

How your supply chain can alleviate labour shortages.

Techniques for food and drink manufacturers to remedy ongoing challenges in recruitment

Logistics doesn't have to be a maze.

Food and drink manufacturing vacancies

Labour shortages are a well-documented industry challenge for food and drink manufacturing. They have sat comfortably higher than the UK average for many years.

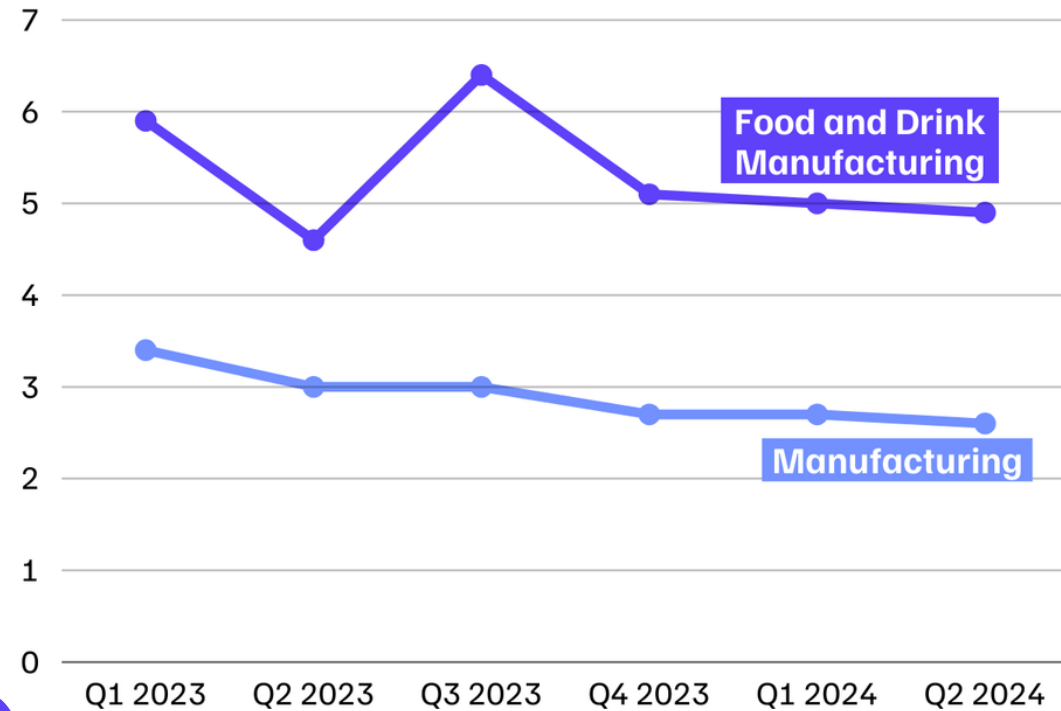
It's a problem being felt more acutely in SME's than larger manufacturers. With vacancies at 6.4% for smaller businesses and 3.8% for larger ones.

This has, in large part, been attributed to Brexit by industry analysts. Stating that the sector was heavily reliant on EU labour, which has dwindled as a result of the UK's departure from the European Union.

“Significant labour shortages have cost businesses £1.4bn over the last year, with companies being forced to leave vacancies unfilled and reduce production – all of which contributes to rising wage bills, higher prices and stifles growth, which is vital for a strong economy.”

Balwinder Dhoot, FDF Director for Growth

Vacancy rate (%) in UK food and drink manufacturing and other manufacturing sectors?



Source: FDF State of Industry Surveys and ONS

Finding supply chain solutions

Obviously, there are no easy solutions to the recruitment challenges plaguing food and drink 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 supply chains, and analysing how food and drink manufacturers could leverage theirs tactically to find some cost-effective solutions to the labour shortages.

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



1

Packaging in the destination country

A shrewd supply chain technique for alleviating local recruitment challenges could be packaging your goods in their destination country.

By moving this element 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. But there are numerous other benefits.

Local compliance

By packaging in the local country can assist in ensuring the packaging is compliant with local laws, which can vary dramatically.

Improved customisation

Localised packaging, means manufacturers can more easily customise the wrapper for an individual market. There's also increased flexibility for adjustments at short notice, such as when promoting an offer.

Sustainability progress

Locally sourcing the packaging has obvious environmental benefits. There can also be reduced emissions associated with a significant share of the product miles taking place before bulky packaging is added.

Reputational benefits

By opening facilities in other parts of the world, it improves brand perception and overall reach of the company. It can enhance reputation as a brand which invests into the communities where it operates. Local media coverage of the facility opening can boost local awareness and sales.

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 a packaging facility and 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.

Begin outsourcing your supply chain management right now.

Get in touch





4

Build a talent supply chain

Obviously, this is not an immediate solution to the recruitment challenges. But building a pipeline of talent can alleviate staffing shortages in the medium to long term.

Partnerships with educational institutions and local training schemes can build a more sustainable and reliable workforce pipeline.

Training programs can be aligned with the skills needed in food and beverage manufacturing, so companies can ensure a steady supply of qualified, job-ready workers.



A concerted effort to raise awareness about the diverse career opportunities available within the industry, such as jobs in quality control, research and development, and automation, can help attract talent.

Governmental support can also be leveraged to support any schemes which have good outcomes and boost the employment prospects of young people.

“With the FDF estimating labour shortages cost £1.4bn in the last year, it’s essential all stakeholders look at every possible measure to alleviate this challenge.

Food and drink manufacturing is such an integral part of the UK economy. It’s biggest manufacturing sector. We’re really proud of the supply chain restructuring we have rolled out with several food and drink brands to assist in solving this issue.”

Jade Blackburn, Head of Sales, WTA





Meet Jade Blackburn

Head of Sales, WTA Group

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Jade 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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