

The Brexit storm

**How procurement and
supply chain professionals
are tackling the issues**

Second edition including all results
of the Brexit surveys



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In my preface to the second CIPS Brexit report I talked of 'ticking clocks' and the need to put a stop to political procrastination and provide clarity and certainty. Time has moved on and procrastination abounds, with an amount of political grandstanding thrown in for good measure. Meanwhile organisations such as yours are no clearer on what the trading environment post March 2019 will look like. The Government's ambition is to create as frictionless a trading environment as possible, which would entail continued membership of the Customs Union for a further two years. At the same time, there is an ambition to make customs procedures as 'fluid' as possible, with the new Customs Declaration Service (CDS) replacing the Customs Handling of Import and Export Freight (CHIEF) system. The Government is rolling out a trusted trade system for customs declarations, similar to the current process of granting Authorised Economic Operator (AEO) status, which gives quicker access to certain simplified customs procedures.

Then there is the issue of Northern Ireland which is becoming a very real case study of the issues that Brexit is likely to present. A physical border would be a political and economic nightmare. A customs union within Ireland is politically difficult to envisage and would effectively create a 'backdoor' into the EU post-Brexit. In an environment where answers to the key issues appear to be in short supply and with less than 12 months until the UK exits the EU, the Prime Minister is creating 'breakout groups' in her cabinet to see if they can 'brainstorm' a solution. It is difficult not to reach the conclusion that such thinking should have happened a significant number of months ago. There is an increasing requirement, on the part of UK businesses, for an amount of speed and momentum to be injected into government thinking and the negotiation process. At this point in time, the UK is in danger of sleepwalking into an ill-conceived Brexit.

Against this background, the third CIPS Brexit report provides interesting data on the actions and mind-set of procurement professionals. Two-fifths (40%) of UK businesses with EU suppliers stated that they could not prepare for Brexit as there was insufficient information on future trade agreements.

At the same time, nearly one third (32%) have increased their prices as a result of Brexit, while two-fifths (41%) plan to increase their prices in the future in order to offset the potential costs of Brexit. While the impact of exchange rates had diminished slightly, three-fifths (61%) of UK companies with EU suppliers confirmed that reductions in the value of sterling had increased their supply costs. All in all, it would appear that the costs of Brexit are now starting to work their way through to consumers and organisations find it difficult to absorb cost increases without increasing prices.

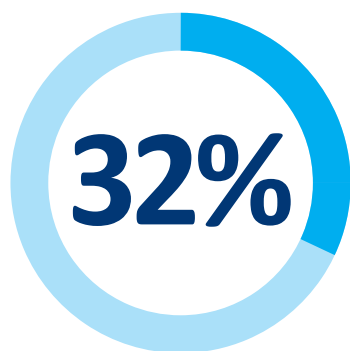
The potential downside of Brexit appears to be front and centre of the short term economic impacts of the UK's decision to leave the EU. Increased costs that are being passed onto consumers in the form of higher prices are the clear manifestation of the downside of Brexit. In fact, the Bank of England's Governor Mark Carney recently stated that Brexit has already cost households £900 a year.

We now need strong and visionary political leadership if Brexit negotiations are to yield any benefits which will offset these very transparent costs of our decision to leave the EU.

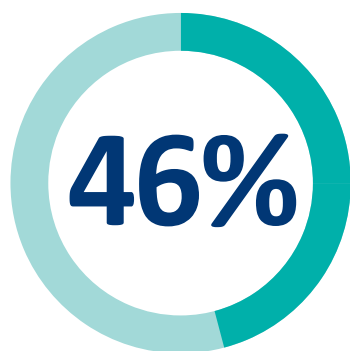
About the Survey

These findings were drawn from two surveys of 2,204 and 214 supply chain managers respectively as part of the third tranche of activity. The respondents were from across the globe and were asked for their views and reactions towards Brexit. The surveys ran from 6th February to 19th February 2018 and 5th to 13th March 2018 inclusive. There were 1,205 UK businesses, 131 EU businesses, and 751 businesses from the rest of the world involved in the first survey. All 214 respondents from the second survey were based in the EU.

Summary of the first CIPS Brexit survey with key findings



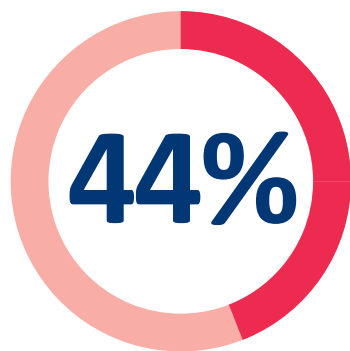
UK businesses who use EU suppliers are looking for British replacements



European businesses expect to reduce their use of UK suppliers



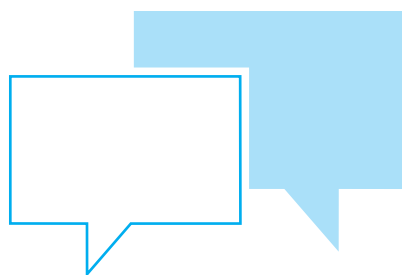
UK businesses plan to respond to Brexit by beating down supplier prices



Risk analysis is high priority – 44% are performing a risk analysis exercise

It was clear that businesses in the UK and EU were both making preparations plans to sever supply chains, at least in part.

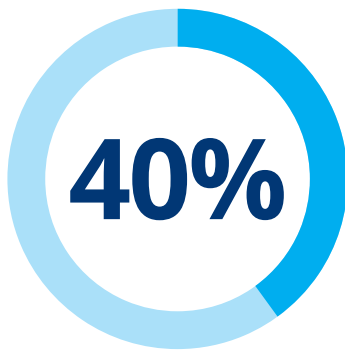
- 32% of UK businesses who use EU suppliers are looking for British replacements
- Nearly half (46%) of European businesses expect to reduce their use of UK suppliers
- 36% of UK businesses plan to respond to Brexit by beating down supplier prices
- The UK's "weak negotiating position" is seen as the biggest hurdle in trade talks
- Risk analysis is high priority – 44% are performing a risk analysis exercise



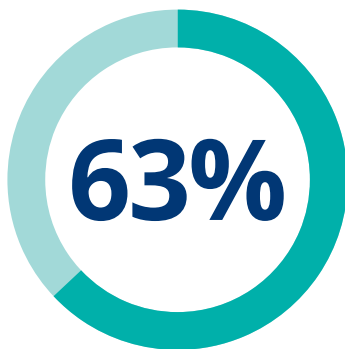
The UK's "weak negotiation position" is seen as the biggest hurdle in trade talks

May 2017

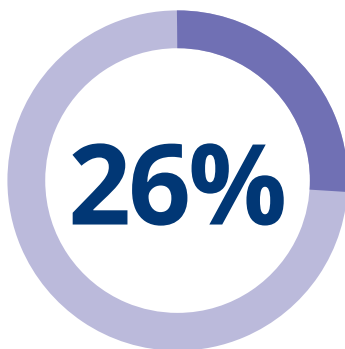
Summary of the second CIPS Brexit survey with key findings



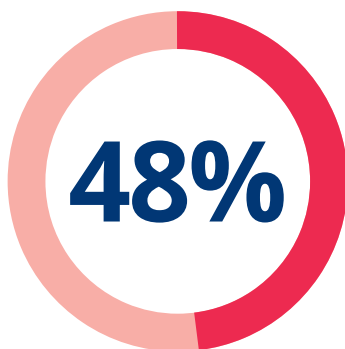
UK businesses who use EU suppliers are looking for British replacements



European businesses supply chains outside UK



UK businesses suppliers outside EU



Risk is high as firms are performing a risk analysis exercise

Businesses in the UK and EU continue to both make preparations and plans to sever supply chains – at least in part.

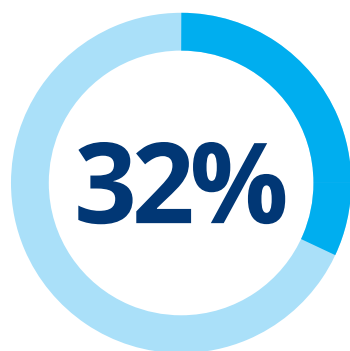
- 40% UK businesses who use EU suppliers are looking for British replacements
- 63% of European businesses expect a bigger portion of their supply chains will be outside UK
- 14% of UK businesses with EU suppliers say part or all operations will cease to exist
- The UK's "lack of clarity on priorities" is seen as the biggest hurdle in trade talks
- Risk analysis is high priority – 48% are performing a risk analysis exercise



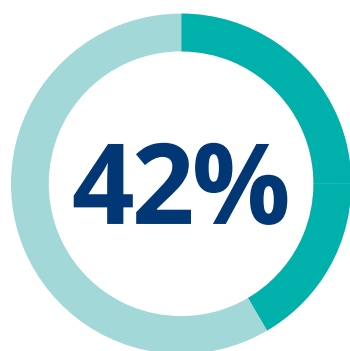
The UK's "lack of clarity" is the biggest hurdle in trade talks

November 2017

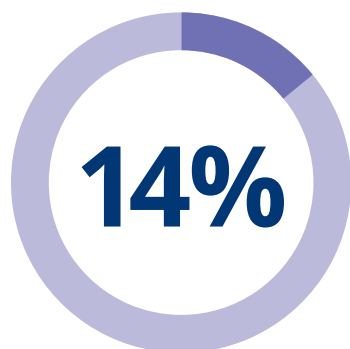
Summary of the third CIPS Brexit survey with key findings



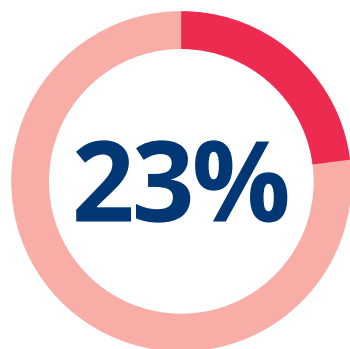
UK businesses who have increased their prices because of Brexit



EU supply chain managers say British products do not stand out



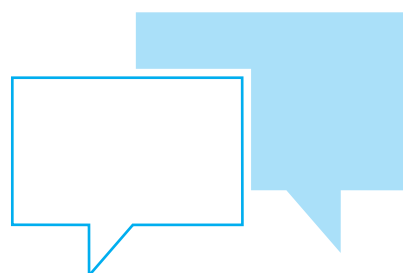
EU businesses with UK suppliers have moved parts of their business out of the UK



UK businesses plan to reduce their workforce

Consumers are already paying the price of Brexit, twelve months ahead of official separation.

- 32% UK businesses who have increased their prices because of Brexit
- 42% EU supply chain managers say British products do not stand out
- 14% EU businesses with UK suppliers have moved parts of their business out of UK
- 23% UK businesses plan to reduce their workforce
- 60% UK businesses with EU suppliers say currency fluctuations have made supply chains more expensive
- 11% EU companies have moved some of their workforce out of the UK since the vote.



Consumers are already paying the price of Brexit
March 2018

The case for UK business: summary of survey findings from UK supply chain managers with European suppliers

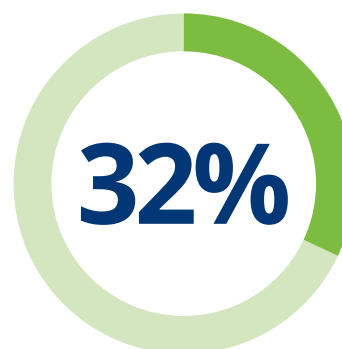
UK RESPONDENTS WITH EU SUPPLIERS

Currency fluctuations have had the most significant impact as three-fifths (61%) said it has made their supply chain more expensive. More than a quarter (27%) said they have had to renegotiate contracts with suppliers, while more than one in ten (12%) have postponed or cancelled contracts due to Brexit uncertainty. Conversely, more than a third (36%) said there has been no impact yet but expect to be affected in due course.

When asked if they had the skills to navigate and prepare for Brexit, more than two fifths (43%) said that they couldn't prepare as future trade arrangements are still too unclear. More positively, 19% said they can do a few things to prepare, but still aren't ready, and a further 19% said they can do a lot to prepare and are in the process of implementing their Brexit plan. Only 14% said they were fully prepared for Brexit.

Those that were preparing, were doing a number of things such as performing a risk analysis exercise (45%); looking for alternative suppliers inside the UK (36%); strengthening relationships with current EU suppliers (30%) and mapping potential costs of new tariffs (28%). Worryingly, a fifth (22%) had not done anything to prepare.

There was more evidence that suppliers will be in the frame if costs rise, as 41% said that they would push suppliers to lower their costs to make up for the shortfall.



Nearly a third (32%) of UK businesses with EU suppliers have already increased their prices as a result of the vote to leave the EU

A fifth (20%) said that a greater proportion of their supply chain would be based outside of the EU, and 12% said that part or all of their operations would no longer be viable.

When asked about how much businesses have invested in preparing for Brexit, over a fifth (22%) have spent somewhere between £10,000 and £100,000 while 21% said that they'd spent over £100k so far. More than a third (37%) said that they'd spent virtually nothing.

Once again, reducing red tape (73%) and keeping tariffs and quotas on goods and services traded between the UK and Europe to a minimum (74%) was of key importance, along with maintaining consistent regulation (59%), ensuring free movement of workers (46%) and securing a transition agreement (41%).

When measuring the impact of Brexit so far on contracts with suppliers, 45% said there had been none, though 26% said they'd had to insert a clause in contracts with suppliers to renegotiate prices following currency fluctuations. Almost one in five (19%) added a similar clause to allow price renegotiation in the event of an increase in trade tariffs. A large proportion of respondents (22%) said it was difficult to secure contracts that ran after March 2019.

When asked how long it would take them to prepare for Brexit once the final deal has been agreed, more than a fifth (22%) said between 10 – 12 months. More than one in ten (11%) said it would take two years and a more confident 13% said between 4 – 6 months. Business prices were largely unaffected amongst 42% of respondents, but 27% didn't know either way. The size and quality of products remained largely unchanged for 58% of businesses, though 11% said that their firm was using more expensive materials to make products as a result of Brexit.

UK businesses were clear on the actions they would take to offset potential increases in costs resulting from Brexit in the future, with 58% confirming they would renegotiate with suppliers, 51% would find new suppliers, and 41% said they would increase their prices to protect profit margins.

Worryingly, almost a quarter said they would reduce their staff numbers to save money (23%). A confident 18% did not believe their costs would increase.

Looking to the future and new markets, the situation was relatively divided as almost one in five (17%) supply chain managers said they would build new supplier relationships in the EU (excluding the UK). Almost one in ten (9%) said UK only, while nearly one in five (17%) said they were looking at other EU member countries, excluding the UK. Those looking further afield were most interested in North America (9%), Eastern Asia (5%) and South-Eastern Asia (5%). Almost one in five (18%) said there aren't looking to establish new trading relationships, as they already have a robust supply chain.

The survey included 868 responses from UK companies specifically with EU suppliers, 74% from large corporates with more than 250 staff; 15% were from mid-sized businesses and 11% from small businesses. The manufacturing sector was the most significant contributor to the survey, accounting for almost a third (30%) of responses. Other significant contributors include the aerospace & defence sector (13%), energy and utilities (9%) and retail (7%). Some questions allowed for more than one answer.

What the third Brexit results revealed about individual sectors in the UK

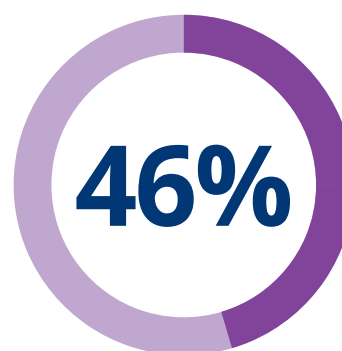
MANUFACTURING

UK manufacturers are raising their prices to offset any costs associated with Brexit to protect their margins and the future of their businesses. Almost half (46%) of manufacturers who responded to the survey said they had already increased their prices, with another 58% preparing to do so. This is significantly higher than the average across all sectors, most likely because the sector has been more adversely affected by currency fluctuations, with two thirds (67%) stating that this has made their supply chain more expensive.

The cost reduction programme doesn't stop there. A fifth (21%) of manufacturing companies said they would also reduce their workforce to manage Brexit costs. This is a threat to consumers already concerned about wage stagnation and inflation eating away at household budgets without having to worry about job losses too.

The cost-driven focus in the sector also means there is the expectation of support from suppliers and cheaper input costs at a time when purchaser-buyer relationships have become more strained. More than one in ten (14%) procurement professionals said their relationship with suppliers has become strained, while more than a quarter (26%) have had to renegotiate contracts with suppliers.

Across all sectors, 35% of UK businesses who work with suppliers on the continent are actively looking for alternative suppliers based in the UK as a response to the Brexit referendum. The manufacturing sector posted a higher response, with almost half (49%) looking to move their supply chain to the UK.



Almost half (46%) of manufacturers have already increased their prices as a result of Brexit

The potential threat of trade tariffs and customs delays is prompting manufacturers to onshore their supply chains to the UK, but it is unclear whether there are suitable suppliers within the UK for them to work with.

It is crucial that UK manufacturers, and businesses more widely, don't burn their bridges with their EU contacts, but instead work to build stronger relationships with European partners. Almost two fifths (36%) said they are already working to strengthen relationships with EU partners, but it is crucial that other manufacturers adopt this strategy too.

The survey included 193 responses from UK companies specifically in the manufacturing sector, with three fifths (60%) working at large businesses employing 250+ members of staff. A quarter (24%) were from mid-sized businesses and 17% were from small businesses. 95% said they had international supply chains with some European suppliers. Some questions allowed for more than one answer.

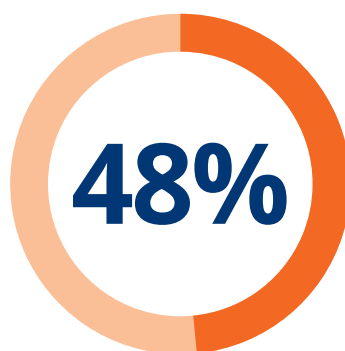
PUBLIC SECTOR

The UK public sector is struggling to make headway in Brexit preparations, with almost half (48%) stating they can't sufficiently prepare due to uncertainty around future trade arrangements. Only 13% said their supply chains are fully prepared for Brexit.

Many are still hanging back and performing risk analyses (40%) as the situation changes daily, but others are also looking for alternative suppliers in the UK (23%) or strengthening relationships with European suppliers (13%), as they look to maintain important contacts. A confident 12% said they were fully prepared for Brexit.

There were also varying levels of budget assigned to Brexit strategies as 11% have spent less than £10,000 so far and 25% have spent over a £100,000. However, almost half (46%) said they'd spent nothing as they remain unsure about what to do.

The public sector is already starting to feel the effect of Brexit, with almost half (45%) stating that currency fluctuations stemming from Brexit have made their supply chain more expensive. When asked about the possible impact of Brexit on costs over the long-term, buyers said they would offset costs by either renegotiating contracts with suppliers (52%) or finding new suppliers (33%). Worryingly, a third (33%) said they would push supplier costs lower to cope with the long-term impact of Brexit, which is likely to put pressure on many smaller government suppliers. Almost a quarter (24%) were sure that Brexit would not increase costs for their department.



**Almost half (48%)
can't prepare for
Brexit as future
trade arrangements
are too unclear**

When asked about building new supplier relationships, more than one in four (27%) said they didn't know which region they were interested in to be able to plan sourcing strategies. Businesses can respond to Brexit by spreading risk between several different suppliers. Multiple sourcing allows organisations to switch suppliers quickly if unexpected currency fluctuations, customs delays or tariffs start to cut into their bottom line.

The survey included 357 responses from the public sector, with almost one in five (19%) being based in London, 16% in the South West and 11% in the North West. Central Government accounted for 29% of respondents, while 22% were based in local councils, 15% in the NHS and 11% in education. Large organisations made up 90% of respondents. Some questions allowed for more than one answer.

AEROSPACE & DEFENCE

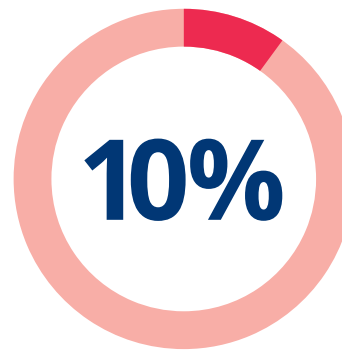
The aerospace and defence sector was quite robust in its approach to Brexit as one of the sectors most likely to experience more difficulties as the UK leaves the EU.

The sector has responded to potential Brexit-related costs by not only renegotiating contracts with suppliers (51%) but also looking to find new suppliers in the UK and elsewhere to mitigate the impact on their business. Two fifths (40%) said currency fluctuations had made their supply chains more expensive since Brexit, a quarter (24%) said that they would increase their own prices to clients and 11% had already gone ahead and passed on their costs to customers. More worryingly, a fifth (20%) said they would reduce their workforce if costs were to increase as a result of Brexit in future.

Brexit has also started to impact contracts, with one in ten (10%) businesses having lost contracts as a result, while 14% are experiencing difficulties in securing contracts that run after the March 2019 Brexit deadline.

In an effort to hold onto their margins, some firms had already added new clauses to their contracts with suppliers to allow prices to be renegotiated following currency fluctuations (20%), while 14% have added similar clauses to trigger renegotiations if trade tariffs increase. Conversely, three fifths (61%) reported no change at all to contracts since the vote to leave the EU.

Though half seemed confident of the way forward, almost half of the businesses polled were considering their options as 48% were still performing risk analyses. Could this be interpreted as either responding to the regular changes in mood and progress of the negotiations or hesitating to take any action and reacting to any news with new risk consideration?



**One in ten (10%)
businesses have
lost contracts as a
result of Brexit**

That aside, 33% said they were covering their options and strengthening their relationships with suppliers, 31% were looking for alternative suppliers inside the UK and 27% were looking for alternative suppliers outside of the EU.

The survey included 82 responses from aerospace & defence firms, with the majority of respondents (81%) working at large businesses with 250+ employees. Mid-market firms accounted for 16% of responses and 4% were small businesses. Regionally, the greatest proportion of responses came from the South West (19%), the North West (19%), South East (16%) and the East Midlands (14%). Most of the respondents had international supply chains with some European suppliers (94%). Some questions allowed respondents to select more than one answer, meaning that percentages do not always add up to 100.

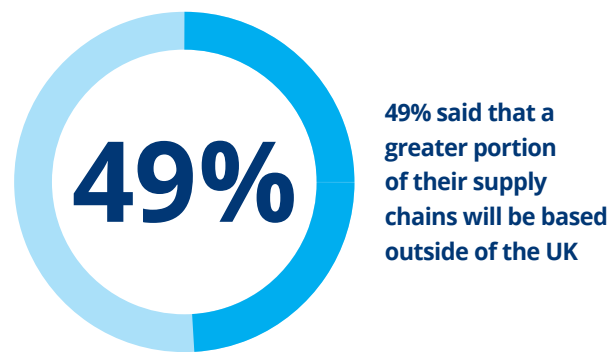
The situation in Europe – summary of third survey findings from European supply chain managers with UK suppliers

EU supply chain managers in the manufacturing sector accounted for the largest proportion of EU respondents to the survey, and were largely positioning themselves in a waiting room of sorts. Almost two thirds (63%) said there had so far been no impact to their supply chains but expected there to be in due course. Currency fluctuations making supply chains more expensive was the second most popular response at 24%.

This was backed up by responses to the question on whether supply chain managers feel that they are able to prepare for Brexit, where more than a quarter (28%) of respondents said that they were able to do some things to prepare, but were not ready. Another quarter said they couldn't prepare as future trade agreements were still unclear (28%) and 24% said they were completely ready, significantly more than the 14% of UK businesses with EU suppliers who said they are fully prepared.

Perhaps the most concerning figure from these results was that almost half (49%) of EU supply chain managers with UK suppliers said a greater portion of their supply chain would be located outside of the UK, with 29% saying this would be within the EU. Over a tenth (14%) said that their operations would no longer be viable at all and a fifth (20%) said there was no impact.

This last point correlates with a large proportion of respondents (39%) that said they have done virtually nothing which included no renegotiation of contracts, or developing teams to look at the potential issues. Though the second highest response at 14% said they had spent £100k plus on preparations already.



EU supply chain managers were split in their views on what they believed the priorities during the Brexit negotiation process should be. Over half (56%) said that keeping tariffs and quotas on goods and services between the UK and Europe to a minimum was a top priority, along with keeping levels of red tape down (53%). The third most popular response was maintaining regulatory consistency between the UK and Europe (48%) such as conflict mineral regulation. Securing a transitional agreement was important to 31% of respondents.

When suppliers were involved, two fifths (40%) said there was no impact on their contracts with suppliers, though almost a quarter (23%) said they'd changed suppliers as a result of Brexit and a further 22% said they were finding it difficult to secure contracts that run after March 2019, the Brexit deadline. Once the future trading relationship between the UK and EU has been agreed, most supply chain managers thought they needed between 4-6 months to prepare (23%) or 10 – 12 months (20%) and 18% simply did not know.

Shortly after the Brexit vote was announced, several UK firms declared that the weak pound made doing business significantly more expensive, pushing up their prices as a result. This appears to not be the case for the majority of European supply chain managers, as over half (51%) said that Brexit had not affected their prices at all. A small percentage at 9% said prices had been affected by a margin of 0.1 to 1%.

Following reports in the media that suppliers had changed the quality or size of their products, we asked European supply chain managers whether this had also been their experience with their own product offerings. The majority (67%) said that the size or the quality of their products were unchanged since Brexit, but 7% said they were using more expensive materials and 3% said their products were smaller as a result.

When asked how they would offset any potential increases in costs resulting from Brexit in the future, more than three fifths (62%) said they would find alternative suppliers, almost half (48%) said they would renegotiate contracts with suppliers, and a quarter (25%) said they did not expect Brexit to increase their business costs. Around 13% said they would increase costs to their own customers to offset any additional costs they encountered as a result of Brexit.

When building new supplier relationships, European supply chain managers are planning to focus their efforts on EU member countries and not the UK. They were however split in their opinion about onshoring. Over a third (36%) said it would be less expensive to work with local suppliers compared to UK suppliers and the same proportion (36%) said it would not be any different than working with a UK supplier. A significant one in ten (10%) said that it would be more expensive to work with a local supplier compared to a UK supplier, and the same proportion of respondents (10%) said that they would find it difficult to find the suppliers and skills they need.

One of the most concerning results from the survey showed that more than two fifths (44%) of European managers think British products do not stand out from the crowd, though more than a fifth (22%) highlighted the strong heritage and tradition associated with the UK's products and services, so that's something to build on.

The largest number of businesses responding to the survey came from Western Europe (53%) with 13% from Southern Europe, 12% from Eastern Europe, 11% from Central Europe, and 11% from Northern Europe. The private sector comprised the biggest number of responses at 83%, public sector at 12% and not for profit, 5%. Sectors represented included Central Government (22%), education (22%), health (11%), and other (33%). The manufacturing and engineering sector were the biggest responders at 25%, followed by Fast Moving Consumer Goods at 14%, energy and utilities at 9%, professional and business services at 11%, Pharmaceuticals & Life Sciences at 9%, and transport and distribution at 6%. The other sector responses were below 5%.

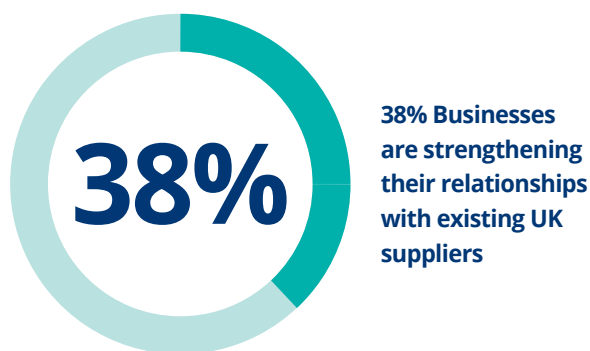
What the rest of the world thinks:

Summary of the third survey findings from supply chain managers outside Europe

When supply chain managers outside of Europe were asked how they are preparing for the UK's departure from the European Union, 47% said they were performing a risk analysis exercise, 38% said they were strengthening their relationships with existing UK suppliers and 36% were looking for new suppliers and 33% were already mapping the potential cost of new tariffs.

Looking at the actions taken in preparing for the UK's departure, and the amount of budget spent in those preparations, almost half (49%) said they'd spent virtually nothing where 13% said they'd spent over £100k and another 13% had spent less than £10k.

We also asked non-European (not including UK) supply managers what reputation they thought British goods had in their markets – one in ten said they didn't 'stand out from the crowd', which will be a concern for UK companies trying to find new customers in new markets and competing against their European counterparts.



The good news however, is that 22% of those questioned believed that British goods were luxury and high-quality, 15% believed they were competitively priced, and 23% said they were 'reliable.' New product creators will be pleased to know respondents thought British goods were innovative and cutting edge.

Where to go for more information

Six tips on how procurement can help organisations prepare for Brexit:

- **Audit your supply chain from end to end**
Dig deeper into your supply chain to find any hidden European suppliers. Not just auditing supply chains, and tiers, but where there are strategic categories or strategic suppliers. Some products or services might have been subcontracted to a European-based organisation.
- **Reassure and communicate continuously**
With supply chains in the spotlight, organisations will be looking to procurement to lead. CIPS calls upon professionals to take the trusted advisor's role, listening to concerns, reassuring business that supply chains are robust and protected.
- **Prioritisation and risk analysis**
Identifying potential problem areas and prioritising them is key. Take a proportioned, segmented, risk-based approach.
- **Contract review – current and planned**
Be on top of all your contracts so that when Brexit arrives, your organisation is not hit with any surprises. Review all contracts and understand which legal jurisdictions those contracts operate in and what currency.
- **Research and monitor**
Don't just look at contracts, also look at any deals on the horizon.
- **Research issues**
Broadly take into account legislation and trade issues that might affect the supply chain and come up with contingency plans to tackle them. Watch the news and Brexit negotiation developments.
- **Work cross-functionally**
Most organisations and departments are going through similar uncertainty, so it would be beneficial to all parties to share knowledge on how to minimise disruption.

More resources

- www.cips.org/knowledge
- www.supplymanagement.com

Gerry Walsh, Group CEO, CIPS

As we make our way towards the UK's exit from the EU, the results of our third survey leaves us much to think about.

In the first survey in early 2017, we were just a few months into the decision to leave and the pathway was totally unclear. Since then and now less than a year before we officially leave, we've experienced the bravado of swashbuckling entrepreneurs and their faith in departure, debates and confusion over immigration and resultant protectionism resonating around the world.

CIPS as the premier professional body for procurement and supply chain management continues to be a supporter of free trade, of global supply chains, ethical and sustainable procurement and trained professionals. The survey results are challenging this current scenario and highlights some worrying developments. From rising costs for goods we've become reliant upon including food, to overseas businesses leaving the UK, plus a reduced workforce and a lack of visibility and appreciation of British goods, these are all combined to create one big challenge. What can procurement do to navigate these uncharted territories where we are seeing a radically different world emerge.

In these headwinds of economic uncertainty and shrinking supply chains, our trained and qualified professionals have the skills and the responsibility to support their businesses through the Brexit process, which is hitting most sectors in the UK and beyond. In this report we only cover the automotive, public sector and manufacturing sectors with the biggest number of respondents, but this could have gone much wider, to include agriculture and banking, to services and education bodies reliant on EU grants or dependent in some way on what the EU offers.

Our agricultural industry, given its reliance on access to trade to labour and generous EU subsidies for example is at risk. Two thirds of our food exports go to the EU, farmers are dependent on workers to be available every season, and UK farmers rely on £3bn from the EU's Common Agricultural Policy for over half their income. Our services sector makes up four-fifths of the UK economy and two-fifths of exports, and though services are not physical goods, they are just as vulnerable to tariffs and red tape. Any impact on them will ultimately have an impact on the UK's GDP. The survey also shows that even if these barriers were instantly removed, the average reputation surrounding British goods will be less easy to shift. Products from the UK will be more difficult to market in a post-Brexit world, even with the leg up of a weak pound and offer of cheaper goods to our overseas customers.

It appears that as we are increasingly moving towards a hard Brexit, this is something the Government and business will have to work together to resolve. We will have to show greater creativity, a sea-change in leading-edge design, improved functionality in our supply chains and to build greater and stronger networks with skilled professionals to ease us through. Procurement and good management of supply chains can not only help but lead the way to this new future.

As these results show, we have a long way to go yet before the situation stabilises and businesses and consumers feel more confident about the roadmap and what it means for them. Consumers will be worried about the impact on their finances while businesses will be concerned about being able to recruit for the skills they need and hold on to their profit margins. UK businesses have also lost contracts and if one in seven EU businesses have already moved all or part of their business out of the UK already, we need to act fast and decisively to stop any further rot.

July 2018

About CIPS

CIPS, is the world's largest organisation dedicated to the profession. We are the voice and standard of procurement and supply across the globe.

Working for the good of the profession and the public by continually driving improvements in supply chain practice.

CIPS champions the raising of standards in the profession through:

- Professional qualifications, culminating in MCIPS membership and Chartered Status
- Leading-edge thinking and research through the CIPS Knowledge area of our website
- Actively lobbying world governments and driving the professional agenda at every level including the boardroom.

Licensing the Profession

CIPS has called for Licensing the Profession to raise the status of procurement and supply, recognise individual excellence and engender public confidence and is supported in this aim by the United Nations Development Programme.

MCIPS is the Licence for the Profession

Recognising a higher level of understanding and ability.

Global Standard

CIPS has established the Global Standard for procurement and supply, which is free to all and identifies current operating levels of skills, abilities and capability gaps.

Ethical Procurement

CIPS champions the ethical procurement agenda, which includes driving out corruption and modern slavery, and builds greater confidence in the profession by:

- Licensing procurement and supply professionals
- Bringing attention to, educating and affecting behavioural change in individuals and organisations
- Holding our global membership to account through our Code of Conduct, Ethics Test and Chartered Status.

Working with governments, humanitarian world organisations and industry to raise awareness of sustainable procurement practices and legislation, and drive out corruption and modern slavery in supply chains.

"Procurement and supply management teams have made considerable progress in trying to understand the issues and mitigate any possible disruptions as a result of the UK's exit."

Dr John Glen, CIPS Economist and Visiting Fellow at the Cranfield School of Management

Next CIPS Brexit survey – launching later in the year

To monitor the changing landscape on the path to Brexit, CIPS will be conducting regular surveys to see how confidence changes, whether procurement and supply chain professionals take significantly different actions towards the end of the negotiations than at the beginning, and what impacts these will have in the UK and beyond.

About CIPS, the Chartered Institute of Procurement & Supply

The professional body

CIPS, a not-for-profit organisation that exists for the public good, is the voice of the profession, promoting and developing high standards of skill, ability and integrity among procurement and supply chain professionals.

Quality guaranteed

Our qualifications are recognised by OFQUAL in England and regulators in various countries, demonstrating that they meet specific quality standards.

The Global Standard

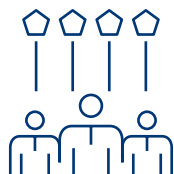
CIPS Global Standard in Procurement and Supply, which is freely available, sets the benchmark for what good looks like in the profession.

A commercial organisation

CIPS helps governments, development agencies, and businesses around the world to excel in procurement and supply, supporting them to improve and deliver results and raise standards.

A global community

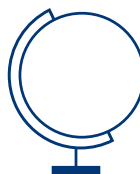
We are the world's largest professional body dedicated to procurement and supply with a global community of over 200,000 professionals in over 150 countries, and offices in Africa, Asia, Australia, the Middle East, Europe and USA.



Global Standard
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