



## Are you Brexit ready?

### Navigating through uncertainty and change Practical steps to survive and thrive

**In the wake of the UK vote to leave the European Union (EU), organisations face a period of uncertainty with unknown consequences.**

**What does this mean for your business? Are you ready to adapt, take new opportunities and mitigate any downside risks?**

#### Making sense of the vote

The UK decision to leave the EU is the first of its kind. It is assumed the UK Government will treat the result as final and will trigger Article 50 – signifying the start of an untested negotiation process with unknown consequences for organisations.<sup>1</sup>

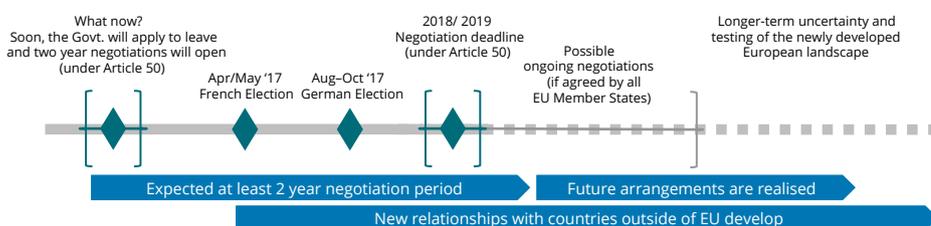
What lies ahead for many organisations in Ireland is unclear but is likely to be complex, firm-specific, and open-ended.

Impacts – risks and opportunities – will be particularly apparent for organisations with a UK and/or European footprint. However, impacts will also ripple around the globe, creating risks and opportunities for organisations with no direct linkages to Europe.

Uncertainties, risks and opportunities can be broadly categorised across three phases:

- **The near-term:** as the UK enters a period of negotiation on exit terms and future arrangements;
- **The longer-term:** as future arrangements are realised after the exit; and

<sup>1</sup> HM Government, 'The Process of withdrawing from the European Union', February 2016



- **Continuing:** as new relationships with countries outside of the EU develop.

#### What we have done already

We have worked with a combination of Deloitte and external experts to understand near-term, longer-term, and continuing impacts (risks and opportunities) of the Leave vote.

We have assembled a network of experts on Brexit and using an interactive wargaming approach they have developed a range of analyses on the likely risks and opportunities covering the economy, trade and tax, business strategy, supply chain, talent, and legal and regulatory considerations.

#### Helping you navigate through uncertainty

You are now likely to face a number of specific challenges and opportunities, many unique to your organisation.

From our work so far, we have an understanding of prospective impacts both cross-industry and industry specific.

We can help you to accelerate your understanding of which issues are relevant to you, what actions to take now to mitigate risks and maximise opportunities, and how to plan and prepare for further actions depending on the unfolding situation.

#### What you need to do now

We recommend the following immediate steps for all organisations:

Activate a 'Brexit taskforce' – identify the key personnel who will be involved in responding to Brexit developments;

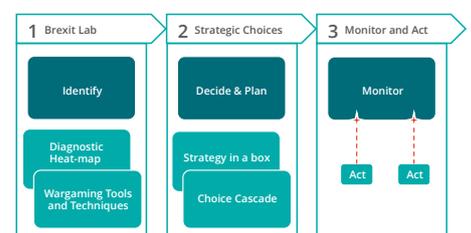
- Identify specific areas that may be materially affected and require further investigation;
- Communicate an initial message to all stakeholders – shareholders will want to see a plan, customers will want guarantees, and employees will want reassurance;
- Prepare and take action where key opportunities are clear or immediate risks need mitigation; and
- Plan and monitor for triggers in the unfolding situation, and execute if appropriate.

#### How we can help

To accelerate your thinking and help you navigate your way through, we have developed a three-stage approach, which is modular and will be tailored to your needs.

Our approach will help you rapidly and robustly explore the impacts on your organisation, identifying specific risks and opportunities, before developing a strategic response, and executing at pre-defined trigger-points.

In addition, we can support your taskforce by establishing a Programme Management Office (PMO) to help ensure cross-business and functional activities are aligned, co-ordinated and interdependencies fully addressed. The PMO would also support the necessary reporting to the Executive and the Board.



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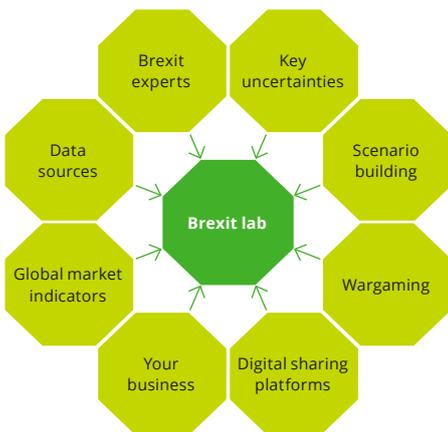
### Stage 1: 'Brexit Lab'

We will work with you to establish a 'Brexit Lab' where appropriate people from across your organisation can collaborate with selected expertise from Deloitte and elsewhere. This will enable you to:

- Accelerate your thinking on Brexit;
- Identify the risks and opportunities most pertinent to you; and to
- Identify initial opportunities and options to mitigate risks.

As part of the Lab we will use information sharing tools and proven wargaming tools and techniques. This includes the Deloitte Monitor 'Fast Forward®' Method, to build customised scenarios that will help you examine key uncertainties to your organisation and the markets you operate in.

The Brexit Lab will provide your task force with clear, multi-layered situations against which to consider likely impacts. This approach will prompt open discussion, help build consensus and support future planning and decision making.



The Lab will use the wargame outcomes to highlight hot-spots where risks are high, and sweet-spots where opportunities exist. These are presented in a diagnostic heat-map which will form the basis for business areas and functions to move to the next stage.

The Brexit Lab is fully scalable and elements can be conducted in isolation depending on the work

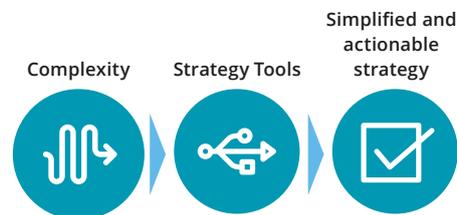
you have conducted so far. For organisations who are already reasonably advanced in their thinking, the Brexit Lab can be used to ensure alignment across the organisation as well as provide additional insight and challenge.

### Stage 2: Strategic Choices

We believe strategy is choice. Strategy is not a long planning document; it is a set of interrelated and powerful decisions that position the organisation to win.

We will help you to develop strategic choices and a resulting strategic plan, which can be organisation-wide, or by business area/function. Key opportunities and risks will be prioritised so appropriate actions can be taken quickly.

As a starting point, we use the Deloitte Strategy Choice Cascade that will allow you to better understand where to play and how you will win.



The result will be a strategic plan which will centre on a series of choices and decisions that can evolve over time, allowing you to adapt to the emerging Brexit situation.

We will also help you to define triggers for you to monitor so that any actions are timely and proportionate.

### Stage 3: Monitor and Act

Finally, through our Task-force Management Office, we can provide ongoing support to monitor data sources against defined triggers, avoid strategic drift and progress actions as necessary.

We will also help ensure your organisation continues to adapt as the negotiation period unfolds and is best positioned to maximise opportunities and mitigate any downsides – to survive and thrive.

Our Brexit Leads are able to support you through all stages and will draw upon experts

from within the Firm to advise and provide additional input on specific areas including:



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