



Spring 2018

Institute of Management Services – West Midlands Region

Volume 18/1



## Spring Programme 2018

The West Midlands Region wishes you and your family a happy new year and warmly invites you to the following events:

### Special points of interest:

- Free visit to Castings PLC, Brownhills
- Visit to Triumph Motorcycles
- Free visit to Coventry Transport Museum

**March – A free visit to Castings PLC, Brownhills for a factory tour.** Castings PLC are a forward looking modern foundry enterprise. 80% of production is exported to markets around the world, and most of the production is supplied directly to multinational constructors of commercial vehicles and cars. The group revenues for the last financial year were approximately £120 million. This is an opportunity to see a modern casting and foundry business based in the West Midlands. Further details of Castings PLC can be found at [www.castings.plc.uk](http://www.castings.plc.uk)

**In April a visit and tour of Triumph Motorcycles factory at Hinckley, This is an opportunity to see the revitalised manufacturing of an icon brand of the British motorcycle industry** The tour lasts about 1.5 hours. Members and guests are invited and Adult tickets are £15 each and the Region will make a contribution of £8 for each member. If you are interested in this visit please register with us —see page 4 and we will contact you with further details. Information for Triumph Motorcycles can be found at [www.triumphmotorcycles.co.uk](http://www.triumphmotorcycles.co.uk)

**May a free visit and guided tour of the Coventry Transport Museum which claims the World’s largest collection of British road transport vehicles.** The recently refurbished museum at cost of £9.5 million with 12 new galleries, records the history of the British motor industry . Members and guests are invited. Further information can be found at [www.transport-museum.com](http://www.transport-museum.com)

Please register by e-mail or by post to attend any or all of the events—see page 4

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### IMPORTANT NOTICE – YOUR CURRENT E-MAIL ADDRESS

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*John Hopkinson  
Chairman, West Midlands  
Region and Editor  
of WM E-News*

*..businesses have neglected to invest.. manufacturing sector capital assets have fallen by £30 billion over the last 10 years.....it takes a UK worker roughly a day longer to produce a similar amount as the average G7 worker*

## **Editorial - 2018: UK's continuing productivity problems**

The government's Autumn budget included measures intended to improve the UK's productivity and economic performance, but Britain's sluggish productivity compared to other G7 advanced economy competitor countries, has been an underlying concern for some years.

The Organisation for Economic Co-operation and Development (OECD) recently reported that Britain is the only leading advanced economy to see economic growth slow over the last three years at a time when other advanced nations have seen their economic fortunes improve. The OECD blames the UK's poor economic performance on uncertainty about the future trading arrangements with the European Union caused by the BREXIT vote, and the worsening inflation due to the falling value of the pound sterling which has hit consumer spending and confidence.

The Office for National Statistics (ONS) also published a report which shows that the UK's productivity has deteriorated because businesses have neglected to invest in new plant and machinery. Figures from the ONS show that the value per worker of the UK's capital stock (which includes all physical assets from warehouses to computers and machines) shrank for 4 years from 2012 to 2015. The implication is that businesses have relied on cheap labour to maintain output rather than investing in system upgrades to improve efficiency and productivity, which has given the UK full employment but stagnating wages.

The ONS calculate that in the manufacturing sector capital assets have fallen by £30 billion over the last 10 years. This under investment in new machines and plant is not the result of a collapse in corporate profitability, since profits remained relatively strong throughout this period. The effect of all these factors is that compared to the average worker in other advanced economy G7 countries such as France, Germany and the United States; it takes a UK worker roughly a day longer each week to produce a similar amount as the average G7 worker.

Why is this important? Productivity is the key to improving prosperity and raising the standard of living for the nation's population but the UK's productivity has stalled since the financial crisis of a decade ago. On the brighter side, one consequence of the weak pound is an upturn in manufacturing orders from abroad since it gives British exporters a competitive edge in pricing.

In 2018 negotiations with the European Union should give us a clearer understanding of the practical implications of our decision to withdraw from the EU and of our future trading relationship with our continental neighbours and the rest of the World, but it is essential that our efficiency and productivity improve if we are to be competitive in this 'brave new world'. Otherwise the risk is that we become a low productivity, low wage economy with at best a stagnating standard of living and at worse with a falling standard of living

## **Visit to the World of Wedgwood, Stoke on Trent**

On Saturday 16<sup>th</sup> September a party from the West Midlands Region visited the World of Wedgwood situated on the outskirts of Stoke on Trent, for a guided tour of the Wedgwood factory and a visit to the Wedgwood Museum. The Wedgwood site has been completely redeveloped, old buildings demolished and a new purpose built visitor centre created which provides World class facilities – with displays of all current Wedgwood products, a unique high quality museum and excellent coffee shop and restaurant facilities, as well as guided tours of the Wedgwood factory.

### ***The factory tour***

The Wedgwood factory specialises in producing high quality expensive porcelain products, and the factory tour included an oversight of production from the receipt of the raw clay mix to the hand finished painted products. Standardised porcelain items such as cups, saucers, plates, teapots are produced and held in a semi complete state and then painted and finished in batches to meet the sales demand for the different designs produced by the company.

A question was asked about the impact of Brexit on the export of Wedgwood products. It was pointed out that Wedgwood faced stiff competition in Europe from German and Italian porcelain manufacturers and Wedgwood's export markets are mainly outside Europe in the Middle East, Far East and North America, with Harrods store in London a major retail outlet. Particular products are produced for specific export markets such as a specialised painted plate for Japan, and one of the company's senior painter and designer was visiting Japan at the time of our visit.

### Visit the World of Wedgwood continued.....

The company's very high end value products account for about 5 % of production and are painted in 24 carat gold which involve multiple kiln firings, and which is why the retail value of a single 10 inch plate is £1,000. In the export markets, part of the unique selling point for Wedgwood is that its products are British.

A very informative and interesting tour of the factory facilities.

#### *The Museum Experience*



Josiah Wedgwood

The Wedgwood Museum adjacent to the visitor centre is a World Heritage Site because of its unique collection of items associated with the development of the Wedgwood company and its founder Josiah Wedgwood who in late 18<sup>th</sup> century was a pioneering industrialist, transforming pottery making from a small scale cottage industry to a large scale industrial process, including developing new processes and methods of production.

Wedgwood was also an active member of the Lunar Society whose members included many of the leading scientists and industrialists of the day, which met to consider and discuss new ideas and scientific developments (see report of the visit to Soho House, Birmingham). Wedgwood was interested in the politics of his day and was an 'abolitionist' against the slave trade in the British Empire, and was in correspondence with Benjamin Franklin about the grievances of the American colonists with the British government, which subsequently led to the American War of Independence.

Wedgwood produced high quality porcelain for the wife of King George 3<sup>rd</sup> - Queen Charlotte and the landed aristocracy and also for the newly expanding British Georgian middle classes.

The World of Wedgwood can be recommended for a very interesting and worthwhile visit.

### Visit to Matthew Boulton's Soho House, Birmingham



*Soho House*



*Matthew Boulton circa 1775*

On Sunday 1<sup>st</sup> October a party from the West Midlands Region had a conducted tour of Matthew Boulton's Soho House in Birmingham. Soho House is a hidden gem, 200 years ago it was in open countryside but with the expansion of Birmingham it is now surrounded by urban development.

Matthew Boulton was a pioneering industrialist and entrepreneur born in Birmingham in 1728, where he inherited the family's small manufacturing business, but Boulton decided he needed more space for his 'manufactory' and purchased a farm house and about 30 acres of land in the open countryside outside Birmingham. Over time he reconstructed the farm house to be a modest mansion with a staff of 30, suitable for a Georgian gentleman of wealth, and adjacent to his house he had a farm and his factory which produced a variety of metal goods including coins, medals, trinkets and ornaments and Boulton developed new metal working and production techniques.

It is difficult to appreciate the size and scale of the operation, since the factory and associated buildings have long gone, but a map showing the current built up area has been overlaid by a map of Boulton's factory and estate which by 1800 had expanded to 300 acres, which helps give an understanding of the changes which have taken place over the years.

## **Visit to Matthew Boulton's Soho House. Birmingham continued.....**

Matthew Boulton was a very dynamic and driven personality and was interested in new ideas and developments in science and industry, and was a founding member of the famous Lunar Society of leading industrialists, scientists and thinkers of the day – which included among others Erasmus Darwin of Lichfield (grandfather of Charles Darwin the author of the Origin of the Species), Josiah Wedgwood the famous potter and industrialist of Stoke-on-Trent, Joseph Wright of Derby the well known artist, and Joseph Priestley, the scientist who discovered oxygen.

The Lunar Society met at the time of the full moon to provide better light for travel when at the time there was no street lights and roads were generally in poor condition, often meeting at Boulton's Soho House to discuss the latest ideas and witness scientific demonstrations. The Lunar Society unfortunately didn't keep formal minutes and records of their proceedings but much of their activity is recorded in surviving correspondence between the Society members.

Matthew Boulton in his business life had several partners, but his most famous partnership which lasted for some 30 years was with James Watt who in popular myth is credited with developing the steam engine – but Watt didn't invent the steam engine, he improved it. James Watt was an instrument maker at Glasgow University when he was given a model of Newcomen's steam engine to repair but he realised how inefficient it was and developed improvements, which he and Boulton patented, and this was to make Boulton and Watt a fortune. Boulton and Watt didn't sell you their steam engine but charged to install one of their huge beam engines usually to pump water from a mine, and then charged an on going fee based on its usage.

Soho House over the last 200 years following Boulton's death in 1809 has been used for a variety of purposes but is now restored back to the same condition as when it was Matthew Boulton's residence.

## **The West Midlands Annual General Meeting**

The West Midlands AGM was held on 13th January and the elected officers for 2018 are shown below.

## **West Midlands Region Board Members Directory for 2018**

### **Region Chair –**

**John Hopkinson Hon FMS**

### **Region Treasurer and Events**

**Co-ordinator—**

**Julian Cutler FMS**

**Secretary and Membership  
Development Officer  
Steve Cullen FMS**

**Executive Members:  
Bill Acres AMS**

**Peter Storey FMS**

E-mail:



*Bill Acres  
Executive Mem-  
ber*

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To contact the West Midlands Region please reply to [admin@ims-productivity.com](mailto:admin@ims-productivity.com) mark your e-mail for the attention of the West Midlands Region.