

BRIGHTER THINKING FOR MANUFACTURING

Menzies is a top 20 firm of accountants, finance and business advisors. We operate out of a network of offices across Surrey, Hampshire and London, providing our clients with easy access and local knowledge. Many of our clients are expanding overseas and benefit from the outward perspective we can provide via our active membership of HLB International.

Our key strength is focus. We focus on our clients – understanding your business via our in-depth sector expertise, which enables us to provide you with insights that add real value.

Our Relationship Partners focus on getting to know you. We use a consultancy-led approach and a variety of diagnostic tools we've developed to challenge your objectives and guide your business growth.

Clients also benefit from our diversity, we offer the full range of services you'd expect from your accountants, plus some you might not – like strategic consultancy, outsourced HR and FD support and business valuations.

And it's not just about your business. Our subsidiary company, Menzies Wealth Management, provides independent financial advice to both private and corporate clients, to reduce your tax exposure and meet your financial goals.

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THE UK IS A MAJOR AND THRIVING MANUFACTURER

To paraphrase author Mark Twain, the death of the manufacturing sector in recent years has been grossly exaggerated. The UK is the 11th largest global manufacturer and, whilst there has been a shift away from traditional heavy manufacturing, there is vibrant growth in aerospace, oil and gas, chemicals, clean technologies, composite materials and robotics/drones.

KEY CHALLENGES FOR THE MANUFACTURING SECTOR

PRODUCTIVITY

Much has been made of the UK's productivity per head compared with our international competitors. The Office for National Statistics estimates that UK hourly output is around 27% below both France and Germany, and 31% below the US. Automation and technology is key to improving efficiencies and it can be more cost-effective than outsourcing to developing countries.

COMPETITIVE ADVANTAGE

Knowledge and innovation is essential for creating sustainable advantage - both areas the UK has excelled at for the past 50 years. Whilst 94% of UK manufacturers state they are engaged in innovation, most are concerned that they are not doing enough to stay competitive. Lower levels of investment may explain this. The UK only spends 1% of its GDP on R&D, compared with Germany's 2%.

Similarly, whilst the UK is second in the Global Innovation Index tables, it does not rank highly in terms of Patent Applications. Whilst 69% of business R&D emanates from this sector, only 37% of R&D Tax Credit awards are to manufacturing companies.

Clusters of manufacturing companies are expected to increase (especially around scientific research and engineering centres), which - it is hoped - will strengthen the market through efficiencies and cross-fertilisation of ideas.

SKILLS GAP

The UK is simply not creating enough engineers or talented leaders for tomorrow's business. As a key client says: "This is the single biggest threat to manufacturing today". OECD research shows that the UK performs poorly on intermediate professional and technical skills, and is forecast to fall to 28th out of 33 OECD countries for intermediate skills by 2020.

RESOURCES

Technological advances will further reduce energy usage and wastage, for example, 3D printing has had a huge impact on efficiency and cost savings. Control of energy usage and supply chain costs combined with management of the impact of commodity prices are key to ensuring competitiveness.

OVERSEAS COMPETITION

Asia is continuing to increase its influence on global manufacturing and the continued perception is that Asian markets build everything faster and cheaper. New products and better promotion are key to securing growth.

FUNDING

It has never been easy to fund the long delay from innovation through prototyping to commercial production, and a funding gap still exists.

As a share of GDP, investment in the UK has ranked in the lowest 25% of OECD countries for most of the last 55 years. Investment is essential to raising productivity.

In today's economy that is not simply a matter of increasing the physical infrastructure but also, crucially, developing human and intellectual capital.

HELPING YOU MEET YOUR CHALLENGES

We advise a substantial and growing portfolio of manufacturers and their suppliers, working closely to find solutions to industry issues, utilising our expertise in everything from business strategy and corporate finance, to audit and tax advice, both in the UK and overseas. Our consultancy-led approach will help you reshape your business to better suit the changing global requirements.

KEY CHALLENGES

OUR SERVICES



“Menzies consultancy services are strategic and objective, giving you the tools to step outside and look back at your business objectively.”

NUALA HOBDEN, FINANCE DIRECTOR
PHOENIX SYSTEMS UK LTD