

The EIGT approach

From the outset the EIGT Steering Group decided to approach this wide-ranging study of the electronics sector with no preconceived ideas about the issues being faced or the possible solutions. We wanted our findings to be based on sound analysis and our conclusions to have been tested thoroughly. We rigorously resisted lobbying from special interest groups.

The EIGT commissioned several detailed pieces of analysis:

- Competitiveness Studies were conducted by NERA¹ and PDZ² to analyse the relative productivity of the sector and factors affecting productivity, competitiveness and innovation.
- Market studies were conducted by Gartner and Findlays looking at the application areas and geographic regions where opportunities might arise, and also electronics companies and their employment within the UK.
- A survey by Intellect examined investment strategies and location decisions. Questions focused on the 'offshore' issue, in order to assess the level of migration that is actually taking place, and what motivation is driving the shift to the 'low cost' regions.
- Reports were also analysed relating to trends in the electronics industry from the commercial sections of UK embassies operating in key markets.

We also worked closely with SEMTA³, the Sector Skills Council for Science, Engineering and Manufacturing Technologies, to share and analyse data on the labour market and skills trends in the electronics industry.

The EIGT established five work streams to examine key areas in depth and undertake further analysis where necessary. These work streams were:

- Government and industry
- Skills
- Innovation
- Supply chain management
- Market sectors and technologies

The work streams also undertook supplementary analysis in their own areas of study, e.g. in depth examination of electronics companies in the DTI Benchmarking Index, service testing, analysis of value added, and much else besides. This work

¹ NERA : 'Competitiveness in the UK electronics sector', 2004

² DTZ Pleda Consulting, www.dtzpiedaconsulting.co.uk

³ www.semta.org.uk

led us to a comprehensive picture of the key issues affecting the industry, which we attempted to validate in a major consultation exercise involving participants from the SME community through to major multinationals and also the industry's stakeholder organisations.

Members of the EIGT team conducted one-to-one interviews with senior executives from 55 of the UK's leading companies in and around the electronics sector. The feedback from the sessions was overwhelmingly positive that we were addressing the key issues. Many participants told us that the consultation process had stimulated them to consider issues they'd previously sidelined.

In parallel to these interviews, the EIGT ran a series of regional workshops with SMEs in Leeds, Nottingham, Taunton, Birmingham, Cambridge, Livingston and Birmingham. These sessions were run using small group discussions to address the same questions and issues as the one-to-one interviews. As a result, the EIGT was able to gain a very clear picture from about 60 SMEs. Again companies told us that they had found this a valuable and stimulating experience. The RDA or Devolved Administration for each area assisted in recruitment for these sessions, and participated in the running of the event.

The EIGT also held a skills workshop, which included some members of SEMTA's Electronics Sector Strategy Group. This was attended by delegates drawn mainly from industry and also included a number of academics.

Two final workshops were held to allow the industry's stakeholders – trade associations, professional bodies, trade unions and other industry support organisations and the academic community – to comment on the conclusions. These sessions followed the structure of the regional workshops and captured views from a further 25 organisations.

Throughout the consultation phase of the EIGT the DTI website contained an electronic questionnaire, which allowed anyone to comment by e-mail on the main issues. The e-questionnaire only elicited four comments, which in itself is instructive about how the industry prefers to communicate.

The EIGT consultation phase took place between 9 June and 30 September 2004. Considering the vast scope of the report, the data available on this sector is of variable quality and often anecdotal. Where data is missing or evidence conflicting, we have tried to reinforce our conclusions with evidence from the interviews. This is not ideal as official data in this fast-moving sector is often three years out of date.

Nevertheless, we sincerely believe we have been able to build (probably for the first time) a comprehensive picture of the UK electronics industry with widespread consensus on the key challenges and opportunities to be addressed over the next 10 years.