

Take control



Paul Hodges believes it is time for businesses to start their own plans for how to deal with Brexit.

The daily to-and-fro of political debate really does raise the question of whether politicians understand what Brexit means for business? The current Conservative Party leadership debates are just one example of the way that most politicians are failing to grasp the importance of the detail involved in Brexit. It seems time for those of us in business to start to fill this gap.

I start from the viewpoint of an SME, a small and medium-sized enterprise. SMEs employ 16.3 million people in the UK, according to the Federation of Small Businesses. And our turnover at £2 trillion is more than half of all private sector revenue. Yet we have been virtually ignored over the past three years since the referendum.

Compare that with the normal process for major government policy initiatives such as automatic pension enrolment, which now covers 11 million people. That was first proposed by the Pensions Commission in 2005 and became law via several Pensions Acts. Detailed, consensus-based planning then led to large companies starting to enrol their staff in 2012, and the process finally completed last year when the smallest businesses joined.

Yet here we are in August 2019, and none of us yet know whether Brexit will definitely happen on 31 October. Nor do we know what form it might take, although the risks of crashing out with no deal are clearly rising. And detailed consensus-based government guidance has been notable by its absence. How can civil servants advise businesses on what to do,

when they don't know themselves what is happening? The whole legislative process has broken down, just as those of us in business face what is potentially the biggest challenge of our working lives.

I have personal experience of working under global trade rules in the early part of my career with ICI, then the UK's largest company. As a junior product manager, I was a cog in a very well-oiled machine. We had experts in every part of the process, and we were very successful. But, that was then and this is now. Put simply, today's problem is nobody under the age of 45 has any experience of doing this.

The teams that used to deal with such matters disappeared decades ago, when we joined the Single Market and Customs Union in 1993. And trade has since become much more complex as global supply chains have emerged. New and more efficient ways of working have become standard. As Eurotunnel told Parliament last summer, "over the past 20 years, warehouses have become trucks rolling on the road" as 'just-in-time' supply became routine.

For the past 25 years, manufacturers have been progressively freed from the burden of having to understand the detail of global trade rules and non-tariff barriers. But today it seems that we are going in the opposite direction, and we haven't even been told which particular destination the politicians have in mind. All we know is that the journey from here to there will inevitably impact most manufacturing businesses to a greater or smaller extent.

What the politicians seem have forgotten, or perhaps they never knew, is that major UK manufacturing industries don't actually manufacture on an end-to-end basis any more. Instead they manufacture components, and sometimes assemble the final product, often with parts shipped from all over the world under detailed regulatory scrutiny.

Where is the government guidance on how this will all change? Where are the detailed instructions on what we need to do, and by when? Customs is just one example where we are all at sea. HMRC, to their credit, have told Parliament that potentially 400 million new Customs

Declarations will need to be filed, at an estimated cost of £32.50 per declaration. But has anyone even released a video of how to fill in the 50 boxes on the Customs form? Have they issued a 'Key Facts' leaflet to help small businesses understand the eye-watering 135 pages of guidance? Of course not. Businesses have been left to 'muddle through' – and this is just one of probably a thousand examples.

This is why I believe it's time for businesses to take back control. We have all waited patiently for the guidance we have every right to expect, but this 'wait and see' approach now has to change. We need to urgently get to grips with the challenges and opportunities that will be created by Brexit.

Otherwise we risk finding ourselves trapped in a version of Samuel Beckett's play, 'Waiting for Godot', waiting for guidance that never arrives. Only Brexit isn't a play where we leave at the end of the performance, but a critical reality. It will inevitably, for better or worse, affect our business and our livelihoods. It will also impact our staff and their families, and all the people who rely on the products and services that we create.

With a No Deal Brexit looking ever more likely, we owe it to ourselves to take back control now. We need to start planning, today, for whatever the politicians may throw at us in the next few weeks. ●

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