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ADAPTING & OVERCOMING POST-
ELECTION CHALLENGES IN THE UK
MANUFACTURING INDUSTRY

ROUNDTABLE SUMMARY | JAMIE MILLER | JULY 2024

INTRODUCTION

In July 2024, we held a breakfast roundtable with a group of CFOs and finance leaders at the Greater Manchester Chamber of Commerce. The meeting was a lively discussion about the challenges facing the UK manufacturing sector.

The UK manufacturing industry is at a crossroads. With political changes and economic uncertainties looming, it is crucial for businesses to strategise and adapt.

In this whitepaper, we will explore how the UK's post-election landscape will impact manufacturing and provide actionable insights from CFOs on how they plan to steer their companies through these uncertain times.

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THE SKILLS GAP CRISIS

One of the most pressing issues is the skills gap exacerbated by the recruitment of underqualified personnel in engineering roles.

This trend has led to significant incidents, highlighting the importance of comprehensive training and experience. Traditionally, engineers have honed their skills through years of education and hands-on experience. However, the current situation has seen roles filled by individuals lacking the necessary background, resulting in costly mistakes.



KEY INSIGHTS:

Hybrid models could be the future for manufacturing businesses. While production lines need physical attention, roles in planning, design, and customer service can operate remotely. This dual approach ensures continuity while maintaining flexibility.

THE SHIFT TO REMOTE WORK

KEY INSIGHTS:



It is essential for businesses to invest in robust apprenticeship programs that offer practical experience alongside academic learning. A renewed emphasis on graduate apprenticeships can bridge the skills gap effectively. These programs not only save potential costs but also provide young professionals with the hands-on experience needed to excel.

The COVID-19 pandemic accelerated the adoption of remote work across various sectors. However, manufacturing remains an industry where physical presence is often indispensable.

While managerial and administrative roles have adapted to remote work, the core manufacturing processes still require on-site personnel.

APPRENTICESHIP AND TRAINING PROGRAMS

KEY INSIGHTS:

Encourage and promote apprenticeship programs within your organisation. These initiatives not only cultivate a skilled workforce but also foster loyalty among employees. However, it is crucial to implement retention strategies, such as training contracts, to ensure that the investment in apprenticeships yields long-term benefits.

The resurgence of apprenticeship schemes is a positive development. Historically viewed as a lesser route compared to university degrees, apprenticeships are now gaining the recognition they deserve.

Graduate apprenticeships, in particular, offer a viable alternative to traditional education, providing financial benefits and practical experience.

Manufacturing businesses need to be more appealing to the younger generation, as they are struggling to bring school leavers into businesses on apprenticeships.



ECONOMIC AND POLITICAL SHIFTS

The UK's current political climate poses several challenges and opportunities for the manufacturing sector. Labour's goal of achieving clean power by 2030, for instance, will necessitate significant changes in manufacturing processes.

Additionally, Labour's commitment to repairing relationships with the EU could alter the dynamics of importing materials, potentially making overseas procurement more cost-efficient.

KEY INSIGHTS:



Stay informed about government policies and leverage available data to develop proactive strategies. Anticipate changes and adjust your supply chain and production processes accordingly. For example, transitioning to cleaner energy sources now could position your company as a leader in sustainable manufacturing.

KEY INSIGHTS:



Advocate for government funding and investment in AI research. Collaborate with industry bodies to push for policies that promote innovation and competitiveness in AI-enhanced manufacturing. Investing in AI now will yield substantial long-term benefits, positioning your company at the forefront of technological advancements.

THE ROLE OF AI IN MANUFACTURING

Artificial Intelligence (AI) is transforming industries worldwide, and manufacturing is no exception. AI can optimise production, enhance quality control, and predict maintenance needs, thereby reducing downtime. However, the full potential of AI can only be realised if there is adequate funding and support for research and development.

ADDRESSING WAGE PRESSURES

Labour's potential increase in the national minimum wage could impact the manufacturing workforce significantly. While higher wages can improve employee satisfaction and retention, they also pose financial challenges for businesses operating on thin margins.

KEY INSIGHTS:

Conduct a thorough analysis of your workforce costs and explore ways to optimise productivity without compromising quality. Consider investing in automation and AI to offset the increased labour costs. Additionally, transparent communication with employees about the financial landscape can foster a collaborative environment.

FINAL THOUGHTS:

The post-election landscape presents both challenges and opportunities for the UK manufacturing industry. By addressing the skills gap, adopting hybrid work models, promoting apprenticeships, staying ahead of economic shifts, investing in AI, and managing wage pressures, CFOs can steer their companies towards sustained growth and success.

At Marks Sattin, we are committed to helping manufacturing businesses adapt and thrive in this dynamic environment. Our expertise and long-term partnerships ensure that you have the support and insights needed to navigate these changes effectively.

To learn more about how we can assist your business in overcoming post-election challenges, contact us today. Let us work together to build a resilient and innovative future for UK manufacturing.

By adhering to these strategies, manufacturing CFOs can not only overcome post-election challenges but also seize opportunities for growth and innovation. Engage with us to explore tailored solutions that align with your company's goals and vision.

If you have any feedback or would like to discuss your recruitment needs, please contact me:



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