

How your supply chain can alleviate recruitment issues.

Techniques for manufacturers to remedy ongoing challenges in recruitment

Logistics doesn't have to be a maze.

The manufacturing skills gap

The recruitment challenges that surround the manufacturing industry are well documented. Plenty of commissioned studies from the likes of the World Economic Forum and British Chamber of Commerce have pointed to the same key problematic drivers:



Decline of students in engineering because of industry perception.

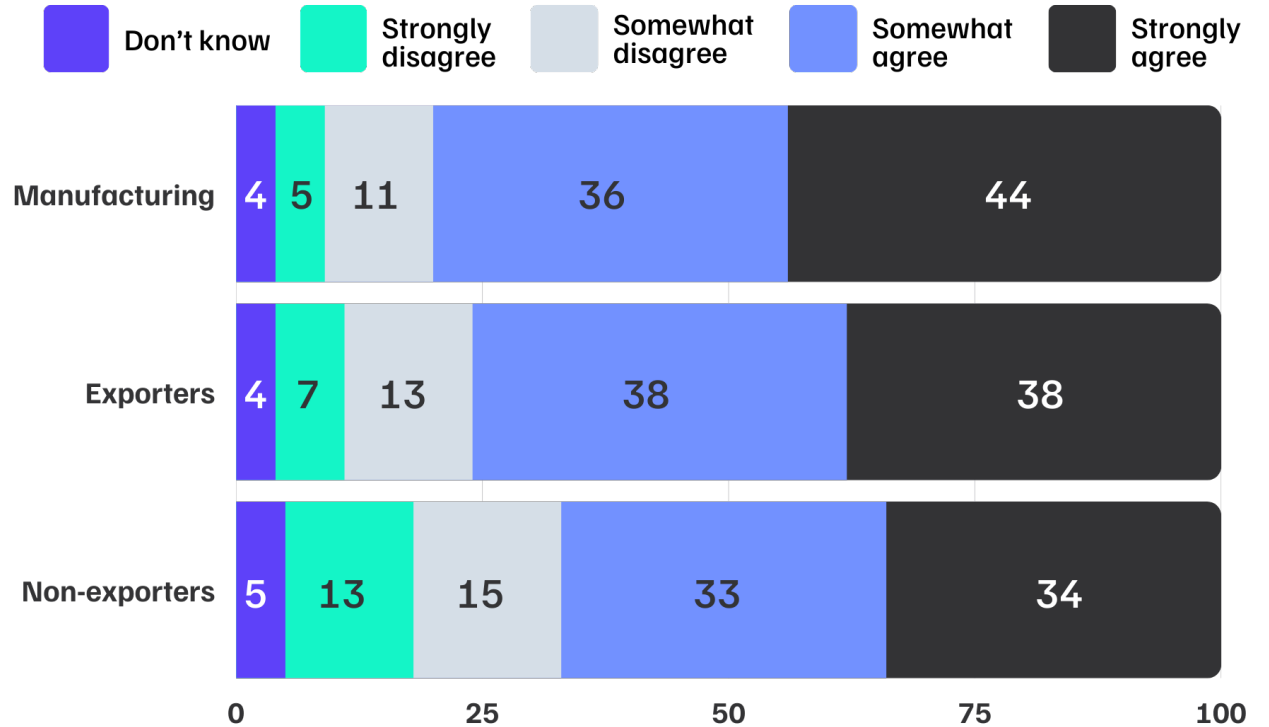


Robotics and AI causing people to worry about the future of jobs.



A lack of the necessary upskilling to keep pace with technology.

To what extent do you agree or disagree that your industry is facing skills shortages?



Source: BCC & The Open University

55 average age of an engineer in the UK

40 % of engineering graduates who enter the industry within 6 months

20 % of the manufacturing and production workforce globally that is female.

Source: Quantum

Finding supply chain solutions

Obviously, there are no easy solutions to the recruitment challenges plaguing manufacturing. Most in the industry agree that government intervention is required to really solve this problem.

For individual business leaders, any solution is likely to be extremely expensive, in the form of an attractive training programme or salary increases. Which isn't ideal, placing further pressure on margins and profitability.

However, we've been focusing on our speciality, supply chains, and analysing how manufacturers could leverage theirs tactically to find some cost-effective solutions to the skills gap.

In this PDF guide, we're going to explain 4 ways a manufacturer could leverage their supply chain more tactically to alleviate recruitment difficulties in the UK.



1

Part assembly in the destination country

A shrewd supply chain technique for alleviating local recruitment challenges could be part assembly/manufacture of your goods in their destination country. By moving elements of the manufacturing process closer to the final destination, it could reduce the pressure on the UK labour force, instead using the market of other nations.

In the USA, this has added benefits as it could grant your firm access to funds under the Inflation Reduction Act stimulus, which is supporting green technology and companies who are providing American jobs. Also consider taking advantages of the UK's Memorandum's of Understanding (MoU) with the US states of Indiana, North Carolina, South Carolina, Utah, Oklahoma and Washington.

Manufacturers of large items could also benefit from simplicities in their logistics too. Moving smaller goods, rather than bulk or non-containerised cargo is likely to reduce logistics costs. However, this can depend on the number of 20 or 40ft containers now required to accommodate an unfinished product.

“There's agreements with southern states within the US [MoUs] where we look and think, is this an opportunity for us to set up distribution there? Could we export our goods to that place, and then that becomes a distribution hub for our machines?”

Or even if it's sending the machines out 75% complete, with 25% done in country. So, we're generating jobs in the US... this year alone, 50% of our turnover is probably going to be the US.”

Derek Carr, Managing Director, Addfield

But this strategy is not without its limitations.

Firstly, the country would need to be an established export destination for your firm, to justify the outlay of recruiting staff. Quality control also becomes more challenging when manufacturing from afar.

The UK advanced manufacturing space boasts such variety, only you can decide if this approach could work for your products. Think broadly about the multiplicity of ways this approach could work and if it could offer some remedy to UK recruitment challenges.



2 Make greater use of AI and gamification

We're seeing increased adoption of artificial intelligence across almost every business sector and supply chains are no exception.

Although in their infancy, technologies are emerging which allow you to automate certain supply chain tasks. Therefore, providing an opportunity to redeploy staff members in areas that can alleviate skills gap pressure points.

Examples include automatic stakeholder notifications for dispatches, arrivals and delays. Inventory monitoring and ordering. Supply chain visibility tools that can compile and distribute data reports for analysis and improvement.

17% Surveyed manufacturing companies in the UK who have adopted AI in 2022.

Employees who think they'd be more productive at work if it was more game-like. **89%**

Sources: techUK & TalentLMS

What is Gamification?

Gamification is the application of game elements and mechanics in non-game contexts to engage and motivate individuals, encourage certain behaviours, and enhance their overall experience.

Gamification offers another avenue for reducing the recruitment challenges. Adding gaming elements to everyday tasks is proven to boost productivity and engagement among staff.

Consider the elements of your supply chain and manufacture which could benefit from the introduction of competitive gaming elements and rewards. Successful implementation could see you draw more productivity out of staff without needing to employ more.

Case study: Starbucks

Starbucks were having issues with on-time delivery of disposable coffee cups because individual stores were often late ordering them.

They solved the issue by creating a gamified data centre where late ordering of cups earned bad reputation points. It worked in a competitive way for not to be "the best", but not be left behind. The result was an improved profit margin and delivery efficiency for the distribution of their disposable items.

3

Outsourcing supply chain management

The organisation of an international supply chain is time consuming and complex. Crucially, in the context of this document, a large drain on staff resources. Outsourcing more supply chain management to a specialist logistics provider can have liberating consequences for your own staff resource.

By focusing outsource efforts on the supply chain, rather than manufacture itself, you can alleviate recruitment concerns whilst avoiding quality control concerns in the finished product. A vital USP in the advanced manufacturing industry.

Meanwhile, supply chain experts at logistics providers operate across countless trade lanes every day. They should be able to better manage product flows, allowing for increased workshop staff utilisation. Their insights can have transformational consequences for your logistics. Spotting efficiencies and cost savings which had been missed. It's possible that by outsourcing the management of your supply chain, total landed cost for your products reduces.

“To stay competitive, it is essential for businesses to manage the supply chain by integrating all functions and activities involved in the chain, and those that fail to do so will be left behind in the struggle for survival.”

G Stevens, 1990





4

Supplier relationship development

It could be the case that examining your suppliers for improvements could alleviate a skills gap in your team.

Explore if it's possible to source materials which could remove some of the manufacturing process from your team. Perhaps importing goods which are part-assembled, freeing up your own workforce to complete more essential functions of the production.

A key benefit of this supply chain strategy, in comparison to our first point, is a reduced quality control risk. Products can be stress-tested in-house before incorporated into the final build. Whereas finishing the assembly off-site and handing your items straight to the consumer removes that quality control opportunity.

It could be the case that by exploring part-manufacture options from suppliers, you find a producer who is able to complete the process cheaper, bringing total landed cost down.

Engaging in supplier relationship management; assessing their strengths, weaknesses and overall performance against your business goals can reveal a host of enhancements. Beyond the challenges of recruitment.

“Exploring how supplier diversification or contraction could impact your production is a worthwhile endeavour in the tight labour market that the UK manufacturing sector is battling at present.”

Widening your pool of suppliers could be a route to improved staff utilisation with a steadier flow of imports. Alternatively, contracting your suppliers could give you the necessary economies of scale to outsource some elements of production.”

Justin Hope, Associate Director, WTA





Meet Keri Barton

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Keri is passionate in her support of the UK business. She is loved by our clients at WTA for her super friendly and honest approach.

She has built her expertise across many industries by placing very close attention to the nuances of moving goods. Consequently, she can comfortably advise businesses of all sizes with their international logistics.

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