Our vision: For Scotland

We want our textiles sector in Scotland to be:

• Regarded globally as truly world class
• Delivering accelerated international growth
• Recognised for its innovation and collaboration
• A career of choice for young people
• Sustainable with capital and resources utilised effectively

We don’t want to be the biggest, we want to be the best; the supplier of choice from cashmere to car seats. Our ambition is to grow a workforce with unrivalled skills and expertise. We will maintain a continued commitment to service excellence and constantly develop innovative approaches in our products and services.

We already have a great track record on the international stage but we want to encourage more global brands to source from Scotland and understand the rich diversity of what we have to offer.

We want to collaborate, innovate, inspire and enthuse customers the world over to come to Scotland – the experts.

To put it simply, we want a world-class textiles sector that makes a genuine impact on the Scottish economy, growing jobs, companies and our standing on the global stage.
What are our priorities?

- **Leadership** – become more ambitious
- **Internationalisation** – grow our global presence
- **Innovation** – expand new techniques and products
- **Skills** – develop our workforce
- **Investment** – become more productive
Productivity

We know our strengths – value not volume – and this is clear in our relationships with customers, our approach to global opportunities and our drive to improve productivity.

This is the thread that runs through our strategy.
The global textile business is continuously changing and the Scottish textile sector must remain at the forefront and respond appropriately to the opportunities and challenges presented. We must remain competitive for sustainable growth without compromising on value. New niche market opportunities and sectors are constantly emerging for the industry. But to become market leaders we must collaborate more across different industry sectors and increase our innovative development in response to market and customer demand.

The strategy for the Scottish textile and leather sector will focus on supporting the growth of our leaders, management and a highly-qualified workforce, all of whom are ambitious for their business and for Scotland. We must develop a highly productive and profitable sector, working together to take advantage of new cross-sector opportunities.
1. What does the global textile industry look like?

The global textile industry continues to grow at an impressive 7% each year and apparel industry accounts for $1,003bn of that market. Progress in developing countries is phenomenal, for example, India has experienced double digit growth. Our own apparel and fabric sector has served international clients for the past 300 years and in over 150 global markets – proving that the appreciation of Scottish design and quality is enduring.

The global market for technical & performance textiles is expected to exceed $1,500 billion by 2020. Technical textiles areas such as sports, health and protection are thriving and Scotland has a reputation for being at the forefront of technical fabrics – developing the first space tether for NASA.

The global luxury goods market is valued at $3,049.5 billion and growing – with the interiors fabrics market alone being expected to be worth $549bn. Scotland continues to supply interior fabrics and leathers for hotels, airports, opera houses and even presidential homes and is in continued demand around the world.
2. The big picture

- Textile production facilities continue to expand – in China, India and Bangladesh for apparel, and in European countries like Germany for technical textiles. These countries are striving to achieve critical mass, alongside improved quality and production efficiencies.

- Technology applications and new R&D areas which focus on progressive improvements such as automated lines and more natural fibre use is increasingly important to competitor growth. As a result, the Scottish industry must continue to innovate and adopt new technology applications.

- With the technical textiles market rapidly growing, it is vital that technology shifts are recognised. We must understand new product developments and emerging market segments to ensure that products developed by Scottish companies meet these needs.

- As changes in customer/retailer demand, lead times, sample sizes, and product customisation continue to increase, Scottish textile companies need to look at adopting different retail models. Recognition of the growing importance of the web and social media is key, as is finding more profitable pricing structures. Scotland needs to place more resource and focus on innovation and the development of better materials, products, and technical applications to maintain its competitiveness.

- Sustainability is now an expected part of production and marketing – this will only continue to grow in importance for the textiles sector, and Scottish companies must emphasise their distinctive quality in this area and tell a compelling story.
3. How competitive is Scotland?

The ability of the Scottish textiles and leather sector to compete in this constantly transforming industry will require sustained investment and commitment to developing the companies of today and tomorrow. The sector must focus on high-value growth opportunities in international markets and adopt an industry-wide approach which is genuinely committed to innovation and best practice.

What do we need to do?

Compete on value not price

- For the sector to be truly competitive we must change our approach to business models – price should not be the key deciding factor. This requires ambition and belief of leaders, investors and senior management to ‘transform and lead’ not just ‘compete and exist’.

Invest in our capacity and capability

- We need to invest in resource efficient production and ongoing research and development so that Scotland can capitalise on the recent re-shoring opportunities. This means a growing importance in the industry for global supply chain relationship development and collaboration.
Diversification and innovation is one of the most important themes for the global textiles industry and should be a key focus for the Scottish industry over the coming years. This goes beyond incremental changes to existing products and views of what defines ‘textiles’. A new cross-sector perspective is required to see textiles as part of high-value manufacturing with high design content, constant originality and new ways of working together.

Technical textiles are now commonly used across most industrial sectors ranging from medical, healthcare and construction to civil engineering and transport. Europe in particular has been the driving force behind substantial developments in technical textile technologies. Analysts predict that smart technical textiles will be a key factor in stimulating the European engineering, transportation and construction industry and areas such as improving human health.

The trend towards environmental quality continues at great pace. The discussion now moves further than only good housekeeping, compliance with legislation and adoption of environmental credentials. Environmental excellence is a strategy that puts sustainable development at the heart of the sector as a key driver of innovation. As such, it should be an essential component for all development and growth in future for the industry.

Reposition to a basis of service excellence as a unique selling point: This is a major challenge for the sector and relies to a great degree on the creation of an ambitious, proactive and transformative leadership and workforce.

Moving ourselves up the value chain will allow us to position ourselves as niche high-value suppliers, not volume chasers. Improving the sector’s productivity is critical to the long-term sustainability of the sector and opens up greater opportunity for internationalisation.

What are the ‘big’ opportunities for the Scottish textile sector?
What do we want to achieve?
Global recognition of our world class companies and our inspiring leadership and skills.

Why do we need to do it?
Effective leadership underpins success and is a recognised driver of growth and performance. Our people are the core of our competitiveness and we need to ensure our company leaders have the global mind-set required to take our sector forward.

We need to have leaders who stimulate higher levels of innovation, growth and productivity. This will enable us to access global opportunities and do so in a sustainable, inclusive way.

The fate of our sector lies in the quality of our management talent. We need leaders who can drive change, who can respond to global opportunities and who have the skills and abilities to develop a world class workforce. We need our leaders to create an open environment where employees at all levels are encouraged to contribute to success and sustainable growth.

The sector has the capability to transform and grow but it requires the ambition and willingness of senior management to embrace this change.

How are we going to do it?

We must:
- Encourage more leaders to invest in developing themselves, making sure they have the skills and capabilities to operate as effectively as possible
- Promote better understanding of the benefits of successful leadership
- Ensure we have access to the right development and training opportunities for our current and future leaders
- Embark on an ambitious leadership support programme for our companies
Internationalisation: grow our global presence

Why do we need to do it?

Many of our companies export – it is in the nature of a great number of our products. However, in terms of international sales as a proportion of turnover we could do much better.

We also need to re-stake our claim at the high end of the market, to maximise the value from international sales and not be too quick to lower our expectations.

Becoming more global means looking in more detail at our supply chains and how we manage them to our advantage. Currency fluctuations, raw materials prices and supply chain fragility all impact on our ability to compete.

It also means taking a close look at how we become more customer-focused, more attuned to customer needs and more aware of our own strengths and how to sell these.

What do we want to achieve?

*Faster international growth with an increase in the proportion of our turnover from exports.*

How are we going to do it?

We must:

- Encourage more companies to develop world class customer engagement programmes
- Ensure market information and opportunities are fully assessed so companies can evaluate cost of entry
- Embrace a collaborative approach to market opportunities, delivering greater benefits across the sector
- Ensure our businesses have a global mindset and have capacity to exploit new opportunities
Innovation: expand new techniques and products

**Why do we need to do it?**

Innovation drives growth and competitiveness, helps internationalisation and demand for skills. From the circular economy through to development through the supply chain we need to build a sector where we are create jobs and prosperity through our advanced approaches.

Innovation doesn’t just mean product – it means services, processes, marketing and skills. We have a great start in the Textiles Future Forum and we need to ensure that we build on this collaborative approach to get more new products into new markets.

**What do we want to achieve?**

*Global recognition as an innovative and collaborative sector.*

**How are we going to do it?**

We must:

- Continue to support the Textiles Future Forum and ensure there is industry and public sector support for further collaboration
- Ensure industry engagement with European funding mechanisms
- Investigate other collaborative opportunities both with other sectors and with academia
- Align our work on creating world class leaders to drive a change in mindset towards innovation
Skills: develop our workforce

What do we want to achieve?
Ensure the sector attracts young people and the industry communicates a clear and strong message on what skills are needed now and in the future.

Why do we need to do it?
Although we have made real progress in the area of modern apprenticeships, evidence suggests that we still have a lot of work to do to ensure we have a supply of talented, skilled employees for the future.

We face increasing competition for staff from other sectors so we must be able to attract and retain talent without excessive competition between individual companies. Competition between companies for experienced professionals is inevitable. However, recent collaboration around modern apprenticeships has shown the benefits to a joined up approach. Coming together to promote the long-term nature and sheer variety of opportunities will ultimately benefit the sector.

We want to be in the position where our productivity and profitability allows us to reward employees positively. As a sector we will work towards adopting the Scottish Business Pledge. This is how we will achieve sustainable economic growth.

How are we going to do it?
We must:
- Support a strategic approach to skills development across the textiles sector
- Attract and retain an ambitious workforce
- Ensure robust evidence of the need to plan effectively for development
- Invest in employees and local communities to drive sustainable growth
Why do we need to do it?
Investment in the latest technology reduces cost, increases capacity and enables us to compete on the global stage. We also know that our textiles and leather manufacturing jobs drive the prosperity of many regional and rural communities in Scotland and we want this to increase in a sustainable way.

We can increase productivity and maximise the value of the materials we use through greater efficiencies and less waste. There are opportunities for textiles companies to transition to more circular practices and this will stimulate product and supply chain innovation.

What do we want to achieve?
We want to develop a ‘smarter manufacturing’ proposition that embraces the latest technology and positions us as a sector which utilises raw materials and energy efficiently.

How are we going to do it?
We must:
- Encourage companies to develop ambitious investment plans to maximise their competitiveness
- Ensure availability of suitable finance and appropriate support mechanisms to assist companies to invest
- Work with Zero Waste Scotland to determine a transition to a more circular economy approach
### Scottish Textile Industry SMART objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>2009 baseline</th>
<th>Target for 2015</th>
<th>2015 progress*</th>
<th>Target for 2020</th>
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<tbody>
<tr>
<td><strong>1. Increase total turnover</strong></td>
<td>£806m</td>
<td>£1.2bn - £1.5bn</td>
<td>£838m</td>
<td>£1.5bn</td>
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<td>(Source: SABS)</td>
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<td><strong>2. Increase value of export sales</strong></td>
<td>£300m</td>
<td>£375m - £445m</td>
<td>£365m</td>
<td>£450m</td>
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<td>(Source: Global Connections Survey)</td>
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<td><strong>3. Increase expenditure on R&amp;D</strong></td>
<td>£1m</td>
<td>£2.6m</td>
<td>£3.3m</td>
<td>£4.6m</td>
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<td>(Source: BERD)</td>
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*Source: SABS 2013 figures

### Additional Scottish Textile Industry objectives**

<table>
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<tr>
<th>Objective</th>
<th>2009</th>
<th>2015</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td><strong>4. Increase investment in design development</strong> (% based on ££ spent)</td>
<td>11% of total sector turnover</td>
<td>13% of total sector turnover</td>
<td>15% of total sector turnover</td>
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<tr>
<td><strong>5. Increase investment in Training &amp; Development</strong> (% based on ££ spent)</td>
<td>4% of total sector turnover</td>
<td>8% of total sector turnover</td>
<td>10% of total sector turnover</td>
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** There is no published measure. Baseline taken from Scottish Enterprise Textile Industry Survey 2012
Scottish textiles - a truly world class industry