

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](#).

The Natural Resources Industries

The UK natural resources industries support and operate across a variety of sectors and as such Brexit will affect them both directly and indirectly. With complex value chains that not only create local interdependencies but can also have materials that cross EU borders many times, clearly frictionless trade and compliance across borders is essential for the industry and the downstream sectors that rely on your products.

To ensure supply chain resilience and to mitigate operational risks while continuing to drive efficiencies, it is critical that sector focus remains on optimising supply chains and end to end processes from procure to pay through to maintenance execution. This includes optimising inventory, supplier management and working capital. The industry relies heavily on the availability of both highly skilled specialists and low skilled labour. Access to the right skills and talent at all levels will be required to be able to deliver sustainable growth post-Brexit. Therefore, organisations should structure and execute their post-Brexit talent strategy to retain, attract and engage talent. As competition across the sectors increases, understanding the needs of your customer will be critical to help maintain existing ones and attract new ones.

Focussed Solutions from SAP that may enable a smoother transition into the post Brexit environment

Supply Chain: Companies may experience shortages of materials, increased COGS due to tariffs, delays at border crossings, and new suppliers. Companies must re-assess their supply chain strategies and re-configure to be built up of a network of local and non-EU suppliers.

Additional Resources:

[SAP Integrated Business Planning for Supply Chain](#)

[SAP Logistics Business Networks](#)

[SAP Transportation Management](#)

[SAP Extended Warehouse Management](#)

International Trade Management: Companies will need to work with new trading partners, be able to screen and manage trading agreements quickly and effectively to reduce the risk of penalties and fines, and clear inbound and outbound customs quickly.

Additional Resources:

[SAP Watchlist Screening](#)

[SAP Global Trade Services](#)

[SAP Ariba Network](#)

Human capital: The UKI talent landscape will change dramatically, with EU citizens and their families requiring different employer support. The pool of available talent in the UK has already changed and will continue to shift as EU nationals seek EU-based rather than UK-based roles. Companies will increasingly need to attract and retain new types of talent. Most industries in the sector are also experiencing an impact on the continuous availability of their large contingent workforce and need to ensure a trained and certified pool of resources to ensure non-disruptive operations.

Additional Resources:

[SAP HR & People Management](#)

[SAP Contingent Workforce Management](#)

Maintaining competitive advantage: With an increasing competitive environment and economic volatility companies will need to become more agile and respond to market conditions faster to retain competitive advantage. Optimising operational processes and innovating at pace will become standard operational practices

Additional Resources:

[SAP Process Mining](#)

[SAP Cloud Development Platform](#)

Customer engagement & Co-Innovation: Chemical companies will need to focus on their customers needs and their experience. To remain competitive, it will be critical to be agile and strengthen relationships whilst improving operational efficiencies

Additional Resources:

[SAP Customer Experience](#)