

Miele

The Quality Index

The impact of quality on British manufacturing

Executive summary

As the UK manufacturing industry currently experiences growth at the fastest rate since the financial crisis, we wanted to find out what strategies British manufacturers are employing to keep growth at the forefront of their business. More specifically, and because we're a brand that places quality at the centre of everything we do, we wanted to investigate the role that quality plays at the heart of British manufacturing.

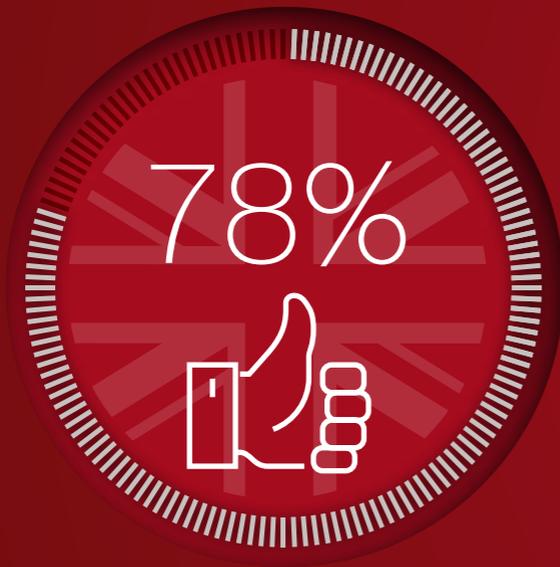
What we found after talking to 200 manufacturers was that quality plays a key role in business growth. Yet organisations are facing a number of challenges in delivering quality across the value chain – from access to raw materials through to developing skills. And as the customer experience grows in importance, how should manufacturers keep the business focused on quality when many are unable or unwilling to measure it?

The Miele Quality Index reveals the findings from our research and focuses on five key areas where manufacturers can win or lose the battle to deliver a quality product – and a competitive edge.



1: Quality and business success

Quality is inextricably linked to success for manufacturers, but does its position as a leading business objective come at a cost?



78% of British manufacturers believe quality is important



A third put quality ahead of financial performance and exposure to risk



An increase in product quality would result in a **35%** increase in market share, **30%** increase in profitability and a **30%** increase in revenue



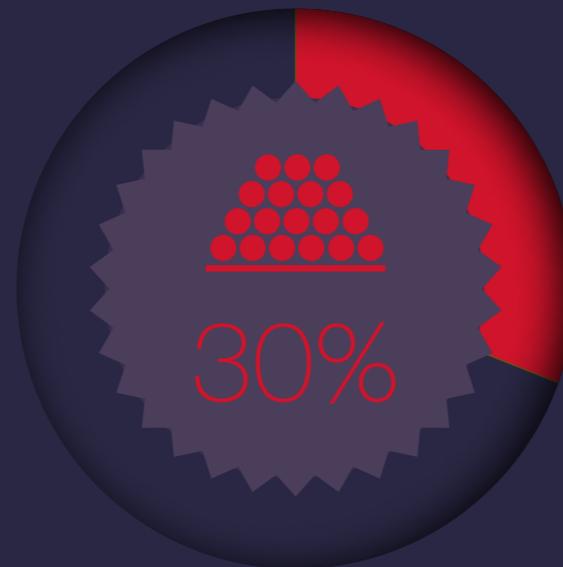
82% of British manufacturers believe quality drives competitive advantage

2: Quality and the value chain

Manufacturers are facing an increasingly challenging supply chain environment.



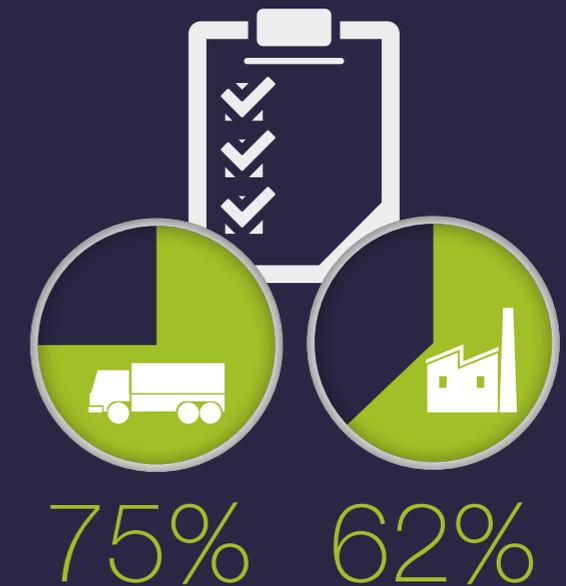
A quarter of manufacturers are concerned about quality in the supply chain



30% believe that access to raw materials will be the biggest challenge to achieving quality in the future



61% of manufacturers are reviewing quality control processes because of concerns in the provenance of supplies...



... yet manufacturers have more quality standards for warehousing & logistics than for product manufacturing

3: Quality and customer satisfaction

While product quality is usually the first test of quality in manufacturing, customer satisfaction is becoming an increasingly important objective.



Only half of businesses have a standard or KPI to measure quality in customer satisfaction



Customer experience is **NOT addressed** by quality control procedures for over a third of businesses



80% of businesses believe that quality is important in reducing customer complaints

4: Quality and innovation

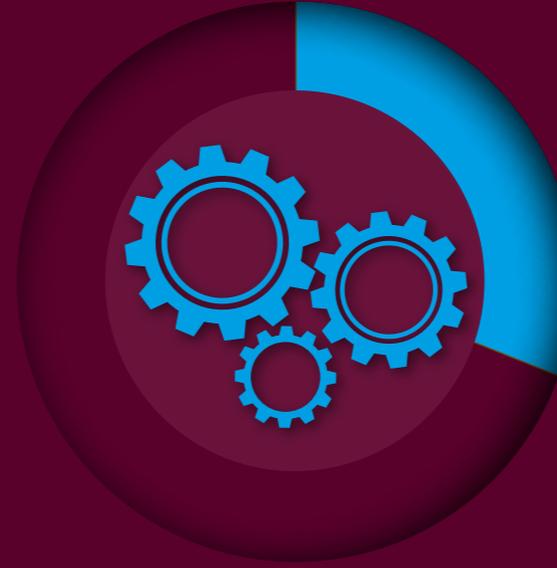
Innovation is key to gaining a competitive edge, but British manufacturers are finding it a challenge to deliver across the organisation.



84% believe innovation is very important in transforming quality across British business...



...yet, delivering quality in innovation is currently considered to be the biggest challenge



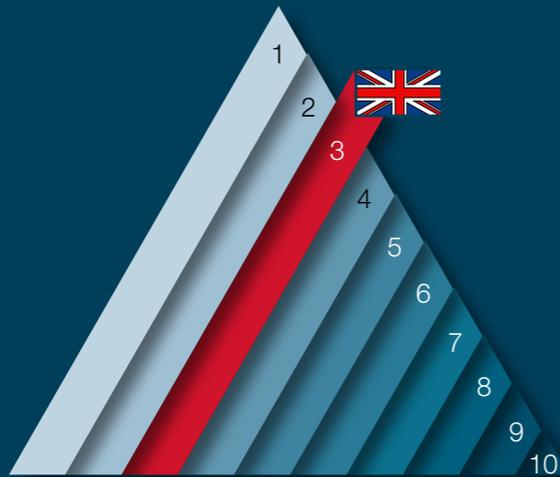
Innovation has a big impact on manufacturing for over a third of companies



Businesses would invest in innovation more readily than in other areas of the business

5: British manufacturing and the rest of the world

With uncertainty ahead, Britain’s position within the global top ten manufacturing nations is far from assured. Yet its focus on delivering high quality goods appears to be secure – even if that means bringing manufacturing home.



Brits put British quality above all of the top ten manufacturing nations – except Japan and Germany



British manufacturing quality standards **continue to improve** year on year



80% believe that high quality British goods open up new markets at home and abroad

42% of British companies outsource manufacturing abroad... but **83%** of those have experienced quality issues.



As a result over half are considering moving it back to the UK