



# Supply Chain Resilience & Brexit

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# Federation of Small Businesses

- Established in 1974 to lobby on behalf of our members
- 170,000 members across the UK
- Largest sectors: retail (20%), professional services (18%), manufacturing (12%)
- Average number of employees working for member companies: seven employees
- 5.7 million SMEs in the UK



# Small Business & Supply Chains

- 77% of small businesses within the UK are part of supply chains
- 17% of small businesses operate their own global supply chain and  $\frac{3}{4}$  of these supply chains move through the EU single market.
- 1 in 10 of small firms are part of another company's global supply chain – with the majority (89%) of these moving through the EU single market.
- So 21% of small businesses could be meaningfully affected by these changes
- Of those small firms operating supply chains operating through the EU, 20% would consider moving all or some of their supply chain to the EU single market .
- By contrast only 9% would of this subset would consider moving more or all of their supply chain to the UK

## Impact of Brexit

1 in 5 small firms with an **EU supply chain** will consider **moving more or all** of their supply chain to the EU





# Brexit Impact on Small Suppliers

“I can already see my input costs rising. At the same time, my export customer base is getting a bit shaky. Relocation of the business to the continent looks like the most viable solution”

- FSB importer/exporter

“We already have some impact ... companies we are trading with in the UK are pulling their marketing budget, because they had EU-funded projects and they are concerned about how they will continue working with their EU customers.”

- FSB exporter

# FSB Brexit Pack



## Small Business Brexit Pack: Introduction



FSB wants to see a good pro-business deal reached with the EU. We firmly believe this will be in the best interests of smaller businesses in both the UK and the EU. However, with the day on which the UK exits the EU fast approaching, we have a responsibility to help our smaller businesses:

a) Understand the Withdrawal Agreement including EU Commission and UK Government 'backstop' propositions to avoid a hard border on the Island of Ireland;

<https://www.fsb.org.uk/standing-up-for-you/brexit/introduction>



END STATE BREXIT SCENARIOS



Principles of good contingency  
planning/business continuity planning



**What should small  
businesses be thinking  
about in the eventuality of a  
no deal?**



# How to Improve the Supply Chain Experience

- Increasing practices that support innovation & skills development in small suppliers
- Exploring what more can be done to improve supply chain resilience, such as through tackling poor payment practice
- Increasing efficiency, both within supply chains and across the economy as a whole, through reducing 'blue tape' and regulatory burdens








# Thank you

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