

Staying ahead of the 'Brexit curve' (as the impact grows)

The overall prospects for the UK economy and our trading relationships with the rest of the world, even as we now leave the EU, are still as uncertain as they have been since the referendum in 2016.

However the looming realisation that Brexit is now happening should make businesses and especially law firms and other professionals (for themselves and their clients) focus harder on the impact it may have on them.

The eventual outcomes that emerge from the UK leaving the EU will be hugely significant for professional firms – but they won't be completely clear for some time. What can the leaders and managers of professional firms do in this situation? Some are likely to take one of the following options:

1. To try and ignore it, or pretend that it won't impact the firm because "We have an exclusively UK practice!";
2. Consider the complexities involved but drift into paralysis as "there are still so many unknowns.";
3. Focus on reacting to the outcomes that they hope will happen, or feel are most likely; or
4. Understand that the range of options is beginning to crystallise both for themselves and that many of their for their clients are hungry for help and insight from them. This is an area of opportunity.

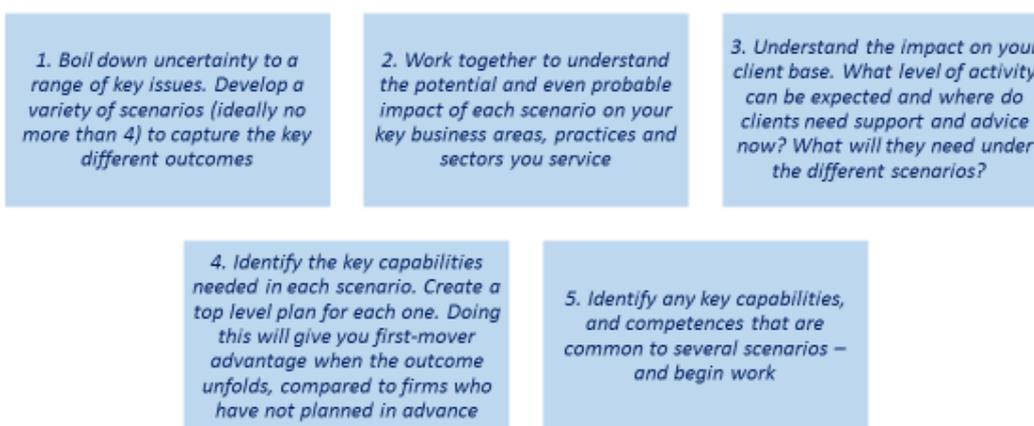
Some may continue to think the first option is still appropriate because "We have an exclusively UK practice!" However, Brexit in whatever form it takes will impact on their clients' businesses in many ways with potentially serious consequences for professional advisers. Realistically, nearly every business in the UK works for customers that are part of a supply chain for EU based businesses.

Can you be sure you are immune from outcomes like the loss of a major client rebasing their legal or other professional spend in the EU, or departures of key people to firms operating in EU jurisdictions?

So, well managed professional firms with leaders who challenge all assumptions are more likely to choose a different option and focus on option 4 for their clients as well as their own firms. They will recognise, plan and execute effective strategies that take into account the opportunities as well as threats. They will recognise opportunities and innovate to build their competitive advantage.

The role of scenario planning

Scenario planning helps a business to effectively plan and execute strategies even in times of high uncertainty, and indeed was developed to do just that. These are some of the key steps.



Some key aspects

For many professional firms the likely areas for developing possible strategic planning scenarios around *Brexit* will need to focus on:

- The impacts for their clients
- New business **opportunities** which will arise;
- New **services** to be provided in the future to meet changing client needs or existing services which may become redundant;
- **Innovation** and new working practices which will need to be brought to bear on the business to take advantage of opportunities or to mitigate risks; and
- **Risks** to the business, including economic, political, regulatory, fiscal and people risks and will require firms to build risk management scenarios for the development and implementation of contingency plans.
- Many professional advisers and their clients have been for some time planning for *Brexit*, but still major uncertainties remain and will continue to exist throughout the transition period and beyond. If your clients are struggling with how *Brexit* is likely to impact on them, how can you adapt and extend your service offering and **add value** to them strategically as they try to get to grips with what *Brexit* will mean for them?

Indeed, if your firm is itself likely to be directly impacted by *Brexit*, how are you planning to maintain your competitive advantage over rivals, **and not sleep-walk into a competitive disadvantage?**

While in principle, professional firms can do this themselves, we can help you to define the impacts on your clients and thus the messages you communicate to them to emphasise **your value proposition** you are able to offer them. .

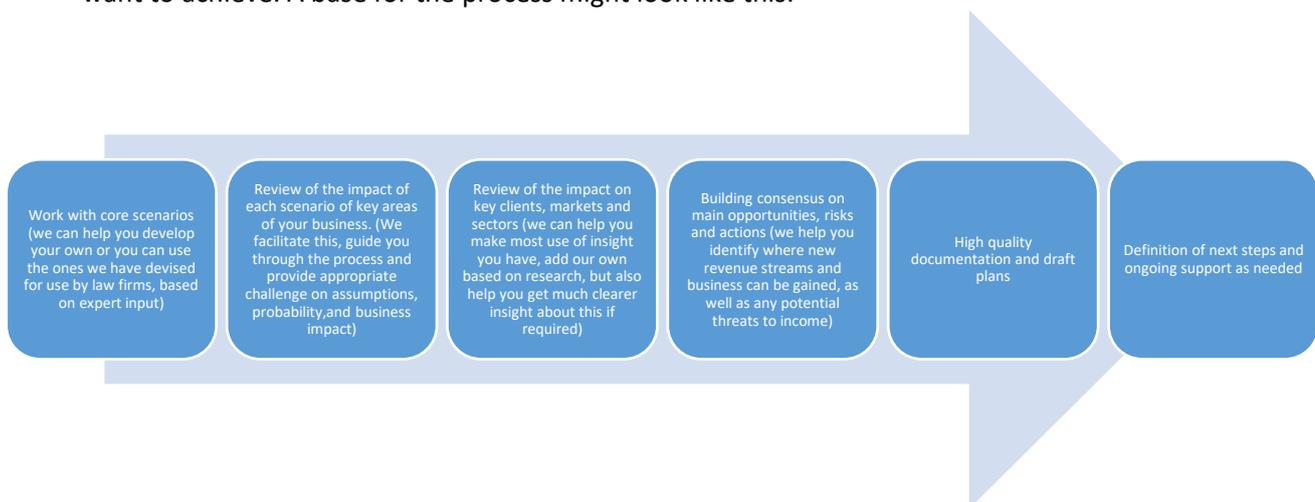
Working with us The advantages of working with us is that we can challenge hidden assumptions, be accountable for the outputs, and bring our own combined experiences across working for many years with legal and other professionals. Our understanding of what clients of law and professional services firms are looking for can help your firm navigate through this process, consider the impacts across all your practices and income streams and help you form appropriate strategic responses,

options and plans that are right for you. Our role will be to help you maintain the prosperity and upward growth trajectory of your firm as the realities of Brexit become clearer.

Now that Brexit is happening and in less than 12 months the transition period will have ended, these are a selection of important things firms will need to do **urgently**:

- Accelerate your ability to develop a top level plan and your own scenarios.
- Facilitate discussions within your firm of potential impacts, across the firm, by practice, by sector, by office and by function. We can appropriately challenge you so your thinking is robust.
- Collate and guide your understanding of the impacts on **your clients** – we can augment this both by our own market knowledge and through an effective client feedback approach which will also directly drive specific opportunities and revenue for the firm. We can collate, and analyse relevant data to drive additional value to you.
- Provide resources, up-to-date opinion, commentary and fact to help you better understand the potential influence in relevant practices and client sectors.
- Help to identify the key capabilities and skills you will need. We will also enable you to capture the key activities you should prioritise which are common to several scenarios. You can implement these with confidence they will help your firm drive growth.
- Support the business improvements you are likely to need in governance, IT, HR, business development and training
- Facilitate joint sessions with key clients which you can use not only to improve your own strategic planning, but **to lock in client relationships**, and be seen to add significant, strategic added-value that helps the client's business.

Above all, we can discuss the scenario planning process with you to ensure it best fits the aims you want to achieve. A base for the process might look like this:



Alternatively, each of the above steps in the process could itself form **a standalone component** as the basis of the assistance we might provide.

The outcomes for you from carrying out a project *to stay ahead of the Brexit curve*:

- **A clear understanding of the key risks and opportunities that may emerge (and a means to react to them). This means you will be better prepared to invest in the most likely growth areas.**
- **A basis for strategic plans which provide flexibility, are ready to respond to changing developments, and can be implemented more quickly. This gives competitive advantages over firms who have not done this thinking.**
- **An understanding of the primary focus for investment and the capabilities you will need to prioritise**
- **Direction for your practices and functions on key issues they must consider. This will reduce uncertainty and help your firm 'pull together' in a more aligned way.**
- **The ability to better serve and retain your clients.**

To gain more information, or for an informal discussion, contact:

Robin Dicks, The Thriving Company

Peter Scott

robin@thrivingcompany.co.uk

pscott@peterscottconsult.co.uk

44 (0) 7940 886677

07725 039 573

©Peter Scott Consulting and The Thriving Company 2020