

# Resilience is key for UK businesses post-Brexit

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Resilience has become a much used word in many contexts in the current pandemic – personal resilience, business resilience, NHS resilience and supply chain resilience, being referred to in media coverage and political debates.

But what is a resilient business?

*“One that is able to survive, thrive and create opportunities through time of crisis and change.”*

A manufacturing supply chain is complex and diverse and consists of many players. Typically with a key customer; a larger company that then buys in a range of supporting services through its supply chain. These can include a wide range of suppliers from design, research, prototyping, engineering, manufacturing, logistics, skills, IT, marketing, packaging, finance, quality, HR, work wear, catering, and stationary supplies.

Each of these suppliers will then have its own cascade of suppliers to support their company and the specific needs of key customers. As we go down the supply chain and get further away from the key customer the relationship and communication becomes more distant and businesses are more diverse supplying to a wider range of customers and sectors. Supply chains are flexible having to be responsive to change, varying demands and innovation.

So resilience is an important feature for every company and for supply chains in normal day to day work yet alone during periods of crisis and pandemics. Every business plays an interconnecting part in the supply chain and all behaviour has a knock effect up and down and across the supply chain. In this Covid period, we all need to be as resilient as we can for both today, tomorrow and the future.

Developing resilience is both complex and personal. It involves a combination of inner strengths and outer resources, and there isn't a universal formula for becoming more resilient. All people and all businesses are different: while one person might develop [symptoms of depression](#) or anxiety following a traumatic event, another person might not report any symptoms at all; one business may cease to trade as a result of the loss of a key customer, another may diversify and continue to grow.

A combination of factors contributes to building resilience, and sadly there isn't a simple to-do list to work through adversity. In one longitudinal study, a number of protective factors were identified as inherent in resilient businesses, these included whole business cohesion, and that people are a business's key asset particularly identifying strong leadership, good interpersonal relationships, along with sound financial understanding and footing. Across the supply chain we need to seek suppliers and customers who demonstrate characteristics of resilience – good communications, good forecasting, and clear processes especially re change, ability (and desire) to negotiate and listen. In supply chain management some key features of supplier selection and development help identify features of resilience. Reaching out to and using external resources and expertise is a characteristic of a resilient and strong business.

Some of the areas presenting resilience challenges for businesses today:

The ability to adapt business models in light of business interruption is key in periods of crisis, having a leadership team that can recognise early signs of change and distress, has good communication with both customers and suppliers is critical in being able to respond to business crisis's and develop and implement a response and recovery plan. As the announcement of England's second lockdown period has shown us, recovery plans need to be flexible and able to respond to external factors that are out of our control.

The current pandemic and Government encouragement to work from home has accelerated digitization in many areas. For manufacturing suppliers this is reflected in the adoption of industry 4.0 across manufacturing processes and in the ability to trade, communicate and market on online. Cyber-crime and security is critical in all

manufacturing digitization. For many smaller businesses this is a new skill set and requires investment, not only financial but in skills and training across the workforce.

Recent digital skills needs analysis has identified that 95% of the manufacturing workforce require IT upskilling, some as updating and some with more in-depth training. For many years we have known the manufacturing sector has an aging workforce and therefore its skills – new and traditional skill training is essential. Resilient companies have a training budget, training plans for all employees – at all levels, have apprentices, engage with local schools and colleges and celebrate success and achievement.

Keeping abreast of sector demands and changes is critical to long term business growth. Innovation in product and process is constant, the key drivers of digitization and decarbonisation across a number of sectors but currently are critical in the transport sector notably in the electrification of not only cars but buses and trains. All businesses in a supply chain have a need to keep abreast of innovation trends and how this impacts on their product, processes and services. Change is inevitable!

New legislation and changing regulations, again often driven by innovation and global demands particularly with regard to the environment. The UK's exit from the European Union highlights every businesses need to understand the changes and address areas of relevance. There will be something for every business to action and prepare for trading from January 2021. Good EU exit preparedness is an excellent sign of a resilient company.

There is information and support freely available for all the areas identified, please do reach out to your Trade membership organisation, Chamber of Commerce, Growth Hub, and Universities, along with your bank, accountant or legal advisors.

Now is the time to reach out and seek support, all these organisations have fully adopted the full range of work from home technologies across their teams to help every company become one that is able to survive, thrive and create opportunities through this time of crisis and change.