

DEVELOPING MAS

A BERR guide for Regional Development Agencies
addressing the development of the role of MAS Regional Centres
from 2008 to 2011

NB New arrangements will come into force as a result of the Government's Business Support Simplification Project that will impact on the implementation of MAS 2008-11. These are unlikely to affect the content of the MAS Programme, as set out here, but may impact on the way that MAS interacts with other programmes and activities. MAS operators are expected to co-operate fully with these arrangements, which, when known, will be phased in at the direction of the MAS Policy Group

21 September 2007
Revised April 2009 to update Annex 3

CONTENTS

- 1. Introduction**
- 2. MAS Objectives**
- 3. Scope**
 - 3.1. Businesses Served
 - 3.2. Interface with other Funding Agencies/Programmes
- 4. MAS Services**
 - 4.1 Core Services
 - 4.2 The Five Levels of Support
 - 4.3. Third Party Delivery
 - 4.5 MAS Core Services and Regional Non-Core Variations
- 5. MAS Operations**
 - 5.1 Resources
 - 5.2 Branding
 - 5.3 Publicity and promotion
 - 5.4 Co-operation between MAS Regional Centres
 - 5.5 Conduct
- 6. Reporting**
- 7. Network Co-ordination**
 - 7.1. Programme Co-ordination Structures
 - 7.2. MAS Policy Group (MPG)
 - 7.3. MAS Operational Management Group (OMG)
 - 7.4. Network Resource Management
 - 7.5. Operational Co-ordination
- Annex 1**

Background
- Annex 2**

MAS Terminology
- Annex 3**

State Aid & MAS
- Annex 4**

MAS targets and measures

Annex 5

Publishable Case Studies

Annex 6

MAS / BLO Respective Offers (2008-11)

Annex 7

Branding Guidelines

Annex 8

Service Offer Examples

Annex 9

Centres of Technology

Annex 10

MAS Organogram

Annex 11

MAS Policy Group

Annex 12

MAS Operational Management Group

Annex 13

MAS Key Delivery Partner Group

Annex 14

MAS Customer Journey Examples

Annex 15

Modern Definition of Manufacturing

1. Introduction

BERR Manufacturing Advisory Service (MAS) is a business support programme for manufacturing companies. MAS comprises a core national service, delivered through a network of 9 MAS Regional Centres (RC) covering the 9 English Regions. In addition there are sister programmes delivered through the Scottish & Welsh Devolved Administrations.

In addition to the core national programme, RCs may deliver additional services in line with requirements determined by their contracting Regional Development Agency (RDA). These Guidelines address the requirements for the core national service.

2. MAS Objectives

The aim of the RCs is to deliver a MAS service that results in increased productivity and competitiveness for the manufacturing businesses, particularly SMEs, using a modern definition of manufacturing (see **annex 15**).

It is important to think of improving 'value added' both in terms of achieving an increase per employee and also in absolute terms. It would, for example, be possible to increase productivity by simply reducing the workforce and maintaining constant output. The manufacturer should, however, be encouraged instead to think in terms of innovating and growing the firm's output to absorb the freed resource, which could result in an even greater contribution to the regional economy.

There are four principal objectives of the RCs:

- **Economic** – To improve the efficiency and profitability of UK manufacturing firms, focusing on (but not exclusively) those employing 250 or fewer people (SME status).
- **Technical** – To improve awareness and adoption of innovative techniques and technological solutions for all aspects of manufacturing operations *appropriate to the needs and abilities of the client firm*.
- **Management** – Working with other programmes to improve the capabilities of manufacturing management in target firms.
- **Productivity** – As part of a planned growth strategy, to increase the 'value added' aspect of client firms. This should be achieved by improving the efficiency of the firm's existing operations and helping firms to produce higher value added goods.

Core Productivity Improvement Activities

The following eight subjects have formed the core of MAS productivity improvement activities since 2002-2008:

- Lean thinking
- Value stream and process mapping

- 5 S and 6 Sigma
- Team building
- Improving layouts and space utilisation
- Reducing WIP
- Improving quality and delivery
- Materials and production innovation

These remain the core subjects and in some cases, tools used by MAS Advisers.

2.1 Programme Focus

Following the recommendations of the 2004 Manufacturing Strategy Review and the MAS Development Board (November 2006), the programme will build on its success in introducing lean manufacturing practices to client businesses by introducing more strategic and in-depth advice and support that will improve their product offer and market position. This adopts an enhanced range of common services that have been developed by RCs since 2002 in response to demand, as detailed at paragraph 2.2, and an encouragement for up to 20% of the clients to engage in longer-term or repeat consultancy projects to help them on their journey to world class. This more strategic approach and focus takes MAS beyond the shop floor, into business units/parts of the business not directly involved in production.¹

2.2 Service Additions in this phase of MAS

Through either direct, outsourced or partnership delivery, MAS will support manufacturing business improvement through:

- a) a programme of visits to best practice exemplars
- b) assistance in finding supplies, services or equipment
- c) assistance to companies who want to improve their resource efficiency
- d) assistance to companies developing and/or introducing new products
- e) assistance to companies for working within a supply base or with supply chains
- f) assistance in developing a medium to long term manufacturing strategy
- g) assistance in applying lean techniques across their whole enterprise

The above are covered in greater detail in **Annex 8**.

In order to facilitate longer term more strategic projects, up to 20% of clients can now be offered up to 10 days subsidised in-depth consultancy support each year over and above the 10 days offered as a common minimum; MAS should be willing to support up to a fifth of its clients with longer-term, more strategic projects reflecting the enhanced offering and to reflect that commitment with up to 20 days subsidised support for eligible clients. Whilst there is no set ceiling to project duration, the RCs should nevertheless endeavour to increase the market penetration as well as impact

¹ The role of the MAS is not to compete with private sector providers of larger projects and neither can the finite resources available to the MAS accommodate projects of longer duration if a high penetration rate and coverage of the breadth of demand are to be satisfied.

of the service by continuing to reach-out and engage new clients, particularly SME businesses that have difficulty accessing external sources of advice. MAS should ideally continue over time to improve its market penetration per £public, as well as its impact.

3. Scope

3.1. Businesses Served

MAS serves manufacturing businesses of any size, but there is primarily a focus on SME manufacturers. This is because SMEs have been identified as having particular challenges in terms of productivity and difficulty accessing consultancy support to address this (this market failure justifies the government's intervention). The definition of an SME is detailed at **Annex 3**. If this definition alters during this phase of the MAS Programme, the RCs will work to the new definition.

Recognising that some firms who fall outside these definitions can experience similar difficulties in accessing external advice to SMEs, they are not excluded from assistance but should normally expect to pay commercial rates for any assistance given beyond dealing with simple enquiries. The RC management will seek appropriate advice to decide on any cases of doubt in order to avoid risk of non-compliance with state aids legislation. The contracting body (RDA) should be consulted where there is considered to be a risk of complaint or policy implications.

3.2. Interface with other Funding Agencies/Programmes

There has always been a need for a strong link between MAS and other programmes in order to ensure the seamless delivery of business support. The need for this strong co-operation has increased, given the simplification of business support activity.

Business Link

MAS is a delivery programme which focuses almost exclusively on manufacturing businesses and manufacturing operations. Therefore, both BL and MAS have a clear and distinct role with limited scope for duplication of effort (the target is co-operation without any duplication). BL should therefore feel confident to refer manufacturers and manufacturing issues to MAS while MAS should refer general business issues like training, marketing and legislation to BL. At national level it has been agreed that there is 'no wrong door' – thus it should not matter whether enterprises seek help from MAS or BL, they should always be directed to the most appropriate source of advice/assistance. The diagram at **Annex 6** sets out the expected relationship between MAS and BL.

Other Programmes

In addition to the BL/MAS services, client companies are faced with a variety of other national and regional initiatives. The scope and extent of these other initiatives needs to be known by MAS advisors to avoid confusion amongst client companies and to ensure that clients are referred to other appropriate sources of help, as appropriate.

4. MAS Services

4.1 Core Services

Definition

Whilst the scope of individual RCs may vary according to regional needs, there has been national agreement between BERR and the RDAs on the need to consistently deliver common core MAS services. The contracting bodies (the English RDAs) are responsible for ensuring that the core services are delivered by RCs, and that the RCs adhere to national branding guidelines and reporting requirements.

Core services address:

- Initial contact, information, advice and help
- Problem analysis
- Access to general awareness training and networks
- Access to longer term (consultancy/research) assistance
- Information/signposting

Core services are defined as those that a user can expect to find delivered consistently regardless of location. A matching requirement is that these services are also measured and reported consistently, enabling BERR and RDAs to build up a coherent national picture of the value of MAS to industry.

It is acknowledged and accepted that each RC may, in addition, develop its own suite of services and products according to the needs of local businesses in particular industrial sectors or stages of development. However RCs must not develop non-core services that duplicate or compete with existing known publicly funded products or services.

Individual RDAs may decide that the RC is the most appropriate vehicle for the delivery of other services relevant to manufacturers. Care must be taken, however, not to detract from the delivery of the core MAS service or the MAS brand.

General requirements and aspirations

The MAS RC network is designed to provide practical assistance and information to businesses in diverse manufacturing sectors, and should deliver seven essential features to ensure that client firms receive the national standards of delivery.

- **Quality** – RCs must have the best available expertise to serve client needs, provided through professional Manufacturing Advisors with consistent, practical, applied manufacturing experience. Advisors should be aware of alternative sources of help and advice and give access to other regional activities/programmes and national networks/programmes.
- **Responsiveness** – speed of response will be crucial. Businesses, especially SMEs, often have urgent problems which need solving in the shortest possible

time. It will be essential that RCs are able to respond quickly and positively to calls for assistance.

- **Minimal bureaucracy** – client companies will expect a service free from bureaucracy. Whilst a good system of recording and monitoring of activities will be essential, it must not be bound by complex application procedures, qualifying criteria and repetitive questions. The system of management must therefore be carefully designed to minimise ‘red tape’ supported by efficient and well-designed management information systems.
- **Professionalism** – the spirit of MAS is to work to an ethical code of conduct at all times in order to win the trust of users and develop an excellent reputation.
- **Value for money** – MAS will be free at the point of initial advice and this will extend to include free information in the form of any manufacturing review or diagnosis of problems. However, for the cases that develop into any form of direct assistance there should be a properly costed proposal to the firm and such a follow-on piece of work will be charged for in order to comply with State aid restrictions, and reported as a Level 4 intervention. The fees set for MAS interventions should aim to achieve good value for money both to the programme and to the client company. One of the justifications for the programme is that SME manufacturing companies are not able or willing to afford the market rates commercially charged for advice. Centres are well placed to provide support directly or through third parties at very competitive rates because public funding covers the costs of marketing to new, typically hard to reach clients. Historically rates have been up to about £600 per day but it is recognised that the rate for some specialist services, particularly in the enhanced areas, may need to be higher to ensure that the quality of advice is maintained. OMG will review day rates for different types of MAS support on a regular basis and seek to achieve a consistent national approach wherever practical.
- **Needs-driven services** – close contact with and feedback from customers are required to ensure that RCs are dynamic and adapt to suit the ever changing needs of their client base, ensuring high measured levels of customer satisfaction.
- **Networked information flow** – RCs are expected to share information with other expert organisations and MAS Centres in order to provide and drive up service excellence across a diverse range of manufacturing-related topics.

In addition to any RC- or advisor-specific training and development plans, MAS Advisors have typically (since 2002) spent around 3 days a year in national programme CPD activities aimed to address issues such as new MAS policies, and common MAS monitoring and reporting requirements. RCs should make allowance for this when planning their operations. OMG will decide common training requirements from 1 April 2008.

4.2 The Five Levels of Support

MAS Level 1: Initial Contacts and Enquiries

MAS Level 1 activity includes all the initial contacts and enquiries received by the RC from potential and current clients as well as client referrals from other business support programmes or third parties, e.g. Business Link.

Typical activities will include:

- Responding to requests for help by providing information and advice to clients, and signposting them to other sources of help
- Dealing with requests for Level 2 Manufacturing Reviews
- Initial handling of companies referred to MAS for help, e.g. by Business Link or Key Delivery Partners
- More in-depth helpline support, which may involve research and call back
- Assistance in finding supplies, services or equipment
- Providing additional advice or support to existing clients

Contact may be made by a variety of means: in person, by telephone, mail and e-mail, etc. The handling of such contacts is best carried out by experienced team members. Where the enquiry is straightforward and the RC has readily available in-house expertise to deal with an issue, the response should be immediate. In the case of more detailed enquiries, clients should receive a response within one further working day.

Call Handling

The MAS 0845 national number provided on behalf of the network has a call direction system which forwards callers automatically to the RC for the region from which they are calling. Each RC must maintain a 'MAS' direct line telephone number answered as 'MAS-[(Region)]'. The person dealing with the call need not be a Manufacturing Advisor but for technical enquiries they should be able to direct callers to the best source of help.

MAS Level 2: Manufacturing Reviews

Level 2 is defined as a review of a company's manufacturing-related operations carried out by one or more MAS Advisors with the aim of identifying a desired 'future state' of the client company and encapsulating this in an action plan.

Level 2 activity is free of charge to all SME manufacturers as part of the service provided by RCs. The core guaranteed Level 2 MAS service is up to four days, though it is expected that the majority (around 80%) of reviews will be completed within one day. Longer reviews may be necessary for more complex and strategic projects. There will be a need to record the number of extended reviews in order to monitor the take up.

Following the Manufacturing Review an action plan will be delivered to the client. This may suggest a number of issues and problems to address and may recommend more in-depth support through a Level 4 intervention.

The client having received a Level 2 action plan has a number of options:

- Do nothing
- Carry out the transformation with internal resources
- Request a MAS Level 4 intervention
- Obtain professional assistance from one or more third parties outside the scope of MAS
- Or some combination of the above

The analysis of real needs demands that Level 2 activity be delivered by professional staff with a solid background in manufacturing 'trouble shooting' across a broad range of technologies and industrial sectors. Level 2 reviews should normally be conducted by RCs' own staff but may also be conducted by third party experts under the instruction of RC staff. Companies receiving Manufacturing Reviews should be made fully aware that the support they receive is a MAS service even if the service is provided by third parties. Subsequent publicity/case studies must also make this clear.

State Aid Considerations

During or as a result of the Manufacturing Review, MAS Advisors identify manufacturing issues needing attention and recommend appropriate solutions. This advice may facilitate immediate action by client companies that will improve their productivity and competitiveness without any need for additional support or advice. However, RCs **must not** use the manufacturing review to implement any of the recommendations, reserving implementation for a paid-for Level 4 project. Failure by the Advisors to recognise and respect the clear distinction between the 'diagnosis' and 'advice' provided during a Manufacturing Review and the consultancy support given under Level 4 may result in non-compliance with EU State aid regulations; specifically the terms of the SME block exemption (see **Annex 3**).

MAS Level 3: Awareness Training and Networks

The defining feature of Level 3 remains the 'one to many' relationship and are those activities conducted by RCs to:

- Raise awareness and understanding of MAS and the need to adopt best practice among manufacturing companies
- To train them in best practice techniques
- To encourage companies to share best practice, e.g. through local networks

Awareness Training

Training should not duplicate the services of other funding agencies, but rather should provide specific awareness training **for companies** in support of manufacturing issues identified in the course of reviews and consultancy projects.

Awareness Raising and Promotional Activities

In addition to training courses, the RC will be expected to conduct a range of awareness raising and promotional activities to 'sell' MAS services to the region's manufacturers. Typically this might involve the use of MAS case studies promoted in the local media, or through local seminars and exhibitions. These should be branded as MAS events. In addition, RCs should take every opportunity to identify where it would be advantageous for joint events to be conducted with Business Links, Key Delivery Partners and other appropriate bodies.

Best Practice Factory Visits

RCs are expected to offer a programme of best practice visits to exemplar companies. This should include some scope for clients to visit exemplars in other regions (e.g. where an exemplar deals with specific technology), so there must be co-operation between RCs to facilitate this.

Networking Activities

Level 3 activities can also encompass the setting up and running of a 'Manufacturing Network' where like-minded manufacturers can come together to discuss, for example, how to share best practice or to arrange a visit programme to manufacturing companies.

Branding

Events hosted and led by RCs will clearly be MAS events and should carry the brand and further the image of MAS. Where RCs are involved in jointly hosted events they should ensure the visibility of the MAS brand alongside those of other sponsors (Annex 7 & paragraph 5.2).

MAS Level 4: Consultancy Support

The MAS Level 4 intervention consists of an in-depth consultancy project carried out by RC MAS Advisors or by suitably qualified third parties contracted to carry out the work for the client.

The primary purpose of a Level 4 is to achieve real and quantifiable improvements in a manufacturing company's operations (transformational change) through an implementation assignment. A Level 4 can thus be viewed as progressing a company's operation from its current state (as defined in the initial Manufacturing Review) to an improved state which results in added value and tangible results.

MAS Level 4 activity is deemed to constitute a form of consultancy and, in order to comply with State aid requirements, is chargeable. Under the terms of the SME block exemption (under which MAS is registered), the service can be subsidised at a rate of 50% (see paragraph 3.1).

Certain types of training in an individual company (working closely with the personnel on a 'learn and do' basis) may also be considered a Level 4 activity, especially when there is implementation of change.

Where Level 4s are delivered by contracted third parties, they should be operating directly under the guidance of the RC team to ensure quality of delivery.

When contracted work is completed Level 4 activities should be 'signed off' by the client company, usually within one month, in terms of satisfaction, results and estimated impacts of the action.

Level 5: Signposting and Referral

On the occasions when RCs need to refer a particular company to other forms of service which are 'non-core' MAS, for example marketing, general IT or legislation, then the RC should establish a mechanism to help manufacturers find the most appropriate provider. These are known as 'managed referrals'.

RCs should ensure that MAS Advisers are aware of the potential for referral and the role of Business Link and other National and Regional business support products. Where a referral is made, it should be recorded and managed to ensure that it is followed up, as any failure of third parties to do so may damage the reputation of MAS.

4.3. Third Party Delivery

The use of third parties has played a key part in the MAS programme since its inception. The use of third parties to deliver specialist support at Level 4 (and occasionally Level 2) is well recognised.

The use of third parties has varied from region to region, from almost none to MAS operations where all delivery is performed by third parties. There is no evidence of variation in quality under the different delivery models. Under this new phase of MAS, the wider range of specialisms covered by the core programme (given the additional subject areas at paragraph 2.2) suggests that it is likely that there will be an increased requirement to use third parties for manufacturing reviews (level 2) and consultancy projects (level 4).

All RCs do, however, need to maintain clear quality, governance and accountability guidelines for third party delivery in-line with the expectations of RCs themselves for quality, professionalism, etc., as outlined in section 4.1, above.

4.4 Key Delivery Partners

Under the new phase of MAS we intend to establish a series of relationships with Key Delivery Partners (KDP). KDPs will have:

- National service coverage
- Capability that complements MAS (e.g. delivery of lean to specific industry sectors)
- Been established with public funding as a means to resolve a market failure or be the vehicle for delivering an active policy measure

Relationships with KDPs will be enshrined in individual agreements – Memorandum of Understanding (MOU). Given the varied nature of KDPs, the MOUs will vary however their core principles will be similar and are likely to involve some combination of the following:

- An agreed national day rate (where applicable)
- Streamlined engagement procedures (to avoid unnecessary repetition of supplier validation processes)
- Shared/complementary events (e.g. seminars for clients) and intelligence (e.g. networks & contacts)
- A complementary referrals system
- Compatible information gathering methodology (typically of client information, so that client time is not wasted in repeating information)
- Shared publicity (e.g. web links, newsletters, etc.)
- Shared training events (e.g. training of advisers)
- Quality control procedures

The relationship we seek to achieve is broader than a relationship with a third party contractor. KDPs should be treated as respected peers, not least because they offer the potential to access considerable market intelligence that might otherwise be difficult to obtain. The process for appointment of KDPs is detailed at paragraph 7.5.

In addition to the national MAS relationship with KDPs, RDAs and/or RCs are at liberty to develop relationships with local delivery partners.

4.5 MAS Core Services and Regional Non-Core Variations

The defining attribute of the new core MAS services is that they represent what should be available in every MAS region all of the time.

Experience of delivering MAS in earlier Programme phases has, however, demonstrated that from time to time other services can become an important part of MAS delivery. There are normally two reasons why such a service may be offered:

- A regional or sector-specific issue arises which creates a need that MAS is best suited to deliver
- The Business Support Simplification process identifies MAS as the most suitable delivery vehicle

Acceptable non-core regional services for MAS delivery are, for example, where:

- There is no overlap with business support provided by existing regional delivery agencies such as Business Link
- The service is a response to regional demand established through MAS client and partner feedback

- The service relates specifically to another funding stream objective for which MAS proves to be the most appropriate delivery vehicle

5. MAS Operations

5.1 Resources

Staff

The most important component of RC operations is the availability of skilled staff. All MAS Advisers (core or third party contracted staff) must have a high degree of understanding and experience of the manufacturing matters they are employed to address with clients. RC staff and agents (third parties acting on behalf of MAS) must be able to consistently provide:

- An ability to solve specific manufacturing problems to satisfy a client's immediate needs, and to maintain the credibility of the service, based on a high level of professional knowledge, know-how and experience, which must be kept up to date (see paragraph 4.1)
- An ability to observe a manufacturer's operations, diagnose wider manufacturing issues and identify those areas where a manufacturer is weakest and/or has scope and opportunity for significant improvement
- Awareness and understanding of sources of further help and assistance and a willingness to refer manufacturers to them as appropriate
- The ability and willingness to cooperate and share intelligence with others in the Business Support Community in order to generally further the interests of MAS clients and target audience

5.2 Branding

For BERR corporate image purposes there is a defined set of rules for the way in which national MAS printed material is published and branded:

- A corporate MAS branding is established at the national level. BERR owns this brand
- At a regional level, RC branding must reflect the common MAS branding and image
- Telephone enquirers will be received by the message "MAS(+ region)" – there should be no mention of the MAS Centre's parent organisation
- The national MAS logo is to be used for all case studies, with no use of the RC strapline
- Letterheads and business cards used by the RC should reflect the MAS logo and the strap line MAS (+ region)
- Letterheads should carry the logo of the relevant RDA (and funding body if required)
- Current guidelines on the suitability of promotional and branded material can be obtained from BERR. **Annex 7** presents basic branding guidelines for published material. Similar principles should be followed for electronic communications such as emails and websites

Developing MAS - A BERR guide for Regional Development Agencies

- MAS RC staff should preferably wear an appropriate MAS uniform (a shirt with only the logo of the relevant MAS Centre) when they meet clients. They should not use the occasion of MAS visits to promote or place the parent company's other products. Variance from this practice should be agreed with the contracting RDA and OMG.
- Third party contractors must also abide by the spirit of MAS. They should not tailor their advice in order to promote their parent organisations when engaged in MAS activity. They should use MAS branding, as appropriate, when asked to do so by the RC.

The guiding principle is that companies receiving MAS services should be in no doubt that the provider is delivering a part of the BERR/RDA-funded MAS programme – this principle must also be applied to any subsequent promotion, e.g. use and dissemination of MAS case studies for publicity and marketing purposes.

5.3 Publicity and promotion

The common branding guidelines should be reflected in any publicity and promotional material.

Case studies

Case studies are an important vehicle to promote the success of MAS. RCs must continue to gather and publish regional case study material to supplement the case studies published on the national MAS web site – **Annex 5**.

RCs must ensure that case studies that address the outcome or benefit derived from the MAS intervention are refreshed annually – but particularly innovative case studies should be brought to the attention of the network immediately. Clear goals and achievements are essential if case studies are to be used in the public domain.

RCs may use case studies produced by other RCs (particularly sector specific case studies) where this is helpful in engaging with particular clients.

Printed materials

To avoid duplication with production of printed materials it is planned that RCs should work together to make best use of promotional material budgets. The MAS Network Resource Manager will help to coordinate the use of MAS branded materials and the creation of new materials at a national level (although these could be printed/manufactured locally). RCs should work together to address issues in common, as far as possible, to maximise the efficiency and effectiveness of MAS publicity and promotion.

5.4 Co-operation between MAS Regional Centres

RCs are expected to co-operate with each other to the greater benefit of MAS clients (the new Supply Chain activity is expected to require cross-RC activity). For example if a client wishes to attend a MAS event in a different region (say because the location is convenient, or because of the high calibre of external speakers/ visit programme host), then this wish should be met where practical. RCs are expected to

resolve any issues that arise from this, however in every case the RDA outputs should be recorded in the geographical location which funded the activity.

5.5 Conduct

At all times RCs should act in the interest of the national MAS programme. This ranges from co-operating fully with: other RCs; the MAS Network Resource Manager; KDPs and other partners, through to ensuring that there are no conflicts of interest.

RCs are expected to declare potential conflicts of interest to their contracting RDA, similarly MAS Advisers are expected to report potential conflicts of interest to RC management). For example, if the parent organisation of an RC had a financial stake in a potential MAS client company, that should be declared to the RDA.

6. Reporting

MAS is the UK government's flagship programme for the improvement of manufacturing productivity and competitiveness, and as such its progress and development are of great interest to BERR and the RDAs, in particular with regard to the return on public investment in terms of business impact and number of businesses impacted. The 2008-11 performance management system has therefore been designed to:

- Ensure reporting consistency, whilst also encouraging recognition of impacts of additional or new RC services
- Maximise opportunities and incentives for RC performance improvements, whilst avoiding the risk of unreasonable comparisons between RCs (given the differences in regional needs and priorities)
- Provide meaningful intelligence to guide future policy and funding decisions, for example, to understand whether or not the programme is impacting on key target audiences, or whether changes in strategy are having the expected or desired impact
- Minimise the programme overheads related to processing of management information by simplifying the overall system

The MAS management information system relies upon timely, accurate and consistent reporting of inputs, outputs and outcomes, building upon data ultimately provided by the Advisors about (the quality and quantity of) client-facing activity, and by the RCs about total programme funding. All client benefits (impacts) must be signed off by the client at the conclusion of any consultancy activities. Verifiable records of this and other reported activity/impacts must be retained by the RC for audit purposes – where appropriate, in line with the standard RDA tasking framework monitoring and reporting requirements, e.g. for businesses assisted, private sector leverage and learning opportunities.

Whilst recognising that regional MAS CRM systems may vary, it is anticipated that common data will be exported/input to a national programme management information system by all regions on a consistent and regular basis. This process and the data requirements will be subject to at least annual reviews that will ensure the system is optimised for operations and strategic management. Monthly activity will be

reported on a continuous basis, or not later than the end of the second week of the month following.

Some of the information will be available to everybody, but reflecting on the commercial sensitivity of some data, much of the information will be available only to those involved in the delivery or management of specific RC contracts. Only the MAS Network Resource Manager will have access to all the information, in line with his/her duties and responsibilities for ensuring reporting consistency and validity. Whilst MAS Policy Group (MPG) interests will focus on aggregated data and policy issues, e.g. national trends and learning points from regional pilots, RDAs will anticipate fuller access to their own regional data reflecting their need to monitor overall delivery on contract. Some supply chain development project data (including client-specific information) may need to be made available on a cross-regional basis reflecting specific RC lead responsibilities. Additional regional performance data may be required by the RDAs reflecting non-core MAS activity.

The management information will be verified for accuracy and consistency nationally (by the MAS NRM on behalf of MPG, OMG and the RDAs) and evidence required for RDA official reporting requirements may be regionally audited (by the RDAs).

A full overview of the programme monitoring and reporting requirements is included in **Annex 4**.

This data requirement may be supplemented by a requirement to collate further data for evaluation purposes in line with RDA requirements, and as guided by a MAS evaluation framework to be agreed with BERR and published by the RDAs. Regional MAS evaluations should include a report suitable for disseminating key learning points across the national programme appropriate for informing future policy and strategy, inline with the spirit and principle of network cooperation (see paragraph 7.2).

7. Network Co-ordination

7.1. Programme Co-ordination Structures

The following co-ordination arrangements are intended to build a stronger relationship between the MAS Centres and each other, and between the RCs and BERR & RDAs.

7.2. MAS Policy Group (MPG)

The MPG comprises officials from the BERR MAS team and from *emda*, the lead RDA for manufacturing, on behalf of the RDAs. Observers are also invited from the Devolved Administrations, e.g. the Scottish Executive and Welsh Assembly Government. The policy group relates to the RDAs and OMG through regular meetings and open communication channels.

7.3. MAS Operational Management Group (OMG)

The OMG comprises the Centre Director of each incumbent RC (when a MAS operating contract ceases, the Director ceases to be a member of OMG and is replaced by the incoming operator). OMG is chaired on a rotating annual basis with nominations for the new OMG chair endorsed by MPG. Each MAS RC is expected to support OMG activity through attendance at regular meetings and involvement in any resulting working groups or activities. The Centre Directors who cover the

Devolved Administrations are able to participate as observers, but may not be able to participate in some of the activities. Officials from BERR and *emda* will be invited to formal meetings, as observers.

OMG's principal responsibility is to ensure a high degree of consistency, wherever possible, over the way that MAS is delivered by the RCs. Examples include:

- Development and operation of a CPD strategy for MAS advisers (including the development of new materials to support such activity)
- Facilitating activities that cross regional boundaries (e.g. supply chain activity, or best practice visits)
- Sharing best practice between MAS Centres (including materials, and access to facilities and events)
- Working with key delivery partners (under the terms of any national frameworks established by the MPG) through periodic meetings and information exchange. OMG will be consulted when a new KDP is proposed
- Development and delivery of action plans to address particular issues (e.g. piloting a new service element), as requested by the MPG

In addition, following MPG guidance and scrutiny, and noting BERR and RDA policy and funding responsibilities, the OMG will be responsible for developing various aspects of activity related to programme delivery, for example, OMG will lead in:

- Development of the national MAS brand and marketing in order to promote more effective penetration and impact, in line with their contractual responsibilities
- Development of MAS Programme delivery resources, such as publications and materials
- Development and functionality of the MAS Programme website
- Development of the MAS Ambassador network, including: opportunities to deploy ambassadors; requirements to train them and provide support materials, and; to report on their activities
- Assessment of the suitability of particular MAS Centres of Technology (CoT) - OMG may assist the NRM to negotiate favourable day rates (see Annex 9)
- Own initiatives, such as research and pilots, that could impact on MAS and other programme policy, funding or delivery

OMG activities and common network activities will be supported by a central resource, outlined in 7.4, below.

OMG will provide regular reports to the MPG covering network co-ordination, partnership, and collaboration activities. The format, scope and periodicity of these reports is still to be determined.

7.4. Network Resource Management

The facilitation/management of national network resources is vested in the MAS Network Resource Manager (NRM). The NRM will be contracted by *emda*, the lead RDA for manufacturing, to take responsibility for activities including:

- Collection, collation and reporting of MAS performance data
- Development of the MAS programme performance management system and metrics

- Contracting third parties for the delivery of agreed co-ordination activities and materials (e.g. national website, publications, etc)
- Organising and recording meetings of the OMG and its sub-groups.
- Facilitating the formation of MoUs with new KDPs
- Negotiating call-off contract terms with CoTs
- Policing and developing the use of the MAS brand by RCs and third parties
- Co-ordinating the annual return to EU Commission on State Aid compliance
- Dealing with queries about the operation of the MAS Programme, e.g. from overseas Government Departments
- Facilitating the formation and operation of MAS communities of practice
- Involvement in new issues that may arise during the life of the programme.

A central budget will be provided for to finance these shared network services, for deployment by the NRM in line with the objectives set for OMG, following proper *emda* procurement policy and procedures, potentially including: staff-recruitment, grant-funding and sponsorship, purchase of materials and supplies, contracting of services.

7.5. Operational Co-ordination

Formalising KDP Arrangements

When an organisation has been identified as a prospective KDP, the NRM will meet with the organisation to gather background information and explore the fit with the MAS Programme (paragraph 4.4). The NRM will prepare an outline Business Case based on information gathered and take comments from OMG. OMG's comments will cover their perception of the organisation and its suitability to be awarded KDP status and will be incorporated in the final Business Case. This will then be referred to the MPG for a decision.

Where it is agreed that an organisation can become a KDP, the NRM and a representative of OMG will meet with the organisation to negotiate the terms of an MoU between the organisation and the MAS Programme (covering all MAS RCs and, where required affiliated MAS Centres in Wales and Scotland). The NRM will codify the results of the negotiation in an MoU (which takes the form of a simple national call-off contract). The MoU will be copied to all RDAs and RCs and will be added to the annexes of these MAS Guidelines.

The NRM will work with OMG to review and renegotiate KDP day rates (and other terms, where appropriate) on an annual basis.

Developing National Programme Resources

Where a need is identified for a resource that is useful to all RCs (e.g. a Programme Brochure, Programme posters, development of MAS adviser CPD training materials, etc.), the NRM will take advice from OMG on the specification of the resource, the procure it from a budget held centrally by *emda*.

<i>BERR MAS Team</i> <i>September 2007</i>

Annex 1

Background

The Government first announced its intention to establish the Manufacturing Advisory Service (MAS) in its White Paper 'Opportunity for All in a World of Change', published in February 2001.

The White Paper made clear that the Government's vision for MAS was a service founded on and delivered by Regional Centres for Manufacturing Excellence (RCMEs), latterly known as MAS Regional Centres, complemented by a national network of Centres of Expertise in Manufacturing (CEMs), extending to Scotland and Northern Ireland as well as covering England and Wales. Both components were to be made readily and freely accessible to manufacturers by means of a unifying MAS website. It was expected that MAS would work in close association with Business Links, responsible for the provision of more general business advice, and with other programmes of benefit to manufacturers, including the Industry Forum programme and other complementary initiatives. Ten Regional MAS offices covering England and Wales were established and launched over the period April to November 2002.

The Manufacturing Strategy Review published in July 2004 committed BERR and the RDAs to working together to build on the success of MAS, improving its effectiveness and impact. Following the Review, the Government committed to providing substantial funding for MAS for a further three-year period, 2005-2008.

A MAS Development Board was established in November 2005 with membership drawn from business representatives, small manufacturing companies as well RDAs and central Government. As part of the review, a detailed evaluation was carried out with a report that was published on the BERR website in March 2007. There was a large measure of consensus that MAS has developed into a highly respected 'brand' and that efforts should be made to preserve and enhance this brand. Ministers endorsed the findings of the Development Board that the next phase of MAS should build on the acknowledged strengths of the current programme but where the needs of the client justify it, MAS will offer a service that is wider in scope, longer in duration and able to address strategic issues better than is the case with the current offer. The intention is that there should be closer cooperation across Regions and with key partners who can deliver much of the expertise to deliver components of the enhanced offer.

These guidelines have taken as a starting point the updated RCME Advisors' guidance published by BERR in 2005.

Annex 2

MAS Terminology

Regular networking amongst providers and users of the MAS Service has led to a common language being used to describe it.

- **The Manufacturing Advisory Service** is generally referred to as **MAS**.
- The regional organisations responsible to their RDA for delivery of MAS are known as **MAS Regional Centres (RC)** throughout the main body text), and for individual regional operations “MAS (Region)”, for example MAS South West. This is an immediately recognisable part of the MAS brand.
- The technical staff that perform work with clients and who are based at RCs should generally be referred to as **MAS Manufacturing Advisors**, though more informally they may be referred to variously as manufacturing practitioners, specialists or experts.
- **Centres of Technology (COT)** organisations with national coverage who provide specialist skills to the MAS network (see **Annex 9**)
- The **MAS Network Resource Manager** is the official at emda (the lead RDA for manufacturing) employed to provide a shared network resource to facilitate consistent operation and development of the nine MAS Regional Centres in England, including by collating and analysing MAS performance statistics (see paragraphs 7.4 & 7.5)
- **MAS Policy Group, or MPG.** Officials from BERR & *emda* (on behalf of the RDAs) with responsibility for oversight of the MAS Programme (paragraph 7.2 & **Annex 11**)
- **MAS Operational Management Group, or OMG.** A group comprising the Centre Director from each MAS RC (paragraph 7.3 & **Annex 12**)
- **Key Delivery Partners, or KDP.** Organisations who partner with MAS RCs in the delivery of lean interventions (paragraphs 4.4; 7.5 & **Annex 13**)

Annex 3

State Aid & MAS

Regulation 800/2008 – the “General Block Exemption” Regulation [as stated under Art. 9 par. (2)]

1. The Manufacturing Advisory Service (MAS) is a scheme exempted from the need for formal notification or approval under the terms of [Commission Regulation 800/2008](#). This regulation relates to the application of Articles 87 and 88 of the EC Treaty to a range of State aid and is commonly referred to as the “General Block Exemption”.
2. MAS’s exemption from State aids notification through the General block exemption specifically relies on Article 26, Aid for consultancy in favour of SMEs, of Regulation 800/2008. This article relates to consultancy, and states that aid to SMEs that fulfils certain conditions will be compatible with the common market and exempt from the notification requirement with respect to services provided by outside consultants provided that the gross aid intensity does not exceed 50% of the costs of such services.
3. BERR MAS officials took the view in 2001 that “Level 4” consultancy support intervention is the only MAS activity covered by State aid rules. Other MAS interventions were considered to be concerned simply with the provision of information and advice to companies
4. In order to take advantage of the block exemption, MAS must remain compliant at all times with the terms and conditions of Regulation 800/2008. Further information about the Regulation and about State aids procedures generally are available from BERR’s website at <http://www.BERR.gov.uk/bbf/state-aid>
5. BERR registered MAS with the Commission as a scheme compliant with Regulation 70/2001, first in 2001 and then in 2005 and with Regulation 800/2008 in October 2008. The block exemption regulation has now been registered until 31 March 2012.

Application of Regulation 800/2008 to MAS

Points to note

6. In order to comply with Regulation 800/2008, MAS delivery agents should note the following points:
 - The consultancy provided by MAS must be of a non-routine kind (i.e. it cannot be routine tax consultancy, regular legal services or advertising).
 - The companies that are given consultancy support must meet the EU definition of an SME as set out in [Annex 1 of Regulation 800/2008](#).
 - The subsidy element must not exceed 50% of the cost of the consultancy service being provided.
 - “In-kind” contributions from the company are not acceptable as part of the calculation of the grant intensity of consultancy support. MAS client companies must contribute at least 50% of the costs of the consultancy; if not, the company will be deemed to be receiving aid illegally and could be forced to repay it with interest.
 - The block exemption regulation does not say that the SME can only receive aid towards one consultancy project; this means it should be possible for MAS to fund different consultancy projects. But MAS delivery agents must ensure that a client company is not being given aid from other public sources for the same costs, or if it is, that the total aid given does not breach the 50% ceiling.

- In-depth advice provided by a MAS delivery agent *could* still be regarded by the Commission as consultancy support and hence subject to the State aid rules even when not being treated and classified by the MAS delivery agent as a Level 4 intervention.
- MAS delivery agents must keep records of all the individual interventions which take advantage of the SME block exemption Regulation (see below).

Position of Large Companies Assisted by MAS

7. Companies must pay a market rate for any service provided by MAS for there to be no State Aid.

8. Non-SMEs that do not pay a market rate for MAS services will be subject to the State aid rules. In this case, the relevant block exemption is not Regulation 800/2008, but Regulation 1998/2006, regarding “de minimis” aid.

9. When this exemption is used, client companies must be informed that the aid is “de minimis”, and asked to declare the amount of de minimis aid they have received in the last three years. Aid administrators must ensure that the aid when cumulated with de minimis aid provided over the previous 3 years does not breach the new €200,000 ceiling (applies from 1 January 2007). Detailed records must be kept to demonstrate this. De minimis aid cannot be given towards the same costs that are being supported under another block exemption or notified scheme [Attached link to the de minimis aid <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:379:0005:0010:EN:PDF>].

Record Keeping under Regulation 800/2008

11. Regulation 800/2008 requires the delivery of MAS to be compliant at all times with its terms and conditions. Article 10 furthermore requires detailed records to be kept both about all aid schemes exempted by this regulation and individual aid granted under those schemes.

12. Records must be kept ten years and must contain all the information necessary to establish that the conditions of the exemption are fulfilled, including information about the status of the company as an SME.

Annual Returns

13. Article 11 of Regulation 800/2008 requires Member States to report on the application of the Regulation within 3 months of the end of each calendar year. BERR’s State Aid Branch will request information once a year to contribute to the annual report to the Commission.

Annex 4

MAS targets and measures

Detailed targets, measures and outcomes are set out in the tables below

Appropriate Reporting requirements for each Level are set out on pages 23-25

Detailed Impact reporting for each client is set out on pages 26-28 with detailed definitions set out on page 29.

An example regional monthly report format is set out on page 31.

Regional Centres will report monthly to the RDA and the Network Resource Manager.

An evaluation framework will be developed by the MAS Policy Group in consultation with RDAs by March 2008. It will draw on the measurement framework set out in these Guidelines.

MAS reporting requirements

Common MAS reporting requirements (data aggregated by NRM for presentation to MAS PG except where qualitative information required, e.g. case studies and event data)

activity	inputs	outputs	targets	desired outcomes	measures	Additional, e.g. ESF, requirements	
						outputs	measures
level 1	helpline	advice referrals (to source, e.g. MAS L2/3, KDP, BLO...)	Suppliers identified	manufacturing review take-up	% enquiries to L2 Review	<tba>	<tba>
	website			supply contacts (£value)	£value of supply contracts won (business created for SMEs)		
	staff			market intelligence	market data (detail of issues raised)		
	marketing and PR			confidence in MAS	%satisfaction		
level 2	own staff	manufacturing reviews	unique businesses assisted	action plans	match of projects to priority national/regional need (breakdown of action plans by type)	<tba>	<tba>
	third party staff	client data	other business assists (repeats)	level 3/4 proposals	match of action plans to priority national/regional need (breakdown by type)	<tba>	<tba>
	KDP staff		number of reviews (SME/non-SME) (1 day/extended)	positive action by client	client action in response (alone, with MAS, with other third party (public/private))	<tba>	<tba>
	other RC staff		length of work	referrals (to source)	number of referrals (to source, e.g. BLO, KDP, MAS)	<tba>	<tba>

	referrals (by source, e.g. MAS, BLO, KDP...)		% of total target audience (target manufacturers) assisted	confidence in MAS/external advice	%satisfaction	<tba>	<tba>
	ambassador 'sales' support			market intelligence	market data (detail of issues raised)	<tba>	<tba>
level 3	referrals (by source, e.g. MAS, BLO, KDP...)	people attending factory visits	learning opportunities	level 2/4 proposals	anticipated action reports (type of project with what support)	<tba>	
	own staff	businesses assisted through factory visits	businesses assisted	number of referrals (to source, e.g. BLO, KDP, MAS)	businesses in network client action in response (alone, with MAS, with other third party (public/private))	<tba>	<tba>
	third party staff	people attending awareness training events	learning opportunities	action by business		<tba>	<tba>
	KDP staff	businesses assisted through awareness training	businesses assisted	confidence in MAS/external advice	%satisfaction	<tba>	<tba>
	other RC staff	businesses in networks	% of total target audience (target manufacturers) assisted	case studies		<tba>	<tba>
	business host time/resource/access	network events	other business assists (repeats/collaborations)			<tba>	<tba>
	business self-help networks facilitated					<tba>	<tba>
	awareness training events					<tba>	<tba>
ambassador 'sales' support					<tba>	<tba>	

	marketing and PR				<tba>	<tba>	
level 4	referrals (by source, e.g. MAS, BLO, KDP...)	direct delivery projects (breakdown by type)	total businesses assisted; up to 20% broader and more strategic projects (% of which to SMEs)	bottom-line impact	£impact overall, by type of project, and by client/target group, e.g. SME/non-SME, sub-sector, supply chain... (see separate sheet)	<tba>	<tba>
	own staff	third party delivered projects (breakdown by type)	% of target audience assisted	top-line growth	increased business investment in R&D, training, capital equipment, best practice acquisition... (see separate sheet)	<tba>	<tba>
	third party staff	client income	total value of projects (and % of which from SMEs)	confidence in MAS/external advice	%satisfaction	<tba>	<tba>
	KDP staff	client data	clients completing L4s	improved manufacturing advice quality (third parties)	tendency to use external advice more in future	<tba>	<tba>
	other RC staff			number of referrals (to source, e.g. BLO, KDP, MAS)		<tba>	<tba>
	other partner funding	£levered (public)		case studies		<tba>	<tba>
	client data			market intelligence	% clients providing case studies / responding to evaluation survey	<tba>	<tba>
	clients signed up for L4s					<tba>	<tba>

£ Impact calculations

M&R requirement				MAS activity:																
£ IMPACT on CLIENT BUSINESS		Formula	Evidence	Top-line growth			Manufacturing cost/flexibility management					Indirect Costs				Facility management			Inventory management	TOTAL
				strategic management	product devt and engineering	service development	lean/6 sigma transformation	manufacturing process improvement	quality problem resolution	supply chain development/management	logistics management	lean office	lean product development	IT system development and implementation	IT package selection and implementation	plant layout and design	facility relocation	resource efficiency	inventory productivity analysis	GLOBAL IMPACT
QCD (Annualised £ value of improvements in...):	People productivity	detailed below	CSO																total	
	Scrap/defect rate	detailed below	CSO																total	
	Space utilisation	detailed below	CSO																total	
	Delivery on time and in full	detailed below	CSO																total	
	Stock turns	detailed below	CSO																total	
	Equipment productivity	detailed below	CSO																total	
	Value added/person	detailed below	CSO																total	

reduced energy/environmental costs	£ value of improvement, e.g. bills, landfill tax, CO2...	CSO						
reduced time to market	£ value in operational terms, not business created	CSO						
Other costs saved?		CSO						total
Avoided unnecessary investments		CSO						total
Saved investments		CSO						total
Business growth	15% increased sales + retained sales							total
<i>SUB-TOTAL 1</i>								total
% of which benefits non-SMEs								
% of which derived from third party delivery agents								
	all client impacts-SME impacts							

INPUT (£value)							total
MAS funding							total
Other public funding levered, e.g. LSC, Envirowise, BLO...							total
% of public funding from ERDF							total
<i>SUB-TOTAL 2</i>							total
% of which invested via third party delivery agents							
Client fees (private sector leverage)							total

	employees - Micro, Small, Medium, Large	
Client data	post code	
	SIC	

Detailed Calculations for QCD Measures

Quality - Cost - Delivery – the Seven Measures

As a reminder for reporting, the calculation of improvements in the 7 QCD measures is presented below.

The basic calculation for the % improvement in any measure is

$$\left[\frac{\text{New Value} - \text{Original Value}}{\text{Original Value}} \right]$$

People Productivity Improvement	Basic Measure: Units per direct operator hour i.e. $\frac{\text{Number of good units made}}{\text{Number of direct operator hours}}$	Example of Improvement Measure Previous State 30 Units per Hour New State 40 Units per Hour $\text{Improvement} = \left[\frac{40 - 30}{30} \right] = 33\%$
Scrap/Defect Reduction	Basic Measure: % i.e. $\frac{\text{Quantity of defective units}}{\text{Total quantity of units supplied}}$	Example of Improvement Measure Previous State 5% New State 2% $\text{Improvement} = \left[\frac{2\% - 5\%}{5\%} \right] = -60\%$ <i>i.e. a 60% reduction in defects (reported as a positive number)</i>
Improved Space Utilisation	Basic Measure: £ per m ² i.e. $\frac{\text{Sales turnover of model area}}{\text{Number of square metres of area}}$	Example of Improvement Measure Previous State £30,000 per m ² New State £50,000 per m ² $\text{Improvement} = \left[\frac{50,000 - 30,000}{30,000} \right] = 67\%$
On Time Delivery Improvement	Basic Measure: % delivered correctly and on time i.e. $\frac{\text{No. of planned deliveries} - \left(\frac{\text{No. of not on time deliveries}}{\text{No. of planned deliveries}} \times 100 \right)}{100\%}$	Example of Improvement Measure Previous State 90% Delivered on Time New State 99% Delivered on Time $\text{Improvement} = \left[\frac{99\% - 90\%}{90\%} \right] = 10\%$
Increase in Stock Turns	Basic Measure: Number of Turns i.e. $\frac{\text{Sales turnover of product}}{\text{Value of (Raw material + WIP+ Finished)}}$	Example of Improvement Measure Previous State 4 Stock Turns New State 5 Stock Turns $\text{Improvement} = \left[\frac{5 - 4}{4} \right] = 25\%$
Overall	Basic Measure: %	Example of Improvement Measure

Equipment Effectiveness	i.e. Availability % × Performance % × Quality	<p>Previous State 80% effective New State 96% effective</p> <p>Improvement = $\left[\frac{96\% - 80\%}{80\%} \right] = 20\%$</p>
Reduced Development Costs	Basic Measure: £ Avoided cost or investments	
Lead Time Reduction	Basic Measure: % Time taken from order receipt to stores	<p>Example of Improvement Measure</p> <p>Previous State 10 days New State 8 days</p> <p>Improvement = 20%</p>
Improved Energy/Utility Utilisation	Basic Measure: £ & % number of units of utility (gas, water, fuel, electricity) used	New utility usage – old utility usage
(Gross) Value Added per Person	Basic Measure: £/person i.e. $\frac{\text{Output value} - \text{Input value}}{\text{Number of employees}}$	<p>Example of Improvement Measure</p> <p>Previous State £30,000 per employee New State £50,000 per employee</p> <p>Improvement = $\left[\frac{£50,000 - £30,000}{£30,000} \right] = 67\%$</p>

Indicative Standard MAS Regional Reporting Format



MAS <region>
Progress report: <month>

Overall performance

insert scatter graph tracking impact per £public against businesses impacted per £public over time, with SME/LE breakdown

progress report

qualitative report of progress against plan, key achievements and activities (not for BERR)

Pipeline

insert line graph tracking pipeline (L1, 2, 3, 4, including subset of repeats), YTD and forward trend, using 3 month rolling average to smooth peaks/troughs

forward plan

action needed to address new issues, opportunities or planned developments (not for BERR)

risk management

project risk management register (not for BERR)

Outputs

insert simple tabular report of progress against contracted targets to date, last quarter, current year (not for BERR)

inputs

insert simple tabular report of inputs, including funding (by source), partnership activity, client fees (SME/non-SME), etc (not for BERR)

RDA Logo

other logo, e.g. ERDF

other logo, e.g. ESF

Annualised Increased Gross Value Added

Gross Value Added is a common measure used across Government support programmes and it will be required for evaluation purposes. This should be collected on a continuous basis.

Basic measure: Value of output goods less value of input goods

i.e. Profit Before Interest & Tax + Employment Costs + Depreciation & Amortisation

Increase = Final Value Added - Initial Value Added. Reported in £

Example of Improvement Measure

Initial state:

Turnover:	£1,000,000
Profit (PBIT):	£20,000
Employees:	20
Employment costs:	£550,000
Depreciation & Amortisation	£30,000

Gross Value Added = 20,000 + 550,000 + 30,000 = **£600,000**

Value added per person = £600,000/20 = **£30,000** per person

Final state:

Turnover:	£1,050,000
Profit (PBIT):	£100,000
Employees:	20
Employment costs:	£575,000
Depreciation & Amortisation	£30,000

Gross Value Added = 100,000 + 575,000 + 30,000 = **£705,000**

Value added per person = £705,000/20 = **£35,250** per person

Note that there is no direct relationship between changes in turnover and changes in added value.

Publishable Case Studies

A regularly updated database of high quality publishable case studies forms an essential part of the marketing and promotion of MAS nationally. They are also drawn upon by BERR for press releases, speeches and other communications by Government.

Ideally RCs will also produce glossy material with photographs and quotes but, for guidance, below are the key headings used on Case Studies published on the MAS Website. Case studies should be provided in MS Word format to facilitate any necessary editing prior to uploading onto the web site.

MS Word or (exceptionally) PDF format with pictures
Key headings: Background; Manufacturing Concerns; Activities Undertaken; MAS Diagnosis; Results; Related Resources
A Typical Case:
<p>Background</p> <p><i>Multi-faceted printing company providing exceptional quality print services in Bolton area. Originally formed as a family concern, now have 75 employees.</i></p> <p><i>Four main products or services i.e. standard contract printing, digital printing, encoding, print management.</i></p>
<p>Manufacturing Concerns</p> <p><i>Increased level of competition with companies failing almost on a daily basis. Conflicting nature of the business streams hampering lead-times and increase costs.</i></p> <p><i>Need to achieve sustainability and long-term development</i></p>
<p>Activities Undertaken</p> <p><i>One-day diagnostic visit by a MAS practitioner.</i></p> <p><i>Value Stream Mapping and Analysis used to identify where conflicting customer demands and determine what the consequences of that conflict were to the organisation.</i></p> <p><i>The analysis showed that the main print management business (60% of turnover) was being unduly influenced by the immediate nature of the “I need it yesterday!” direct commercial printing business (20% of turnover). This resulted in increasing levels of stock for print management and many more changeovers.</i></p>
<p>MAS Diagnosis</p> <p><i>Understand how the commercial and manufacturing processes link and work together. Split organisation into “value streams” with each truly focused on customers, products and service.</i></p> <p><i>Develop a tailored external support programme including off-site training, hands-on practitioner support, online training and masterclasses.</i></p>
<p>Results</p> <p><i>The Value Stream Mapping exercise and planned re-organisation helping to solve significant operational problems, increase efficiency and service but at the same time increase capacity to provide for growth. Savings of £ xxxx were achieved with a xx% increase in people productivity and turnover.</i></p>
Related Resources North West MAS

MAS / BLO Respective Offers (2008-11)

MAS		BLO
1. Manufacturing benchmarks & diagnostics		1. Business benchmarks & diagnostics
2. Lean manufacturing* (VSM etc)		2. Business strategy
3. Manufacturing strategy		3. Finance
4. TQM		4. Taxes, returns & payroll
5. Kaizen	←-----→	5. Health & safety
6. Shop floor control	←-----→	6. Patenting & IPR
7. Manufacturing systems		7. International trade
8. Product improvement		8. Sales & marketing
9. New product introduction (NPI)		9. Managing and flow
10. New product development (NPD)		10. Grow your business
11. Innovation (in a manufacturing context)		11. IT & e-commerce
12. Supply chain performance		12. Employing people / HR issues
13. Manufacturing skills (via skills broker)	←-----→	13. General business skills
14. Environment, energy, waste performance		14. Leadership
15. Regulatory compliance		15. Managing & developing people

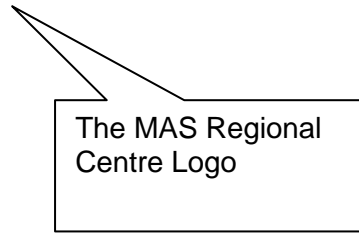
** Lean manufacturing should be more recognisably promoted in its larger sense, beyond shop-floor ergonomics*

MAS & Business Link Integration

Five key propositions:

1. **CUSTOMER CHOICE:**
The customer will choose where they access business support – either through MAS or via Business Link. Furthermore, the customer will express their own preference for the co-ordination of their business support interventions. Thus the customer will decide who should act as their client manager. Whether MAS adviser or Business Link Adviser, the client manager will ensure that both services are engaged in concert, as appropriate, to support the journey to world class
2. **CO-OPERATION:**
MAS advisers & Business Link advisers should work seamlessly to roll-out appropriate support from appropriate sources, meeting regularly to discuss client portfolios, facilitating cross-fertilization of ideas and assistance. These case conferences should be used to enhance communication and co-operation across the two services.
3. **HOTLINKS:**
As illustrated in the table, there should be a series of subject areas where enquiries and project activities should automatically trigger an immediate conversation between the MAS and Business Link adviser to discuss how the wider business support offer should be presented to the customer. This may be through referral or through a joint approach to the customer.
4. **HIDDEN WIRING:**
Customer should get the benefit of both services as required, without being passed “from pillar to post” and without feeling that they are losing their trusted relationship, or preferred contact point. Business Link and MAS must operate seamlessly so that the customer receives appropriate input from each in a smoothly co-coordinated approach.
5. **REGIONAL “RINGMASTER”:**
Where MAS needs to refer a customer to another service such as UKTI, High Growth Coaching, Design for Business, the MAS adviser will signpost the customer via Business Link. This is to ensure that the customer benefits from coordinated access to all business support available in the region. Where a customer expresses a strong wish not to be referred via Business Link, MAS may make the referral directly – but will inform Business Link that the referral has been made.

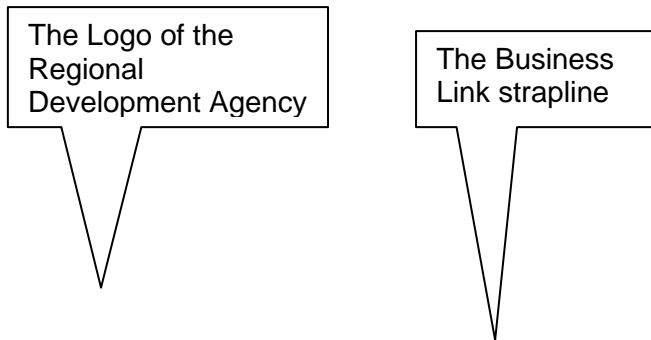
Branding Guidelines



This Sheet shows a typical layout for letterheads and correspondence and can also be a guide for other items.

Note that RDA and other funding agency logos should be no more than 70% of the size of the MAS logo

Business cards should be branded in a similar manner to letterheads but the only logo present on the front of the card should be that of MAS.



NB Case Studies must only bear the MAS Programme logo (and that of funding agencies, where appropriate)

Service Offer Examples
(see paragraph 2.2 (a-g))

2.2(a) Visits to best practice exemplars

The success of best practice exemplars serves as an inspiration for others to adopt best practice. MAS will facilitate visits to best practice exemplars across the country – this will include the scope for companies to visit exemplars in other regions.

2.2 (b) Assistance in finding supplies, services or equipment

SMEs have particular difficulties in sourcing services, materials and equipment, especially when their established supply sources are disrupted. Where appropriate MAS will provide assistance in finding supplies, services or equipment as a level 4 project.

2.2 (c) Assistance to companies who want to improve their resource efficiency

Adoption of best practice in resource efficiency is a natural complement to lean and is key to ensuring that SMEs are sustainable. MAS will assist companies who want to improve their resource efficiency with brokered support from appropriate resource efficiency programmes, such as Envirowise, recommended. MAS may project manage the implementation of any resulting recommendations or in appropriate cases implement them, e.g. introducing or improving shop-floor 'lean' manufacturing practices.

2.2 (d) Assistance to companies developing and/or introducing new products

The development and introduction of new products is an important activity for all manufacturers - SMEs in particular need to be supported in this. MAS will provide assistance to companies developing & introducing new products through existing teams or use of third parties. This activity does not include design or marketing although support may be available through other programmes such as Business Link or Designing Demand.

2.2 (e) Assisting companies to work within a Supply Base or Supply Chain

Working optimally within supply chains and supply bases helps companies to be sustainable. MAS will help companies work within a Supply Base (e.g. mentor them through conformity to a standard, such as the Rolls Royce or SC21 requirement) or work with Supply Chains (i.e. where a group of suppliers need to engage jointly to address performance or competitiveness issues).

2.2 (f) Assisting companies to develop a medium to long term manufacturing strategy

Sustainability and growth are more likely to occur if companies have an appropriate and well-founded strategic plan in place. SMEs need particular support in developing manufacturing strategy plans. MAS will help SMEs develop a manufacturing strategy, covering the medium to long term (3-7 years). Firms will understand and value the strategy development process and recognise that this is continuous, and encompasses change. MAS will mentor the implementation of manufacturing strategy plans.

2.2 (g) Assisting companies to apply lean techniques across their whole enterprise

Application of lean principles beyond the manufacturing shop floor will help to make companies more competitive. MAS will deploy techniques such as value stream mapping throughout the operations of manufacturing companies.

Centres of Technology

Beyond March 2008, a new class of organisations will support the activity of the RC teams – these organisations will be titled Centres of Technology (CoT).

In order to become a CoT various criteria will need to be met to ensure that the appropriate organisations are associated with MAS. In brief these are:

A clear expertise of a technical nature

Organisations will be expected to demonstrate a technical expertise that is applicable to the manufacturing sector. The organisation should be able to provide both relevant technical information associated with this area of expertise, and the ability to provide specialist on-site advice and support. The latter will require all CoT to demonstrate sufficient public liability and professional indemnity insurances to cover their activity, which will be not less than £5M each.

Leaders in their field of expertise

Organisations will be expected to demonstrate that they are recognised leaders in their field of expertise as the major provider of this knowledge/competence within Great Britain.

National coverage

Organisations will be expected to confirm that they have the ability to provide on-site support to manufacturers throughout England. MAS provides support and advice across all 9 English regions and Centres of Technology must match this footprint.

Consistent charging

As a corollary to the above, organisations will be expected to provide a single charging rate for support across any part of England. This will ensure that all manufacturers supported by MAS are able to receive the same support and help from CoT and are not disadvantaged by geographical location.

Commitment to Quality and Continuous Improvement

Organisations will be expected to demonstrate a quality ethos and a commitment to Continuous Improvement. Typically this would be via formal accreditation through systems such as ISO9001/TS16949 and IIP or similar.

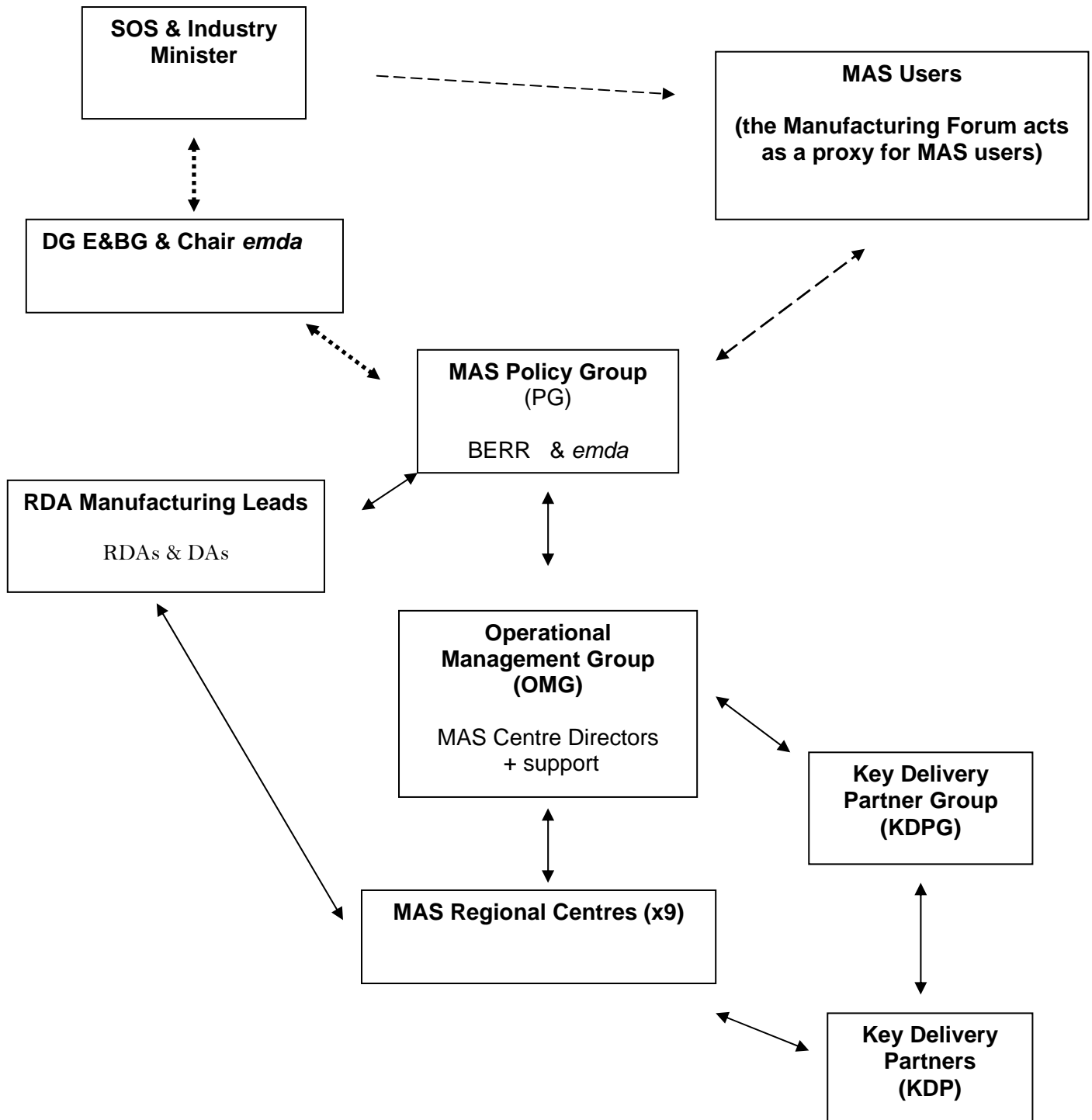
Approval

Applications to become a CoT will be considered by the OMG to ensure that the applicant organisation meets the above criteria and is suitable for inclusion within the list of CoT. The decision of the OMG will be final, and may be based upon the applicability of a technology, an organisation's expertise within it or the availability of equivalent expertise elsewhere.

Regular approval confirmation

CoTs will be expected to re-affirm (or update) their application details on an annual basis. Confirmation of registration will be on the basis of the relevant manufacturing environment at the time.

MAS Organogram



MAS Organogram
(supporting narrative)

The relationships indicated in Annex 11 are as follows.

1. The MAS Policy Group (MPG) has overall responsibility for oversight of the national MAS Programme
2. The MPG works closely with the RDA Manufacturing Leads, sharing intelligence, identifying issues and developing policy
3. MAS Regional Centres (RC) are contracted by their respective RDA to deliver the MAS Service. Changes in RC contracted deliverables are agreed and decided between the RDA and the contracted MAS RC service provider.
4. MPG relates to OMG to continuously improve national programme performance and management by discussion of opportunities and issues off-line and in their respective meetings. BERR and *emda* representatives will observe OMG meetings, and the OMG chair shall be invited to MPG meetings to discuss progress and new issues.
5. The Centre Directors of each RC are members of the Operational Management Group (OMG). OMG meets to discuss operational and programme co-ordination issues (such as sharing best practice and supply chain development project management), as well as opportunities to cooperate to improve programme efficiency and impact.
6. RCs contract Key Delivery Partners (KDP) to deliver aspects of the MAS Programme
7. OMG & the KDPMG meet to discuss delivery issues
8. There is a reporting line from the MPG through to senior RDA & BERR officials, the chair of the *emda* Board, and through them to the Minister for Competitiveness and Secretary of State for Business, Enterprise and Regulatory Reform
9. The Minister for Competitiveness will present the MAS Annual Report to MAS Users, through the Manufacturing Forum
10. The Manufacturing Forum assists the MPG to identify the changing needs of UK manufacturers and changes in policy required to ensure the continued relevance of the programme

Terms of Reference

MAS Policy Group

The MAS Policy Group (MPG) comprises officials from BERR and *emda*, the lead RDA for manufacturing, on behalf of the RDAs. The MPG will be jointly chaired by BERR and an official of *emda*. Representatives from the Devolved Administrations are able to attend MPG meetings as observers. As lead RDA for manufacturing, *emda* will represent the interests of the English RDAs and relate to them to address and develop MAS performance and policy issues.

The MPG oversees the national MAS Programme and has stewardship of its infrastructure (the brand, programme website, other IP) and future development. The MPG's specific terms of reference are to:

- a) Ensure that the core MAS programme is delivered in accordance with the MAS Guidelines
- b) Ensure that the programme adapts appropriately, in line with the changing economic and political environment (e.g. changes brought about through BSSP, or new threats/demands on manufacturers)
- c) Ensure that the MAS Guidelines are adapted, as appropriate
- d) Give direction to the MAS OMG with respect to national co-ordination and policy issues
- e) Ensure that the MAS operators have the most appropriate national programme infrastructure, to help the deliver an excellent and consistent core MAS Service
- f) Ensure that the programme is represented in appropriate national fora

The MPG is able to commission research on matters pertinent to manufacturing.

A summary of each MPG meeting will be shared with the other RDAs

Terms Of Reference

MAS Operational Management Group

The MAS Operational Management Group (OMG) comprises the Centre Director of each incumbent RC. When a MAS franchise ceases, the Director ceases to be a member of OMG and is replaced by the incoming operator. OMG is chaired on a rotating annual basis with nominations for the new OMG chair endorsed by MPG. Each MAS RC is expected to support OMG activity, through attendance at regular meetings and involvement in any resulting working groups or activities. The Centre Directors who cover the Devolved Administrations are able to participate as observers, but may not be able to participate in some of the activities. Officials from BERR and *emda* will be invited to formal meetings, as observers. An official from *emda* (the MAS Network Resource Manager (NRM)) will act as secretary to the OMG, and will provide a shared network resource (including by managing a central budget held by *emda* on OMG's behalf).

OMG's principal responsibility is to ensure a high degree of consistency, wherever possible, over the way that MAS is delivered by the RCs. OMG's principal responsibility is to ensure a high degree of consistency, wherever possible, over the way that MAS is delivered by the RCs. Examples include:

- Development and operation of a CPD strategy for MAS advisers (including the development of new materials to support such activity)
- Facilitating activities that cross regional boundaries (e.g. supply chain activity, or best practice visits)
- Sharing best practice between MAS Centres (including materials, and access to facilities and events)
- Working with key delivery partners (under the terms of any national frameworks established by the MPG), through periodic meetings and information exchange. OMG will be consulted when a new KDP is proposed
- Development and delivery of action plans to address particular issues (e.g. piloting a new service element), as requested by the MPG

In addition, following MPG guidance and scrutiny, and noting BERR and RDA policy and funding responsibilities, the OMG will be responsible for developing various aspects of activity related to programme delivery, for example, OMG will lead in:

- Development of the national MAS brand and marketing in order to promote more effective penetration and impact, in line with their contractual responsibilities
- Development of MAS Programme delivery resources, such as publications and materials
- Development and functionality of the MAS Programme website
- Development of the MAS Ambassador network, including: opportunities to deploy ambassadors; requirements to train them and provide support materials, and; to report on their activities

- Assessment of the suitability of particular MAS Centres of Technology (CoT) - OMG may assist the NRM to negotiate favourable day rates (see Annex 9)
- Own initiatives, such as research and pilots, that could impact on MAS and other programme policy, funding or delivery

OMG activities and common network activities will be supported by a central resource, outlined in 7.4, above.

OMG will provide regular reports to the MPG [format, scope and periodicity to be determined] covering network co-ordination, partnership, and collaboration activities.

Terms of Reference

MAS Key Delivery Partner Group

The MAS Key Delivery Partner Group (KDPG) comprises representatives from the Key Delivery Partners to the MAS Programme, i.e. representatives of organisations with whom there is a formal MAS Key Delivery Partner Memorandum of Understanding. An official of *emda* (the Network Resource Manager; NRM) will act as secretary to the KDPG.

The purpose of the KDPG is to exchange information of mutual interest with the MAS Programme, primarily through meetings with the MAS OMG (not less than annually).

It is anticipated that the KDPG may initially meet with the MAS Policy Group (MPG), for direction setting.

Meetings between OMG & the KDP will be documented and a meeting summary will be copied to the MPG.

MAS Customer Journey Examples

Example 1 MAS Delivery

Enquiry → Manufacturing Review → MAS Project

Enquiry	Manufacturing Review	MAS Project
Free to all	Free to SMEs Full fee recovery for others	Up to 10 days at 50% subsidy to SMEs (further 10 subsidised days possible, depending on subject area) No restriction on duration for non-SMEs

MAS levels 1, 2 & 4

Example 2 Managed Referral

Enquiry → Managed Referral → Follow Up

Enquiry	Referral	Follow Up
Enquirer contacts MAS although enquiry content is outside the remit of the MAS service offer	MAS team refers the enquirer to the most appropriate source of help (consistent with local RDA Business Support arrangements); e.g. to Business link, or an appropriate skills broker, etc.	MAS team contacts the original enquirer to confirm whether the referral was taken up and to see whether further assistance is required

MAS levels 1 & 5

Example 3 Referral and MAS Project

Enquiry → Managed Referral → Repeat Enquiry → MAS Project

Enquiry	Referral	Repeat Enquiry	MAS Project
As 2 above	As 2 above	Enquirer returns to MAS requiring, e.g. assistance to implement manufacturing specific recommendations following action by another Business Support Agency (e.g. Envirowise)	Up to 10 days at 50% subsidy to SMEs (further 10 subsidised days possible, depending on subject area) No restriction on duration for non-SMEs

			MAS team mentors the client though implementing the required action plan.
--	--	--	---

MAS levels 1, 5, 1 & 4 (for recording purposes both enquiries should be separately counted)

Example 4 Post Project Referral

Enquiry → Manufacturing Review → MAS Project → Managed Referral → Follow Up

Enquiry	Manufacturing Review	MAS Project	Managed Referral	Follow Up
As 1 above	As 1 above	As 1 above	E.g. where in the course of longer engagement the MAS team identifies training needs and refers the client to a regional skills broker	MAS team contacts the original enquirer to confirm whether the referral was taken up and to see whether further assistance is required

MAS levels 1,2,4 & 5

Example 5 Other Engagement Routes

Enquiry → Awareness Event → Manufacturing Review → Project

Enquiry	Awareness Seminar	Manufacturing Review	MAS Project
As 1 above	Client attends specific awareness or networking event and realises that there are issues for which MAS may provide remedy	Free to SMEs Full fee recovery for others	Up to 10 days at 50% subsidy to SMEs (further 10 subsidised days possible, depending on subject area) No restriction on duration for non-SMEs

MAS Levels 1,3, 2 & 4

Example Six Partnership Project

Enquiry → Manufacturing Review → MAS Project (including project management)

Enquiry	Manufacturing Review	Partnership Project
As 1 above	As 1 above, but the adviser identifies the scope for the client to benefit from contributions from another programmes	Up to 10 days at 50% subsidy to SMEs (further 10 subsidised days possible, depending on subject area) MAS team designs the project to take account of specialist resource made available through other programmes. MAS project manages the whole project

MAS levels 1,2 & 4

Modern Definition of Manufacturing

The modern definition of manufacturing is broad. The full cycle of activities from research, design and development, production, logistics, and service provision to end of life management.

*This definition makes a strong distinction between **production** (the physical processes of making, bending, etc) and **manufacturing** (the over-arching process of getting raw materials to goods and their associated services). 2[1]*

By taking this approach to defining manufacturing it becomes easier to see that although an organisation may choose to outsource its production activities, it remains at heart a manufacturing company as shown in Figure 2 below.

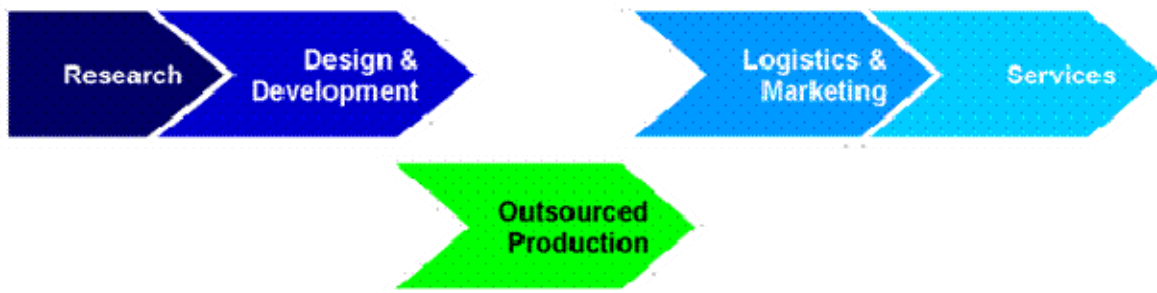


Figure 2: Manufacturing Value Chain: Outsourced Production

²⁽¹⁾ Centre for Economics & Policy (IfM) Cambridge
MAS Guidelines 2008-2011 URN 09 923 (2) A BERR guide for Regional Development Agencies