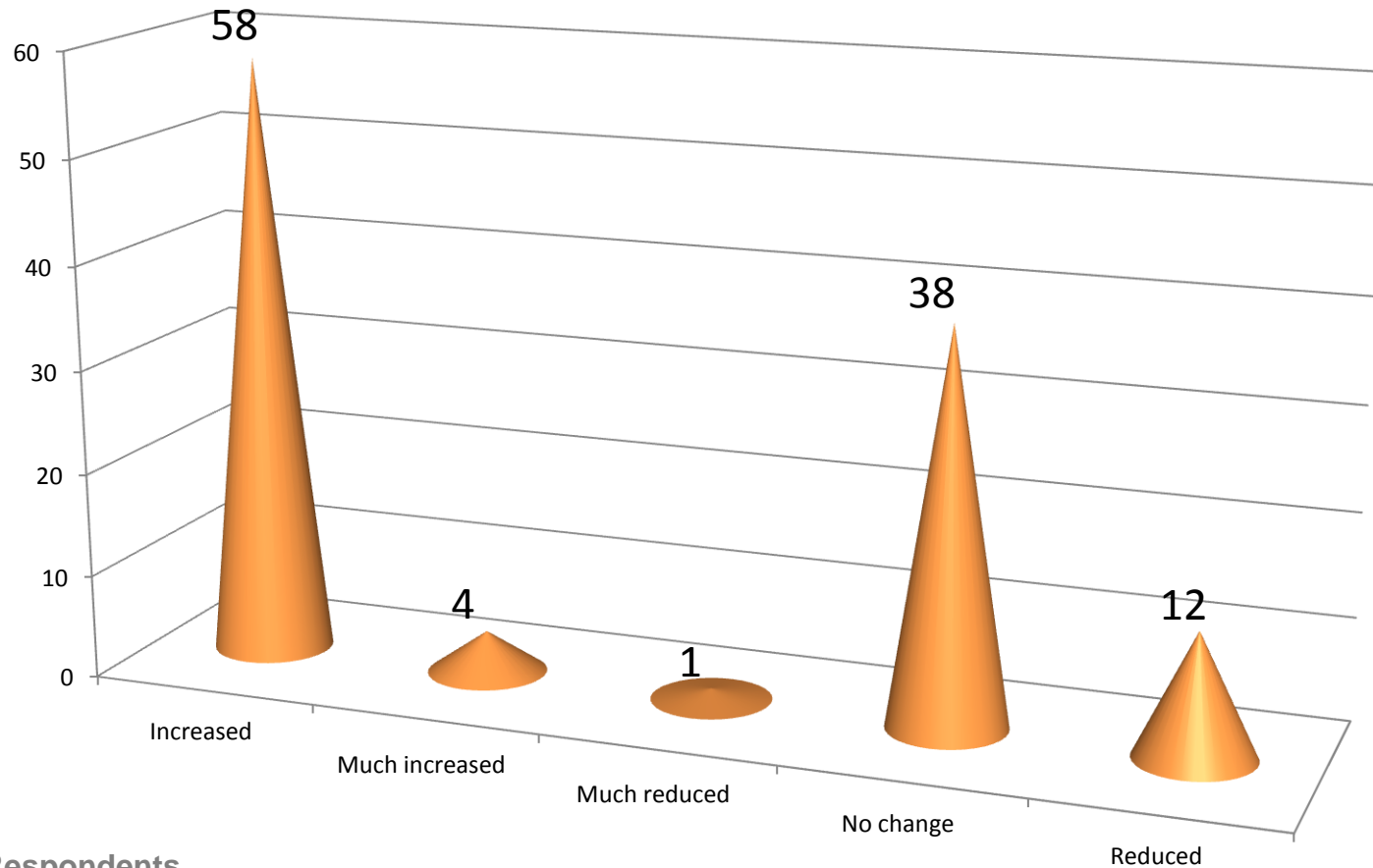
■ Much Reduced/Reduced
■ Much Increased/Increased



115 Respondents

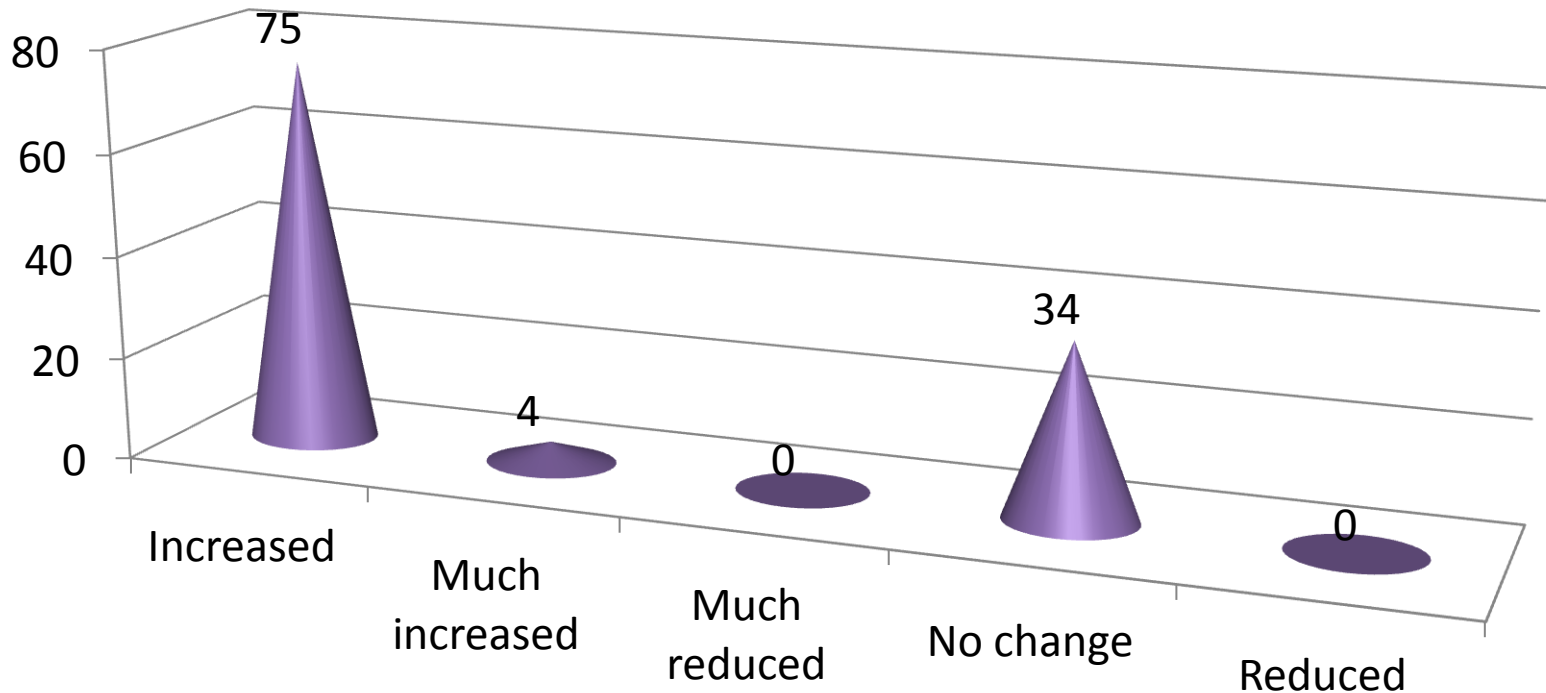


Special Focus – How do you feel productivity in your business has been in the last 6 months?



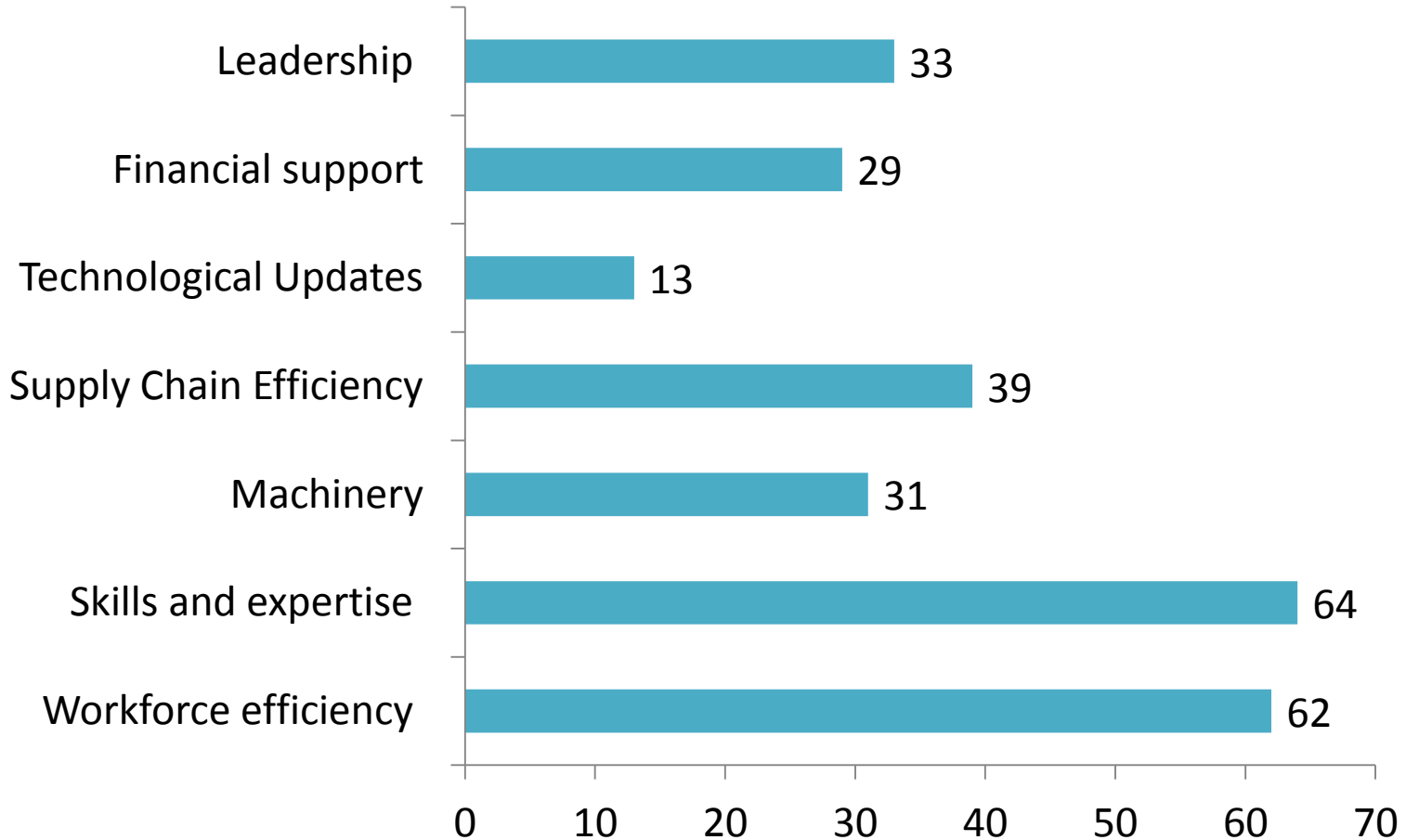
113 Respondents

Special Focus – How do you think productivity in your business will change in the next 6 months?



113 Respondents

Special Focus – What are the key challenges your business faces when it comes to productivity and growth?



Respondent numbers vary

Special Focus – What other key challenges does your business face when it comes to productivity and growth?

Production Management

Government spend on infrastructure such as Highways, Rail, Nuclear

Raw material costs

Production scheduling

Shortage of industrial and commercial property within the vicinity

Pressure from cheap imports from Europe

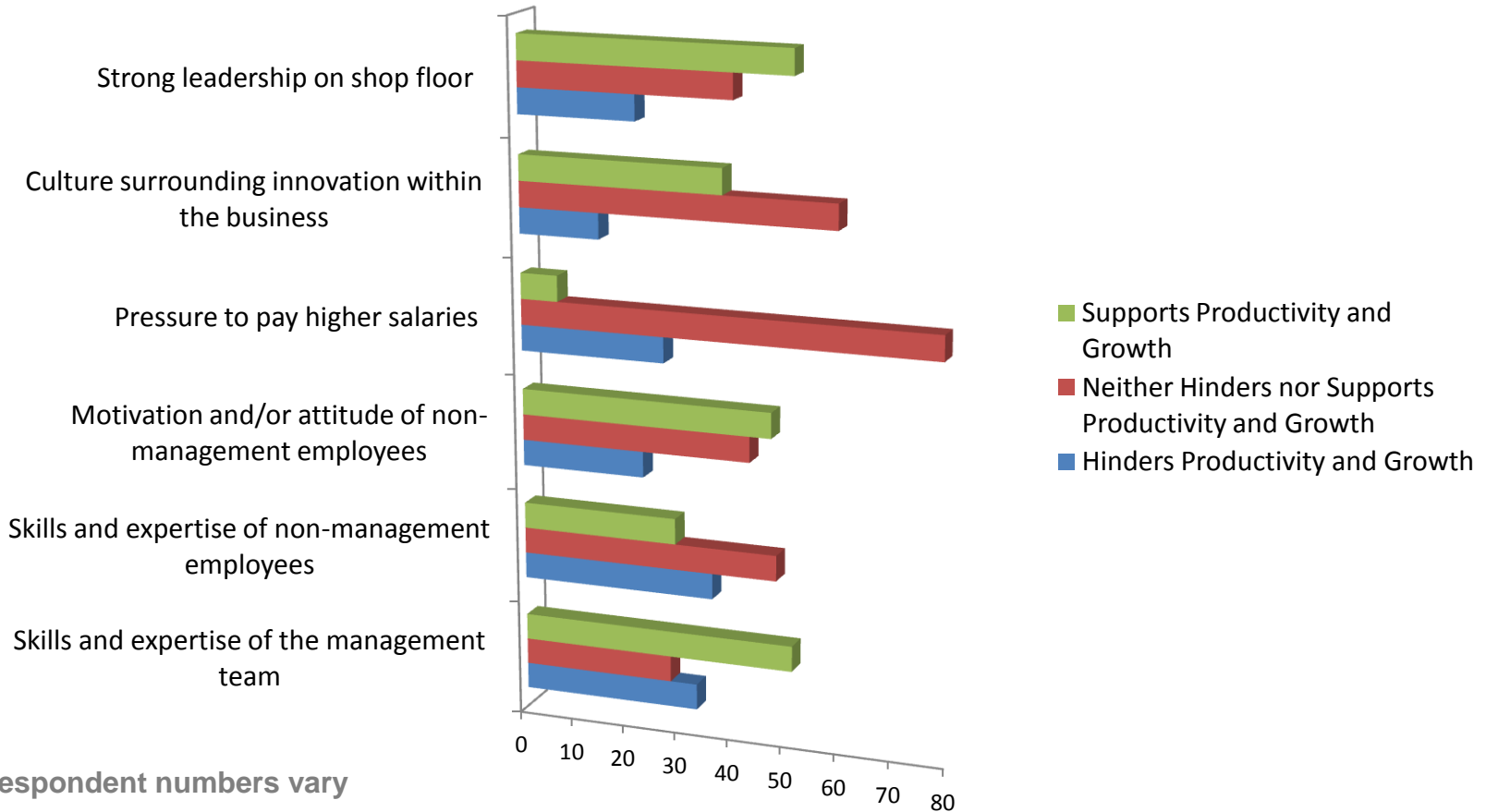
Works volumes due to increase competition

Supply chain cost increases currently + 22% due to Brexit GBP

Lack of production in oil & gas

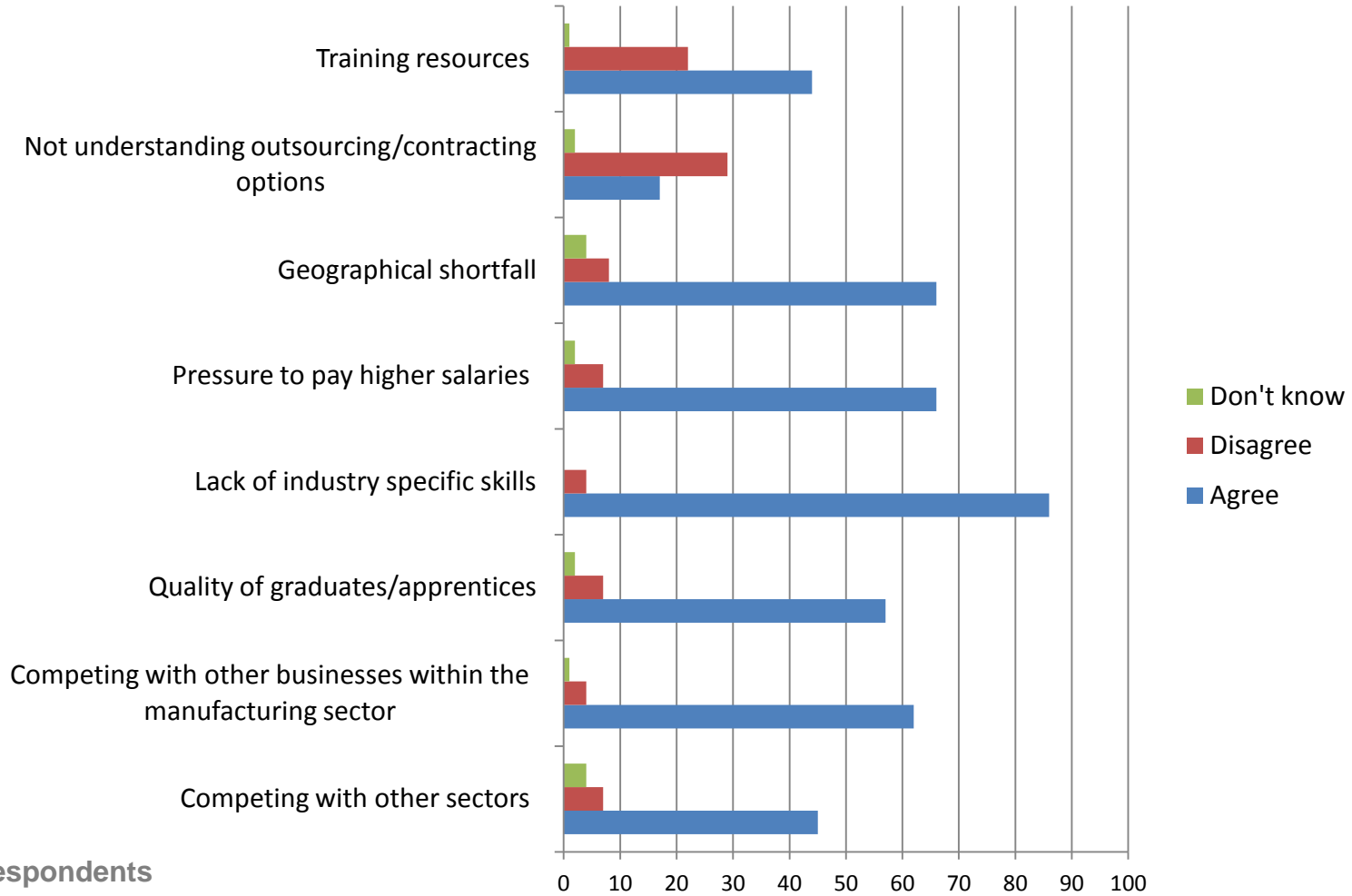
Fake, counterfeit and product infringing our trademarks

Special Focus – When looking at your existing workforce, which of the following areas do you feel are affecting your business' productivity and overall growth today?



Respondent numbers vary

Special Focus – What challenges are you faced with when looking to employ new talent into the business?



111 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.

If you would you like one of our team to undertake a diagnostic review, helping identify opportunities for productivity and growth, or for more information on this report, please contact:

info@swmas.co.uk

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