

Could collaboration trump the confusion of Brexit for auto makers?

By Thomas Leeson, OpenText

With [less than 150 days](#) to go before the UK leaves the EU, it's time for automotive manufacturers to ensure they're ready for the changes to come. But for many the uncertainty surrounding Brexit still remains. That's why [OpenText](#) has been working with the Centre of Brexit Studies at Birmingham City University to better understand the impact of Brexit on UK manufacturers in the automotive industry.

In our research, to be launched at an [upcoming symposium at Birmingham City University](#), we interviewed senior managers in the UK automotive industry to help us understand:

- What is the potential impact of Brexit on operations and supply chains, HR, compliance and customer communications;
- Are companies undertaking measures to be “prepared” for Brexit, and;
- What mitigating strategies, if any, do they have in place?

The findings of our research report show that UK automotive manufacturers remain uncertain about the future after Brexit, and unsure how best to address the upcoming change. The recurring theme of the interviews can be summed up in this automotive manager's quote: “We have a two-year transition period agreed, but government studies show that we need five to 10 years to put some systems in place. What do we do for the three to eight years after the agreed transition period?”

Brexit: A climate of uncertainty

Following statements from large manufacturers such as [Ford](#), [Nissan](#) and [Honda](#), our survey results reinforce that few within the UK automotive community are certain of the implications of Brexit. The interviews depicted a general climate of uncertainty with what's to come – and how to manage the change. Most participants were focused on finding strategies to navigate the potential disruption,

challenges and re-configurations of the UK's exit from the EU. Others were more concerned with the commercial landscape post-Brexit, and expressed a need for more information from the government to help them better prepare.

When asked, one respondent to the survey commented: "To understand Brexit at an enterprise level means combining multiple individual points of view, as well as regulatory changes. Seeing how one element of Brexit impacts another, and another is very challenging. As a big organization, we're trying to join up the dots and make sure that there aren't contradictions – that's a real operational challenge."

The majority of respondents agreed that Brexit continues to be a serious issue for the multi-national nature of automotive supply chains and the free flow of parts across borders; and that they lack the information required to plan accordingly. Amidst all this uncertainty, what should automotive manufacturers do to prepare for Brexit?

How can technology help?

Whatever the final outcome of Brexit, technology is going to play an integral part to ensuring the goal of ['frictionless trade'](#). According to the Centre of Brexit Studies, one approach is to place a greater focus on information sharing and collaboration between all parties in the supply chain to build the level of resilience needed to ensure continued business operations.

Alex de Ruyter, Director of the Centre of Brexit studies said: "In response to the potential impacts of Brexit, conventional approaches to reinforcing the supply chain have been to emphasize increased resilience. As such, it is argued that enhancing supply chain integration could help to build up a higher resilient capability."

"With information sharing, the 'bullwhip effect' – the distortion of demand information as one moves upstream in the supply chain, causing severe inefficiencies within the whole supply chain – could be minimalized and companies would be able to make proper responses to different situations."

In other words, with the right technology, automotive manufacturers can mitigate the potential disruptions of Brexit and increase the resiliency of and visibility across their supply chain. This enhanced insight will allow manufacturing organization to better prepare for uncertainty, supply chain disruption and impacts to the manufacturing process.

Get the insights you need

Improved [Enterprise Information Management](#) (EIM) lies at the core of any technology solution used to address the new – and likely fluid – trading environment that the automotive industry will find itself in post Brexit. For example, Advanced Shipping Notices (ASNs) could form a basis to facilitate pre-arrival customs clearance, reducing potential bottlenecks at the borders. Technology can help replace physical infrastructure to enable organizations to meet the new customs arrangements – but this will revolve around the quick, effective and intelligent sharing of information.

OpenText and the Centre of Brexit Studies are holding an exclusive ‘Brexit and the UK Automotive Sector’ event on 30 November 2018. This one-day symposium will feature presentations from academics and industry experts. A full copy of our research report will be available to all attendees. [Reserve your place today.](#)