

Manufacturing industry optimistic for recovery from COVID-19 despite supply chain concerns, finds SteelScout survey

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London, 1 July, 2020: A new survey from SteelScout has found that more than **60% of professionals in the manufacturing industry expect the sector to recover from COVID-19 and return to business as usual by mid-2021**. However, they highlighted issues in the wider supply chain which might impact the recovery, with almost 30% unable to access the materials they need and 36% adding that it is taking longer just to receive a 'winning quote'.

One key driver behind the confidence in recovery is that **62% of respondents reported having orders waiting to be fulfilled once lockdown rules have eased**. The orders on hold within SteelScout's survey base of 100 people **exceeded £17m in value**.

In order to fully understand the impact of lockdown on manufacturers and their supply chains, SteelScout - a multi-supplier procurement platform that connects buyers with a UK network of suppliers - sought the opinions of more than 100 manufacturing professionals to gain insight into the current state of affairs.

The survey demonstrated that it has been a tough few months for the sector, with more than half of respondents reporting that they have been working at a reduced capacity or with some staff furloughed. **More than 10% of respondents reported whole companies being mothballed and all staff furloughed**.

Almost 80% of those surveyed reported that they have adopted new working practices to deal with rules and guidelines around lockdown in the UK. The most common change was remote working, which was used by 49% of those surveyed. Video conferencing, flexible hours and instant messaging have also helped to navigate the impact of COVID-19. To address supply concerns, almost a third had also increased their use of digital platforms in order to secure the materials they need. **22% of businesses pivoted to produce items from masks and screens to medical device parts to help the national effort**. Around half of those companies added that they intend to incorporate the products and services into their offer on a long-term basis.

To solve the identified supply issues, greater visibility and more alternatives in the supplier network were the most called for improvements, whilst having an easier method to collect and compare quotes was also selected by many in an effort to reduce basic admin costs and save time.

Matt Yeates, Managing Director of SteelScout, said: "The innovation and determination shown by the manufacturing industry to continue operating through lockdown also reveals a clear shift towards the adoption of new technology to enable that continuity."

"Many businesses may never return to the previous way of working & I believe a key part of the recovery will come from locking in lessons learned during the pandemic. Eradicating inefficiency sounds simple but often trying new approaches requires a bold step to really understand what you can achieve. Our platforms continue to offer a smarter way to quickly source the best deal for many manufacturers using steel and other metals."

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