

Kent & Medway Economic Board

Response to the context and issues paper for the South East England Regional Assembly Select Committee on SEEDA's Interventions in Manufacturing in the South East Region.

Please find here below a response from the Kent and Medway Economic Board. The context and issues paper was circulated to members of the board and the comments below noted against the discussion issues are a co-ordination of issues raised via the individual responses.

Discussion Issue 1: Manufacturing in the South East is very advanced and high value but, given the decrease in employment in the sector, how can SEEDA help dispel the misconception that manufacturing is a dying industry?

A decrease in employment is inevitable if manufacturers are to become/remain competitive. If there is an increase in value but decrease in employment then manufacturers are likely to have invested in new labour saving kit/process improvement and R&D. SEEDA should therefore concentrate on the overall performance of the sector and not confuse this with the numbers employed.

There is an opportunity via the review of the RES to give greater emphasis to the value SEEDA places on manufacturing. For example by developing programmes under at least the "competitiveness and productivity" and "dynamic region" themes with specific initiatives targeted to promote and support the role of manufacturing in the South East economy.

SEEDA via its chairmanship of the Regional Skills and Productivity Alliance has the ability to drill down and devise an action plan for the region targeted to support the skills needs of manufacturing - and promote this activity as a strong signal of commitment to raising productivity and supporting manufacturing businesses. The RSPA could seek the LSPA's to focus upon manufacturing and gather intelligence from Employers forum's on the current and predicted future skills needs to retain competitive advantage.

Discussion Issue 2: How can SEEDA help to ensure that there is productivity improvement in manufacturing for the sector to compete successfully in global markets?

Is there also an opportunity to support SE companies access new markets and share R&D and innovative manufacturing process developments.

The support should be in the form of advice on capital investment for improved productivity/value chain exercises to remove unnecessary costs and promote innovation.

SEEDA could use its global regions network to identify and share best practice from the most successful manufacturing regions in the world and cascade that experience via workshops and through its existing sector and cluster networks.

Discussion Issue 3: Only 2% of companies which MAS could have supported were supported with in-depth consultancy due to limited resources. How adequate were the resources set aside for the MAS and those set aside for the proposed MAS in 2005 - 8?

It was commented that 2% of companies receiving in-depth consultancy seems a very low figure. How does this compare with other regions? Is the value derived from the 2% of companies provided with in-depth consultancy quantifiable - and if so does it represent good value for money?

Discussion Issue 4: How can the skills needs to keep the manufacturing sector highly productive and competitive be met before the competitive advantage to the region is lost?

The RSPA and LSPA's should offer a mechanism via which skills needs, current and emerging, can be forecast. Intelligence needs to be gathered on a consistent and regular basis and analysed regularly. Experience of solutions to skills needs and problems encountered should be shared across the region so the benefit of experience can be used to plan and predict responses.

Effective careers advice on the great opportunities available in manufacturing was thought to be key to maintaining a supply of motivated and trained individuals. There is a fear that the perception among students (and teachers) is that manufacturing is all about metal bashing and boring repetitive tasks. Whilst it is acknowledged these roles do exist, manufacturing can also offer many challenging and rewarding careers.

Discussion Issue 5: In view of the fact that Lean Manufacturing is hard to sustain, requires time and uses resources that companies do not have when they are in the process of cutting costs, how can Lean be sold to companies as a means to encourage process and product innovation and, in turn, raise productivity?

The cost of value chain improvement exercises is usually far outweighed by the savings achieved. Case histories should be used to explain the benefits of the process. The gains in productivity, turnover and in the long term profit will be the compelling bottom-line for all businesses.

The workshop event approach outlined in the issues and context paper seems sound and is supported by the comments received.

Discussion Issue 6: To what extent should SEEDA MAS concentrate on providing high quality support at the expense of penetrating the SME market in view of the limited resources it has?

There was a feeling that manufacturing support should not be confined to just MAS. A real need was identified to engage with manufacturing companies on a very local basis, in support of other wider initiatives for example regeneration, growth and skills development. Locally the example of BLK working with EEF and others on a number of successful initiatives was quoted eg:

- SEEDA Lean and the East Kent Cluster

- East Kent Manufacturers Best Practice Group
- Medway Manufacturers Lean Cluster
- West Kent Printing Cluster
- Program of 12 best practice workshops delivered jointly by BLK / MAS

Assuming that “high quality support” means intensive use of high cost solutions in a limited number of businesses. The budget might be better used by running workshops (with delegates from, say, 10 companies) using an actual process example from one of the participating companies to demonstrate the benefits of value chain exercises.

Other general points

A question not addressed by the context and issues paper was how the enterprise hubs and gateways interact with the manufacturing strategy. The interaction maybe seamless but as the hubs and gateways are a key initiative to support the development of clusters and innovative practice they are a key asset SEEDA has to bring to bear in delivering a manufacturing support strategy.

Modern infrastructure - effective transport and communications networks - are thought to be at the heart of location decisions, either to retain premises or invest. It was thought SEEDA could be gathering and reporting on evidence from the manufacturing sector on infrastructure investment needs to maintain and support this important element of the South East economy. Of particular interest is the need to demonstrate the case from business for investing in more efficient systems to transfer freight from road to rail - and maintain strategic distribution routes - (eg measures to minimise and avoid Operation Stack).

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