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Productivity... the holy grail to fixing the economy!

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It is widely thought that manufacturers need to adopt Industry 4.0 technology.

It is widely accepted that productivity in the UK and Scotland remains a challenge for economic growth, and there is considerable commentary suggesting that focusing on the introduction of innovative technologies is key to solving this.

Industry 4.0 is widely presented as the pinnacle that the manufacturing base needs to adopt to make the significant and necessary step change to a sustainable and competitive economy. The need to invest in technology and infrastructure, and also the development of skills and talent (including leadership) are the main pillars we need to address. There are clearly examples of investment in the latest manufacturing approaches and technology taken up by industry, but the vast majority of understanding and use sits with the top Tier 1 engineering companies.

With 80% of businesses being SMEs, the major issue continues to be one of SMEs and their ability to achieve the jumps to modern engineering, with affordability of the actual investment required in some of this disruptive technology (capital investment and training). It should also be clear of the interdependency of the Tier 1 companies and their suppliers in an integrated supply chain, and so the ability to make the step change requires all parts to do this together.

We believe the challenge lies in how far we set the ambition and stretch for long term growth, and the creation of initiatives and funding to support this without addressing facts that often some more practical and sensible interim steps need to be considered.

Adopting full digitalisation

Joe Pacitti managing director of Ceed believes there is a place for accepting a realistic model of what might be called “**Industry 3.5**”, as this might be the legitimate step that we need to address on our journey to achieving the full step change to a fully modern and future proof manufacturing sector.

What does this mean? Is this as simple as one example of making the change from running a manufacturing facility with ten unconnected spreadsheets to adopting a simple ERP system? Does the solution need to be a full leap to a seamlessly integrated model of automation, robotics, AI and machine learning?

Creating the right networks of companies exchanging knowledge of best practice, highlighting what did and did not work and doing this across different industry sectors is an investment we can make and encourage. The barriers for this can easily be overcome by making the time available to come together and adopting a culture of accepting peer to peer learning as a key tool for success.

Developing your existing staff and recruiting the right talent where there are gaps is another key element to meeting this step towards productivity. This does require all who support this element of skills development and talent recruitment to be fully engaged and part of the network – often paying forward and sharing their expertise prior to the contractual aspect of their services kicking in.

This is much easier to deliver with a trusted community where the full elements of business are discussed and shared – this means all of the elements of technology and skills (including management) challenges are not delivered in isolation.

Lean, well-being, innovation, sales and marketing, supply chain, circular economy, energy, leadership, project managementthe list goes onand no single initiative or organisation can be the delivery expert on all of this.

The good news is that [Ceed](#) exists to at least try and aspire to providing some way to meeting this challenge. This is not a bold self-promotion statement for Ceed – Ceed is the sum of all its parts, the members.

It is this collective knowledge and enthusiasm of members made up of companies (multinationals, SMEs and micro-tech), academia (HE & FE), professional services (financial, legal, HR and Recruitment) and support/government agencies who are making this bold statement.

The right talent

Skills shortages are considered to be a significant barrier to achieving the change in the landscape needed for this re-balancing of the economy and improving productivity.

Industry has increasingly voiced the need for graduates to be more job ready – achieve better and faster impact towards the bottom line within a company. The need for HE & FE to address this in partnership with these industrial partners has manifested itself in a number of initiatives such as graduate and foundation apprenticeships.

A further fundamental is making sure the right talent is found and put in the right place, which can only be truly done when the investment in understanding the needs of industry are met by knowledgeable and fully committed recruitment companies such as Nine Twenty.

Karen Stewart, Managing Director of Nine Twenty Engineering & Manufacturing believes that collaboration is key in addressing the challenges faced by Industry 4.0. She says “There is a misconception that industry 4.0 is technology focused, it is to an extent but the people are the ones who need to drive this. Finding the right talent for your business who are technically astute with the required soft skills is not easy and will only become more difficult so it is important that your people strategy is well thought out.”

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