



MANUFACTURING barometer

CONFIDENCE GOING FORWARD INTO 2020

SOUTH WEST REPORT WINTER 2019-20

OCTOBER, NOVEMBER AND DECEMBER 2019 - SURVEYED IN JANUARY 2020

SWMAS 



SWMAS 

IN PARTNERSHIP WITH
ECONOMIC
GROWTH
SOLUTIONS
Part of Oxford Innovation

CONTENTS

Confidence going forward into 2020

- ▶ Introduction
- ▶ Survey Demographics
- ▶ Business Aspirations
- ▶ Core Trends
- ▶ Special Focus
- ▶ About the Manufacturing Barometer



SIMON HOWES
MD, SWMAS

INTRODUCTION

A warm welcome to the first Manufacturing Barometer of 2020. I would like to thank you for taking the time to share both the current performance, and future growth expectations of your business. Your valuable input enables us to map the opinions and performance trends of the UK SME manufacturing sector as a whole.

This quarter's report sees the first results following the decisive general election. The subsequent certainty regarding Brexit has finally removed any questions regarding "if" Brexit will happen.

Unsurprisingly, the performance in the six months leading up to December continued to be depressed. Results were largely in line with those seen in the previous Barometer, which revealed some of the worst performance for a decade. Has the political certainty increased confidence in future sales and profits?

SPECIAL FOCUS: CONFIDENCE GOING FORWARD INTO 2020

The forecasts for the first six months of 2020 are starting to look much more positive. Political certainty appears to have improved clarity, resulting in a (partial) return to confidence in future sales and profits. This, in turn, should lead to more confidence in investing and recruiting.

This quarter's special focus looked at the underlying confidence of SME manufacturers to gauge how they are feeling as they plan for 2020 and beyond. The results show that there is still a good deal of uncertainty, with some still feeling downbeat regarding their prospects for the future. However, it is encouraging to note that many senior people in manufacturing are now feeling more confident.

We are not yet at the end of the road regarding Brexit, but it seems that we have at last decided which road we are going to take so our manufacturers can begin the journey.

For more information and support contact the SWMAS team at info@swmas.co.uk or phone 01278 767 010.



CONCLUSION

The comments provided by Barometer respondents, and our day to day contact with businesses on the ground, indicate that the general clamping down of investment and recruitment decisions is finally easing. Customers are now coming forward with plans which were previously on hold. We know too that some sectors are finding it tougher than others, and will be looking closer at these differences to understand the lessons that can be learned going forward.

As most of you know, SME manufacturers make up the majority of UK manufacturing businesses, but their voices are not always heard or understood. We will continue to report on your opinions to help policy makers better understand your needs.

Read on for more about the Manufacturing Barometer results...



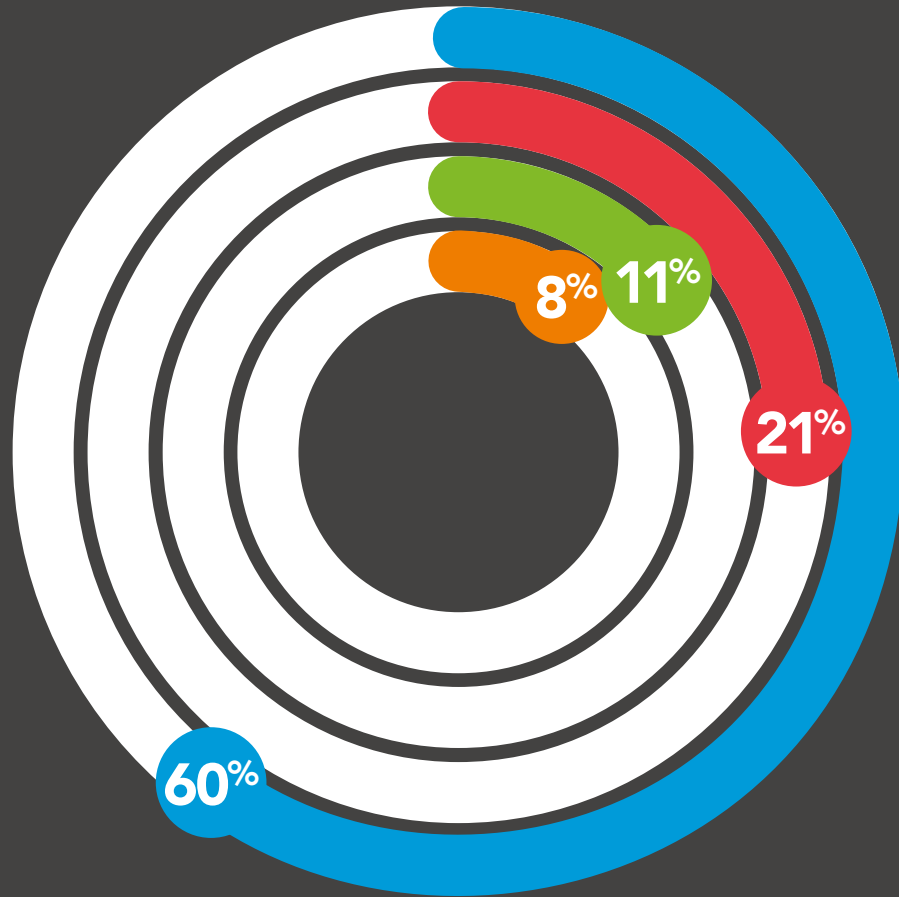


SWMAS 

IN PARTNERSHIP WITH
ECONOMIC
GROWTH
SOLUTIONS
Part of Oxford Innovation



SURVEY DEMOGRAPHICS



81%

OF RESPONDENTS ARE:

> **MANAGING DIRECTORS & CHIEF EXECUTIVE OFFICERS OR DIRECTORS**

Individuals with the highest level of strategic responsibility across their business.



BUSINESS ASPIRATIONS

“ Significant skills shortage for injection moulding engineers. Brexit uncertainty has temporarily halted our plans to build a new factory.

Short term: Having launched new products, grow sales into new markets. Medium term: consolidate and develop/ launch next product range and services. Long term: Change processes to become more productive and cost effective.

— WILTSHIRE —

“ Continue to grow at a controllable pace, invest in staff training, improve systems.

We want to become more efficient, to reduce costs and increase profits. At the same time we want to continue producing a high standard of products and invest in teaching staff new skills.

— SOMERSET —

“ Increased sales, the design and introduction of new products, and Streamline production.

We plan to grow sales by at least 20% year on year over the next three years.

— DORSET —

“ Survival and consolidation in the short-term and then hopefully modest growth in the longer-term.

Desperately trying to compensate for loss of EU business by growing business in the UK and Rest of World.

— WEST OF ENGLAND —

“ Growth by acquisition and organically from our current customer base, whilst lowering manufacturing costs through investment in new machines.

To innovate and export more.

— GLOUCESTERSHIRE —

“ Reduce our reliance on people through automation and other process improvements. Open up our horizons beyond Europe and look at markets elsewhere in the world.

Sustainable growth and development of a strong management team to take it forward whilst increasing profitability.

— DEVON —

“ Increase sales of marine product into other countries. Look for additional opportunities and product that carries the business through tough times in the marine market.

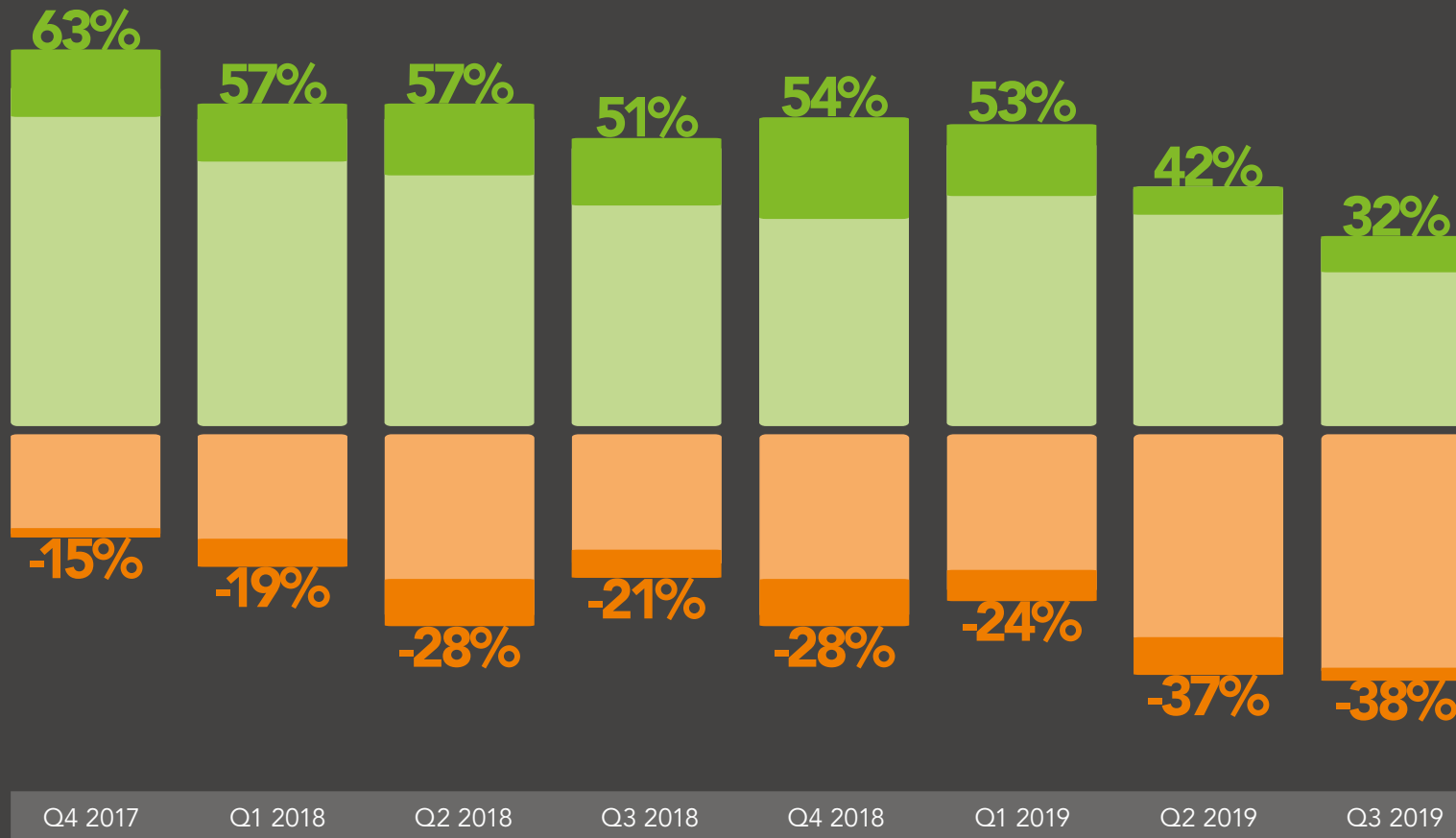
Survival in the face of competition by the by the mega players, steady organic growth, stable alliances with customers and prime contractors.

— CORNWALL —

CORE TRENDS

SOUTH WEST PAST SALES

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

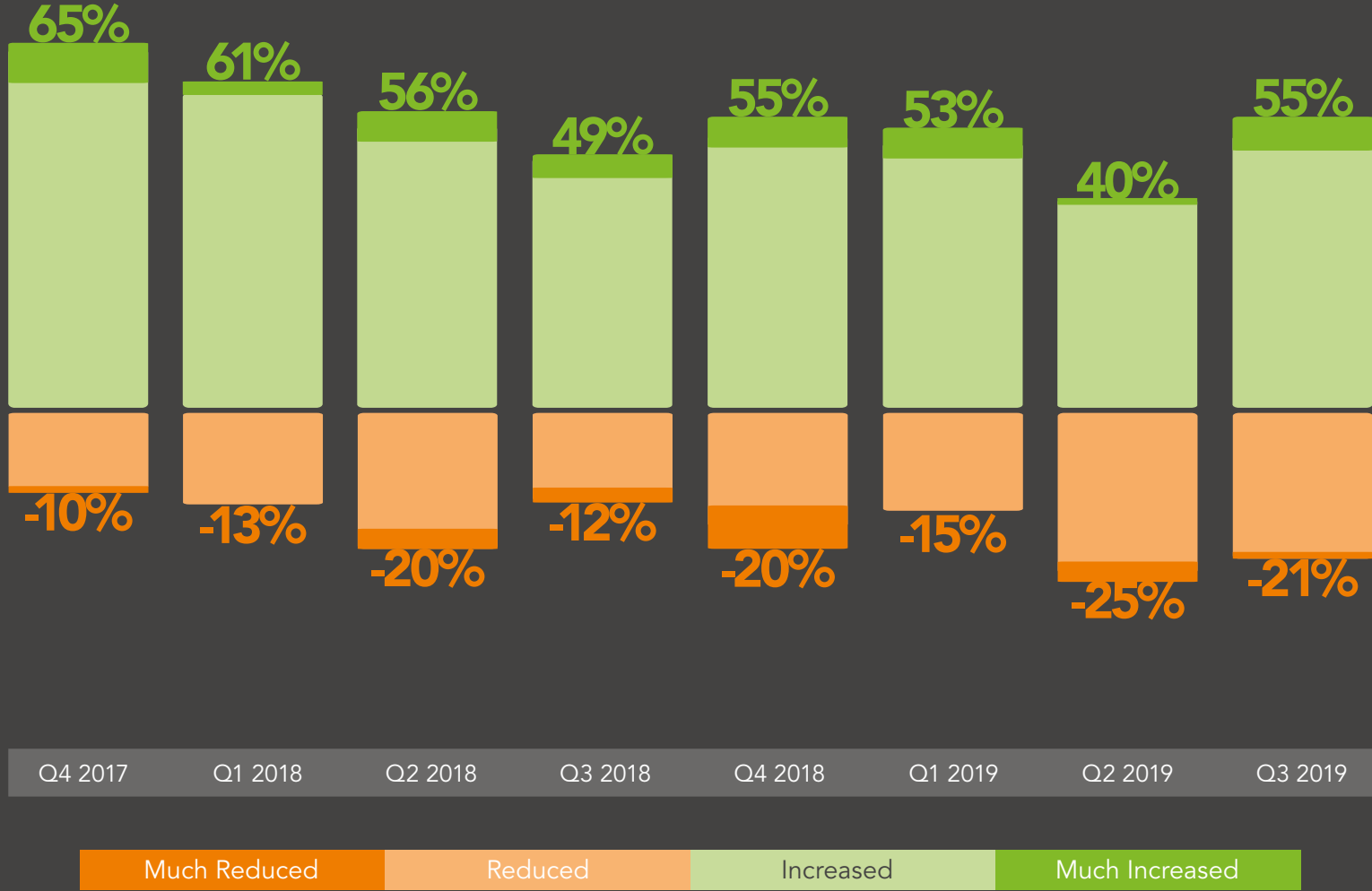


Much Reduced Reduced Increased Much Increased

CORE TRENDS

SOUTH WEST FUTURE SALES

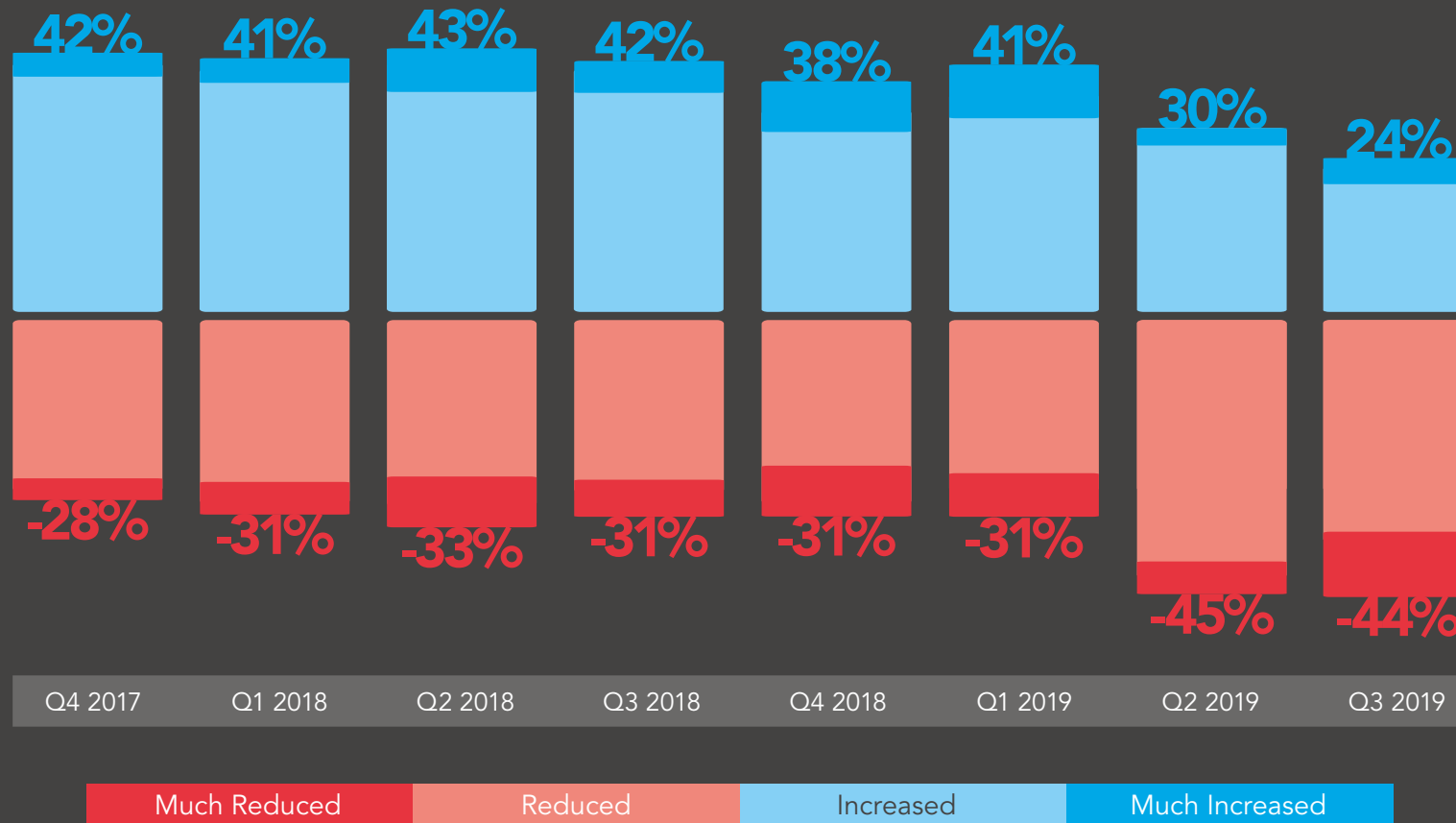
How do you expect your sales turnover to change over the next 6 months?



CORE TRENDS

SOUTH WEST PAST PROFITS

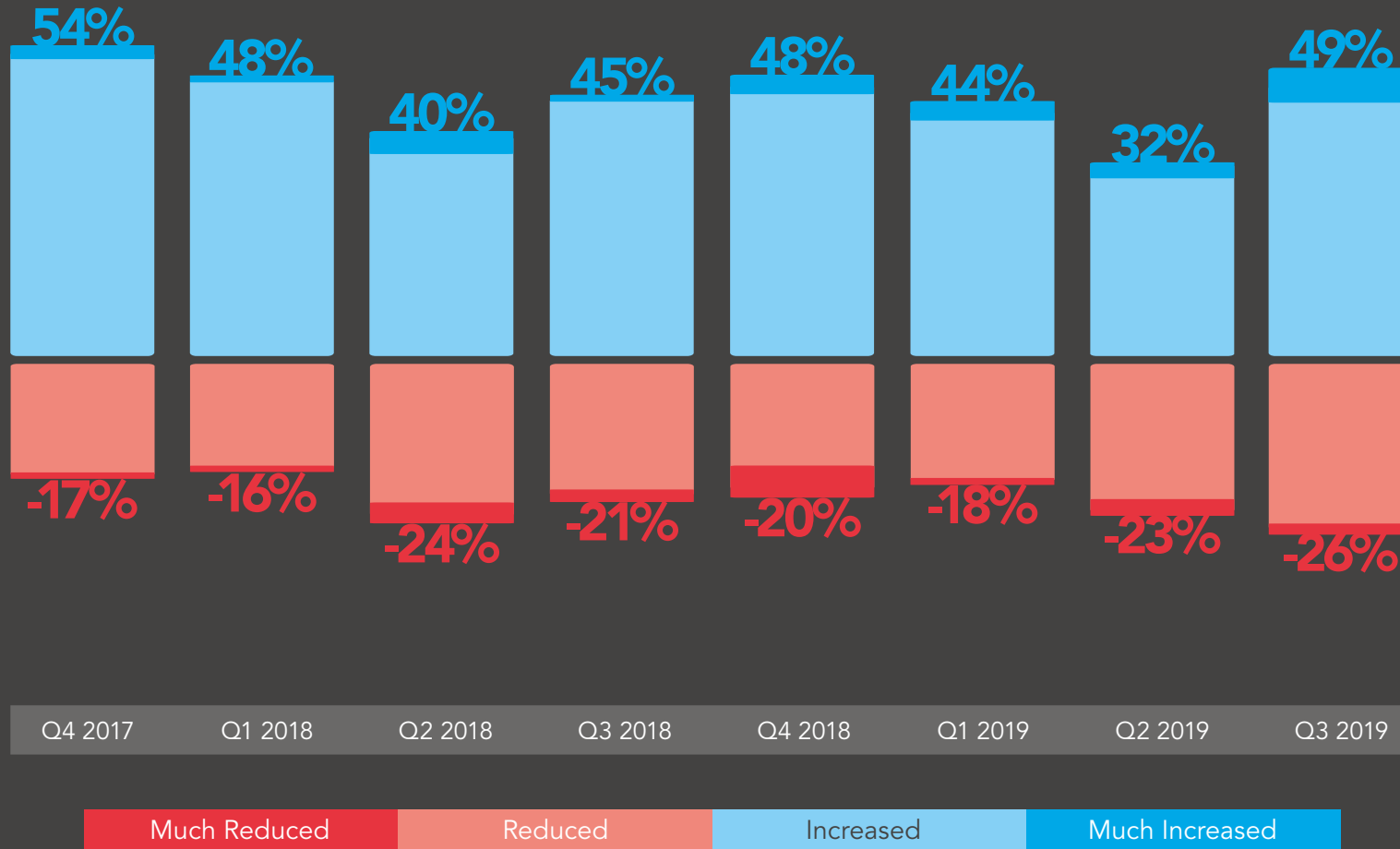
How has your profit changed within the past 6 months?



CORE TRENDS

SOUTH WEST FUTURE PROFITS

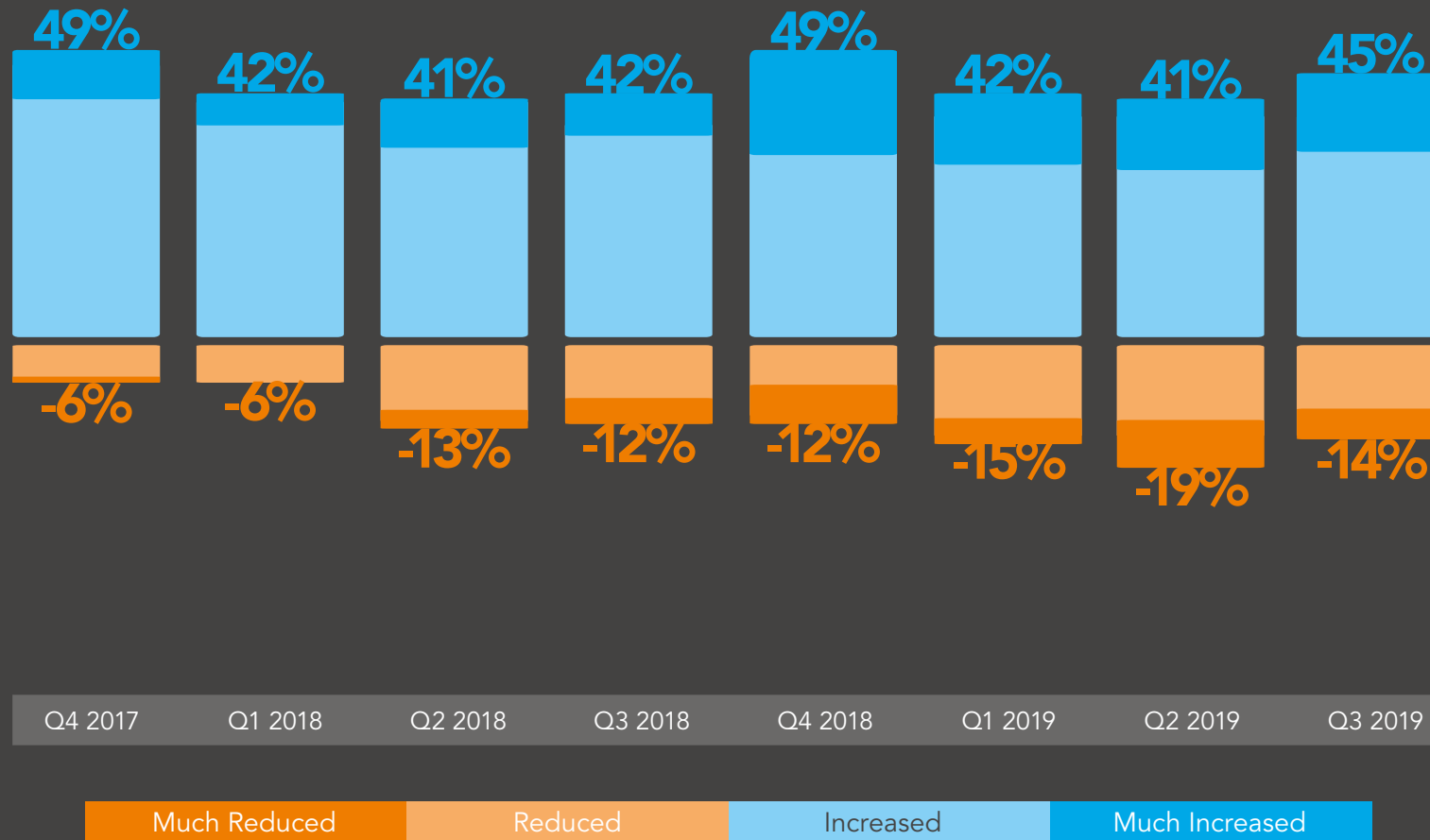
How do you expect your profit to change over the next 6 months?



CORE TRENDS

SOUTH WEST PAST CAPITAL INVESTMENT

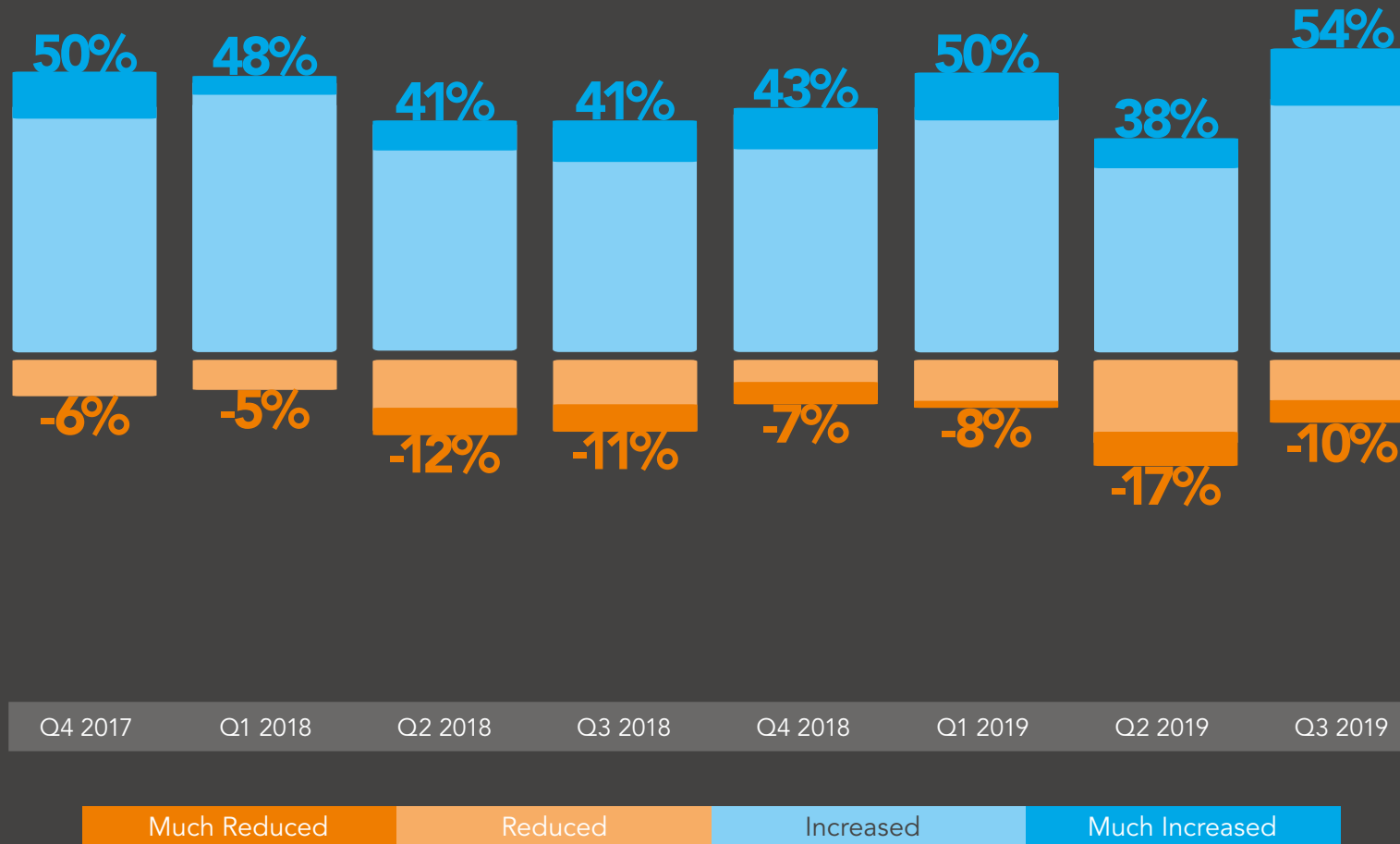
How has your investment in new machinery/premises changed in the past 6 months?



CORE TRENDS

SOUTH WEST FUTURE CAPITAL INVESTMENT

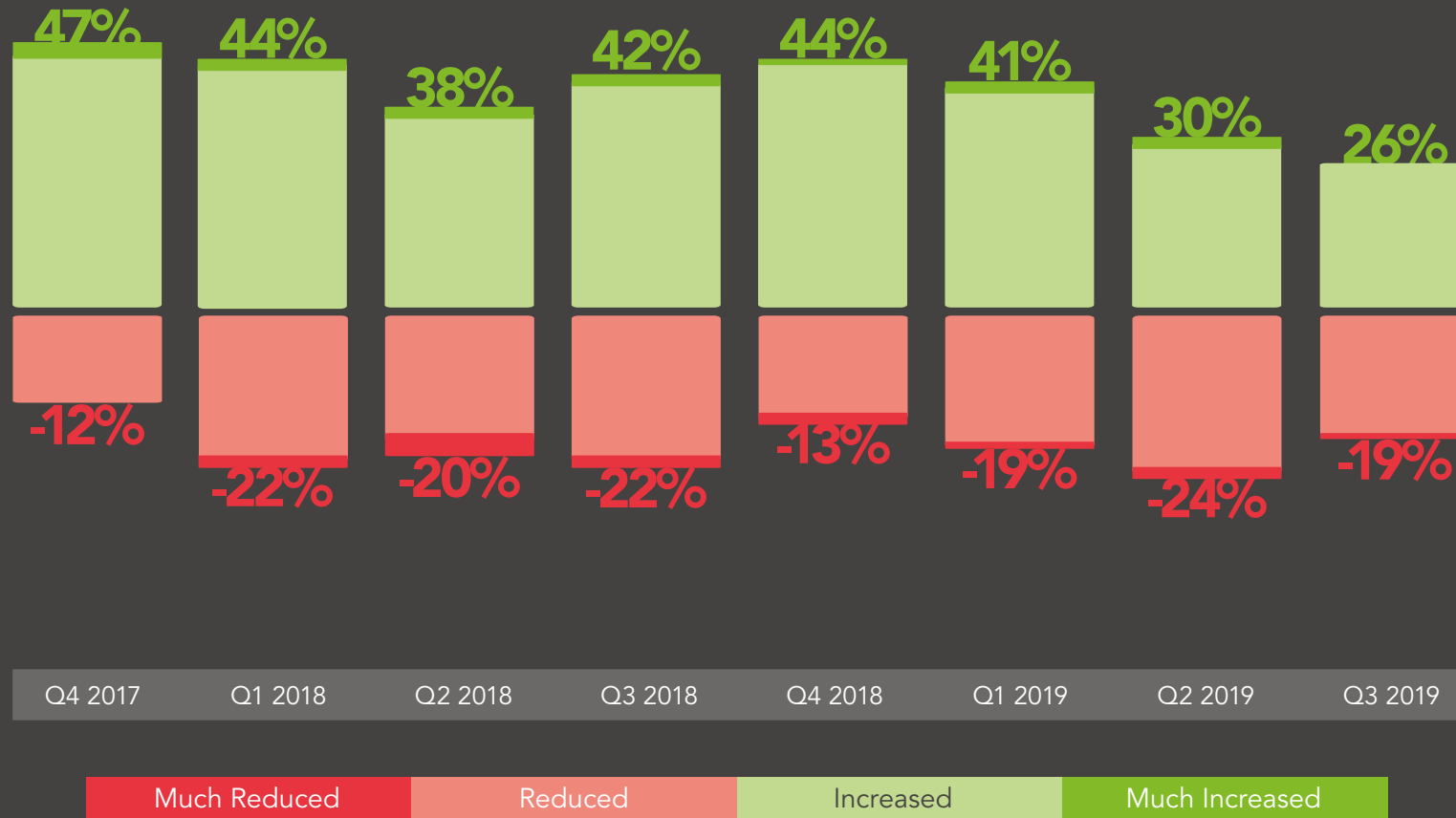
How will your investment in new machinery/premises change in the next 6 months?



CORE TRENDS

SOUTH WEST PAST EMPLOYMENT

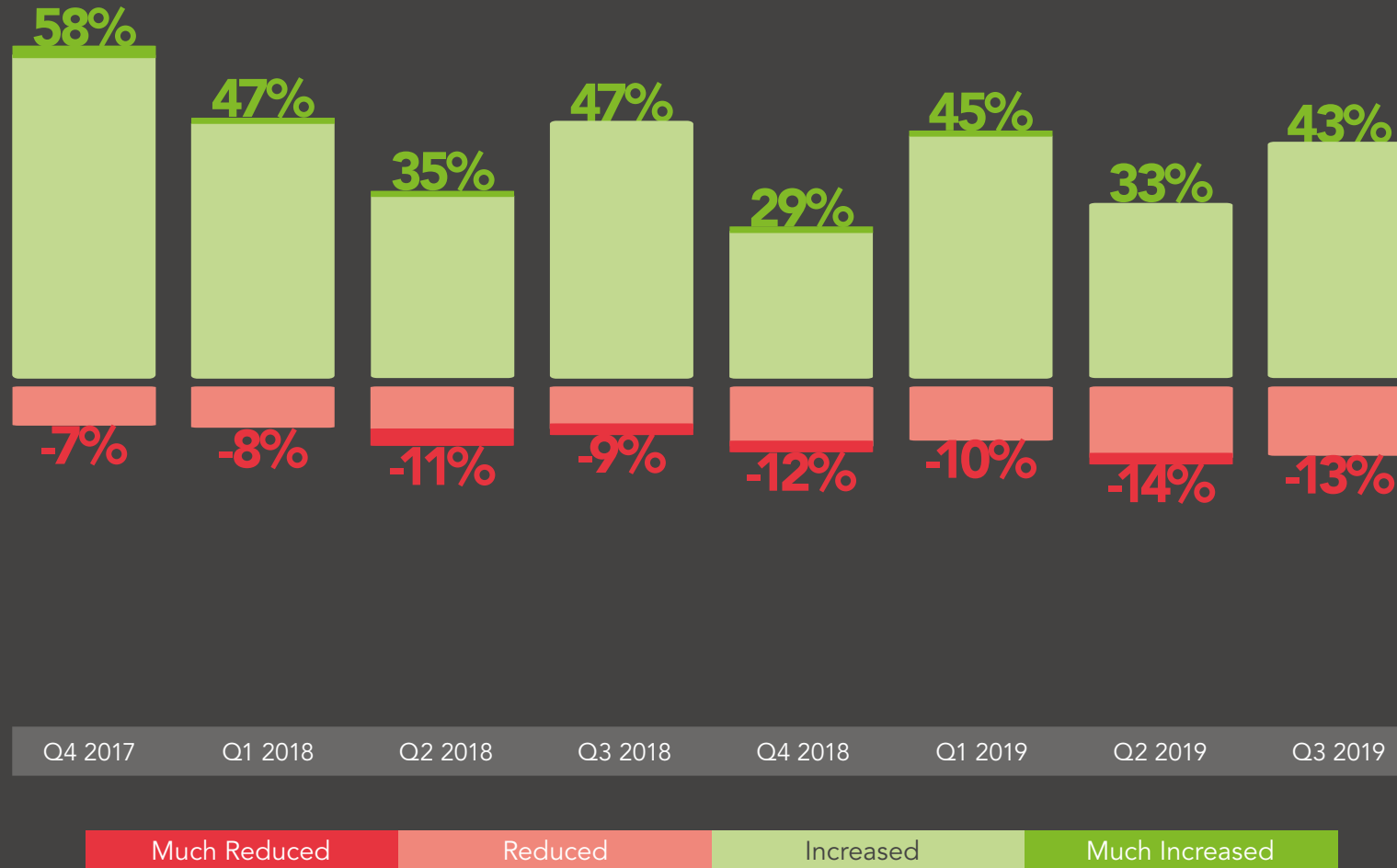
How have staff numbers in your company changed in the past 6 months?



CORE TRENDS

SOUTH WEST FUTURE EMPLOYMENT

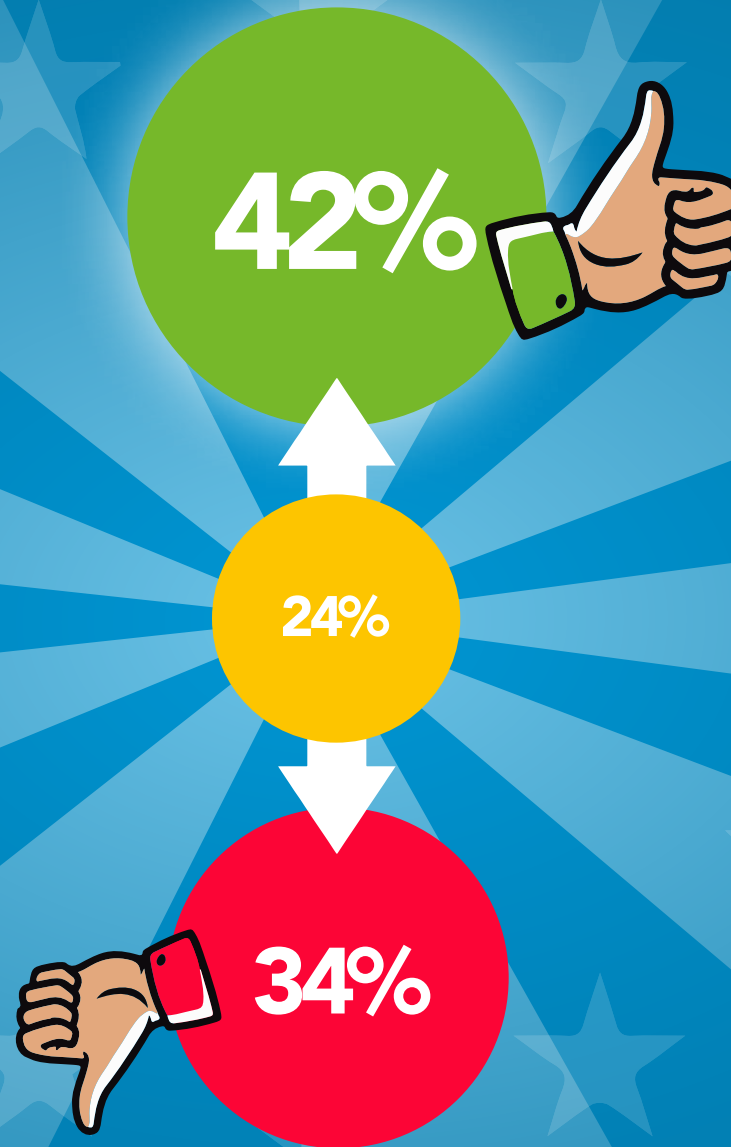
How do you expect staff numbers in your company to change in the next 6 months?



SPECIAL FOCUS: CONFIDENCE GOING FORWARD INTO 2020

CONFIDENCE AFTER GENERAL
ELECTION AND BREXIT DECISION

- More Confident
- No significant change
- Less Confident





ABOUT THE MANUFACTURING BAROMETER

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.

This South West focused report is generated using the input of businesses from Gloucestershire, Bristol, Somerset, Devon, Cornwall, Dorset and Wiltshire.

Run by SWMAS since 2009 in the South West of England, and recently partnering with Economic Growth Solutions, 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.

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

info@swmas.co.uk | 01278 767 010 | www.swmas.co.uk

Follow us: @SWMAS_Ltd | linkedin.com/company/SWMAS



MANUFACTURING
barometer

