

FEA BREXIT TOOLKIT

YOUR CHECKLIST FOR A SMOOTH TRANSITION

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1. Business Strategy

Mid to long term plan of action to achieve sustainable, profitable growth

- 1.1 Have you appointed/assigned a person/team to respond to Brexit?
- 1.2 Have you identified the potential risks of Brexit to your business?
- 1.3 Will Brexit present business opportunities for your business?
- 1.4 What steps have you taken to mitigate against the effects of a potential slowdown in the UK market?

Will Brexit present any business opportunities?

- Sales opportunities?
- Cost saving opportunities?
- Other?

2. Operations

Design, delivery, improvement of systems to deliver products and services.

- 2.1 Have you reviewed your operations to identify how you can improve efficiencies in light of Brexit?
- 2.2 Have you reviewed your supplier base for vulnerability in light of Brexit?
- 2.3 What have you done to manage the impact of Brexit on the movement of goods to and from the UK?
- 2.4 Have you considered resources needed for extra administration that may arise as a result of Brexit?

Supply Chain

Potential Impact

- Increased cost of raw material, components, energy etc.
- Interruption to continuity and reliability of supply.
- Difficulties with distribution from UK.

What you can do now

- Review and reduce complexity of supply chain.
- Engage directly with supplier (rather than distributor).
- Identify alternative suppliers.

Transport and Logistics

Potential Impact

- Delays in receipt of supplies and delivery of goods - to, from and through the UK.
- Additional administration and complexities.

What you can do now

- Understand current routes.
- Identify and explore alternative options.

Customs, Tariffs and Taxation

Potential impact

- Increase in price of your product or service.
- Increase in price of supplies from EU.
- Additional administration and complications.
- Increased delivery times for supplies and product.

What you can do now

- Review potential impact.
- Keep abreast of developments in general and in your industry.
- Prepare for cash flow implications.

3. Innovation

- 3.1 Do you understand the potential impact of Brexit on your customers?
- 3.2 Do you plan to adapt your products in preparation for a potential increase in competition?
- 3.3 Do you plan to invest resources in developing and improving new products and services?
- 3.4 Have you considered the impact of changes to compliance requirements?

Regulations and Standards

Potential impact

- UK becomes a 'third country'.
- Possible need to comply with different regulations and standards for imports to the UK market.
- Possible non-compliance of raw material and components supplied from UK.

What you can do now

- Understand the standards and regulations relevant to your business.

4. Sales and Marketing

Understanding, meeting market needs; generating, converting leads into sales

- 4.1 Have you assessed the impact of Brexit on your sales and marketing plans for the European and global markets?
- 4.2 Do you need to alter your sales and marketing plans in light of Brexit?
- 4.3 Do you have the resources to support a new sales and marketing plan?
- 4.5 How suitable are your existing products for new markets?
- 4.6 What are the effects on cash flow?

UK Market Dynamics

Potential impact

- Business contraction due to an economic slowdown.
- Loss of business due to campaigns etc.

What you can do now

- Assign a team member responsibility for Brexit.
- Get close to your customers.
- Start working on a plan to protect and diversify.

Customers

Potential impact

- Loss of business due to challenges faced by/change in strategy of your customers.
- New opportunities with your customers.

What you can do now

- Deepen relationship with your clients.
- Meet the right people regularly.
- Increase intelligence gathering activities.
- Identify new target customers.

Competition

Potential impact

- Increased and new competition in UK, Europe and beyond.
- Loss of opportunities with EU companies looking for EU suppliers.

What you can do now

- Identify areas where you can reduce costs and improve efficiencies.
- Understand your competition to develop differentiated offers.
- Identify new opportunities outside the EU.

5. Finance

- 5.1 Have you assessed the short, medium and long term impact of currency volatility on your business?
- 5.2 Have you considered the potential for price changes with your customers and key suppliers?
- 5.3 Have you considered potential additional cash flow needs in light of changes driven by Brexit?
- 5.4 Do you carry out regular financial forecasting and financial planning reviews?

Currency

Potential impact

- Profitability hit due to lower Sterling value.
- Uncertainty, leading to delayed decision making.

What you can do now

- Know your break even exchange rate.
- Know the margin you need.
- Consider financial instruments to provide some certainty.
- Consider re-negotiation of pricing.

6. People and Management

Alignment of organisation structure, management and skills to objectives

- 6.1 Have you looked at how potential restrictions on the movement of people may impact your business?
- 6.2 Do you have the people and skills to allow you to adequately respond to Brexit?
- 6.3 Do you expect Brexit to impact on your recruitment plans?
- 6.4 Have you planned for potential additional recruitment administration costs arising from Brexit?

Movement of People

Potential impact

- Restrictions on temporary transfer of non EU staff to UK to deliver services.
- Restrictions on employment of non-UK staff.
- Difficulty in finding new staff in UK.
- Complications in employment contracts, visa etc.

What you can do now

- Get clarity on extent of people movement in your business.
- Get clarity on residential status and intentions of staff.
- Keep abreast of developments.

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