



Three Benefits to UK Businesses in Post-Brexit Britain

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Brexit continues to dominate the news and with the upcoming UK elections in June, many of us are still trying to decipher what we want Brexit to mean for us. Experts and commentators alike are still arguing the toss with regards to the long term global impact of the British exit from the EU, but since the referendum last July, some facts have come to light on the shorter term effects of Brexit on various areas of daily life.

Although inextricably linked, it is fair to say that economic impact is easier to predict than social impact - and while a positive outlook on the effects of Brexit on commerce from reliable sources hasn't exactly prevailed over the last eight months, I for one am getting tired of the extremes. We're fed either absolute doom and gloom or unrelenting optimism. Neither are particularly helpful or informative.

What do we know?

We know that Brexit has caused house prices to fall, we know the pound will continue to weaken for a period of time. Our Facebook feeds will trick us into thinking everyone we know feels the same way. Government has said very little by way of a definitive response or plan, to the extent that 'memes' are now being made of our MPs debating Brexit. Naturally, most of us are therefore basing our opinions on Brexit predominantly on speculation and taste.

Whatever your personal stance and regardless of who's ultimately right and who's wrong over where we're all heading, it's fair to say that rarely does having a negative attitude towards the inevitable benefit anyone. Likewise, approaching a potentially damaging situation with misguided positivity can leave you falling short of making a positively constructive decision.

I therefore had to ask the question, how can Brexit really be good for British businesses? We simply need to understand how and where we might spot opportunities in the economic rubble. Answering it, however, requires a critical eye. For small business owners in the UK, it is of course not much use thinking *It'll all be fine - it's out of my hands anyway* (while tempting), when British businesses are going to need to make some fast changes in order to adjust to the transition of leaving the single market. Changes could come about that impact all of us at levels we didn't even realise being EU-influenced.

So, after some lengthy research, here are three ways in which Brexit might benefit UK enterprise, and why:

1. Money-making opportunities through tourism

The weakened pound makes Britain a far more accessible holiday destination than it previously has been. Businesses that provide tourism services, or could do, will be seeking to capture the predicted rise in visits to the UK, promoting locations outside of London too and requiring other businesses to be created in order to serve visitors, such as cafes, bars, restaurants, shops, galleries etc. According to a 2009 study on the economic and social impact of tourism on small towns (Tsundoda and Mendlinger, May 2009),

“Studies on the impacts of tourism have shown that a destination’s population recognises economic and social benefits and costs of tourism on their community and lives. Economic benefits are usually regarded as the most important benefits of tourism and include increased employment opportunities, income generation, tax revenue and improved standard of living. Social benefits include the maintenance of traditional cultures, increased intercultural communication and

understanding, improved social welfare, quality of life, improved shopping and increased recreational opportunity.”

While it's important to note that taxes may increase to pay for expanding infrastructure, making office space and shop fronts more expensive, it will lead to house prices increasing again and new opportunities that wouldn't be there otherwise. On the whole, tourism brings huge benefits to enterprise and has a direct, overall positive impact on society as well. And as you can see you won't have to be in the tourism industry to reap the benefits.

2. Pivot on the declined sterling

Brexit has caused the pound the drop and for businesses that rely on export to the EU, this has been problematic. While for the most part trade appears to have carried on as normal for those businesses, many have had to offset losses incurred due to the worsened exchange rate by increasing prices for their customers. And for these businesses also, demand for their products comes from within the EU, not Britain.

While B2B may see increases in orders as a result of the weakened pound, B2C sales could be impacted by external factors such as media depictions of British businesses, and popular opinion on Britain voting to leave. Competitors could decide to ride the wave and create competitive products and services within the EU member states, posing a threat.

Doom and gloom to one side though, there have been reports of UK-based businesses using the situation to their advantage. In a recent Telegraph article, Tony Hague,

Chairman of the Manufacturing Assembly Network based in Birmingham describes how his business has managed,

“We’ve leveraged the weak sterling situation to make ourselves more competitive and accelerate orders. Between the nine companies [of our small manufacturing and engineering businesses network], we’ve picked up in excess of £2m of new orders from Germany, Poland, Holland and the US.

“We would like the government to outline our ‘exit’ and ensure we strike the best possible trade deals for the UK. The initial backlash of Brexit hasn’t been as bad as first thought. If anything it’s generated an unexpected opportunity.”

Not all business owners might see the same level of opportunity, but if you were to brainstorm all of the possibilities of how the weakened sterling might present opportunities to those within the EU, it would be interesting to hear what business strategies you might be able to employ to leverage those opportunities and create a win-win.

3. Possible relaxation of employment laws

There has been much concern about freedom of movement for EU nationals working in Britain. Diversity brings a multitude of economic advantages, and the government have yet to outline a plan for EU workers’ rights in Britain, nor have they addressed employers directly. Businesses who rely on a workforce of EU nationals are worried about how they’ll be impacted and with employment being one the biggest costs to British businesses, it is clear to see why Brexit’s impact on employment is such a contentious one.

With that said, statistics on the government website show that employment in the UK has increased since the referendum last year with 312,000 more people in work in November 2016 than a year previously. The employment rate was 74.6%, the joint highest since comparable records began in 1971.

There are many possible reasons for this, but lack of opportunity doesn't seem to be playing a big role in pre-Brexit Britain. It is clearly not in our economy's best interests to negatively impact businesses by impeding opportunities for growth, and preserving the nation's wealth is a dogmatic part of our Conservative party's principles, so some business owners are expecting a relaxation of employment law in Britain.

As it stands, the EU presents a lot of red tape and admin relating to employment of its members. Post-Brexit, laws will be debated and created in British courts without the same level of bureaucracy. While there is so far little recent information to confirm changes to employment laws that might benefit UK businesses, it is a reasonable deduction looking at Parliamentary discussion around the wider context of employment in relation to Brexit.

During the House Of Lords questions on Brexit, the single market and workers' rights on January 16th 2017, Lord Prior Of Brampton acknowledged the alternatives to complex international agreements,

“When one looks at the performance of the UK economy, what absolutely stands out above all else is that in many industries our productivity levels are too low. Increasing productivity in this country, partly through better training and skills but also through more investment in the research base of this country, is the best way to increase our trade overseas.”

In relation to the employment of security guards during written questions on April 27th 2017, he goes on to argue,

“The availability of atypical or non-standard forms of employment provide a number of benefits for workers who cannot or do not want to commit to ‘standard’ full-time employment.”

If business owners are able to look forward to more flexible employment contracts, they can attract and retain talent that’s better suited to their specific business model, the benefits of which will go both ways. The world has changed and continues to change at a rapid rate. There’s no use fighting it - we must acknowledge that workers and business owners alike are looking for more personalised alternatives to the traditional 40-hour work week.

So here are just three, but highly impactful, ways of looking at Brexit in relation to UK enterprise. And as I started researching this article, I’ve come across many more too. Each one can be counter-argued with risks and of course this is an unsettling time in which no-one has the answers. There is arguably no plan, and most people are completely confused. Yet in amongst the fear of it all, when you look, there are positive yet pragmatic changes to business that will come about as a result of Brexit. Some will happen to us and others we’ll have to initiate, but as long as businesses continue to evolve rather than react, there may just be big opportunities waiting to be discovered.

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