

Growing the Ceramic Cluster in North Staffordshire

Recommendations

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All cover photographs provided by North Staffordshire Regeneration Partnership

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SQWconsulting 

Introduction

1. This is a summary of the conclusions and recommendations from a study of the ceramic “cluster” in North Staffordshire. The research was conducted during February to September 2009 by SQW Consulting, supported by Cambridge Econometrics. The purpose of this report is fourfold with a supporting Annex:

The Ceramic Cluster	<ul style="list-style-type: none">• Outline of the current ceramic industry in North Staffordshire and its importance to the area
The Vision	<ul style="list-style-type: none">• What the ceramic cluster should strive for
Plan of Action	<ul style="list-style-type: none">• The initiatives and structures that should be put in place to achieve the vision
Concluding remarks	<ul style="list-style-type: none">• The critical success factors for the immediate future
Annex	<ul style="list-style-type: none">• Details of the cluster study, the evidence that supports this report and the organisations that contributed to the research

The Ceramic Cluster

2. A cluster is:

.. a geographic concentration of interconnected companies, specialised suppliers, service providers, firms in related industries, and associated organisations (such as universities, standard agencies, trade associations) in a particular field linked by commonalities and complementarities. There is competition as well as co-operation¹

3. There has been a ceramic cluster in North Staffordshire for a long time:

“All the fraternity, actuated by the same spirit and resolution to promote the general interest by personal eminence in some particular branch of the manufacture, associate and form an indivisible connection for the important purpose of extending knowledge and the operations of peculiar manipulations and useful inventions” Simeon Shaw, 1829²

4. The presence of a “deep cluster” was confirmed by research in 2001, albeit a cluster perceived to be in decline³.
5. Although certain firms have achieved marked success in the intervening years, the cluster overall needs substantial impetus for renewal and growth. Many key cluster elements remain in place: strengths in tableware (domestic and hospitality), giftware and collectables, sanitaryware, tiles, construction products and studio ceramics; a supply chain network; design and scientific/technical knowledge in Staffordshire University and CERAM; network

¹ See: Porter, M.E. (1990) **The Competitive Advantage of Nations**, Free Press, New York.

² See: Shaw, S. (1829) **History of the Staffordshire Potteries and the rise and progress of the manufacture of pottery and porcelain**. Hanley.

³ Trends Business Services (2001) **Business clusters in the UK – a first assessment**. Report to the Department of Trade and Industry, Volume 1

organisations (British Ceramic Confederation and CIF – formerly Ceramic Industry Forum); and notable ceramic tourism attractions in museums and factory shops.

6. A snapshot of the ceramic contribution to North Staffordshire’s economy is provided below.

North Staffordshire ceramic cluster characterisation – economic contribution

Number employed in ceramic manufacturing ⁴	Direct employment in North Staffordshire: 7,138 (c.29% of UK employment) Estimated direct and indirect employment (i.e. including knock-on or multiplier effect ⁵): c. 9,993
Ceramic manufacturing employment as % of all employment in North Staffs	4.07%
Ceramic manufacturing employment as % of manufacturing employment	25.28%
Number of ceramic manufacturing workplaces in North Staffordshire	126⁶
Estimated Gross Value Add (GVA) contribution to the economy from ceramic manufacturing (present prices) ⁷	North Staffordshire: £281,676,000 West Midlands: £420,108,000
Number directly employed in ceramic tourism	200-300 jobs
Visitors to North Staffordshire	3.6 m visitors per annum (3.3m day visitors and 0.3m staying visitors)
Annual tourism expenditure (excludes multiplier effects)	£191m

Source: ABI, Employment Analysis (2007: SIC Code 26); SQW Consulting (2009) tourism analysis

The Vision

7. Based on research findings, the following vision for the North Staffordshire ceramic cluster by 2025 is proposed:

- **transformed:** the ceramic industry in the area is acknowledged, by local people through to key influencers nationally, as having been “transformed”
- **centre of excellence:** the cluster is supported nationally and acknowledged as a world-class centre of excellence in design and innovation in ceramics
 - evidenced by attracting and retaining entrepreneurial talent and attracting investment
 - with the British Ceramics Biennial now a “magnet” event for leading designers and innovators in ceramics internationally
- **successful:** it is an expanding cluster engaged in higher value added activities

⁴ Minimum number, an aggregate of employment data for SIC Codes 2621-2626, 2630 and 2640.

⁵ A multiplier of 1.4 has been used, the composite multiplier established for clusters in the West Midlands by EkoGen (2008, Evaluation of AWM’s cluster programme 2002/3 to 2007/8. Report to AWM).

⁶ Based on SIC Codes 2621-2626, 2630 and 2640.

⁷ Calculated using GVA for the sector and number of employees at UK level, then pro-rata conversion to North Staffs and West Midlands estimates.

(reflected in an increasing GVA per head for its workforce) and capable of making an increased and sustainable contribution to the GVA of the local economy

- **local esteem:** the acknowledged excellence and achievements of the ceramic industry has spilled-over to help renew “civic pride”, especially among the young, including through an awareness of the international status of the industry coupled with its record of providing “good jobs”
 - **diversified:** “traditional” strengths in ceramics have been sustained and further developed through commitment to design and quality, and an enhanced responsiveness to customers and to new market opportunities, and also through diversification into new market niches, including new geographic markets
 - the cluster has also expanded its capabilities in advanced ceramics, both through radical diversification by some existing companies and by attracting companies developing high value, advanced ceramic products to the area
 - **strengthened supply chain:** the network of supply companies has not only been sustained but strengthened in terms of capability and capacity to support a growing and diversifying cluster, acting as a key asset to existing ceramic producers in North Staffordshire and as an attractor for in-movers and investors
 - **quality visitor experience:** the renewed dynamism and international profile of the local ceramic industry has driven change in the provision of services associated with the local visitor economy, for both leisure and business visitors, and this has had knock-on effects on leisure services which enhance the quality of life of local residents
 - **capability to sense, respond and adapt:** there is an evident legacy in the form of the cluster’s capacity to sense and respond – with industry leaders and others pro-active in ensuring competitive advantage is maintained by responding effectively when strategic opportunities arise or adverse external factors are imposed.
8. The intention in framing this vision has been to acknowledge and value “traditional” strengths whilst also advocating the future imperative for diversification and innovation. This balancing act is at the heart of the learning that will come from participation by the City of Stoke-on-Trent in the European Union-funded UNIC programme – Urban Network for Innovation in Ceramics⁸.
9. This vision for the ceramic cluster should be pursued alongside the wider vision for the area articulated by the Work Foundation⁹, which in summary envisaged North Staffordshire in 2030 as:
- a place at the heart of the UK’s creative ceramic businesses and ceramic tourism industry

⁸ See: <http://urbact.eu/en/projects/innovation-creativity/unic/homepage/> “The UNIC network will enable (participants) to find new means of action in order to optimize the economic transition from a former industrial-based economy to a modern one promoting innovation and the knowledge economy.”

⁹ Work Foundation (2008) **Transforming North Staffordshire** Report to North Staffordshire Regeneration Partnership.

- a place for growing knowledge businesses and for ambitious knowledge workers
- a place for enjoying the delights of the city, the market towns and the countryside
- a place for working, studying ... and enjoying attractions
- a place ambitious for growth but concerned always with sustainability.

The Plan of Action

10. Actions to support the cluster are proposed in key areas that drive industry productivity and competitiveness, namely: innovation, enterprise, skills and investment.
11. However, before setting out these proposals, it is important to acknowledge that a further driver is highly relevant to the ceramic industry, namely the UK being an attractive place to invest in ceramic manufacturing. In a competitive global market, UK ceramic manufacturers require a “level playing field” both within Europe and wider to compete successfully: notable among the issues of importance here are energy security, taxes and pricing. The role of the Sector Trade Association – the British Ceramic Confederation – in representing the interests of the industry with government and in Europe on these and other matters will be crucial in underpinning what can be achieved through actions to upgrade the cluster.

The “Vital Few”

12. Four strategically significant initiatives are proposed¹⁰ as a package of measures focused specifically on North Staffordshire and on the upgrading of its ceramic cluster. It is crucial for success that business beneficiaries from the initiatives relevant to studio ceramics and manufacturing include not only prime producers but also firms within the local supply chain network. The recommended initiatives are:
 - establishing a **Centre for Enterprise and Innovation in Ceramics**
 - establishing a **Ceramic Industry Skills Academy for North Staffordshire**
 - implementing a **Ceramic Visitor Economy Development Programme**
 - establishing an *enhanced governance mechanism* for the future strategic development of the cluster in the form of a **Ceramic Development Council**.
13. Background, proposed functions and actions for each are now described in turn. Profiles of selected cluster initiatives from elsewhere are also provided in brief for information and interest¹¹.

¹⁰ These proposals have been developed from an evidence base that includes an extensive programme of consultations; a SWOT analysis; and a review of domestic and internal leading/interesting practices in cluster development, including other ceramic clusters.

¹¹ Substantially more information on learning from elsewhere is contained in the full study report.

LEARNING FROM ELSEWHERE (1)

Department for Business Innovation & Skills: Cluster Mark

The characteristics of a successful cluster have been described in the recently launched Cluster Mark initiative by the Department for Business Innovation & Skills:

- includes organisations beyond the typical supply chain of a company: it may involve firms which usually compete that choose to collaborate on issues of common interest and it will include specialised service providers and institutions such as colleges and universities
 - with engagement motivated by perceived benefits in terms of competitive advantage
- the members of the cluster benefit from a collective drive to develop effective networks and partnerships; a supportive environment for innovation; and access to a pool of skilled human resource
- the cluster may also benefit from the drive of a dedicated cluster organisation which supports the development of the cluster and helps to take forward actions in support of the cluster
- other characteristics typically include:
 - demonstrable entrepreneurial dynamism
 - businesses which outperform their peers elsewhere in terms of productivity, exports or market share
 - expansion of the business stock in the cluster through business relocation, new start up businesses and/or increases in employment of existing businesses
 - presence of well-functioning networks and partnerships enabling co-operation formally and informally on issues as diverse as new product development and training
 - a strong presence of firms that are innovative, considering innovation in a broad sense
 - presence of R&D institutions and universities which engage with businesses and help to stimulate and support innovation
 - a strong educational base responsive to the needs of the cluster
 - easy access for firms to a skilled workforce with a good level of attitudes and skills for innovation (there may be a high level of workforce mobility between firms in the cluster)
- acting as an attractor for talent and for inward investment, including investment from overseas
- capacity to change and adapt – to ensure competitive advantage is maintained; in response to imposed external factors.

The emphasis on co-operation between cluster participants for mutual advantage is a crucial characteristic and essential for success. Co-operation and its co-ordination may occur to varying degrees, from the ad hoc to a more formal process conducted through a cluster organisation – “the entity engineering, steering and managing the cluster, including usually the participation and access to the cluster’s premises, facilities and activities.”

Source: <http://www.berr.gov.uk/whatwedo/regional/cluster-mark/page51877.html>

Centre for Enterprise and Innovation in Ceramics

Objective: *to establish a centre of excellence for the ceramic cluster in the promotion and integration of support of new firm formation and of business growth through innovation and diversification.*

14. As well as responding to industry needs, the Centre should engage in pro-active “market development”, i.e. encourage a wider cross-section of ceramic manufacturers and their suppliers in North Staffordshire to innovate and/or diversify. In scope, the Centre should address:
 - *innovation* – in terms of processes, products and business practices, including to help the industry adapt to a low carbon economy
 - *diversification* – in terms of new markets for existing products and in terms of developing products in niches for advanced/technical ceramics
 - *incubation* – of new knowledge/technology-based companies with growth potential
 - *product design* – promoting and supporting development of, and access to, design talent: design of shape and surface in “traditional” products but potentially also in future product engineering design in support of companies working in advanced ceramic niches.
15. This Centre has been deliberately given a broad remit to avoid different and complementary parts of the innovation process being placed in silos.
16. The Centre is envisaged as a partnership body involving universities and research and technology organisations with an interest in ceramics. Locally-based institutions will form the core but the Centre should develop affiliations with other key sources of expertise nationally as needs and opportunities are identified.
17. The key resource will be dedicated brokers/facilitators with an entrepreneurial outlook, knowledge of the ceramic industry and of the role of innovation in business growth, including mechanisms of collaborative and “open” innovation. As well as leveraging in resources from existing innovation support initiatives (at a regional, national and European level), dedicated resources will also be required: for a programme of events and invited speakers; customised technology/market research; and for development of a technology and market intelligence service. Funding for a five year period is recommended, with annual reviews of progress against a business plan. For the Centre there is no compelling case for investment in further “bricks and mortar” at this time.

Centre for Enterprise and Innovation in Ceramics – proposed activities

ACTION	COMMENT
<p>briefing presentations/workshops – with invited expert speakers on new product/market opportunities</p> <ul style="list-style-type: none"> • in areas of technical/advanced ceramics • on new international markets 	<p>Develop a programme of events for roll out by 3rd quarter 2010.</p>
<p>business intelligence – provide access to technical and market intelligence</p>	<p>Content design and testing by 3rd quarter 2010, building on existing know-how in CERAM.</p>
<p>customised advice – for firms interested in exploring opportunities to innovate or diversify</p> <ul style="list-style-type: none"> • to facilitate technology/knowledge exchange from other manufacturing sectors • assistance in winning grant support and in accessing risk finance 	<p>Put in place service offer by end 2010.</p>
<p>knowledge exchange – promoting and facilitating transactions between the research base and ceramic companies</p> <ul style="list-style-type: none"> • “translation service” to help companies find solutions from universities/research institutes 	<p>Establish operating procedures with partner institutions by end 2010 for both responsive and pro-active mode interactions with local ceramic companies.</p>
<p>RD&D project/programme development</p> <ul style="list-style-type: none"> • building proposals for collaborative research, development and demonstration projects, and working with partners to secure funding 	<p>Candidate initiative is to convene a “green manufacturing” task group by mid-2010 with industry (specialist suppliers and manufacturers) and research stakeholders to explore opportunities and commitments with a view to establishing a collaborative programme of RD&D and demonstration.</p>
<p>Other projects for process innovation</p> <ul style="list-style-type: none"> • development of lower temperature kilning • defect rate reduction – through improved firing • enhancing yield rates to achieve production efficiency gains • optimisation of kiln use, including through cross-company collaboration 	<p>There is a need to provide an enabling, structured process which can engage more companies (specialist suppliers and manufacturers) and the research-base in agenda setting, especially for process innovation, as a precursor to any joint approach to public sector funders of RD&D and innovation. Liaison with MAS would be beneficial.</p> <p>First project development groups established by mid-2010.</p>
<p>Enterprise support</p> <ul style="list-style-type: none"> • the target market would include, but not be limited to, students graduating from local and other ceramic design courses in colleges and universities. The key aim is to attract and support new businesses that employ people locally, not sole traders 	<p>Important to leverage in existing public and other sources of support for new firm formation, but with a clear focus here on ceramics in North Staffordshire.</p> <p>Practical action plan to target candidate entrepreneurs in place by 3rd quarter 2010.</p>
<p>Design</p> <ul style="list-style-type: none"> • developing design talent and promoting/enabling its use in product innovation would be one important strand of the Centre’s work. The feasibility of establishing a rolling International Designer-in-Residence programme and/or Design Masterclass Programme should be investigated. 	<p>First activities by mid-2010.</p>

LEARNING FROM ELSEWHERE (2)

Instituto de Tecnología Cerámica (ITC), Castellón, Spain

As a research and technology organisation ITC has parallels with CERAM. ITC helps SMEs access technology either from undertaking the necessary R&D or transferring technology from other sources into the ceramic sector.

ITC has recently merged with an organisation called Alicer which focused on design and architecture. It has also established a *Ceramic Observatory* as a service to the Spanish ceramic industry which has three operating elements:

- the Market Observatory
- the Technology and Environment Observatory
- the Habitat Trends Observatory.

ITC initiated the Observatory in 2006 as a “*competitive intelligence system*” supported by *multidisciplinary teams*. The Observatory responds to industry demand for relevant information to supplement internal company sources. It aims to:

- facilitate strategic and operational decisions
- enable companies better to address the growing complexity of management in international markets, characterised by increasing new demands, social changes, etc.

The information obtained from the various studies undertaken by the Market Observatory is provided at both sectoral and aggregate level through individual and customised reports for each of the participating companies.

Source: www.itc.uji.es

LEARNING FROM ELSEWHERE (3)

European Ceramic Centre, Limoges, France

The high level objectives of the European Ceramic Centre are: to be the main recognised European centre dedicated to ceramics; to promote a European network of excellence; to equal the best centres in the world in this field; and to integrate training, research, technology transfer and the “creation of activities”.

The Centre also has the objective of strengthening the synergies between the different pre-existing local actors in the field.

The Centre is described as a “community of different actors” working together to:

- increase the competitiveness of the ceramics industry and surface coatings derived from ceramics
- create new innovative activities: development of new products in existing companies, creation of new companies and new laboratories, and establishment of production or research units.

Co-operation between the members of the Centre and their partners takes different forms:

- Joint R&D projects
- Creation of new infrastructures
- Collection and exchange of technological and strategic information
- Joint communication and promotion in France and abroad.

The mode of operation is very flexible: each member of the Centre can take the initiative to launch joint projects and the partners of each project co-opt one another.

There are 3 permanent employees at the association providing the following services:

- Preparation of joint R&D projects prior to their examination by the extended committee with a view to gaining approval:
 - help defining the project
 - help drawing up partnership contracts

- examination of questions/issues relating to intellectual property (distribution between the partners, protection, etc.)
- help finding funding
- help finding partners
- making a collaborative working tool available so that projects can be mounted and managed confidentially
- preparation of the project certification decision taken by the Centre's committee
- Processing of technological requests made by manufacturers in France and abroad: drawing up a specifications document and searching for an expert capable of fulfilling their request.
- Joint promotional and communications operations on the skills of the Centre's members in France and abroad: joint documents, web site, relations with the media, presentations to potential partners, participation at professional shows, visits abroad.
- Welcoming new companies/projects to the area of Limoges. For each new project, the Centre will mobilise all of the partners that are likely to facilitate the implantation of a production unit or laboratory: plots, premises, public funding, first contacts with the suppliers and/or potential clients, welcoming employees etc.

Source: <http://www.cerameurop.fr>

Ceramic Skills Academy

Objective: *working with ProSkills, and its recently launched National Skills Academy for Materials, Production & Supply¹², to develop for the ceramic industry in North Staffordshire a collaboration involving local training providers and the local ceramic industry both to widen participation in training and to support the upgrading of technical, administration and business skills in the cluster.*

18. The prime purpose here is to enhance local capacity and capability¹³ to support the vision of a growing and diversifying ceramic cluster in North Staffordshire. In proposing this local focal point for the cluster's skills needs, it is important to acknowledge the important role played by ProSkills, working with its Glazed Ceramics Board, and its National Skills Academy. Detailed design and implementation of what is proposed here should involve ProSkills to avoid needless duplication of effort. The proposed initiative offers a local, co-ordinating and developmental mechanism to ensure that the cluster gains optimal benefit from ProSkills' resources, and indeed the benefits from other "generic" skills-based initiatives relevant to ceramic firms.
19. There is a local requirement for sustained, effective outreach to increase the demand for skills upgrading within the ceramic industry, amongst businesses of all sizes and amongst firms within the supply chain network and not only prime manufacturers. In addition to responsiveness to present needs, it will be important also to anticipate the future needs of a growing and diversifying cluster.
20. The skills of business managers are crucial, but basic skills are also seen to be lacking in the industry. Therefore, the scope of the skills issues to be addressed is broad. A strong emphasis on qualifications and on apprenticeships has been advised.

¹² see: www.mps-academy.co.uk

¹³ The recently introduced Ceramic Manufacturing Processes course at Staffordshire University is an example of locally-based developmental activity involving industry.

Skills for innovation

21. We envisage a strong focus on enhancing “innovation skills” within the industry i.e. the skills that allow individuals to become innovative in what they do. These are usually a combination of cognitive skills (e.g. the ability to think creatively and critically); behavioural skills (e.g. the ability to solve problems, to manage risk); functional skills (e.g. basic skills such as writing, reading and numeracy); and technical skills (e.g. research techniques, project management, or IT skills)¹⁴.
22. These attributes are important for employees and their managers. However, the early development of skills for innovation amongst young people is also considered to be important¹⁵.
23. Once again, it is important to ensure that local partners work closely with ProSkills to avoid duplication and confusion in the market place.

Ceramic Skills Academy – proposed activities

ACTION	COMMENT
<ul style="list-style-type: none"> • maintenance and local marketing of an online catalogue of courses/providers, with advice on how businesses can access them 	Partnering with ProSkills over content and promotion.
<ul style="list-style-type: none"> • provision of guidance to firms on qualification frameworks • provision of advice to firms on determining/responding to their individual training needs 	Envisaged as both a responsive and proactive service towards local businesses and employees.
<ul style="list-style-type: none"> • promoting opportunities for and the benefits of training to local firms of all sizes – including through an events programme, case studies, and achievement awards 	Partnering with ProSkills to deliver a pro-active programme.
<ul style="list-style-type: none"> • brokering input from specialist providers from outside the local area in support of local industry needs 	As needed in response to demand or to offer opportunities to firms in relevant topic areas.
<ul style="list-style-type: none"> • co-ordination of existing providers to develop new learning materials and approaches 	Partnering with ProSkills and to take advantage of learning from the University of the Shop Floor and associated CILNWeb initiatives in support of the further development of the cluster’s capability/capacity to support skills development.
<p>In the three initiatives proposed below there is “generic” provision available through Business Link and/or MAS but the level of awareness and take-up by ceramic companies needs to be enhanced if a critical mass of participation is to be achieved to the benefit of individual firms and the cluster overall.</p> <p>There is a requirement for local “market development” and merit in encouraging participation by being able to offer provision that is customised for the ceramic industry. Participation in group activities by local ceramic company representatives can also bring the spill-over benefit of increased levels of awareness, networking and trust between people working within the cluster.</p>	

¹⁴ See the innovation skills profile developed by the Conference Board of Canada:
http://www.conferenceboard.ca/Libraries/EDUC_PUBLIC/ISP_brochure.sflb

¹⁵ Chell (2009) The identification and measurement of innovative characteristics of young people NESTA Research Report, 2009 (<http://www.nesta.org.uk/assets/Uploads/pdf/Research-Report/Research-Report-ID-and-measurement.pdf>)

ACTION	COMMENT
<p>Ceramic Industry Management Development Programme – to foster new management talent within the industry and its awareness of the wider manufacturing business environment.</p>	<p>Opportunities to leverage relevant expertise and resources are likely to come from Staffordshire University and ProSkills. Providers from other parts of the UK may also provide valuable expert input.</p> <p>Subject themes envisaged include: managing in a complex value chain; managing in the green economy; international marketing and sales; customer service skills; managing for rapid product innovation; responding to changing customer requirements; benefiting from knowledge exchange with universities and colleges.</p>
<p>Ceramic Industry Leadership Programme – to support the development of leadership capability among executives within ceramic SMEs.</p>	<p>The aim is an integrated learning and development programme for senior executives in SMEs delivered by a network of expert providers to enhance leadership and management capacity within firms to enable increased productivity and competitiveness in domestic and international markets.</p>
<p>Establishing a web-presence and e-commerce capability for ceramic SMEs</p> <ul style="list-style-type: none"> to provide awareness raising and training on leading practice in exploiting broadband and the web for marketing, sales and customer/supplier relationship management, and to provide support to SMEs to optimise the opportunities offered by these technologies and processes for their business. 	<p>The following subjects are likely to be relevant: leading practice in design and in maximising market presence; exploiting different e-channels to different target markets (Amazon, eBay etc.); growing sales from online transactions; training on how to access and use marketing information from websites; developing where appropriate social networking for collectors and clubs as a way of assisting marketing and growing brand/product awareness and loyalty.</p> <p>It will be important to design this in discussion with Business Link (BL) and with ProSkills. We understand that BL is about to introduce a new (generic) programme in the West Midlands called the ITAS (Information Technology Advisory Service).</p>

Ceramic Visitor Economy Development Programme

24. There are a range of factors which will influence the success of efforts to further develop the ceramic tourism industry in Stoke-on-Trent. These need to be agreed and be in place to underpin the specific interventions which are proposed below. The factors include: adoption of relevant recommendations emerging from the review/update of the North Staffordshire Visitor Economy Strategy (2009-2014); avoidance of duplication of activity and effort by the tourism stakeholders; use of the British Ceramics Biennial 2009 for research into aspects of ceramic tourism.
25. In addition to developments to attract visitors to retail outlets and museums, the vision of a growing cluster of world standing brings opportunities for the area from increased numbers of business visitors.

Ceramic Visitor Economy Development Programme – proposed activities

ACTION	COMMENT
<p>Establish a Ceramic Tourism Leadership Group as suggested in the VES to take lead responsibility for developing the ceramic tourism product in North Staffordshire.</p>	<p>Group to be set up by end of 1st quarter 2010 with its authority, terms of reference, action plan, staffing and budget resources agreed by 2nd quarter 2010.</p> <p>The first task of the group will be to produce a document that 'brings together' Stoke-on-Trent tourism (presumably within the context of the VES). In essence, a simple vision which relevant public agencies and businesses engaged both in ceramic tourism and tourism more generally can buy into, and 3-4 focused, achievable and measurable actions for ceramic tourism that can and will be followed through.</p>
<p>There are a number of specific actions that the group should look to undertake:</p> <p>Briefing/training for local service sector staff engaging with visitors</p> <ul style="list-style-type: none"> part of the development and promotion of an enhanced image for Stoke-on-Trent and its ceramic industry ensure that staff in all businesses engaging with visitors are well informed about the local ceramic industry – include through courses and briefing notes for those involved in ceramic tourism attractions, taxi drivers, hotel and other accommodation staff <p>Ceramics in the Stoke public realm</p> <ul style="list-style-type: none"> better utilisation of ceramics to enhance the local public realm which could cover a range of aspects such as <ul style="list-style-type: none"> displaying local excellence in ceramic design at key entry points (e.g. Stoke-on-Trent rail station) through public art and signage in building design <p>Research and intelligence on ceramic tourism in Stoke-on-Trent is fundamental to guide product development, marketing, business priorities and ensure that strategic actions are consumer-focused. Research components include:</p> <ul style="list-style-type: none"> <i>consumer research</i> to better understand market characteristics and demographics, obtain views on the ceramic tourism product, gaps, opportunities and visitor satisfaction levels with the experience <i>business research</i> to capture business views and opinion, consumer trends, opportunities, potential for cooperation, requirement for public sector support <i>marketing research</i> to monitor and evaluate the performance of marketing and promotional activities <p>Marketing and promotion demonstrating that Stoke-on-Trent is “alive and kicking” based around the recently developed tourism branding solution <i>Make It Stoke-on-Trent Staffordshire</i>.</p> <ul style="list-style-type: none"> preparation of a comprehensive, targeted and adequately resourced consumer marketing and promotion campaign which touches all stages of the customer journey and utilises all relevant communication channels <p>Visitor information provision</p> <ul style="list-style-type: none"> visitor information at gateways to the city and at visitor attractions consideration given to the relocation of the main tourist information centre from Victoria Hall to a location with higher visitor footfall preparation of an integrated visitor information strategy <p>Business support measures</p> <ul style="list-style-type: none"> skills and training (product knowledge, customer care, sales skills etc.) – partly addressed through the Welcome Host programme of courses 	

ACTION	COMMENT
<ul style="list-style-type: none"> • participation in a quality assurance scheme such as VisitEngland's VAQAS • implementing product development requirements (from research results) linked to the requirement for employing a tourism development officer within Stoke-on-Trent Tourism • promoting and supporting the development of a high quality, wider 'visitor infrastructure' (e.g. accommodation, food and beverage outlets; new, non-ceramic attractions to diversify the product and widen market appeal) • develop a ceramic trail as a means of badging and coordinating ceramic tourism businesses. 	

Investment in physical infrastructure

26. During consultations one proposal was received for investment in physical infrastructure which merits reference here. Essentially it is to establish a focal point, physical centre for the cluster, described in more detail below under the heading "International Ceramic Centre" (working title). The recommendation made here is for the commissioning of a feasibility and economic impact assessment study in order to develop more fully and test the proposition. It will be important that lessons from the Ceramica initiative are fully taken on board.

International Ceramic Centre

ACTION	COMMENT
<p>Envisage a multi-functional building providing services in support of businesses in the cluster as well as supporting the visitor economy. Functions could include:</p> <ul style="list-style-type: none"> • accommodation for intermediary/network organisations • accommodation for new design-based enterprises – incubation space • ceramic information centre <ul style="list-style-type: none"> ➤ including for architects, interior designers and other specifiers • design exhibition centre • small trade exhibition space • high-end retail outlet • restaurant • exhibition on the science of ceramics – for the public and for industry • options – new build or conversion; link to University Quarter/Cultural Quarter. 	<p>Commission a feasibility study and appraisal of the economic development and business case for the establishment of a focal point physical centre for the ceramic cluster in Stoke-on-Trent.</p>

Ceramic Development Council

Objective: *to establish a body led by industry and including other cluster stakeholders that has the capacity to provide strategic leadership and governance for the benefit of the ceramic cluster as a whole over the medium to long term.*

27. This recommendation is concerned primarily with function, with putting in place a more effective and inclusive mechanism through which industry leadership can be channelled over the medium to longer term in support of cluster growth.

The Council – function and proposed activities

ACTION	COMMENT
<p>The Council would provide the whole ceramic industry (firms in the supply chain, prime manufacturers, studio ceramicists, ceramic tourism companies) locally and its associated stakeholders with an effective and inclusive mechanism to consider and respond, including proactively, to strategic challenges to the strength and competitiveness of the cluster.</p> <p>Prime functions will be to provide the means to facilitate:</p> <ul style="list-style-type: none"> (a) industry leadership on shared agenda setting (b) the building of momentum of collaborative activity (c) agreement on roles and responsibilities for action (d) assessment of progress and achievement within an agreed framework of accountability (e) sustaining momentum and capability to refresh/adapt the strategic agenda to changes in the business environment (f) development of a coherent approach to promoting the cluster and its achievements towards local, national and international audiences. <p>The Council will need to recognise that industry has limited resources and it cannot therefore duplicate work carried out by other existing bodies.</p>	<p>As an early set of actions the Council should focus on developing a ‘Prospectus’ to encourage inward investment to the area, a website to raise the profile of the cluster and initiatives to sustain the ceramic supply chain.</p> <p>Promoting Inward Investment:</p> <p>To achieve the vision of growth, it will be critical to have in place an investment framework of facilities and business support which is attractive to potential investors. Specific early actions include:</p> <ul style="list-style-type: none"> • developing a “prospectus” aimed at informing potential ceramic industry in-movers and investors as well as the public bodies that work to attract inward investment to the West Midlands • targeted studies to investigate the potential for attracting inward investment from major foreign major companies and technical/advanced ceramic companies to Stoke-on-Trent • discussions with relevant planning and other authorities/stakeholders to improve the efficiency of the planning process so that ceramic companies are not deterred from investing in the area. More specifically, this includes the opportunity for the development of a state-of-the-art brick plant in the area to exploit a local natural resource • communication (information, visits, support) towards new ceramic graduates across the UK and indeed internationally to promote the benefits of Stoke-on-Trent as a business start-up location <p>Establish a high quality web presence. It would have a dual purpose:</p> <ul style="list-style-type: none"> • to provide information for cluster participants (including studio ceramics and manufacturing sub-sectors and their supply chains; other supporting and intermediary bodies) • to promote the cluster internationally <p>In addition to the proposed, and crucial, engagement of firms within the ceramic supply chain network in the Centre for Enterprise and Innovation, in the Academy and in the Council, an additional, immediate support measure is proposed:</p> <ul style="list-style-type: none"> • to build on the recent Made in Staffordshire suppliers’ fair held in Stoke-on-Trent – specific action should include help in opening up new markets and opportunities for local suppliers to engage with prime manufacturers

ACTION	COMMENT
<p>Other short to medium term actions stand out as important, but have not been given the same priority as above, not least because of likely capacity constraints which may limit effective implementation:</p> <p>Ceramic Futures Programme</p> <ul style="list-style-type: none"> • future-focused outreach programme with strong industry involvement to promote studio ceramics and ceramic manufacturing towards young people in the area • draw on/leverage the resources of the Government initiatives such as 'Manufacturing Insight', STEMNET (www.stemnet.org.uk) and new diplomas for young people that can encourage links to the ceramic industry <p>Ceramic Business Achievement Awards</p> <ul style="list-style-type: none"> • an annual competition and awards dinner to recognise achievements and contributions to the industry of individuals and firms <p>Ceramic Design Showcase and Awards</p> <ul style="list-style-type: none"> • a competition and exhibition for commercial product design where the competition would be primarily for local commercial designers, including sole traders, but with an open category for young designers still in education internationally • the “Showcase” would be run with a masterclass given by an internationally recognised figure in commercial product design <p>The Council should also contribute to the future development of the Ceramic Biennial</p>	
<p>Further developmental areas where the Council could help catalyse/facilitate action over the medium term include:</p> <ul style="list-style-type: none"> • investigation of attractiveness/feasibility of sharing transport logistics by manufacturing SMEs • investigation of the attractiveness/feasibility of sharing access to leading-edge kilns • development of a shared agenda for Stoke-on-Trent becoming an international centre of excellence in “green” manufacturing and promoting itself as such • attractiveness/feasibility of Stoke-on-Trent’s consumer tableware and collectables companies sharing high quality retail space in Stoke-on-Trent itself and/or at key locations such as international airports • assessing the attractiveness/feasibility of establishing and implementing a common approach to back-stamping ceramic products made in Stoke-on-Trent • joint design and marketing initiatives across sub-sectors (e.g. sanitary ware and tiles) aimed at specific major opportunities in the UK and internationally • a joint approach to showcasing Stoke-on-Trent based ceramic design talent to UK and international clients should be considered. 	

Concluding remarks

28. In making these recommendations, the authors are only too aware from experience of the limitations of a research report in effecting real change. There are a number of critical success factors for the immediate future that now need to be put into place:

- explicit industry-led endorsement (“buy-in”) and commitment to action, both for the advocacy of the case for support, including to help win financial resource, and in pushing for practical and early implementation of agreed actions
- the development of clear implementation plans, with those committing to take forward specific actions to do so in a manner characterised by quality, timeliness and in a spirit of accountability to the “cluster community”

- plans need to take account of capacity: not everything can be done at the same time – not only is it important to “do the right things” but crucially to do them “in the right way”.

- 29.** In the final analysis, it is vital to ensure a legacy in terms of collaboration across the cluster for mutual interest and of effective cluster governance. Sustained industry leadership is crucial, especially from lead manufacturers and from key suppliers in all the important sub-sectors of the ceramic industry in North Staffordshire. There is a role here that goes beyond what may be done immediately following this study: it is one that requires a commitment, out of self-interest, to advance over the longer term the health and strength of the North Staffordshire ceramic cluster.
- 30.** For now it is proposed that the Ceramic Industry Development Group established to steer this research remains in place in order to sustain momentum in cluster development activities.

Annex A: Nature of the Cluster Study

- A.1** SQW Consulting (SQW), with Cambridge Econometrics, was commissioned by the North Staffordshire Regeneration Partnership in February 2009 to carry out a study of the *Ceramic Cluster in North Staffordshire*. The **definition** of the ‘ceramic cluster’ was much broader than in previous studies and not solely confined to an analysis of the local industry (studio ceramics and manufacturing). It has also included ceramic tourism. The aim of the study was to produce a strategic analysis and assessment of the performance of the cluster in North Staffordshire, and then to identify a series of interventions to enhance its performance.
- A.2** The recommendations have been developed following extensive research, analysis and testing. This process has included:
- *characterisation* – of the North Staffordshire ceramic industry and of ceramic-related tourism locally, based on analysis of official statistics and review of contextual documents describing the industry and the relevant policy environment
 - *consultations* – an extensive programme of consultations with a wide cross-section of industry and with other stakeholders (see overleaf)
 - *a SWOT analysis* – of the ceramic industry and tourism
 - *learning from elsewhere* – a desk-based investigation of leading/interesting practices in sector/cluster support both internationally and elsewhere in the UK
 - *challenge* – testing of the recommendations at four stakeholder workshops, supplemented by feedback from our client and other interested individuals
 - *steering* – support through advice and steering by the Ceramic Industry Development Group during the study.
- A.3** Further detail on the research that supports this report has been included in a series of evidence papers:
- Paper A: Characterisation of the ceramic industry and ceramic tourism in North Staffordshire
 - Paper B: SWOT analysis
 - Paper C: Learning from elsewhere
 - Paper D: Recommended interventions – including the rationale for public sector support; indicative resource requirements and proposed schedule for implementation
 - Paper E: Research methodology.
- A.4** The industry and other stakeholders consulted during the research are listed below along with the different groups with which the study team has engaged and used to test the recommendations.

Contributors to the research

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