<u>Aerospace and Defence</u>
The UK aerospace sector is the second largest in Europe, and third largest globally. Delivering whole-aircraft capability including aerostructures, propulsion, systems, aircraft interiors and through-life services.

As much of UK manufacturing is tightly linked with the EU in number of ways with nearly half of UK exports and imports manufactured goods to and from the EU, and EU labour helps fill key skills gaps in the UK, preparing for Brexit is a key business priority.
A recent report by the LSE suggests that the dual impact of the global pandemic and Brexit will leave little time and resources for businesses to adapt and mitigate risk. Unprecedented market uncertainty therefore means that Brexit remains a key topic on the risk registers of many organisations and according to the 2020 Deloitte Report of Reports, 24% of organisations cite it as a principal risk to their business strategy whilst a further 42% include it within a broader risk category.

According to a report by TheManufacturer, (link), pre-covid, UK manufacturing created over £191bn output, 2.7 million jobs with over 53% of exports, including over 65% of total UK spend on R&D and 16% of business investment.

To maintain seamless market access and mitigate risks it is critical that focus remains on ensuring your ability to offer continuity of service and supply to your customers and supply chains in compliance with the regulatory frameworks. This requires a holistic approach which enable agile and no regret decisions to be made to secure the most proactive end to end business operations. Typically, your entire operation will need to be proactive in responding intelligently to dynamic changes in key policy areas which impact you business such as:
- Aviation safety regulations and level of demonstration.
- Customs and borders control and compliance procedures
- Compliance, such as registering chemicals in the UK and the EU
- Northern Ireland and GB export declarations, including 'at-risk' goods
- Operations with European Defence Fund
- Industrial security agreements
- Space and R&D budgets

The first priority however is to maintain seamless market access and mitigate risk to continuity of customer service and compliance to regulatory frameworks. SAP recognises the need to take a holistic approach to enables complete manufacturing and aftermarket value chain operations:

Digital Manufacturing and Supply Chain: manpower restrictions have accelerated the realisation that manufacturing and logistics operations facing border delays require automation or supply chain network reconfiguration

Additional Resources:
Supply-chain-management
Manufacturing-intelligence-integration
Logistics Business Network

Regulatory Compliance: dealing with new government guidelines on imports and exports will need to be monitored with tax claims supported with a complete audit trail for tax relief.

Additional Resources:
Global Trade Management

Workforce and Collaboration: New employment regulations will mean that organisations will need to secure talent retention in key areas and to ensure access to a pool of workers to maintain continuous operations.

Additional Resources:
HCM
Contingent-workforce-management

Previously, A&D organisations have considered the need to increase productivity as the main driver for change. Now, UK manufacturing is driving innovation and new technology adoption, particularly industry 4.0 and environmental sustainability, to enable effective business operations and to secure a global sector competitiveness to survive.
SAP customers already operate across multiple global trade agreements utilising well established solutions to automate and accelerate free movement of goods, materials and services. We understand that you are concerned about how the EU trade agreement will impact your technology investments and your ability to continue business with the same levels of responsiveness that you have come to expect of your partners.

Additional Resources:
Brexit & Manufacturing