

Industry insight: Agility Preparing for Brexit



Graham Larder, who leads Agility's Brexit-planning team in the UK, reveals the thinking behind the company's contingency planning.

For Agility, like many of our customers, the principal difficulty in Brexit planning is, of course, the uncertainty. In many ways our approach can be summed up as: hope for the best and plan for the worst.

With global operations across more than 100 countries, including road freight services to and from Europe, we've been monitoring Brexit developments since the 2016 referendum. We've also been garnering insight from the British International Freight Association and other industry sources to help us with our planning process.

New customs arrangements

It's clear the most disruptive scenario – a no-deal Brexit – will mean additional customs processes on shipments. As a multinational company we already have in-house expertise in customs matters, but it's a case of ensuring we have sufficient resources to deal with the possibility of a significantly higher volume of import and export paperwork.

That means more people to deal with the workload and systems capable of processing the additional transactions. All of this red tape is a shared responsibility with our customers, so we're letting them know what we're going to need from them in terms of invoices, commercial documents and other information to make sure we can

process their goods through customs as effectively as possible. In fact, we've been talking to our customers about a whole spectrum of potential impacts – and have created a dedicated page on our UK website (www.agility.com/brexit) that takes them through what their requirements could be in the future.

Talking to suppliers

Agility has an asset light methodology when it comes to some of its transport arrangements, so another important feature of our contingency planning is talking with our suppliers.

This includes checking with our trucking companies that they understand what they might need to do to comply with new regulations around road freight. We're also talking to all our suppliers about the Brexit preparations they've made, the impact a no-deal scenario could have on them and their plans to continue to provide the service we need.

Supporting EU staff

Of course, Brexit potentially impacts free movement of people as well as goods. Agility employs around 350 people at 16 offices in the UK business, including a number of EU nationals.

We have taken steps to retain and support our staff so that we can comply with any new legislation, including making sure they have the right documentation and understand what they need to do in the event of a no-deal Brexit.



Co-ordinated approach

Leaving the EU will clearly have an impact on Agility's European business too. We're keeping our European colleagues apprised with what's happening in the UK and they are sharing their plans with us so we can have an end-to-end solution for our customers. A co-ordinated approach across Europe is crucial.

So far, our business volumes haven't been impacted dramatically by Brexit. However, we're seeing indications of how the market profile might change, with some customers moving part of their inventory from the UK to EU alternatives and conversely EU based companies increasing their inventory levels in the UK.

That fallback contingency is something a lot more companies could pursue if there is no deal. Conversely, we're also seeing some non-EU companies starting to think about having separate distribution centres – one for the EU and one for the UK.

Future opportunities

These are certainly unsettling times, but whatever the eventual Brexit outcome, especially if it's no deal, logistics companies operating between the UK and the EU will need to invest in new resources – be that people, systems or just moving inventory around. At Agility we have that investment ready to deploy so we can continue to serve our customers. However, the question at the front of our minds is precisely when to 'press the button' on that investment?

Brexit could certainly bring opportunities as well as challenges, but the key is for logistics companies to be as agile as possible in their thinking. For those with an entrepreneurial mind set, disruption can open new doors as other doors close. However, as it stands there's no getting away from the fact that it is far from certain as to when and how such opportunities will develop.

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