

The global pandemic is further compounding the challenges of Brexit. 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. Many businesses have used up reserves and stockpiles earmarked for Brexit during the pandemic, leaving them further exposed.

As a result of the uncertainty, 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. Brexit is also a key topic on mid year earnings calls for 40% of the companies of the FTSE 100 industries analysed by [FactSet](#).

Now that a deal has been agreed, this is the start of a new relationship, which, in itself, will take time to bed in. Although there will be inevitable tweaks and changes to the ways of working and the increase in bureaucracy & regulations, now is the time to focus on the next chapter of Brexit

The UKI Life Sciences Industry

As one of the industries under the spotlight, life sciences companies are under enormous pressure globally to spearhead the response against Covid-19. Never before have so many people delved into the details of clinical trials and the implications of getting regulatory approvals for life saving medications. The industry has delivered a stellar response to date, focusing all effort into R&D and removing any internal barriers to embrace agility, and collaborating with other players to deliver a co-ordinated response. In parallel, executives and key personnel are faced with the task of managing the impending disruption which Brexit will inevitably have on overall operations.

The biggest impact across most industries has been on the workforce, and while most organisations and employees have planned and taken mitigative steps over the last two years, any last-minute adverse impacts on residential and working status will have to be managed. There will be an inevitable impact on goods movement with the introduction of non-trade barriers, the most notable of which would be delays caused by border checks, and additional costs and lead times around customs procedures. R&D would face a big impact with potential workforce shortages and reduced funding, while duplication of roles, facilities and procedures will be observed across the EMA and MHRA. In the area of production, contract manufacturing links with CMOs in EU, and all relevant supplier contracts will have to re-evaluated, and there will be new requirements to manage product labelling and packaging.

Remaining competitive in the post-Brexit world will require a holistic approach with a range of agile decisions to be made across the enterprise. Here's how SAP can help your business thrive:

In order to continue providing life saving drugs on time, life sciences companies should be in a position to manage the following aspects in an effective manner:

Medicine Movement: Non-tariff barriers will have a significant adverse impact on logistics of pharmaceutical products. Border checks will delay delivery of medicines, and time consuming customs procedures and paperwork will only serve to increase costs. Adequate planning measures will be required to offset and plan for delays and disruptions. Most medicines are transported under cold storage, and ensuring temperature control will be critical to retain efficacy of life saving drugs, some of which have a short shelf life as well.

Additional Resources:

[*Logistics business network*](#)

[*Integrated business planning*](#)

Address Skill Gaps: A significant portion of operations across manufacturing and logistics are fulfilled by contractual workers, while some aspects of R&D are expertise based requiring very specific skillsets. Pharma companies will have to ensure talent retention in key areas, while driving agility in ensuring an adequate pool of contract workers to maintain continuous operations.

Additional Resources:

[Strategic sourcing & Procurement](#)

[Research & Development](#)

Continuous Operations: Supplier relationships will have to be re-evaluated and new ties with suppliers and CMOs established quickly to manage potential disruptions. A lower level of granularity through characteristics-based planning will ensure demand and supply matching, minimising any production planning complexities due to Brexit.

Additional Resources:

[Strategic sourcing & Procurement](#)

[Clinical Trial Supply Chain Management offering](#)

[Supply chain collaboration](#)

Trade and Tax: Export and import management processes and associated regulations will increase significantly, and need to be managed accordingly. VAT changes on imports will have to be monitored and appropriate tax claims supported with relevant details to ensure realisation of accurate tax relief.

Additional Resources:

[Track & Trace pharmaceuticals](#)

[Demand Driven Supply Network](#)