



# BREXIT



Preparing your  
business for the  
unknown



**“There is a very broad range of potential outcomes in these Brexit negotiations and we're entering a crucial phase”**

**Mark Carney - Governor, Bank of England**



The United Kingdom is scheduled to leave the European Union at 23h00 (local time) on 29<sup>th</sup> March. As the UK's exit looms closer, decisions made over the coming weeks will have long-term ramifications for political stability, trade, operations, security and business both in the UK and the EU. After 524 days of negotiating, Prime Minister Theresa May and EU negotiators agreed on a deal to put in front of the UK Parliament. However, UK MPs on 15<sup>th</sup> January overwhelmingly rejected the deal. The next crunch date is scheduled for 27<sup>th</sup> February, where MPs will vote on a 'revised' deal. However, May's government and the EU both appear unwilling to concede significant ground.

### The most likely scenarios

At this stage, the most likely scenarios entail the UK crashing out of the EU without a deal or an extension on the withdrawal process to allow for renewed negotiations. Additional scenarios include the 'revised' withdrawal agreement being passed through parliament, a general election, and a second referendum.

### Uncertainty causing havoc for companies

Politicians in both the UK and the EU are playing a cat-and-mouse game, holding firm on their respective positions and refusing to compromise at this late stage. While these tactics may be necessary from the perspective of leveraging their negotiating position, the lack of clarity on the situation makes it extremely difficult for companies to develop a strategy in response to changes in the business and operational landscape after Brexit.

### Effective preparation and stress-testing

It is essential that companies develop strategies that consider the numerous potential outcomes of Brexit. Yet, media reports suggest that only 50% of companies have developed these contingencies. Those organisations that have planned in advance will be the best positioned to manage the implications of a potential fallout and could even benefit from a competitive edge in a new era of the UK's political economy.

## REGULATORY



There is no guarantee of the UK's regulatory framework remaining in line with that of the EU. If the regulatory frameworks of the UK and the EU diverge, the operations of businesses and their ability to cooperate and trade internationally will inevitably have to change. Other regulatory conditions that may change include those related to the financial services, data protection/privacy, health and safety, freedom of movement etc.

## PERSONNEL



Approximately 1.3 million UK citizens live in the EU and 3.2 million EU27 citizens reside in the UK. If the UK leaves the EU without a deal, there are no legally binding guarantees for the rights of these citizens. Potential implications are manifold, ranging from changes to citizens' rights to work, travel and live in the UK or EU, to the provision of healthcare and pensions and the validity of driving licences abroad.

## OPERATIONAL



A large number of existing agreements and arrangements across nearly all sectors will be rendered invalid, and companies need to be prepared to react. A no-deal Brexit will likely require companies to consider and action significant changes to their operations, especially concerning data and IT services, supply chain management, importing and exporting, transport of goods and people, and procurement.

## REPUTATION



Companies that fail to plan for a no-deal Brexit face significant reputational risks that could impact their relationships with clients, providers and suppliers. Companies that have not planned adequately could experience delays to production and services or even complete service failure. However, Brexit uncertainty can equally be an opportunity for companies to benefit; by planning and communicating effectively, companies can shape perceptions and improve their market standing.



## Planning for Brexit is important but it shouldn't be painful or disruptive

One of the principal challenges for companies planning for Brexit uncertainty is separating the hard facts from all the noise. Establishing a Brexit Management Team made up of relevant stakeholders is an essential first step. As the Brexit situation develops, your organisation will transition through several 'stages' beginning with 'Planning & Monitoring' before transitioning to 'Operational Implementation' and concluding with 'Measurement & Assessment'.

During the Planning & Monitoring stage, stakeholders will need to go through a range of scenarios and establish the likely business and operational conditions of each. Plans can then be established on the basis of these findings, including contingencies for changes in free movement and plans for business continuity and supply chain management. Effective 'crisis' communications procedures are imperative for sending out the correct message to clients and employees alike. It is also essential to ensure that your management team is appraised of the latest developments, with expert opinion that turns general information into genuine business intelligence.

### Outsourcing to Healix

We can assist your company through this process by offering a range of embedded and monitoring options (see overleaf). By using these services, clients can save themselves time and reduce their longer-term costs by freeing up resources that would otherwise be burdened with the associated workload. We select risk professionals uniquely chosen for their expertise, while they remain integrated with the wider Healix team, ensuring peer-to-peer access to our team of analysts, operations coordinators and managers.



AN UNCERTAIN  
SITUATION

THE RISKS OF  
NO DEAL

PREPARING FOR  
THE FALLOUT

HOW HEALIX  
CAN HELP

“We are an international company with significant Brexit risk exposure and we require **STRATEGIC** level support for managing the transition and ensuring we maintain a competitive advantage”

**We recommend:**

**Embedded Political Risk Consultant**

Senior political risk consultants have at least ten years of consulting experience and a working practice of the British and European political establishment. They are well positioned to offer advice to high-level decision makers, provide strategic and operational support to crisis management teams. They will help your organisation shape, navigate, and build resilience to changes in the political and operational situation leading up to and following Brexit.

“We have operations and a significant number of expatriates and travellers between the UK and EU. We require help to manage the **OPERATIONAL** components of Brexit, including our travel risk policy”

**We recommend:**

**Embedded Logistics Coordinator**

Logistics coordinators are embedded operations experts who will monitor and analyse developing situations, provide second opinions on Brexit-related decision making and help teams implement plans when they are required to do so. They can use the existing Healix infrastructure to develop a communications plan and provide operational support for a range of logistical scenarios.

“We have existing in-house capability to manage the Brexit process but we require **ANALYSIS & INTELLIGENCE** on Brexit developments and the implications for our operations”

**We recommend:**

**Customised Event Monitoring**

Customised Event Monitoring is a dedicated intelligence and research expert embedded to provide daily briefings customised to the needs of your company, condensed real-time political, security and operational updates, and long-term strategic analysis. This analysis will include forecasting political Brexit-related developments and pre-empting potential problems. The analyst can also scan for media coverage associated with your organisation and conduct sentiment analysis on public perceptions.

