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Brexit: a practical response strategy

Policy engagement

Following the EU referendum in the UK, businesses around the world are assessing what impact Brexit could have on their operations and relationships in the UK, the EU, and internationally.

At the moment, there are many unknowns. However, whatever sector or country you operate in, the sooner you are ready to engage with government to shape the impact of Brexit on your business, the greater the opportunities will be.

The following policy engagement steps will help you to optimize the business landscape for your business, your employees and your stakeholders.

- 1. Set up an internal “Brexit Taskforce”.** Include any internal public affairs specialists in your Brexit Taskforce, and ensure that government engagement is placed within the Brexit Taskforce’s remit.
- 2. Analyze.** As part of its analysis of your business and the market, your Brexit Taskforce should identify the potential areas of change that may arise, or which your business would like to arise, as a result of any action undertaken by the UK or EU governments while navigating Brexit.
- 3. Evaluate and focus.** Once you have a detailed picture of all potential impacts (positive and negative), identify those issues that are business-critical. Some will be “big picture”, such as whether the UK remains in the single market, and some will be more specific to your industry and business. Your Board and Brexit Taskforce must then focus on the priority areas and not get distracted by those that are less critical.
- 4. Appoint advisors.** Identify suitable external advisors to work with you to develop and deliver your strategy. They should have expertise in intelligence gathering, and be able to act as credible negotiators on your behalf in the UK, Brussels, other major EU Member States and internationally. Bear in mind that the decision-making processes in the UK and at an EU level will take place in a complex competitive environment: the most credible and informed voices will have a better chance of being heard.
- 5. Be ready to engage.** Along with your external advisors, develop clear legal and commercial arguments as to why your objectives should be taken into account in Brexit negotiations and arrangements. The UK government has stated that it will listen to sound economic, social and commercial representations from the business community and that every business should seriously seek to engage in a constructive and pragmatic manner. The European Commission will be no different, and EU Member States are already actively listening to their industries to shape the roadmap for the Brexit negotiations.
- 6. Articulate your response.** Develop clear briefing materials. These should make constructive suggestions as to the optimum outcome for your business and should include the arguments that support your strategy, as well as countering any known strategies of competitors. Keep your messages consistent. Consider how you might broadcast your views to a wider audience (or persuade others to do so) by publication of articles in newspapers, journals and social and other media.
- 7. Find allies.** Your business needs may be very similar to those of other companies in the UK, EU and beyond. Look for like-minded thinkers with common ambitions. If appropriate, build new contacts and coalitions. If you are a member of a trade association, make sure you get your voice heard. Seek out well-respected third parties who might support your negotiations and help to have a strong say in Whitehall, the Berlaymont, and EU Member State capitals, as well as within influential media.

A practical response strategy

This note addresses one element of a practical strategy to respond to Brexit. Your overall strategy should cover the following key elements.

Organize a “Brexit Taskforce” to capture insight from across your business.

Analyze potential impacts or changes that your business would like to drive.

Inform your Board and wider business of the possible implications of Brexit and the approach your business is taking to it.

Capitalize on opportunities generated by uncertainty and change.

Prepare by taking steps to mitigate potential risks and developing a detailed plan to move quickly as clarity emerges.

Engage with government in the UK, EU and beyond, as well as with other key stakeholders.

Further details on this overall practical response strategy are available at hoganlovells.com/brexit

8. Identify targets. Identify the key political stakeholders and influencers with whom your business must engage. Mapping the relevant officials and departments is a vital preparation process for effective and strategic engagement, and this information should be kept up-to-date. It is also important to remember that some EU Member States will have strong views on the future of certain sectors, and there may well be value in engaging with their governments too.

9. Be constructive. As you start to engage with the UK government, EU Member States and the EU, consider carefully how your business can assist at this challenging time – what can you offer to help them navigate uncharted waters and to secure the best deal?

10. Stay ahead. As more clarity starts to emerge, continue to tailor and develop your strategy. Be ready to influence any future trade deals with third countries when negotiations commence, and to do so on both sides of the discussion. It is never too early to build up your international contacts base, focusing on your business's key markets.

Planning for Brexit is likely to be the biggest strategic challenge for many businesses in the next decade. Our dedicated Brexit service combines experienced, sector-focused legal counsel with political monitoring and government, stakeholder and media relations advisors.

We can help you to analyze your current environment; develop a strategy for shaping the law, regulations and arrangements that most affect your business; work alongside you to engage with the right decision-makers in government using the most persuasive arguments; and advise you on the business impact of each development as it happens.

For more information, contact members of our Government Relations and Policy Advocacy team in the UK, EU and our global network using the details below, or via Brexit@hoganlovells.com.



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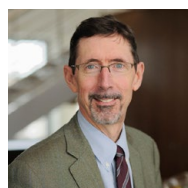
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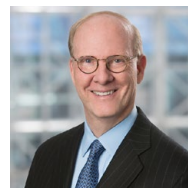
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