

Scottish Enterprise

Lodz 12-14 November 2013

**Diversification of production towards high-quality
and high-tech textiles and niche products**



John Hopkins & Paul Whittaker
WSA, University of Southampton

A decorative graphic consisting of several thick, overlapping arrows in red, orange, yellow, green, and blue, pointing upwards and to the right, set against a white background.

PLUSTEX
Policy Learning to Unlock
Skills in the Textile Sector



Scottish textile industry at a glance

- Over 9000 people directly employed in textiles sector in Scotland *
- £950 million annual turnover in textiles
- Over 600 textile companies based in Scotland *
- £350 million generated from exports **
- £314 million Gross Value Added for Scottish textiles manufacturing ***
- “By Royal Appointment” (Scottish tailors and kilt makers to HM the Queen and HRH the Duke of Edinburgh)



* source SABS 2010 figures published Aug 2012

**source SABS 2010 figures published Aug 2012

***source GCS 2011, published 2013

Scottish Enterprise is Scotland's national economic development agency and a sponsored non-departmental public body of the Scottish Government that encourages economic development, enterprise, innovation and investment in business. The public body covers the eastern, central and southern parts of Scotland. A similar body called the Highlands and Islands Enterprise operates in north western Scotland.

- **Support Scottish companies to compete**
- **Help to build globally competitive sectors**
- **Attract new investment**
- **Create a world-class business environment**



Regional Advisory Boards

- Ensure industry alignment and provide strategic direction
- Identify and develop new projects
- Advise and influence **Scottish Enterprise** executive leadership on:
 - Industry policy
 - Strategy and policy development
 - Business planning



Industry Leadership Groups

Industry Leadership Groups are responsible for developing and delivering forward looking industry strategies.

- The Groups provide strategic leadership and advice to industry and the public sector in Scotland.
- Drawing on their members' national and international expertise on global trends and issues and the niche areas where Scotland has global competitiveness.
- Industry Leadership Groups comprise leading business figures drawn from across the private sector as well as senior representatives from the public sector including Scottish Enterprise, Scottish Government and key stakeholders.



Scottish Manufacturing Advisory Service (SMAS)

Programme delivered through the Scottish Enterprise and Highlands and Islands enterprise areas.

- Initial contacts and enquiries
- Manufacturing review
- Awareness and training events
- Consultancy support
- Referrals to other sources of business assistance





Scottish Manufacturing Advisory Service (SMAS)



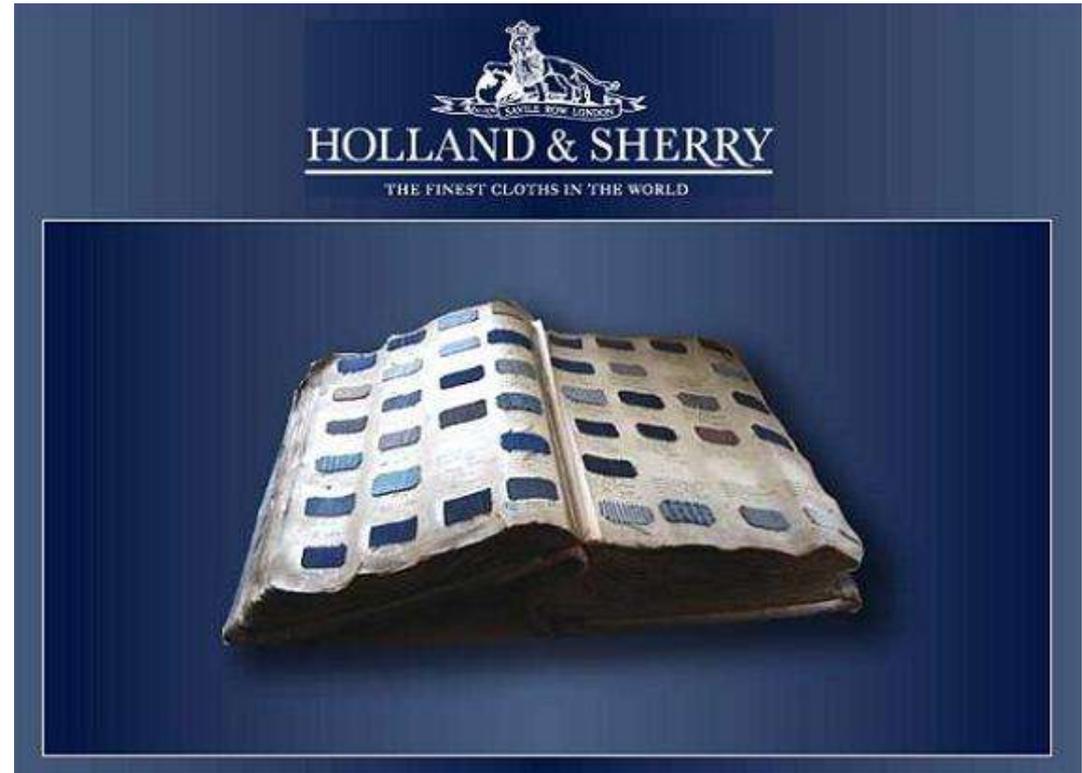
Scottish Enterprise

- Raises awareness & generates demand for registered manufacturing companies in Scotland
- Manages external stakeholder expectations & builds strong credibility through client delivery
- Establishes SMAS as a recognised centre of manufacturing expertise to support the Scottish manufacturing community
- Engages the SMAS in endorsement & future development
- Exploits the economic development synergies from the integrated approach gained by embedding SMAS within the Scottish Enterprise
- Considers intervention targets to demonstrate improvement in manufacturing productivity through the development of best practice Lean manufacturing practices.



Case Study: Holland and Sherry

- Suppliers of luxury textile products
- Founded in 1836 in London
- Moved to Peebles, Scotland in 1965
- International export markets



Holland and Sherry

- **Holland and Sherry** employ over 80 people in their warehouse and distribution centre in Peebles, Scotland.
- Typically the warehouse contains around 3,500 product lines, made from luxury fibres including cashmere, mohair, silk and fine woollen cloths.
- The company launches around 400 new patterns each season and distributes around 15,000 “bunches” to customers through the company’s international distribution network.
- Accurate and efficient stock management and movement are crucial to the company’s continued success.
- Holland and Sherry’s turnover is approximately £4.3 million per annum.





SMAS - Holland and Sherry Project

- **Holland and Sherry** were looking to make efficiency improvements to enable the company to plan and maintain sustainable growth and develop their business in new and emerging markets, notably Russia, India and Latin America.
- **Holland and Sherry** were put in touch with **SMAS** through the firm's local **Scottish Enterprise** office.
- The initial brief was for **SMAS** to look at the use of space in the warehouse to see if it could be used more efficiently.



Holland and Sherry

- **SMAS** carried out a level 2 diagnostic review and made a number of recommendations based on their findings.
- The subsequent implementation of these recommendations brought about several real benefits to the company including: efficiency improvements, the introduction of a method for measuring daily output and raising awareness of personal targets throughout the company.





Holland and Sherry

Success factors

As a direct result from implementing the recommendations of **SMAS**, Holland and Sherry were able to record improvements with faster production, easier management of stock and more efficient flow of materials.

- The work by **SMAS** has lead to improved efficiency at **Holland and Sherry** enabling the company to continue to meet customer demand and expand in the future.
- Staff throughout the business have been made more aware of targets, and output can be measured each day.
- Further recommendations from **SMAS** are set to be introduced in the near future.



Holland and Sherry

Difficulties encountered and lessons learnt from the practice

- Some difficulties encountered replacing a traditional bespoke system that lacked much of the functionality required by Holland and Sherry, with package software to manage the company's inventory and stock management.





Holland and Sherry

Durability of the GP results

- **Scottish Enterprise** approval paper for **SMAS** in 2005 included an indicative budget of £2.8 million and internal Scottish Enterprise costs of £3.8 million, totaling £6.6 million to fund the delivery of the **SMAS** service over the first 3 years of its operation.
- In terms of performance **SMAS** aims to achieve a minimum of 7% market penetration of the 10,000 (approx.) registered manufacturing companies in Scotland every year.
- This equates to around 1500 level 1 enquiries, 500 level 2 diagnostic reviews, 600+ attendees participating in level 3 events, 120 individual level 4 projects generating £390,000 of company income and in excess of £12 million GVA improvement from level 4 work. **SMAS** has achieved close alignment to its targets to date.



GPs transferability

The **SMAS** model of dedicated specialist expertise could be transferred to other territories operating managed partnerships between public and private stakeholders:

- where support can be **focussed** on addressing a specific business area
- where industry expertise exists to utilise **practitioner specialists** to address specific business needs
- where **subsidised consulting** that focuses on **adding value to bottom line performance** rather than developing a plan is valued by the firm – SMAS practitioners can engage actively and directly with firms to address a specific issue or problem in contrast to other forms of consultancy input and Account Management.



Q&A

Thank you

