

A smiling Black man wearing safety glasses is shown in a factory setting. He is wearing a dark blue polo shirt. The background is slightly blurred, showing industrial equipment and shelves.

Levelling up in FY23: Can manufacturers balance costs and go digital this year?

The financial benefits of technology investment

The operational benefits of technology investment

Low-cost, high-impact technologies

Introducing technologies incrementally

Taking advantage of current government support

Levelling up with skills support

Made Smarter's digital strategy support



The start of a new financial tax year signals a time for reflection when it comes to your budget. Whilst many manufacturers will immediately understand how to allocate resources for more standard outgoings such as staff costs and marketing, digital investment is often another story.

Indeed, some organisations believe they don't have room in their budget at all for emerging technologies – especially during a tough economic climate, amid the rising cost of living and inflation. However, grants and funded support stand ready to help manufacturers with tighter purse strings. You can stay afloat and ensure you action your digital transformation.

Here, we explain why digital technologies are not just a viable option for FY23, but an opportunity to put yourself in a stronger overall position in terms of growth, productivity and cost savings.

The benefits of new technologies

It's tempting to recoup costs or prevent overspend to keep your budgets in check during economic uncertainty, but the advantages of digital mean that investment doesn't have to be a burden. In fact, transformation can leave you with a bigger budget to work with. This is because investing in technology can allow you to (among many other things) reduce inefficiencies and cut waste.

On top of these benefits, you'll have fewer capacity and resource issues, and using technologies can even result in the creation of new jobs. Digital tools can actually increase your sales growth and give you an early adopter advantage – boosting your competitiveness as well as topping up future budgets.

Parity Medical, a MedTech manufacturer, were looking to reduce the number of miles that their sales and engineering teams needed to travel (around 270,000 every year!).

With the support of Made Smarter, they invested in an off-the-shelf software package which allows them to work with customers via an online virtual showroom.

This has the potential to cut annual travel by 30,000 miles and carbon emissions by 11 tonnes. As a result, they will achieve substantial financial savings, efficiencies and a better service offering to customers.

The financial benefits are backed up by evidence too. A [report by the SAP Center for Business Insight and Oxford Economics](#) found that 80% of organisations experience a boost to profits following a digital transformation. 85% manage to raise their market share, and 23% anticipate higher revenue growth than their competitors.

There's proof of the disadvantages of not using technologies as well. A [McKinsey survey](#) revealed that 40% of those who have reported significant hits to their revenue in the last few years are behind their competitors when it comes to using digital technologies.

Digital investment myths

Even despite these advantages, you may hesitate when it comes to the idea of investment. What if you finance the adoption of a digital tool, but then can't afford other key business areas whilst you wait to see a return? Well, digital technologies don't actually have to be a massive expenditure.

Many new technologies aren't expensive, and you don't have to spend a significant amount of money on consultancy fees to build a digital strategy or ensure you implement the right tools for your business. Low-cost technologies include 3D printers as well as data and systems software, and require very little cultural change.

Panaz, a textile manufacturer, adopted an end-to-end custom digital printing solution that is set to double their production and achieve a significant return on investment. When they approached Made Smarter for support, they were at capacity with their production and thought they couldn't grow their business any further. Now, customers have more creative freedom, and the design process is more efficient – reducing turnaround times from two weeks to two days.

You can additionally introduce technologies incrementally, saving you from spending a lot of money upfront. In this way, small investments will be able to make a great financial impact on your business, as well as give you the opportunity to see whether the tools will work for you and how much value they'll provide – both for yourself and any relevant stakeholders. You'll then be able to create a business case for further investment.



There are some great examples of digital technology ROI in action. Below are just a few manufacturers who have adopted emerging technologies with the help of Made Smarter, and the time it took them to recover the cost of their investment.

Project	Benefits	Payback period
A small chemicals maker required a bespoke customer relationship management software solution worth £12,000. We funded half the project.	<ul style="list-style-type: none">• Freed up 25% of senior management's time• Freed up more time for sales and R&D• Halved customer lead time	8 months
A precision engineering company needed a collaborative robot to load and unload parts into a CNC lathe. Totalling just under £40,000, we funded half.	<ul style="list-style-type: none">• Improved overall equipment effectiveness due to the machine's ability to run continuously• Enabled operators to run multiple machines	12 months
An electronics industry cabinet maker invested in an augmented reality mobile phone app. It cost £17,000, half of which Made Smarter funded.	<ul style="list-style-type: none">• Dramatically reduced transport and travel costs• Improved the customer experience and decision-making	4 months

Why it's important to act now

There are so many reasons why you shouldn't defer your digital investment – a key one being that, if you fund it now, you'll save money in the long run. Plus, the advantage of starting small is that you can keep any concerns related to wasted investment at bay. You'll be able to bite the bullet, and actually make your digital journey a priority across your entire business.

What's more, you can benefit from the current support measures on offer to enable you to invest in digital tools...

Government support

The government's **2021 Autumn Budget** revealed a focus on R&D, with spending to reach £22bn by 2026-27. Training was also mentioned – spending here will increase by 42% to £3.8bn. More specifically, there will be dedicated digital skills bootcamps in areas like AI and cybersecurity.

On top of this, there's:

- **The Business Recovery Loan Scheme** – a tax reduction for new equipment (such as technologies) until March 2023
- **The £520m Help to Grow scheme** – giving you access to management training, discounted software, and guidance on how to implement and use digital tools
- **The super-deduction** – where you can claim 130% capital allowances on qualifying plant and machinery investments made between now and 31st March 2023
- **A £12bn contribution** to help the UK reach its 2050 net-zero goal – making now the perfect time to enhance your business' sustainability.



The 'levelling up' plan

February 2022 saw the publication of the much-awaited **'Levelling Up the United Kingdom' white paper**. The report looked at how the adoption of industrial digital technologies, particularly by small- and medium-sized organisations, will lead to increased productivity and growth for the manufacturing industry. It also explored the ways in which skills networks can be effectively established to satisfy demand on a local basis.

It's hoped that Industry 4.0 will successfully level up many of the UK's regions. Not only will they get the innovation support they require, but they can also tackle the productivity gap and provide better, higher quality jobs.

Skills support

Given the government's focus on investing in skills, it's evident that enhancing manufacturing skill sets will be a core focus for 2022-23. In fact, it should be front of mind for all manufacturers, because your team will need both the abilities and confidence to ensure that technology adoption is a success.

This may involve upskilling your current workforce, or looking to recruit team members with the right skills. It might be that a digital native can help put your business on the desired track, and a **digital technology intern** could be extremely valuable.

There's also Made Smarter's dedicated **skills support**, which is something we offer alongside our grants.



Talk to Made Smarter about skills and grants

Made Smarter can help businesses with fewer than 250 employees (SMEs) adopt new digital tools, hardware and software with the help of grants. These can be used alongside other tax relief options to drive growth and productivity.

If you're struggling to see how new technologies will fit into your strategy, then we can help you there too. We can run a free **digital transformation workshop** with your business, where we get to know your challenges and opportunities, and show you exactly how value can be added through emerging technologies.

The time to start investing in your digital journey is now – **speak to the Made Smarter team** today.