



Regional Strategic Framework for  
**Manufacturing**  
2007-2012



# Contents

1. Foreword	01	8. Priorities for Action	14
2. Regional Manufacturing Vision	02	Theme 1: Attracting Talent	14
3. Manufacturing in a Regional Context	03	Theme 2: Developing Skills	16
4. Regional Manufacturing Impact	04	Theme 3: Supporting Success	18
5. Defining Manufacturing	05	Theme 4: Stimulating Innovation	21
6. Regional Manufacturing Issues	07	Theme 5: Success in Global Trade	22
1. Skills Availability in the Market	07	Cross Cutting Theme: Positive Messages	24
2. Accessing Talented Personnel	07	9. Other Requests & Feedback	25
3. Thinking Strategically	07	10. Summary and Implementation	26
4. Access to Investment	08	11. Glossary	27
5. Access to Knowledge	08	Appendix 1 – Reference Sources	28
6. Globalisation	08		
7. Perceptions and Messages	08		
8. Coordination of Support	08		
9. Ability to Spot Gaps	09		
10. Ease of Working with the Public Sector	09		
7. Regional Manufacturing Support Themes	10		
Theme 1: Attracting Talent	10		
Theme 2: Developing Skills	11		
Theme 3: Supporting Success	11		
Theme 4: Stimulating Innovation	11		
Theme 5: Success in Global Trade	12		
Cross Cutting Theme: Positive Messages	13		
Summary of Themes	13		



**Jody Chatterjee, executive director, Enterprise East of England Development Agency (EEDA)**

# 1. Foreword

Manufacturing is the second largest contributor after Business Service to regional wealth and the East of England is home to more than 18,000 manufacturing businesses. This is a larger regional cluster than the North East, South West, East Midlands, Yorkshire & Humberside and Wales.<sup>1</sup>

Manufacturing therefore stands to play an integral role in the continued success and growth of our regional economy. It is for this reason that EEDA is championing manufacturing and has driven forward the development of this Framework and subsequent implementation plan. We are however reliant on our partners and the commitment of the private sector to take forward the implementation plan and ensure it has maximum possible impact on the future of manufacturing in our region.

A commonly quoted phrase is that manufacturing is not declining, it is transforming. The success of higher value adding manufacturing and a growth in productivity is predicted to increase the wealth generated by regional manufacturers<sup>2</sup> over the period covered by this Framework (2007-12). This transformation of regional manufacturing will be driven by changes in technology, increased specialisation of organisations, continuing investment in R&D and a predicted change in the mix of regional manufacturers by sector.

This positive, yet changing, picture of future regional manufacturing places demands for change on the public sector and service providers across a wide range of areas, including skills provision, access to information and finance as well as support to enable organisations to effectively innovate. There is a demand to change how we use energy resources and the planning surrounding regional infrastructure.

Recognising that manufacturing is vital to the long term success of the regional economy, this Regional

Strategic Framework for Manufacturing has been created through consultation with a wide range of regional partners and is designed to serve three purposes:

- 1. Raise the profile of regional manufacturing**
- 2. Improve the coordination of current support activities**
- 3. Identify the best support that can be provided with limited public funds both now and in the future**

This Framework builds on and refreshes the work that has previously been undertaken in this area by EEDA and links to the Regional Economic Strategy (RES) and the Regional Business Support Strategy (RBSS) "Better for Business".

Overall, the purpose of the Regional Strategic Framework for Manufacturing is to enable the region to achieve and exceed the predicted growth rates by focusing regional support into the areas that will have the biggest regional impact, this being the focus of the first strategic intervention outlined in "Better for Business".

The Framework covers activities designed to support manufacturers over the period 2007 to 2012, and we start by presenting a vision for regional manufacturing before exploring the importance of manufacturing to the East of England and the issues being faced by regional manufacturers. Finally, the Framework presents the actions needed to ensure the region achieves its vision for the future of manufacturing.

<sup>1</sup> RDA Summary of Key Regional Characteristics 2006  
<sup>2</sup> Cambridge Econometrics Report June '06

## 2. Regional Manufacturing Vision<sup>3</sup>

The East of England will build on its world class science and research base to remain a top EU region for generating wealth from ideas and research and we will ensure this wealth remains in the region by:

- 1. Maintaining a manufacturing capacity that is above the average for the UK (by numbers employed and wealth created per capita)**
- 2. Ensuring productivity growth is above average for the UK**
- 3. Generating high quality jobs that attract talented people from across a wide range of communities**
- 4. Assisting manufacturers to bring their ideas to market effectively**
- 5. Contributing to a sustainable future for all manufacturing by supporting emerging technologies and promoting the benefits of environmentally responsible practices.**

Specifically, the vision places a requirement on the region to support manufacturers by:

- promoting the region as the place to establish and run a business and to attract the businesses which will drive the predicted growth in manufacturing output

- assisting organisations to raise their productivity and thus enable the region to achieve productivity growth in excess of the national average
- generate interest in manufacturing as a career of choice, ensuring that manufacturers have access to the talent they require to drive business growth
- support the predicted growth in manufacturing output by assisting companies to turn world beating ideas into world beating products
- helping manufacturers to access new markets and new opportunities that will generate the additional wealth that has been predicted for the region
- encouraging manufacturers to reduce their impact on the environment as well as ensuring they realise the tangible business benefits that can accrue from improved resource efficiency, ensuring our region retains a high quality of life and minimises its environmental footprint.

Manufacturing is vital to regional success and through delivering the vision stated above, the East of England will exceed the predicted

growth in manufacturing output and therefore contribute positively to our regional quality of life and to achievement of the goals stated in the Regional Business Support Strategy.

“Encouraging manufacturers to reduce their impact on the environment as well as ensuring they realise the tangible business benefits that can accrue from improved resource efficiency.”

<sup>3</sup> The Regional Manufacturing Vision was created following extensive consultation with a wide range of regional partners and organizations during late 2006.

# 3. Manufacturing in a Regional Context

Manufacturing is the second most important contributor to regional wealth<sup>4</sup> and employs around 280,000 people in our region<sup>5</sup>, but this betrays the leverage manufacturing has on regional employment. Each manufacturing job supports at least one service sector job<sup>6</sup> and during the period covered by the Framework regional manufacturing output is predicted to grow at a level above the UK average<sup>7</sup>, assuming predicted productivity growth and R&D investment rates can be achieved.

Manufacturing is a diverse sector encompassing many disciplines. It lies at the heart of several important regional sectors and enables other sectors to succeed. The importance of manufacturing to the region was emphasised in the recent Sectors & Clusters Report<sup>8</sup> which listed 13 of the most strategically important sectors that will drive sustainable growth of the region, of which five are clearly dependent on manufacturing, namely:

- 1. **Agriculture, Food Processing, and Drink**
- 2. **Automotives Manufacturing**
- 3. **Hi-technology and Advanced Manufacturing**
- 4. **Pharmaceuticals and Life Sciences**
- 5. **ICT**

A further four sectors are able to succeed because they are enabled by manufacturing or have a strong linkage to manufacturing, namely:

- 6. **Construction and the Built Environment**
- 7. **Energy and Off-shore Industries**
- 8. **R&D**
- 9. **Cultural and Creative Industries**

These nine sectors combined with other key manufacturing sectors in the region make an important overall contribution to regional wealth and quality of life, as emphasised in the statistics in section 4. The purpose of this Framework is to assist regional partners to collaborate and achieve the predicted regional growth rates.

“Manufacturing is a diverse sector encompassing many disciplines. It lies at the heart of several important regional sectors and enables other sectors to succeed.”

4 From Office of National Statistics GVA Data by Sector 2005  
5 RDA Summary of Key Regional Characteristics 2006  
6 From Hansard Proceedings Mar 23rd 2006

7 Cambridge Econometrics Report June 2006  
8 EEDA Sectors & Clusters Report 2006

## 4. Regional Manufacturing Impact

The nature of the manufacturing sector means that it has a significant impact on the regional economy, for example:

- **exports** – in 2004 manufactured goods accounted for a total of £126,504m out of a total export base of £190,548m (66%)<sup>9</sup> of all UK exports, and the East of England was the fastest growing region for exports, attaining levels of £18.03bn in the same year (9.4% of UK Exports)<sup>10</sup>. Maintaining export growth at the rates currently being experienced is critical to achieving the predicted growth in regional manufacturing output.
- **jobs** – regional manufacturing currently supports around 280,000<sup>11</sup> jobs, but each manufacturing job also supports at least one service sector job<sup>12</sup>, meaning real regional employment that is dependent on manufacturing is closer to 600,000 out of a regional employed total of 2.322m<sup>13</sup>. (Therefore approximately 26% of regional jobs are dependent on manufacturing).

As manufacturing output grows the skills mix will transform based on a shift toward emerging and higher value adding sectors, placing pressures for change in the regional skills provision.

- **innovation** – manufacturing represents 77% of all R&D<sup>14</sup> spend in the UK. The East of England represents the second highest regional spend in absolute terms (£4.2bn in 2003)<sup>15</sup> after the South East (£4.7bn in 2003) but the largest by percentage of GDP and percentage of GVA<sup>16</sup>. It is also the only UK region to rank in the EU's top 10 R&D regions<sup>17</sup>. Even allowing for the distortion caused by larger organisations investing heavily in R&D in our region, this still supports the concept of the East of England being Europe's ideas region. Growth in regional manufacturing output depends heavily on the need for continued investment in R&D and the development activities required to turn world beating

ideas into world beating products, something that the public sector has an important role in supporting.

- **contribution to GDP/GVA** – manufacturing represents 14.5%<sup>18</sup> of national GVA and slightly more than 16% of GDP<sup>19</sup>, and whilst manufacturing's percentage of GDP dropped from approximately 30% to 17% between 1971 and 2001, its output actually increased by 25%<sup>20</sup>. Even at a level of around 16% of the national GDP, manufacturing output also supports an equivalent output in the service sector, meaning the true importance of manufacturing is in excess of 30% and regionally manufacturing remains the second highest wealth creating sector<sup>21</sup>. This is set to grow throughout the period covered by this Framework if we can achieve the predicted growth rates in regional productivity.

9 ESRC UK Fact Sheet 2005

10 Taken from Export Report HM Revenue & Customs 2005

11 RDA Summary of Key Regional Characteristics 2006

12 From Hansard Proceedings Mar 23rd 2006

13 From Labour Market Survey (ONS) 2004 Data

14 ONS R&D Statistics 2003

15 ONS R&D Statistics 2003

16 ONS R&D Statistics 2003

17 Eurostat Report (2002)

18 Headline GVA Figures (ONS) 2004 Data

19 Guardian 11th May 2006, Mark Tran quoting ONS figures

20 Harvey Nash Industrial Unit Report June 2004

21 From Office of National Statistics GVA Data by Sector 2005

## 5. Defining Manufacturing

Manufacturing has suffered with perception problems brought on by a general misunderstanding of what it is.<sup>22</sup> One confusion is around the difference between production (and associated assembly activities) and manufacturing. Figure 1 shows a complete manufacturing value chain.<sup>23</sup>



Figure 1: Manufacturing Value Chain

Production and manufacturing are closely related but are not one and the same. Companies can be classified as ‘design’ or ‘sales’ and still be significant contributors to one or more manufacturing value chains. The difference between production and manufacturing is neatly summed up in the following definition which has been accepted nationally by the DTI’s National Manufacturing Forum:

***The modern definition of manufacturing is broad. The full cycle of activities from research, design and development, production, logistics, and service provision to end of life management. This definition makes a strong distinction***

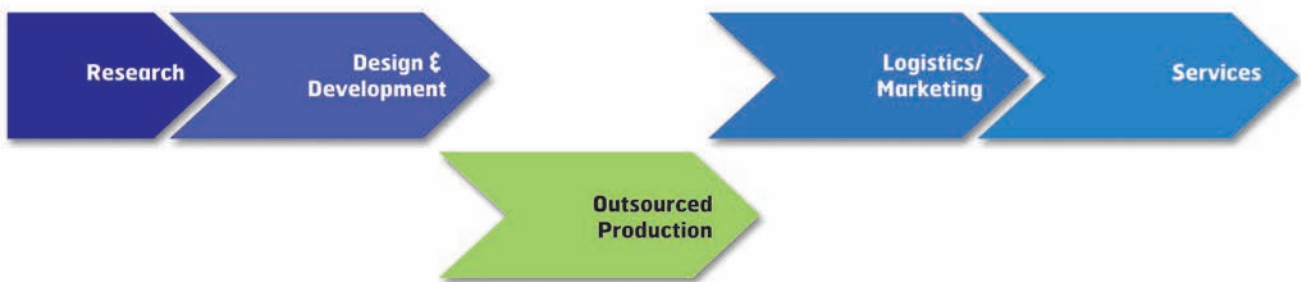
***between production (the physical processes of making, bending, etc) and manufacturing (the over-arching process of getting raw materials to goods and their associated services).***<sup>24</sup>

By taking this approach to defining manufacturing it becomes easier to see that although an organisation may choose to outsource its production activities, it remains at heart a manufacturing company as shown in Figure 2 on the next page.

<sup>22</sup> From DTI ‘Manufacturing Forum’ notes referring to the National Manufacturing Media Centre

<sup>23</sup> As proposed by the IFM in the Defining High Value Add Manufacturing Report Jan 2006

<sup>24</sup> Centre for Economics & Policy (IFM) Cambridge



**Figure 2: Manufacturing Value Chain: Outsourced Production**

Some organisations outsource more than their production, such as design, procurement, sales, distribution or even field servicing activities – whilst other organisations specialise in supporting a particular aspect of one or more manufacturing value chain, such as providing outsourced ‘procurement’ or design services. All of these organisations can be described as supporting the manufacturing sector.

An important point raised during the research undertaken to create this Framework<sup>25</sup> was that whilst ‘high tech’ manufacturing sectors such as Electronics, Automotive,

Aerospace etc are vital to the development of new technologies and processes, we must not forget that sectors which are perceived normally as being ‘lower tech’ (such as food production) can be at the leading edge of production, process or product technology. They are also vital to the quality of life and employment in our region and we must not forget this in any support plans for manufacturing in the region.

25 This research involved over 60 regional and national partner organisations and manufacturers and was undertaken between July and Oct 2006. In addition, the research phase included a review of over 120 contemporary strategies, reports and statistical studies that were relevant to manufacturing in the East of England. A summary of the key documents reviewed is provided in Appendix I of the Strategic Framework.

## 6. Regional Manufacturing Issues

Based on feedback from partners and a review of available research<sup>26</sup>, 11 regional issues were identified as being required to achieve, and exceed, the predicted growth in regional manufacturing output.

Infrastructure was identified as a cross-cutting issue by many regional partners. It affects all businesses and not just manufacturing and requires careful planning when considering the number of new homes that are being built in the region and the corresponding demand this will create for high quality jobs (which will include those in manufacturing where semi-skilled and skilled jobs in manufacturing tend to be better paid than corresponding service sector jobs<sup>27</sup>). Due to its cross-sector impact, it has been agreed that this issue would be better tackled through the Regional Spatial Strategy rather than as a separate issue in the Regional Strategic Framework for Manufacturing.

In much the same way that regional infrastructure issues are best dealt with via the Regional Spatial Strategy, the opportunities offered to regional manufacturers of London 2012 is best handled via the Regional Business Plan for the Olympic Games and Paralympic Games.

Based on the feedback from a wide range of regional partners, industry<sup>28</sup> and representative bodies, there are ten remaining issues affecting the success of regional manufacturers. These are presented in order of most important to least.

### 1. Skills Availability in the Market

To support the continuing shift in manufacturing towards producers of higher value added services and products, manufacturers' skills will require bolstering at level 3 and above, particularly in skills related to leadership and management, as well as sector specific craft skills. Allied with this was the need, identified by both partners and industry, to provide modular training in easily digestible chunks which are immediately relevant. This is essential to sustaining growth in both productivity and output. Further issues were raised about the ability of Further Education (FE) and Higher Education (HE) to provide motivated and 'oven ready' young workers who see manufacturing as a career of choice. It is recognised

however that regional manufacturers will need to be actively involved to make this a reality.

### 2. Accessing Talented Personnel

Partners and industry identified a clear shortfall between the number of talented and motivated workers required to achieve the predicted growth in manufacturing output, and the actual numbers available to regional manufacturers. Generally, partners felt that there was an insufficient level of focus on transforming the image of manufacturing and there is a clear need to increase the amount of positive information about manufacturing available to younger people and to skilled people looking enter manufacturing.

### 3. Thinking Strategically

It has been recognised nationally<sup>29</sup> that whilst productivity growth is important for the region to attain its predicted growth in regional wealth, there is a clear need to assist manufacturing companies to link this productivity growth to

<sup>26</sup> Research to support these conclusions was undertaken both face to face and electronically between June '06 and Sep '06 and results have been correlated with the findings of research undertaken in support of the Draft Manufacturing Strategy which was created during 2004.

<sup>27</sup> Hansard Proceedings 15th June 2004

<sup>28</sup> Research with a range of regional manufacturers was undertaken during 2004 and has been subsequently confirmed during this research exercise through discussions with manufacturers, membership organisations and reviews of the available employer survey data.

<sup>29</sup> DTI MAS Development Board 2006

increases in sales and to rapidly develop new products and services to capture market opportunities. There was clear need identified for a regional support programme to be provided to assist business leaders within regional manufacturing companies to think strategically and maximise the growth of their organisation – existing provision was not felt to be sufficient in this area.

#### **4. Access to Investment**

Whilst the East of England is among one of the strongest regions benefiting from the £14.04bn<sup>30</sup> invested annually by manufacturers, it mirrors the rest of the UK by under-investing when compared to international competitors<sup>31</sup>. Unless addressed, this will inhibit the ability of the region to sustain its predicted growth in productivity, wealth and exports. Some of this underinvestment is related to the ability of organisations to access finance, and some of it is related to the willingness of manufacturers to invest. As a region we need to both enable manufacturers to access finance as well as promote investment as key to business success and growth.

#### **5. Access to Knowledge**

Making it easier and more affordable for organisations to access available knowledge was felt to be key to raising the economic impact realised through regional R&D and thus supporting the predicted growth in regional manufacturing wealth. To support this we need to raise the profile of the available resources and knowledge that will provide regional manufacturers with the expertise and ability to develop new and effective products and services. This is important as the predicted growth in manufacturing output is based on continuing investment in R&D and the resulting growth in sales that will arise from this investment.

#### **6. Globalisation**

Although not unique to our region, the issue of globalisation creates such a major opportunity and threat to UK manufacturing that we cannot ignore it. Centres of manufacturing have been shifting to the Far East and Indian Sub-Continent for a number of years and the increasing size of the EU creates both competitive issues and opportunities closer to home. Assisting organisations to identify

opportunities for overseas investment remains a regional priority if we are to maintain our export growth rates. Similarly, promoting the region as a place to do business is important if we are to attract higher value adding manufacturers who will have a strong impact on the predicted growth in regional manufacturing output.

#### **7. Perceptions and Messages**

In line with national findings about perceptions of manufacturing<sup>32</sup>, there exists a problem with the perception of manufacturing within the East of England. This particularly affects the perceptions of motivated and talented young people and new graduates who are not attracted into the manufacturing sector at the rate currently required by regional manufacturers. FE and HE and the wider public sector have a key role to play in changing perceptions both in the media and in the classroom if we are to attract the quality of people who will deliver the predicted growth in manufacturing productivity and output.

30 ONS Business Investment Summary 2005

31 Catching Up With The Continent, EEF June 2004

32 Including research by Greenwich University and the DTI in support of the creation of the National Manufacturing Media Centre (NMMC)

## 8. Coordination of Support

There is an opportunity to improve the ability of different support programmes to cooperate, avoid duplication and share leads and referrals to ensure that regional manufacturers get access to the full range of support available in the region, thus maximising the impact of regional investment in support and the benefits to manufacturers.

## 9. Ability to Spot Gaps

Whilst we already have a well developed support framework in the region, a suitable mechanism for gathering information rapidly about emerging gaps in the support provided to regional manufacturers does not exist and this means that the ability of the region to react to changes in the needs or drivers of regional manufacturing is constrained.

## 10. Ease of Working with the Public Sector

The proliferation of support and the difficulty some manufacturing organisations find in working with the public sector and accessing publicly funded programmes is a recurring theme across the UK as well as in the East of England. Whilst at a national level there is a programme to simplify access to and provision of business support, at a regional level we need to consider how we make it easier for organisations both to access support and realise some of the public sector opportunities that exist in – enabling them to create the success that will drive the growth in manufacturing output.

“The East of England is among one of the strongest regions benefiting from the £14.04bn invested annually by manufacturers.”

# 7. Regional Manufacturing Support Themes

Support to address the 10 issues that were identified during the research phase<sup>33</sup> has been grouped into five themes as shown below:



## Theme 1: Attracting Talent

This theme is concerned with attracting talent into, and retaining it within, manufacturing – whether this talent is in the form of young people, graduates or suitably skilled older workers. Both industry and partners mentioned that the sector struggles to attract suitably talented people, ranging from attracting suitably motivated graduates to suitably motivated skilled workers. This is backed up by research which shows that few younger people are interested in a career in manufacturing<sup>34</sup> and the

shortfall in availability of skilled workers reported by both regional partners and manufacturers.

Unless manufacturers have access to the required numbers of motivated and skilled people at the right level (which is generally felt to be Level 3 and above), particularly in the Craft & Management skills area, it will constrain growth and therefore undermine the region’s ability to achieve its predicted growth in manufacturing output. The **Attracting Talent** theme is about ensuring that manufacturing businesses can attract the right

number of talented people and that the sector retains them in the industry for as long as possible.

Currently, the region has a number of activities designed to promote manufacturing through engaging young people with manufacturers including the SETNet (Science, Engineering & Technology Network) Ambassadors. In addition, there are local activities undertaken by HE/FE colleges to engage with industry which can be classed as an activity to promote the benefits of manufacturing to students as well as the direct activity of the

<sup>33</sup> Research to support the conclusions outlined in the Regional Manufacturing Vision was undertaken both face to face and electronically between June '06 and October '06 and results have been correlated with the findings of research undertaken in support of the Draft Manufacturing Strategy during 2004.

<sup>34</sup> Manufacturing Foundation Younger People Study (involving 1,700 people) (2004)

Education Business Link Organisations (EBLOs) and their aims to link education to industry.

Other activities undertaken to attract talent include the annual Enterprise Week and the MAS Ambassadors programme (which although designed to primarily promote the MAS Programme also has a residual impact on attracting talent through its media coverage and the aspiration we would hope this generates amongst younger people).

However, these activities by themselves are not currently generating the required level of interest in manufacturing from talented and motivated young people and we need to consider additional support activities in this area if we are to improve our regional ability to attract talent.

### **Theme 2: Developing Skills**

This theme is concerned with ensuring that manufacturers have access to the people with the skills required to generate success both in the short and longer terms.

A consistent theme both regionally and nationally is the need to access skilled people and to constantly increase the skills base of existing people within the sector. Whilst the attraction (and

retention) of skilled people is covered within the 'Attracting Talent' theme, the Developing Skills theme focuses on the development of those core skills required to ensure regional success both now and in the future as we expect the mix of manufacturing companies in the region to change, thus placing different demands on the skills provision in the region. In addition, methods of delivering skills support may need to change to keep pace with the demands of manufacturers for more flexible provision.

There are already a wide range of regional activities being undertaken both at a local and regional level to support the development of critical skills for the region, including the establishment of new National Skills Academies that are being developed by the Sector Skills Councils (including the National Skills Academy for Manufacturing), as well as the coordinating work of the East of England Skills & Competitiveness Partnership (EESCP). In addition to the establishment of physical and virtual skills academies, there are also a range of regional support programmes (including Train 2 Gain and Toward 2010) which are assisting organisations to develop the skills they need for the future.

The aim of this theme is to build on the currently planned activities and ensure that regional manufacturers have access to the skills that will enable them to achieve the predicted growth in regional manufacturing output.

### **Theme 3: Supporting Success**

This theme is concerned with coordinating existing support and continuing to ensure that the right support is provided to businesses in the future.

The complexity of the current support landscape was raised as an issue by numerous partners and by businesses themselves. Whilst the region is contributing to the National Business Support Simplification Programme (BSSP), other activities are required under the **Supporting Success** theme to ensure that regional manufacturers are provided with effective support both now and in the future by spotting trends in the market, removing (where possible) duplication in support and maximising the ability of the regional support infrastructure to share information, leads and referrals.

#### **Theme 4: Stimulating Innovation**

This theme is concerned with encouraging organisations to be more innovative and ensuring they have access to the right resources to support their own innovation activities, which in turn will support the R&D investment that underpins the predicted growth in manufacturing output.

Innovation is defined by the DTI as ‘the successful exploitation of new ideas’ and this theme is concerned with assisting organisations to be more innovative in their products, processes and people as the growth in regional manufacturing output is dependent on enabling manufacturers to develop world beating ideas into world beating products and then sell them effectively.

The **Stimulating Innovation** theme is designed to coordinate, stimulate and promote the options available to organisations to enable them to benefit from innovations in their products, processes and services.

We already have a wide range of activities available to stimulate innovation in the region, such as the Innovative Manufacturing Research Centres (IMRCs) based at Cambridge and Cranfield and i10, as well as a range of Enterprise

Hubs which are delivering support to both established and emerging sectors in the region. In addition, the Regional Science and Industry Council aims to bring together research organisations with the private sector to share best practice and improve the transfer of knowledge, whilst at a sub-regional level, a number of universities organise local activities to engage directly with manufacturing organisations.

It is also important for the region to continue to stimulate innovative thinking in environmental and energy efficient technologies and practices through such programmes as; Envirowise, the Centre for Sustainable Engineering, Energy Efficient Motorsport, Renewables East and other similar programmes and to use this existing infrastructure to support the emerging sectors which will impact on environmental and energy efficient technologies and contribute to resource efficiency in the region, including biomanufacturing, plant science and renewable technologies.

This theme is about recognising and building on the successes of these various programmes to enable the region to maintain its leading position for R&D

investment, recognising this as a prime driver of regional growth in manufacturing output.

#### **Theme 5: Success in Global Trade**

The Success in Global Trade theme is concerned with ensuring we retain our position as a leading region for exports and continue to develop our profile as a region for inward investment and trade.

The East of England already performs well on exports, and this theme is concerned with ensuring that businesses in the manufacturing sector continue to contribute significantly to regional exports whilst also increasing the region’s attractiveness to overseas and domestic investors.

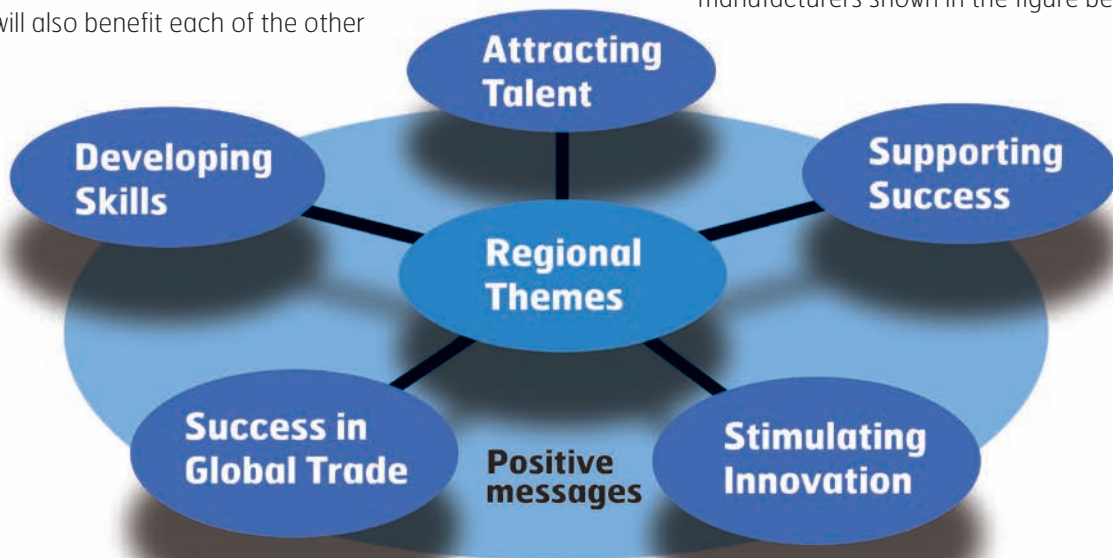
The region already supports global trade through East of England International (EEI) and UK Trade & Investment (UKTI), and is represented at the highest level in the EU through EEDA’s Brussels office. In addition, many local universities have strong overseas links and Cambridge University in particular enhances the region’s global profile. Collectively these activities need to be coordinated to ensure we continue to see growth in exports and also attract high value add manufacturers into the region.

### Cross Cutting Theme: Positive Messages

In addition to the five proposed themes, the promotion of positive messages around manufacturing was felt to be a separate cross cutting theme. This theme is therefore concerned with improving the image of manufacturing through positive messages, which will also benefit each of the other

five themes. This in turn will assist in the drive to achieve (and exceed) the predicted growth rates for regional manufacturing.

Adding in this additional aspect provides us with an overall model for the themes of support to regional manufacturers shown in the figure below:



### Summary of Themes

The following table summarises how each of the ten issues faced by regional manufacturers are dealt with through the five themes and one cross cutting theme as discussed above.

Matching Issues to Themes	Attracting Talent	Developing Skills	Success in Global Trade	Stimulating Innovation	Supporting Success
1. Skills Availability in the Market	•	•			
2. Ease of Working with the Public Sector		•			•
3. Coordination of Support					•
4. Access to Knowledge		•	•	•	
5. Accessing Talented Personnel	•	•			
6. Ability to Spot Gaps			•		•
7. Perceptions & Messages	•	•	•	•	•
8. Access to Investment			•		•
9. Thinking Strategically		•	•	•	
10. Globalisation			•		

# 8. Priorities for Action

Based on the feedback from regional partners, this section summarises the 11 key actions that have the biggest impact on the success of regional manufacturing. These actions have been grouped under the themes they most closely align with.

## Theme 1: Attracting Talent

Based on the current status of regional support under this theme and the feedback from regional partners the region identified two priorities for action under this theme.

### 1. Strengthen links between Schools & Industry

#### Purpose

To raise the aspirations of young people to work in manufacturing by providing them with accurate information about manufacturing and the breadth of careers available and through this to close the gap between the need for

talented younger people and the numbers currently available to regional manufacturers.

#### Background Notes

Activities such as SETNet, EBLOs and other organisations strive to maintain good links between schools and industry. The region will develop a specific promotional programme building on the existing regional activities and linked into the 'Work Related Curriculum' to raise the profile of various manufacturing sectors in the region. This includes expanding the availability of Ambassadors by building on the SETNet Ambassadors programme to grow the number of younger people and new graduates who are attracted to manufacturing as a career of choice, and thus close the gap between the needs of manufacturing businesses and the current availability of talented younger people and graduates.

#### Measure of Success

At least 25% of all younger people in the region involved in activities designed to raise their awareness of manufacturing and the career possibilities.

Action Linkages	
<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal One's Sub-Goal to 'support wider career choices for young people'.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 1 of the RBSS – 'Enhancing provision with the highest impact on SME growth'.
<b>National Manufacturing Strategy Priority</b>	This idea links with the priority to 'Improve the Understanding of Manufacturing'.

## 2. Active support for the National Manufacturing Media Centre (NMMC)

### Purpose

To shape the image of manufacturing as presented in local and regional press and through this to influence the image presented in national media through the NMMC. Overall, this will help to make manufacturing more attractive to investors and a wide range potential employees.

### Background

The region will actively support the NMMC which is being established by the DTI to change perceptions of manufacturing in the media as this will assist with the attraction of talent and will use this support to also influence local and regional media. In addition, there exists the opportunity for collaboration on the promotion of manufacturing

across the GSE (Greater South East), consisting of the areas covered by the South East of England Development Agency (SEEDA), the London Development Agency (LDA) and EEDA and this will be explored separately.

### Measure of Success

A coordinated regional communications programme designed to shape the media image of manufacturing and which feeds into and supports the activity of the National Manufacturing Media Centre (NMMC).

“The region will actively support the NMMC which is being established by the DTI to change perceptions of manufacturing in the media.”

### Action Linkages

<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal Two’s Sub-Goal to ‘building an enterprising culture’.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 1 of the RBSS – ‘Enhancing provision with the highest impact on SME growth’.
<b>National Manufacturing Strategy Priority</b>	This idea links with the priority to ‘Improve the Understanding of Manufacturing’.

## Theme 2: Developing Skills

Based on the current status of regional support under this theme and the feedback from regional partners the region identified two priorities for action under this theme.

### 3. Implement a Strategic Skills Programme

#### Purpose

To assist organisations to think strategically about improvement in their organisation, and through this coordinate their other investments (in such things as capital

equipment, skills, product development and productivity).

#### Background

Specifically it has been identified at a national level within the MAS Development Board<sup>35</sup> that there is a need for the development of strategic thinking competences within manufacturers and this is echoed regionally by partners who felt it will assist regional manufacturers to convert productivity growth into sales growth (and hence support the predicted growth in regional wealth). Therefore, the region will

look to implement a Strategic Skills Development programme to develop the ability of business leaders to think strategically. This programme will build around the existing skills framework within the region, including Train 2 Gain.

#### Measure of Success

A Strategic Skills programme which is integrated into existing provision in place and generating tangible improvements in key business performance indicators such as GVA.

Action Linkages	
<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal One's Sub-Goals to 'develop skills that better meet business needs' and 'develop higher level skills to support the knowledge economy' as well as having links to RES Goal 2's Sub-Goal to 'Supporting the accelerated and sustained growth, productivity and competitiveness of the region's businesses'.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 1 of the RBSS – 'Enhancing provision with the highest impact on SME growth' and should also focus on Priority 2 'Prioritising businesses with recognised potential for productivity improvement or growth'.
<b>National Manufacturing Strategy Priority</b>	This idea links with the priority to 'High Skilled, High Performance Workplaces'.

<sup>35</sup> The MAS Development Board was a time-limited activity formed to shape the services that would be offered by the regional Manufacturing Advisory Service programmes

#### 4. Support for National Skills Academies<sup>36</sup>

##### Purpose

To work with the National Skills Academies to shape regional skills provision so that it is provided to manufacturers in the right formats and with the right content to ensure employer engagement.

##### Background

The region will work with the EESCP to actively support the development of the National Skills Academies that have the biggest impact on regional manufacturing growth. These National Skills Academies will be integrated into the support framework provided by the regional Manufacturing Advisory Service (MAS). Specifically, the region will work with the National Skills Academies to

promote/develop pathways to attaining apprenticeships and diplomas in the key skills required for their sector at Level 3 and above.

##### Measure of Success

Evidence that skills provision within the region is being actively shaped by the National Skills Academies and that it closely matches the needs of regional manufacturers and is integrated into wider business support activities.

“The region will work with the EESCP to actively support the development of the National Skills Academies that have the biggest impact on regional manufacturing growth.”

Action Linkages	
<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal One’s Sub-Goals to ‘develop skills that better meet business needs’ and ‘develop higher level skills to support the knowledge economy’.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 1 of the RBSS – ‘Enhancing provision with the highest impact on SME growth’.
<b>National Manufacturing Strategy Priority</b>	This idea links with the priority to ‘High Skilled, High Performance Workplaces’.

<sup>36</sup> The National Skills Academies programme is sponsored by DfES and run by the Sector Skills Councils (SSCs)

### Theme 3: Supporting Success

Based on the current status of regional support under this theme and the feedback from regional partners the region identified three priorities for action under this theme.

#### 5. Regional Manufacturing Council (RMC)

##### Purpose

To increase the impact of regional activities designed to support manufacturing by coordinating partner input, aligning programmes and ensuring a consistently high standard of delivery and the provision of appropriate support and finance.

##### Background

The region will establish a Regional Manufacturing Council which will become the single point for testing new ideas to support manufacturing, improving coordination of support and raising the profile of manufacturing in the East. The Regional Manufacturing Council will build around an expanded MAS East Advisory Group and it will be closely aligned with the EESCP. The Regional Manufacturing Council (RMC) may also commission task and finish groups to tackle specific issues. The overall aim of the RMC will be to improve coordination between existing support, investigate and

commission new support and ensure a consistently high standard of delivery for new programmes that benefit regional manufacturers.

##### Measure of Success

An established Regional Manufacturing Council, working closely with the EESCP and which is coordinating the activities of regional partners designed to support manufacturing, including being involved in commissioning new work, integrating existing programmes and reviewing progress of existing support programmes.

Action Linkages	
<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal Two's Sub-Goal to 'providing a coherent and integrated business support service'.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 5 of the RBSS – 'Simplification of support schemes' as it aims to prevent duplication of support and reduce the overlaps in provision.
<b>National Manufacturing Strategy Priority</b>	This idea links most closely with the priorities to 'Encouraging Intelligent Public Procurement' and 'Promoting Best Practice'.

## 6. Regional Toolkit

### Purpose

There exists a wide array of regional assets which can benefit manufacturers, from sources of finance to publicly owned assets which could be used to develop new technologies. The purpose of the Regional Toolkit is to make these assets more visible in the region, therefore aiding both manufacturers and advisors.

### Background

The region will create a portal that provides access to information about available resources to support manufacturers. Through this we will be able to better inform regional advisors from a range of support programmes, as well as enable manufacturers to quickly identify available research, facilities and expertise in the region to help them solve problems and access

knowledge and expertise. Furthermore, there is the opportunity for collaboration on the creation of a regional toolkit that covers the GSE (Greater South East), consisting of the areas covered by SEEDA, the LDA and EEDA and this will be explored separately.

### Measure of Success

A Portal which is in place and is being widely used by both advisors and manufacturers to generate additional wealth as well as increase the utilisation of public assets and sources of support.

“The purpose of the Regional Toolkit is to make these assets more visible in the region, therefore aiding both manufacturers and advisors.”

Action Linkages	
<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal Two's Sub-Goal to 'providing a coherent and integrated business support service'.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 4 of the RBSS – 'Expanding the impact of brokerage by strengthening account management'.
<b>National Manufacturing Strategy Priority</b>	This idea links with the priority 'Promoting Best Practice'.

## 7. Alignment of Business Link and the regional Manufacturing Advisory Service (MAS)

### Purpose

Both Business Link and the MAS are important sources of support to regional manufacturers and there should be close alignment between these two programmes.

### Background

The region will work with the new Business Link provider and the current MAS Contractor to develop strategies to improve the coordination of support provided by these regional programmes, including exploring an increase in the exchanging of leads, cooperation of events and sharing of information. MAS will remain a vehicle for direct delivery and Business Link will remain a service based on IDB (Information, Diagnostics and Brokerage[AJ]).

### Measure of Success

A significant increase in the number of cross-referrals between Business Link and MAS and improvements in the overall impact of these programmes on the success of regional manufacturers.

“MAS will remain a vehicle for direct delivery and Business Link will remain a service based on IDB (Information, Diagnostics and Brokerage).”

Action Linkages	
<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal Two's Sub-Goal to 'providing a coherent and integrated business support service'.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 4 of the RBSS – 'Expanding the impact of brokerage by strengthening account management'.
<b>National Manufacturing Strategy Priority</b>	This idea links with the priority 'Promoting Best Practice'.

#### Theme 4: Stimulating Innovation

Based on the current status of regional support under this theme and the feedback from regional partners the region identified three priorities for action.

#### 8. Enterprise Hubs to Create Wealth

##### Purpose

Enterprise Hubs are well positioned to act to create wealth within critical and emerging manufacturing sectors within the region by bringing together support for their sectors and acting as a coordinated source of sector support for regional manufacturers.

##### Background

The region will change the focus of the Enterprise Hubs so that they are better placed to contribute to creating regional wealth by supporting the existing and emerging sectors that will contribute most effectively to regional manufacturing growth.

This will include acting as a broker to obtain knowledge from critical sources (including existing support programmes); assisting organisations to form collaborative joint ventures or special purpose vehicles for the purposes of tendering; assisting organisations to source expertise to enable the rapid development of new products and services; and routing businesses to relevant sources of support.

##### Measure of Success

Enterprise Hubs to be generating additional regional wealth either directly (via resident or associated companies) or indirectly (via improvements in the overall performance of their sector in the region through the tangible involvement of the Enterprise Hub).

#### Action Linkages

<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal Three's Sub-Goal to 'stimulating demand for research and development and knowledge transfer among the region's SMEs' as well as the Sub-Goal to 'ensure strong links between regional universities, research institutes, and the private sector'.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 2 of the RBSS – 'Prioritising businesses with recognised potential for productivity improvement or growth'.
<b>National Manufacturing Strategy Priority</b>	This idea links with the priority 'Science & Innovation'.

**Theme 5: Success in Global Trade**

Based on the current status of regional support under this theme and the feedback from regional partners, the region identified two priorities for action under this theme.

**9. Supplier Matching/Partnering Service**

**Purpose**

To ensure manufacturers have access to information about potential sources of supply which provide the best value, with regional sourcing encouraged where possible to both reduce the environmental impact of

transporting supplies and also to retain wealth within the region.

**Background**

The region will support the establishment of a Supplier Matching/Partnering service. This service will be based around the existing EEI/UKTI framework and the proposed Business Link Supplier Matching Service and will utilise the new PAS11000 Standard for Partnering. Through this, we aim to increase the ability of manufacturers to source locally (reducing the environmental footprint of regional manufacturers) and contribute to growth in regional manufacturing output.

**Measure of Success**

A supplier matching/partnering sourcing service established which assists regional manufacturers to access information which can be shown to reduce their overall costs of procurement, as well as have an impact on the environmental footprint of manufacturing.

Action Linkages	
<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal Three’s Sub-Goal to ‘facilitate international partnerships that enable knowledge transfer and collaboration on R&D’.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 1 of the RBSS – ‘Enhancing provision with the highest impact on SME growth’.
<b>National Manufacturing Strategy Priority</b>	This idea links with the priority ‘Encourage High Value Add Investment’.

## 10. Passport to Export

### Purpose

The Passport to Export is recognised as a leading support activity for assisting regional manufacturers to access international markets and through this to stimulate additional sales and business growth.

### Background

The region will continue to support the Passport to Export scheme as the main vehicle for ensuring

success in Global Trade at the individual company level and maintaining our growth in exports.

### Measure of Success

All major regional support programmes promoting the Passport to Export scheme and through this supporting growth in the wealth generated by regional manufacturers.

“The Passport to Export is recognised as a leading support activity for assisting regional manufacturers to access international markets.”

### Action Linkages

<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal Three’s Sub-Goal to ‘facilitate international partnerships that enable knowledge transfer and collaboration on R&D’.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 1 of the RBSS – ‘Enhancing provision with the highest impact on SME growth’.
<b>National Manufacturing Strategy Priority</b>	This idea links with the priority ‘Encourage High Value Add Investment’.

### Cross Cutting Theme: Positive Messages

Based on the current status of regional support under this theme and the feedback from regional partners the region identified one priority for action under this cross cutting theme.

### 11. Exemplars Programme

#### Purpose

To inspire regional manufacturers to implement improvements requires the promotion of best practice and the ability for business leaders to see this best practice for themselves – this is the primary purpose of the Exemplars Programme. A secondary benefit is to promote best practice to regional (and where appropriate national and trade) media and the positive aspects of manufacturing to younger people.

#### Background

The region will identify, create and/or develop a series of Regional Exemplars who are leaders in a variety of areas (Technology, Productivity, People Management etc) and who are willing to host visits. These exemplars will form the basis for a series of regional case studies which will also assist in changing perceptions of manufacturing and thus contribute to supporting the other five themes.

#### Measure of Success

An active programme of visits involving both regional manufacturers and younger people and using these contributions to influence regional press through case studies and associated press releases.

“Inspire regional manufacturers to implement improvements requires the promotion of best practice and the ability for business leaders to see this best practice for themselves.”

#### Action Linkages

<b>RES Goals</b>	The primary RES linkage for this activity is covered by RES Goal Two's Sub-Goal to 'build an enterprising culture'.
<b>RBSS Priority</b>	This idea most closely aligns with Priority 1 of the RBSS – 'Enhancing provision with the highest impact on SME growth'
<b>National Manufacturing Strategy Priority</b>	This idea links with the priority 'Promoting Best Practice'.

## 9. Other Requests & Feedback

In addition to the 11 priorities for action a variety of other requests for action were highlighted as important by regional partners. The key requests highlighted by regional partners for consideration are shown below along with a summary response to each.

**Request:** The region should create a coordinated skills strategy for manufacturing.

**Response:** This should be considered by the Regional Manufacturing Council (RMC).

**Request:** The region should focus more of its efforts onto providing employer led training needs.

**Response:** The new National Skills Academies will focus on the delivery of employer led training.

**Request:** Client facing organisations should collaborate more effectively.

**Response:** In addition to the RMC and other actions outlined above, the Regional Business Information System will also assist in addressing this issue.

**Request:** We should consider regional awards for manufacturing/innovation.

**Response:** This should be considered by the Regional Manufacturing Council.

**Request:** We should look at how we ensure suitably qualified migrant workers are employed in positions that contribute most effectively to regional wealth.

**Response:** This should be considered by the Regional Manufacturing Council.

# 10. Summary and Implementation

The Regional Strategic Framework for Manufacturing is designed to provide a view of manufacturing support in the region covering the period from 2007-2012.

During this time, whilst we anticipate that the issues and themes will remain valid, the implementation plan that will deliver the actions identified under these themes (and any additional actions that may be identified by the RMC) will require frequent updates. The implementation plan has been created as a separate and living document, it outlines EEDA's commitment to the Manufacturing Framework and should be used as a tool for partners to build on. The implementation plan can be downloaded from [www.eeda.org.uk](http://www.eeda.org.uk)

Success of this Strategic Framework will be measured via achievement of the actions detailed above and by the predicted regional growth in manufacturing productivity and output being exceeded.

If you have any questions about this Strategic Framework please email the following:

[businesssupport@eeda.org.uk](mailto:businesssupport@eeda.org.uk)

Copies of this Strategic Framework can be downloaded from:

[www.eeda.org.uk](http://www.eeda.org.uk)

# 11. Glossary

<b>ACER</b>	Association of Colleges in the Eastern Region	<b>IMRC</b>	Innovative Manufacturing Research Centre
<b>BL</b>	Business Link	<b>IOM</b>	Institute of Operations Management
<b>BMF</b>	British Marine Federation	<b>JCP</b>	Jobcentre Plus
<b>CBI</b>	Confederation of British Industry	<b>LA4B</b>	London Assets for Business
<b>CoVE</b>	Centre of Vocational Excellence	<b>LBSN</b>	London Business Support Network
<b>DTI</b>	Department of Trade & Industry	<b>LDA</b>	London Development Agency
<b>EBLO</b>	Education Business Link Operator	<b>LSC</b>	Learning & Skills Council
<b>EEDA</b>	East of England Development Agency	<b>MAS</b>	Manufacturing Advisory Service
<b>EEF</b>	Engineering Employers' Federation	<b>NMMC</b>	National Manufacturing Media Centre
<b>E EI</b>	East of England International	<b>NMSA</b>	National Manufacturing Skills Academy
<b>EESCP</b>	East of England Skills & Competitiveness Partnerships	<b>RBSS</b>	Regional Business Support Strategy
<b>EU</b>	European Union	<b>RES</b>	Regional Economic Strategy
<b>FE</b>	Further Education	<b>SBfB</b>	Support Board for Business
<b>HE</b>	Higher Education	<b>SEEDA</b>	South East England Development Agency
<b>IDB</b>	Information, Diagnostic & Brokerage	<b>SETNet</b>	Science, Engineering & Technology Network
<b>IET</b>	Institute of Engineering & Technology	<b>SREP</b>	Sub-Regional Economic Partnership
<b>IfM</b>	Institute for Manufacturing	<b>SSC</b>	Sector Skills Council
<b>IMECHE</b>	Institute of Mechanical Engineers	<b>STEM</b>	Science, Technology, Engineering & Mathematics
		<b>UKTI</b>	UK Trade & Investment

# Appendix 1 – Reference Sources

The following is a list of the key background reading that was reviewed during the creation process used for the Regional Strategic Framework for Manufacturing in the East. Other references used are referred to within the body of the Strategic Framework.

## Key Regional Reports

EEDA, Regional Economic Strategy (RES) (2005)

EEDA, Regional Business Support Strategy (RBSS) (2006)

EESCP, Strategy (Draft) (2006)

EEDA, Draft Sectors & Clusters Report (2006)

EEMS, Energy Efficient Motorsport Strategy (2004)

LSC (Herts), Action 4 Skills Report (2005)

EEDA, Draft Manufacturing Strategy (2004) (plus associated research)

## Key National & International Reports

DTI, National Manufacturing Strategy (2003)

DTI, Review of Manufacturing Strategy (2005)

DTI, Cox Review (2005)

DTI, Innovation Strategy (2003)

DTI, Practical Guide to Cluster Development (2003)

TUC, Industrial Strategy (2005)

EU, Manufacturing Strategy (Manufuture) (2006)

MDUK, Annual Report (2005)

DTI, Image of Manufacturing (Weber Shandwick) (2005)

DTI, Competing in the Global Economy : The Innovation Challenge (2003)

DEFRA, Food & Drink Strategy (2006)

Automotive IGT, Final Report (2002)

Aerospace IGT, Report (2004)

Materials IGT, Strategy (2006)

Bioscience IGT, Bioscience 2015 (2005)

DTI, Automotive Strategy (2006)

## Skills & Young People Reports

Enterprise Insight, Make Your Mark Report (2006)

EEF, Skills for Productivity (2006)

City & Skills, Skills Strategy (2006)

DfES, 14-19 Education & Skills White Paper (2005)

DfES, Skills White Paper (2005)

## Key Statistical Reports

Eurostat, Regional Statistics (2006)

Office of National Statistics (ONS), Regional Trends (2005)

Barclays, Manufacturing Review (2006)

DTI, Economic Assessment (2006)

ONS, R&D Report (2003)

EU, Survey on R&D Investment 2005 (2006)

## Background Reading

LDA, LBSN Strategy (2003)

IfM/DTI, High Value Manufacturing (2006)

LDA, LPIC Strategy (2005)

EEF, Bridging the Continental Divide (2003)

EEF, Catching Up with Uncle Sam (2001)

EEF, Manufacturing at the Crossroads (2001)

EEF, Manufacturing in the Marketplace (2002)