

MANUFACTURING GROWTH



# Future Proof Performance

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# Agenda

What's the story in Manufacturing.

Current State - Future State.

Manufacturing / Innovation Strategy.

Future Proof Performance – Make UK / WAF

Route to Growth

4 key Ambitions

Welsh Government EAP

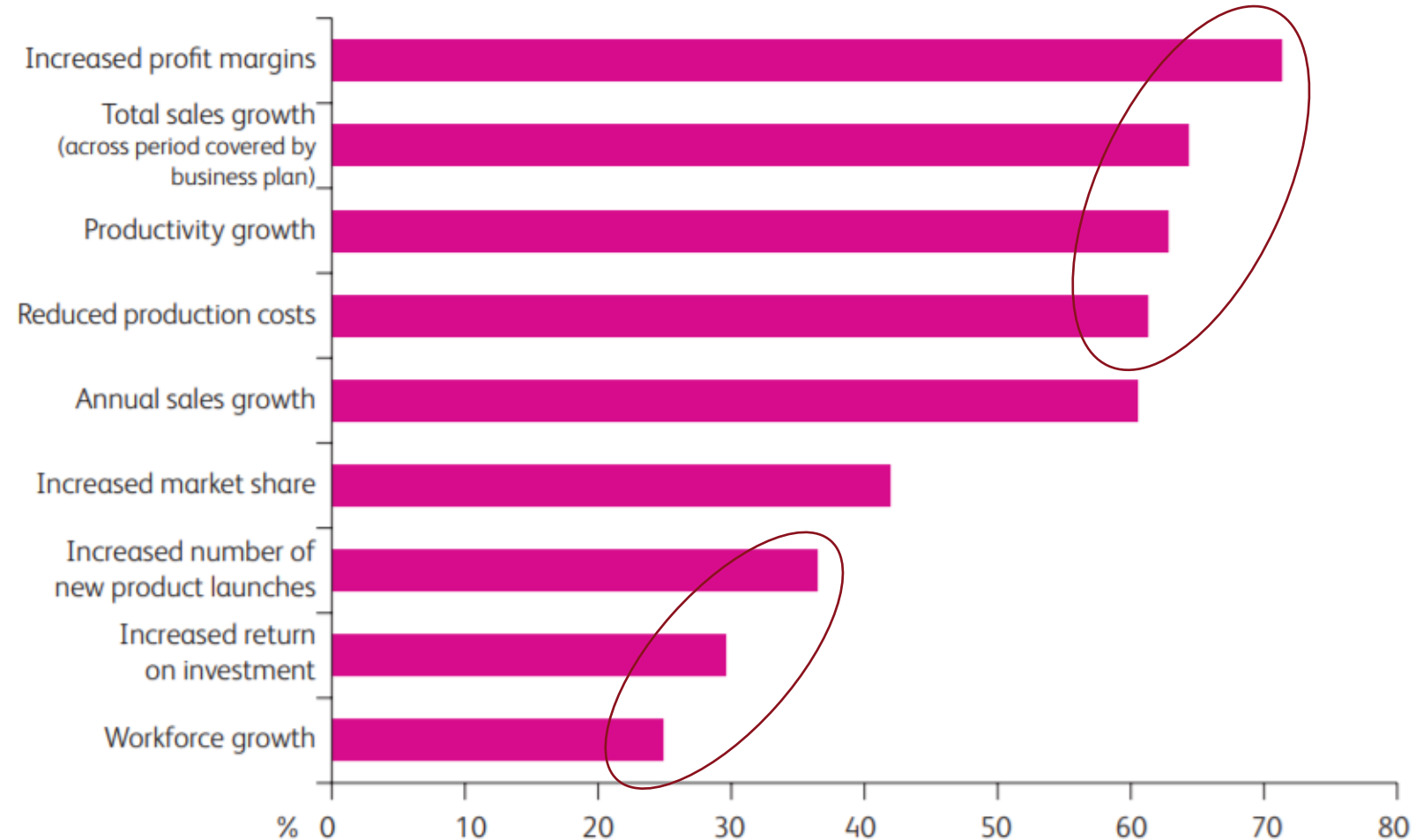
Opportunities to collaborate

Priorities / structure to support delivery

Questions

# What is your ambition?

% of companies citing targets in their business plans



# Driving Added Value - FPP Strategy?

## Future Proof Performance.

Clear ambitions from government provide a clear signal that it is prioritising actions that will build on Wales industrial strengths to support the value added activities that will rebalance the economy. **See EAP.**

Clear ambitions also provide the framework for government to work collectively (as a government and with the private sector) to overcome the obstacles in the business environment to making its vision a reality. The ambitions are:

- **More companies bringing new products and services to market**
- **More globally-focused companies choosing to expand in the UK**
- **A lower cost of doing business**
- **A more productive and more flexible labour force**
- **Make UK “Manufacturing”.**
  - **Performance Profile / Lean Benchmark / Gap Analysis and deliver sustainable impact**





# Welsh Government : Economic Action Plan

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## Calls to Action

Businesses seeking financial support from the Welsh Government will be expected to contribute to at least one of our five Calls to Action which are designed to support them to overcome the challenges of the future. Business will be able to see clearly where government will seek to provide support and people will be able to benefit from businesses that are preparing for future change.

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- **Decarbonisation** - carbon intensive products will see their market shares significantly decline in the very near future; we need to enable more of our business base to become carbon light or free.
- **Innovation, Entrepreneurship and Headquarters** - product lifecycles are reducing and the marketplace has never been more competitive, we want to support businesses to innovate, introduce new products and services and succeed.
- **Exports and Trade** - there is significant untapped potential for trade with the rest of the UK and the rest of the world and we want to proactively support this.
- **High Quality Employment, Skills Development and Fair Work** - businesses need high quality skills to compete and businesses that employ people with high skills are able to pay higher wages that support communities to become more sustainable.
- **R&D, Automation and Digitalisation** - businesses will increasingly need to develop and introduce new products, automate and digitalise to remain competitive. Our universities will have an important supporting role in research and innovation as drivers for prosperity and growth.

# Feedback :- 1) INVESTMENT

## ISSUES

Mfg investment path **uncertain**.

Increased automation hitting hurdles too.

**costs**

**management & workforce skills**

**adapting technology to processes**

**finance & tax landscape**

Loss of **access to skills** may accelerate need to more **automation**, but few firms see this as likely at the moment.

UK has large catch up challenge.

# Feedback :- 2) Innovation

Not enough **process innovation**, but firms say it's getting more important.

Clear link with business outcomes.

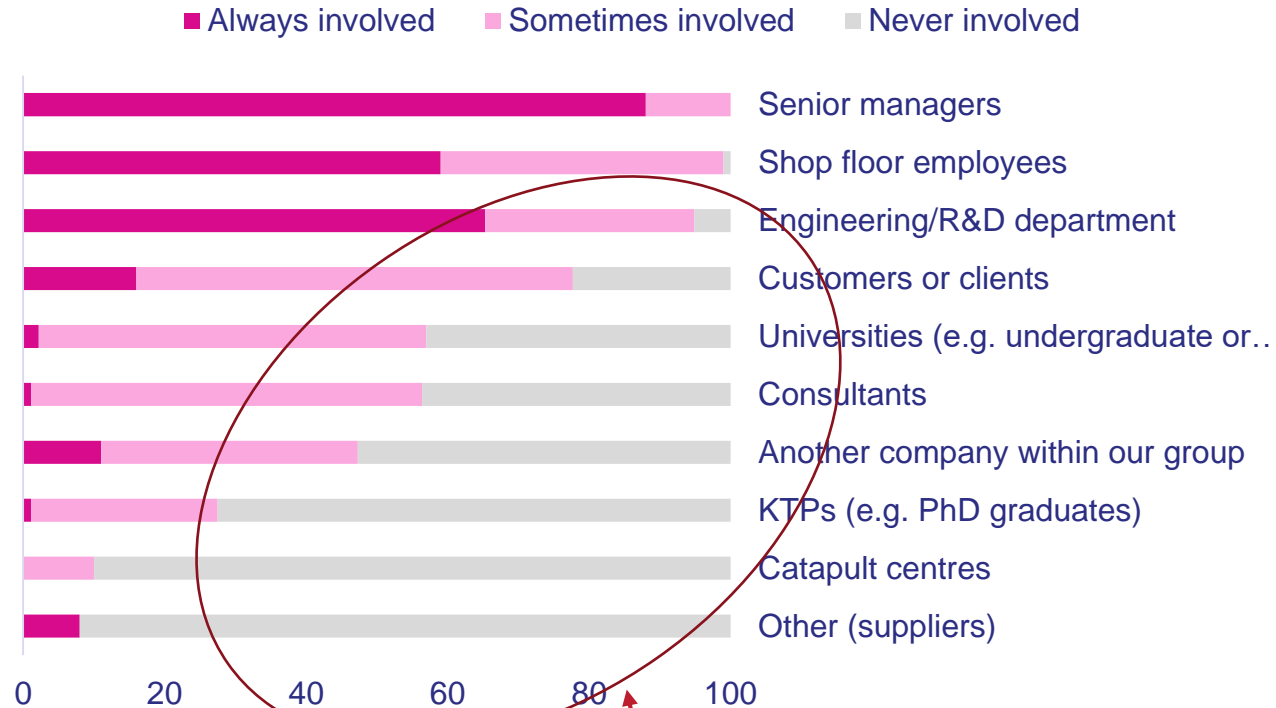
Adoption of ICT and **4IR-related technologies remains underweight**.

Mfg challenged by lack of **skills and uncertainty about returns**.

Firms also underestimate what is involved.

Mfg believes **gvt support for process innovation is lacking**.

# Who is involved in process innovation?



- Internal staff more likely to be involved
- Supply chain cooperation is lacking
- External expertise
- Industry-academia linkages relatively small

Opportunity to develop the 4 key ambitions:



# Future Proof Performance

How many companies have

**Innovation Strategy**

**Manufacturing Strategy**

**Integration of these Strategies**

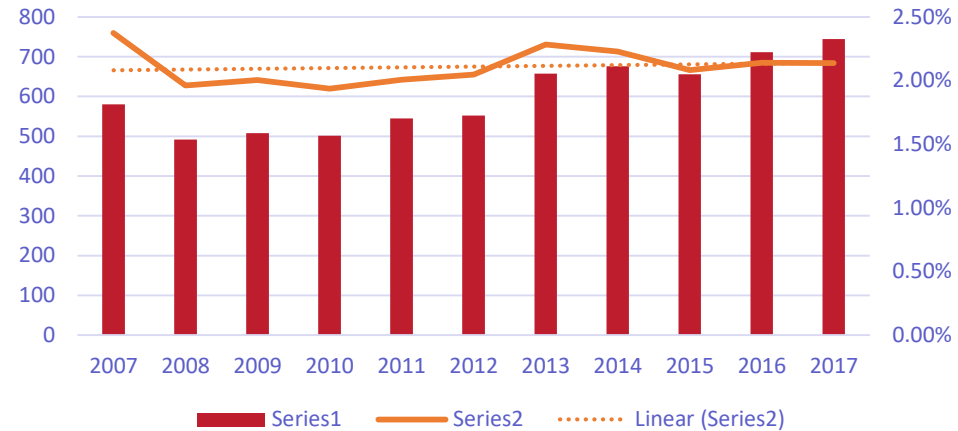
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Where and how do I start:

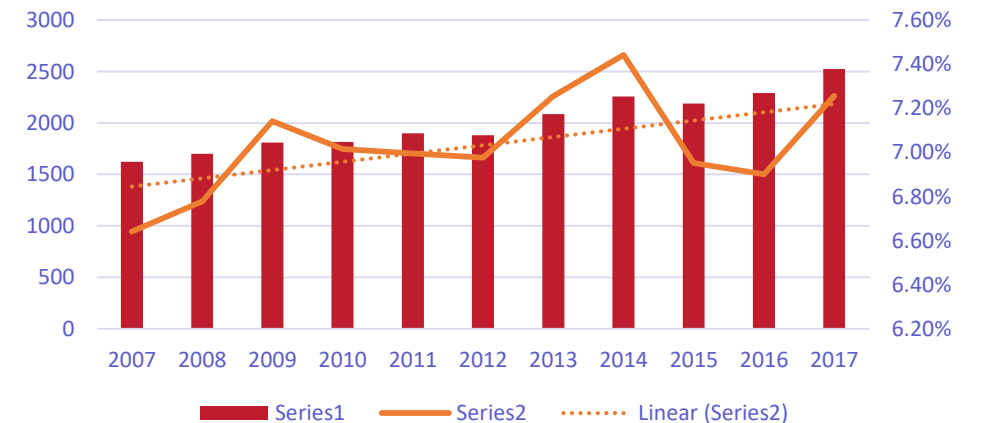
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- Note – Discuss Rate of Innovation.

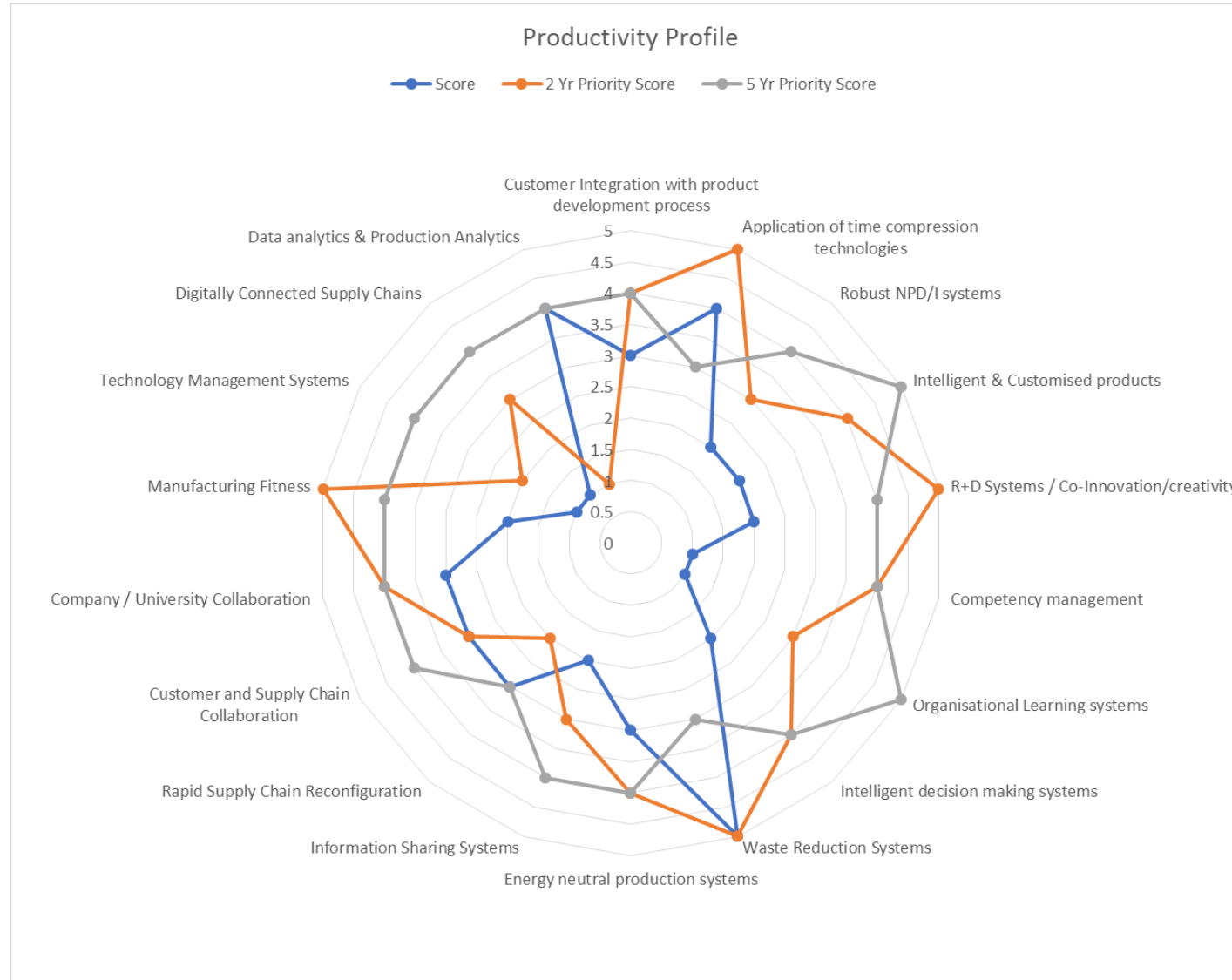
R&D spend in Wales.



R&D spend in Scotland

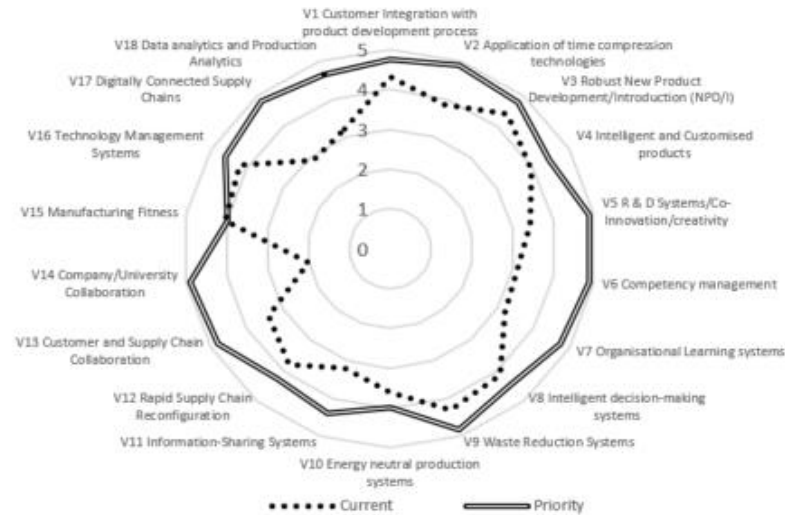


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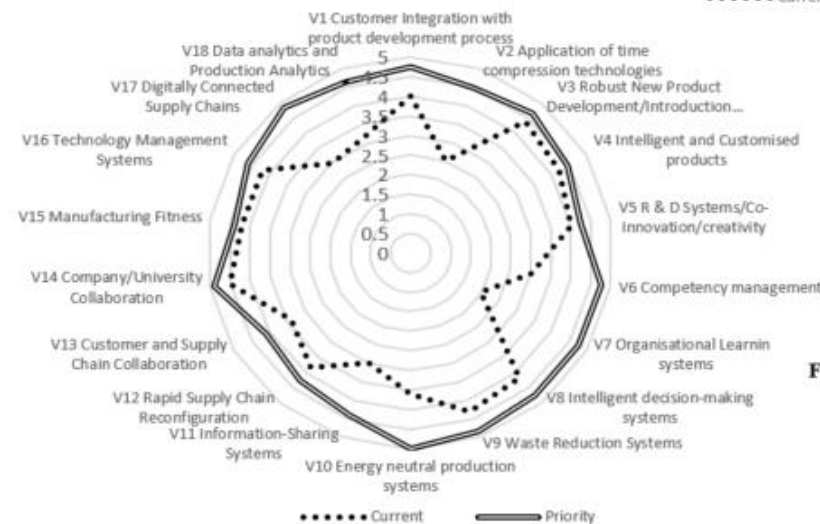
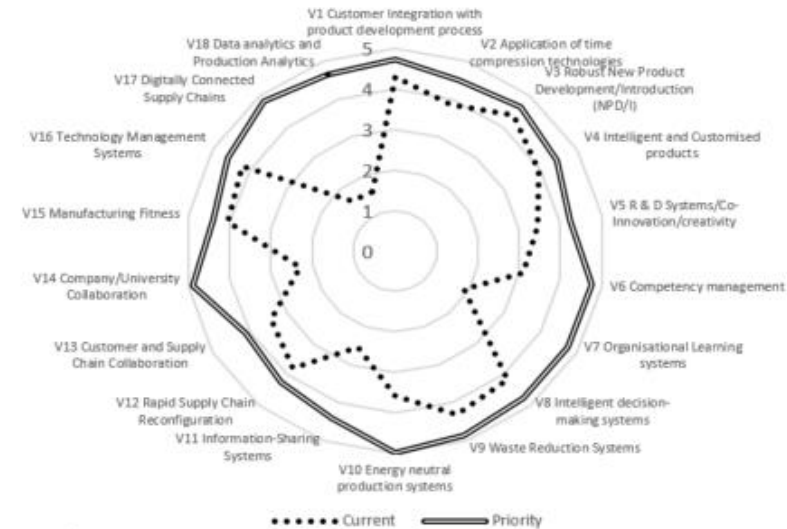


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**Figure 2a – Productivity Profile Component Manufacturer (Mech)**

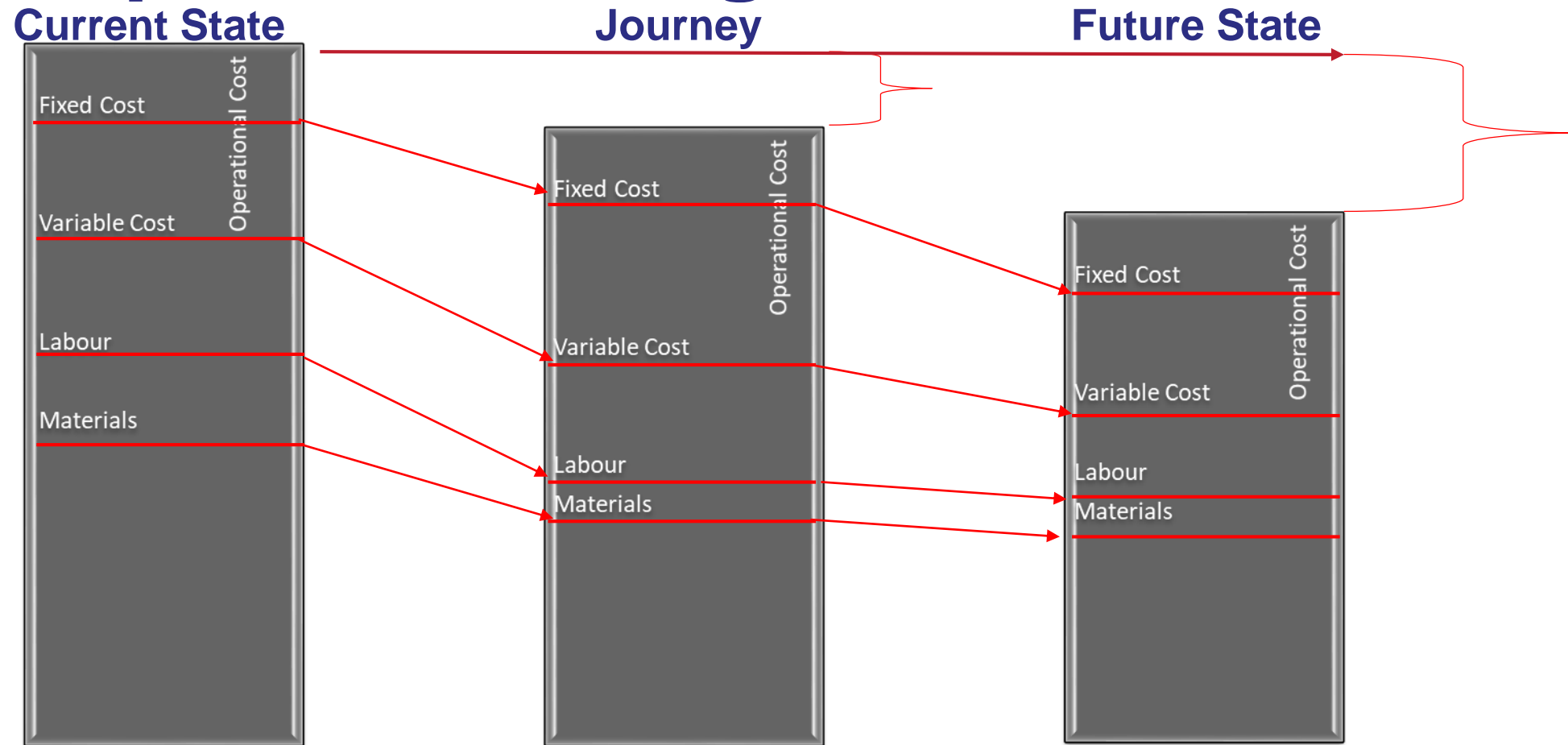


**Figure 2b – Productivity Profile Component Manufacturer (Food)**



**Figure 2c – Productivity Profile Component Manufacturer (Electronics)**

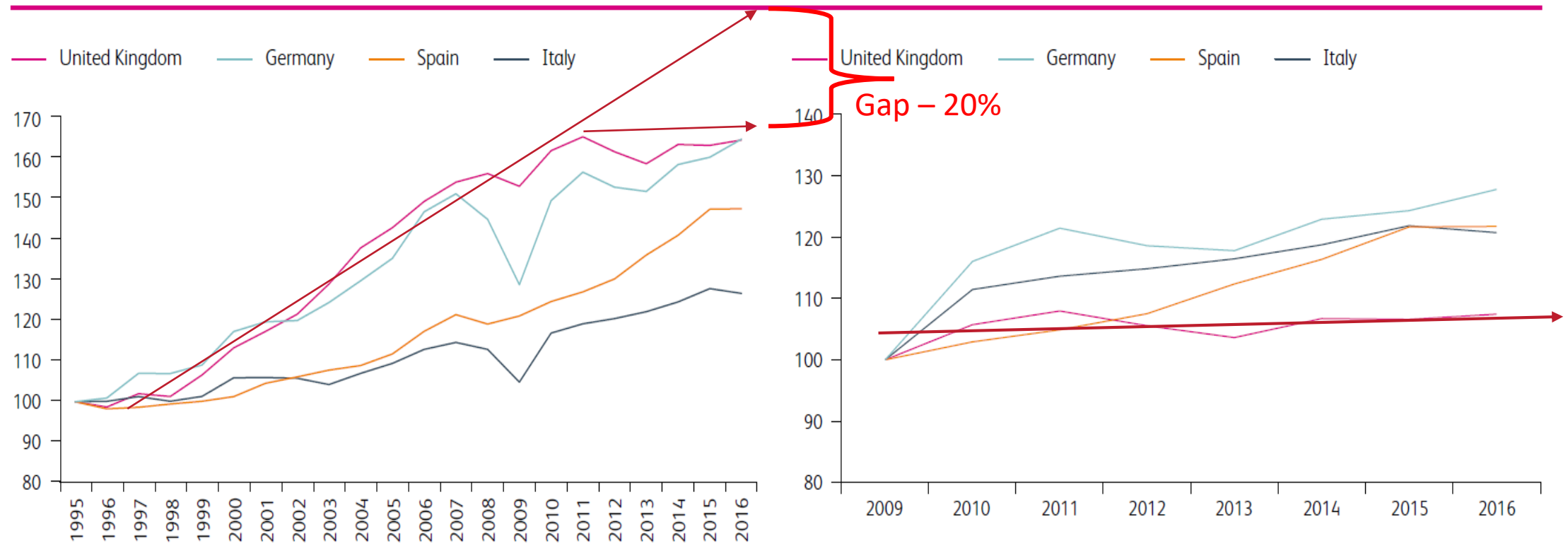
# Future Proof Performance Impact : Existing / variants Products.



# Productivity – Getting Manufacturing Productivity Growth back on trend

UK manufacturing had strong productivity growth up until the financial crisis

Real GVA per hour, left chart 1995 = 100, right chart 2009 = 100



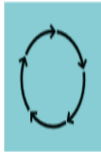
Source: Eurostat, OECD, EEF analysis



# Future Proof Performance



STRATEGIC REVIEW



LEAN / BENCHMARK / KPIS /  
LEAN ACADEMY / SIX SIGMA



PRODUCTIVITY  
IMPROVEMENTS



CONTINUOUS IMPROVEMENT  
CULTURE PROGRAMME



MENTORING AND COACHING



COST SAVINGS THROUGH OUR  
ADVANTAGES PROGRAMME



ACCESS TO EVENTS,  
WORKSHOPS AND BRIEFINGS



IMPACT MONITORING



ORGANISATIONAL  
LEARNING CULTURE



ORGANISATIONAL RESILIENCE

## KEY ACHIEVEMENTS TO DATE:

- 54% increase in productivity
- 16% reduction in scrap material
- 300% increase in stock turns
- 98% + deliver performance
- 70% improvement in space utilisation
- 75% reduction in leadtime
- Reduce time to Market
- Deliver World Class Performance
- Operational Excellence –



# Future Proof Performance – Knowledge Transfer

- The following Apprentice Standards are in the process of being developed.
- Improvement Leader - <https://www.instituteforapprenticeships.org/apprenticeship-standards/improvement-leader/> Master Black Belt (Level 6 – Degree) qualification.
- Improvement Specialist - <https://www.instituteforapprenticeships.org/apprenticeship-standards/improvement-specialist/> This is a Level 5 (Foundation Degree) qualification Six Sigma Black Belt.
- Improvement Practitioner - <https://www.instituteforapprenticeships.org/apprenticeship-standards/improvement-practitioner/>. Level 4 qualification – Green Belt. ,
- Improvement Technician - <https://www.instituteforapprenticeships.org/apprenticeship-standards/improvement-technician/> Level 3 (A Levels qualification ) – Green Belt/Yellow Belt. 1



# Summary

Future Proof Performance – New “ Make UK Initiative” / WAF – Drive Added Value  
Business Growth / Strategy - QFD

Current state - Future State

Gap Analysis – Performance / Productivity Compass / Benchmark /  
Process Innovation.

Prioritisation – re EAP

Intervention – Based on “4 Route to Growth”

Plan to - Manufacturing Connect Events- Best Practice

Case Evidence – Share information / Best Practice

Manufacturing Community Network

New industry cluster / network model.

# Questions