

This challenge won't go away

THE biggest challenge facing British (and Western) manufacturing industry over the last few years and for the foreseeable future is undoubtedly the emergence of the industrial and industrialising force of China and India.

It will affect not just industrial companies but the lives and well-being of all of us in the "old" Western economies; it will not go away. So sitting like King Canute in front of an Asian Tsunami is not an option.

For some companies it will be an opportunity; who would have predicted the resurrection of the much derided "smokestack" industries of steel, high tech forgings and castings which have recently enjoyed the fullest order books for decades? These "outmoded" industries are now investing heavily for increased demand on the back of capital goods contracts for India and China.

For others it will be a battle for survival, as fickle mass merchandising customers bring in ever cheaper consumer goods to the short term benefit of Joe Public. Many manufacturers have given up producing and are now sourcing from Asia; thus converting themselves into marketing companies.

One question whether this is their core skill and what will happen when Western

By **ALAN REID**
Master Cutler

customer meets Asian supplier and decides to cut out the "brass plate" middleman. Will the consumer benefit or will the already fat margins of the distributors be further inflated?

Consumerism is all very well but what happens when everyone is employed by the Government, by lawyers and accountants and by education and the NHS? How will national wealth be generated?

For South Yorkshire industries predominantly making components and products used in "down stream" manufacturing, what happens when this customer base is either wiped out or has, itself, migrated to a manufacturing site in India or China? This may well be beyond the attainable horizon of many smaller businesses.

Of course the eternal verities of investment, innovation, design and use of technology still hold good; but to these must now be added a great awareness of global trends and above all - perhaps as never before - a flexibility of attitude and of resources.

But enough of generalised speculation and pontificating! What have I actually done about it myself?

Well, my company, Clico(Sheffield) Tooling Ltd has invested heavily (by our modest standards) in state of the art production machinery with the flexibility to manufacture both short runs and higher volumes. We have also diversified into other relatively non-price sensitive products and markets so as to achieve a better balanced spread of risk - and with luck (yes; we all still need it)- reward.

Will it work? I can't guarantee it but doing nothing would definitely have failed! No-one said life was meant to be easy - if it were then even more Chinese and Indians would have been chasing our business for even longer!

Master Cutler Alan Reid says sitting and doing nothing in the face of the emergence of China and India is not an option



Take pride in direction Sheffield is taking

CONSIDER the facts. An economy worth £7 billion a year, one of the UK's fastest growing areas, and host to one of the country's wealthiest locations. Sheffield is a city on the up.

Sheffield is the fourth largest city in England. Over centuries, its economy was built on steel, engineering and cutlery industries, which established the city a world-wide reputation for quality products. Yet whilst Sheffield remains one of the UK's top manufacturing destinations and a hotbed for advanced engineering, a key economic trend for the local economy during the last three decades has been the steady growth of service industries.

And it is not only business that is flourishing. Sheffield is undergoing a period of remarkable renaissance. The vision of Sheffield One is to develop Sheffield as a 'vibrant and attractive European city and driver of regional economic growth and competitiveness'. And it is already working. Since Sheffield One's Masterplan was launched in 2001, huge transformations have been seen in the city's business, property, retail, leisure and cultural offerings.

High technology company formation and growth are now being encouraged via flagship e-campus projects like Sheaf Valley - to build a new business district for the creative and digital cluster, and the development of the Cultural Industries Quarter - to offer a home to creative production companies.

Elsewhere activity is reinvigorating South Yorkshire's traditional manufacturing past. Opened in

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2005, a unique Advanced Manufacturing Park has created a new environment for high technology manufacturing and research companies. This 100 acre site is anchored by a cluster of cutting edge research institutions, including an Advanced Manufacturing Research Centre, an Innovation and Technology Centre, plus a new Factory of the Future - housing the latest manufacturing equipment and 'state of the art' production capabilities. The ultimate aim of the site is to create 4,500 jobs.

Masterplans also include the creation of quality inner-city office provision. This has seen the redevelopment of Broad Street and Sheaf Market sites to supply large floorplate offices. Whilst out-of-town - at 200 acres - the new Sheffield Business Park is the largest in Yorkshire and Humberside, and is set to expand further with over 1,500,000 sq ft of offices in the pipeline.

Elsewhere businesses are already profiting from other new infrastructures supporting Sheffield.

Sheffield University's participation in the region's Centres of Industrial Collaboration (CIC) network, has had a tremendous impact in linking local companies with university research departments to create and test new materials, products and services. Since inception three years ago this network has

attracted over £50m research income, generated more than 1,400 collaborations, and supported in excess of 1,000 jobs.

Sheffield is also playing host to one of three new university-based centres for Micro- and Nano-technology, to help businesses move projects from development stage to the open market. In addition a Centre for Smartmedia and e-inclusion will build on the expertise in 'smart' technology pioneered by Sheffield City Council, who is European leader in this field.

By the end of 2008 Sheffield's people, homes and businesses could also be benefiting from Digital Region - a high-speed next-generation broadband project, estimated to be the largest public-sector-led open broadband infrastructure in the world.

And finally let's not forget Sheffield's cultural and leisure offering. Areas of Sheffield have already been ranked in the top 10 places to live, and Sheffield One's ongoing transformation of areas such as the Lower Don Valley are constructing more pleasant housing at affordable prices - contributing to Sheffield's success as one of Britain's most desirable cities.

Add this to the fact that the city already has Europe's largest shopping complex, is England's 'greenest' city and has some of the best sporting facilities in the country - and suddenly Sheffield takes on major cultural and leisure significance.

All in all Sheffield is a city that should be proud of itself.

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