

Greater Lincolnshire LEP

Digitisation Adoption and Net Zero Projects

Oxford Innovation Advice delivers multiple contracts across the Greater Lincolnshire LEP area supporting almost 300 manufacturing SMEs through Supply Chain Improvement Programme (September 2020 to Present), the Manufacturing Growth Programme II (April 2019 to Present) and Peer Networks (June 2021 – present).

We have analysed the business support data that we collect to investigate the capability of manufacturing SMEs in GLLEP area to incorporate digital technologies and reduce their environmental impact. In summary, our analysis finds that:

- There are low levels of adoption of digital tools across all sizes of SMEs
- Manufacturing SMEs have weak capabilities in collecting and using data to manage processes internally and across their supply chains
- Over 50% of SMEs do not believe that they are on top of environmental issues
- Despite this, only 3% of manufacturers chose to invest in an improvement project with the aim of improving their environmental performance

This analysis clearly shows that manufacturing SMEs in GLLEP area require support and incentives to improve their environmental performance and use of digital technologies to remain competitive. A detailed analysis is presented in the following sections. Oxford Innovation Advice delivers multiple contracts across the Greater Lincolnshire LEP area. The data below draws analysis from the Supply Chain Improvement Programme (September 2020 to Present) and the Manufacturing Growth Programme II (April 2019 to Present).

Digitisation Adoption

The Supply Chain Improvement Programme was aimed at providing Manufacturing SMEs with an awareness of how they can better manage their supply chain. The programme comprised of Workshops, Supply Chain Audits and Bespoke support on a 1:1 basis.

49 businesses have completed a Supply Chain Maturity Audit across Supply Chain programme across Lincolnshire, Stoke-on-Trent & Staffordshire and Worcestershire. 15 of these businesses are based in the Greater Lincolnshire LEP area.

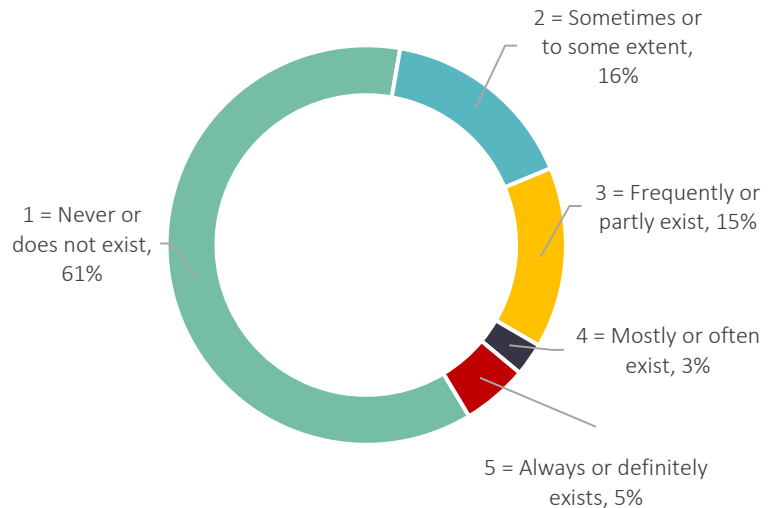
As part of the maturity audit, businesses were asked to score themselves against topics covering areas such as Strategy, Control and Information.

A score of 1 indicated that it “Never or does not exist”. A score of 5 is “Always or definitely exist”.

Under Information, businesses were asked if information was collected in a way to enable efficient decision making; if data capturing technologies existed; if systems were in place to track and trace throughout supply chain processes; if ICT systems are integrated; and if all parts of the supply chain have equal access to forecasts, inventory status etc.

Chart 1 - Greater Lincolnshire Responses

Across the 49 businesses, 51% of businesses have answered 1 (Never or does not exist) in relation to their information systems. This increases to 61% of responses when only taking into account Greater Lincolnshire (Chart 1).



In contrast only 5% of responses answered “Always or definitely exists”. This increases slightly to 9% when considering responses from all businesses but indicates that the number of businesses fully adopting the best practise digital tools available remains low.

The average score across all businesses is 2.2/5 (Chart 2).

This indicates that mature information systems “Sometimes or to some extent” exists across these businesses.

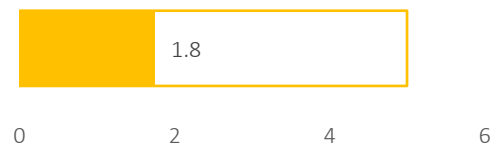
Chart 2 - Total Average



This falls to 1.8 for Greater Lincolnshire businesses in digitisation adoption (Chart 3).

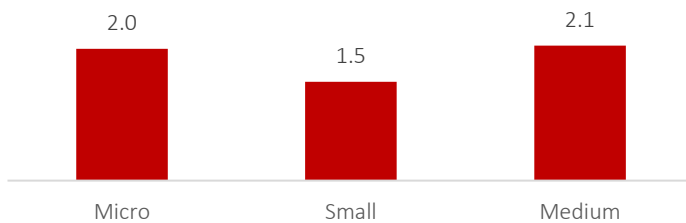
Medium and Micro businesses in Greater Lincolnshire believe they have better information systems on average than Small businesses (Chart 4).

Chart 3 - Greater Lincolnshire Average



The sample size was too small to analyse any differences against sector.

Chart 4 - Greater Lincolnshire Averages across Company Size

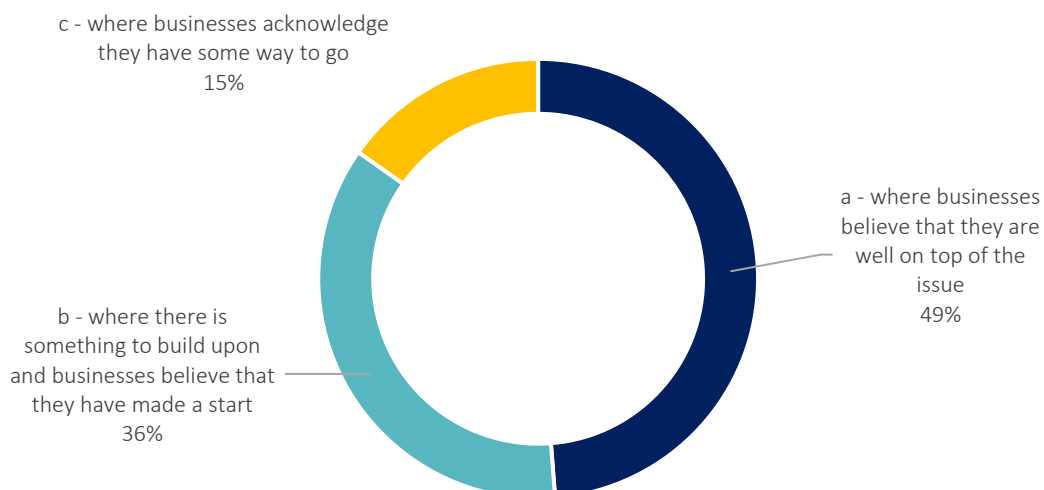


Net Zero Projects

GROWTHmapper is a suite of digital diagnostic tools delivering results for major business support programmes across the UK. The Manufacturing GROWTHmapper has been part of the Manufacturing Growth Programme since April 2019 and as at the time of this report, has been completed by 2,494 Manufacturing SMEs.

The Manufacturing GROWTHmapper seeks to understand Maturity and Alignment levels for senior management teams across the following areas – Strategy, Quality & Continuous Improvement, Productivity & Capacity, Product & Service, People & Skills, Market Knowledge, Leadership, Finance, Environmental (Net Zero) and Change.

Chart 5 - National: Environmental Maturity



As seen in Chart 5 (above), over half of SMEs who have completed the Manufacturing GROWTHmapper do not believe they are on top of Environmental or Net Zero issues.

36% believe they have made a start whilst 15% acknowledge they still have some way to go.

Despite this, of all SMEs who have scored 'b' or 'c' against Environmental (Net Zero), only 3% of grants have been committed on Environmental & Sustainability projects (Chart 6).

The most popular projects remain “Marketing & Market Knowledge” (27%) and “Productivity & Capacity” (25%), for businesses who have some way to go with Environmental.

Chart 6 - B & C Maturity - Project Type



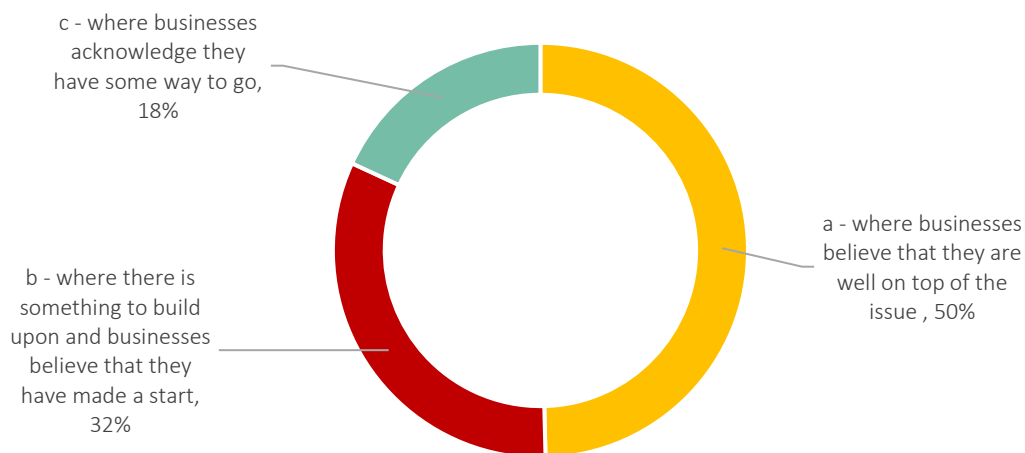
When broken down by Greater Lincolnshire LEP, the numbers are very similar.

In Greater Lincolnshire LEP, 50% of businesses fall under Maturity Level ‘a’ where they believe that they are well on top of Environmental (Net Zero) issues.

Compared to the national breakdown, a slightly higher percentage of businesses fall under Maturity Level ‘c’ (18% compared to the National 15%) where they acknowledge they have some way to go.

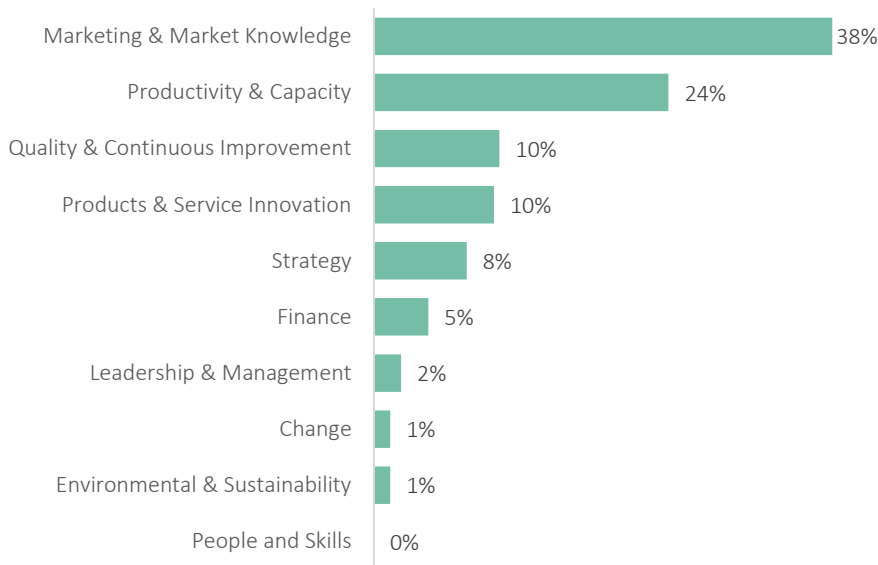
32% fall under Maturity Level ‘b’ where there is something to build upon but they have made a start (Chart 7).

Chart 7 - GLLEP: Environmental Maturity



Of ALL grants committed in Greater Lincolnshire LEP area, only 1% of projects are for Environmental & Sustainability. As with the National programme, Marketing and Productivity projects remain the most popular (Chart 8).

Chart 8 - GLLEP Project Breakdown



Within Environmental & Sustainability, all projects have been around 'Environmental and Waste Management'.