

The manufacturers' organisation EEF's Innovation Monitor, the first of its kind, provides an up to date picture of the breadth of companies' innovation capabilities and activities.



Commenting, EEF chief economist, Steve Radley, said: "Real progress has been made by both companies, in their efforts to collaborate with outside expertise, and by universities in becoming more responsive to business. But getting these relationships off the ground is not straightforward. Widening the scope of some existing and successful schemes would offer further support for small companies trying to launch a collaborative partnership."

Collaboration with the science base makes a substantial contribution to successful innovation, EEF said, which in turn is helping to push UK manufacturers further up the competitive league table. The survey suggests that efforts to address the problem of getting companies and universities together are now starting to bear fruit.

Around half of companies are working with universities in a range of areas including accessing specialist technology, collaborative projects and shared R&D activity. Relatively few of them report problems in protecting intellectual property, finding the right partner, and managing costs and the relationship.

Companies have also increased efforts to work with customers, which are a significant source of new ideas, particularly in the development of specialist products. The survey showed that four-fifths of companies worked with customers to generate new ideas and 60% collaborated with customers in the development and implementation of those ideas. However, despite government efforts to improve how it operates as a customer, only 8% of companies thought that public procurement supported innovation.

In addition companies have expanded their innovation focus. The extent of manufacturers' innovation activity now extends beyond new product and process development. Increasingly companies are innovating across all aspects of their business from new services to marketing and distribution.

While the extent of innovation activity has risen substantially the survey shows that much remains to be done to manage the innovation process. For example, relatively few companies rated their performance in areas such as speed of innovation or realising a return on it particularly highly. In addition, only around a quarter of companies rated their ability to measure the performance of their innovation highly but those that used a more systematic approach tended to achieve better results.

Steve Radley added: "Many companies have developed their innovation strategies as a key plank of their response to competitive pressures and are reaping the rewards of doing so. UK manufacturers have the potential to be forerunners of new product and service offerings, but companies need to be faster in bringing these to the market. Ensuring positive outcomes from innovation is more important than ever in the current economic climate."

### Author

Ken Hurst