

Bord Bia's Brexit Barometer Findings & Actions

A Supply Chain Partner's Perspective

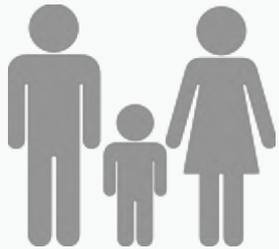
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Oakland International Ltd
29th June 2017

TOGETHER WE
CAN MAKE A
DIFFERENCE



Oakland International Overview

Family company
started in **1998**



A **responsible**
business with
leading
environmental
credentials



Supply Chain Solutions with
Added Value

UK & Ireland Facilities
Chilled, Ambient & Frozen
Storage, Tempering, Picking /
Co-Packing & Distribution
Distress Load Management
Sampling Service



£23m Turnover

2025 Group Growth
Strategy of circa
£180m turnover



32,000
Pallet Capacity
processing circa
1.2M cases per
week



308 Team
Members



one team

Quality Assurance –
BRC Accredited



Brexit



- What a cock-up!
- Complacency, misleading, misjudged, poorly timed and no Plan B
- UK market is volatile, under pressure, food price inflation, desperate top 4 retailers trying to compete with Aldi and Lidl
- Main reason for Brexit vote appears to have been migration issues and strong anti-Brussels feelings. Imported goods, services or product hardly featured as an argument for Brexit.
- Now we've made our bed and are having to lie on it.
- Businesses need to work with each other in spite of the politicians and barriers (perceived or real) that they create.
- Britain is still an island and is not self-sufficient so it cannot cut ties to its closest neighbours.



Dealing with Brexit

‘Hope for the best, plan for the worst’

Biggest challenges

- ❧ **Uncertainty**
- ❧ **Exchange rate risk**
- ❧ **Supply chain disruption – customs regulations**

Minor Challenges

- ❧ **Foreign food boycotts**
- ❧ **Business partnerships challenged**
- ❧ **Hard borders**

**Businesses pay everyone’s wages and feed every government
– the politicians know this.**



Dealing with Brexit – practical tips

Make a Plan

- ❁ Create a plan for your own business if you are already dealing with the UK
- ❁ Supply chain solutions need testing for resilience – is your supply chain partner considering reactions to Brexit?
- ❁ Cost impact is the biggest single challenge – possible tariffs and restrictions on choice of transport company.
- ❁ Plan for taking cost out of the supply chain and dealing with delays through customs clearance



Dealing with Brexit – practical tips

Reduce your overall supply chain costs

- ❁ Exchange rate impact & retailers are driving harder deals – margins being squeezed... Supply chain focus can help:
- ❁ Double-deckers – up to 50% reduction in transport trunk costs
- ❁ Think packaging – shelf fill, pallet fill, units per case
- ❁ Think collaboration – deliver more frequently to the UK with shared user deliveries – increased load fill, reduced costs, improved shelf-life, reduced wastage, improved availability.



Dealing with Brexit – practical tips

Reduce your overall supply chain costs

- 🔄 Hold stock in the UK – benefit from full load rates to a single destination
- 🔄 Is your fresh food suitable for tempering from frozen? Savings of up to 30% end-to-end supply chain



Tempering

- 🌀 Optimises maximum shelf life
- 🌀 Suitable for products which are suitable for home freezing
- 🌀 Reduced wastage for producer / retailer
 - 🌀 Financial benefit overall including tempering & coding cost
- 🌀 Improved availability on short shelf life, low volume lines
- 🌀 Product supplied on day zero 'mid-temper'



Shelf Life Improvement Illustration (Conventional Shelf Life Rule – with MLOR 9 Days)

75% Retail Shelf Life								RDC	25% Supplier Shelf Life			
1	2	3	4	5	6	7	8	9	10	11	12	

Tempering	100% of Shelf Life available to Retailer											
0	1	2	3	4	5	6	7	8	9	10	11	12

Dealing with Brexit– practical tips

Know your strengths – and use them

- ❁ Think points of difference – carbon credentials, ethical credentials, social credentials, quality standards.
- ❁ Be prepared to re-engineer food for price advantage if economy dips and you have the capability to compete.
- ❁ But remember that the premium end of the UK food market has been recession proof – people are still prepared to pay for quality
- ❁ Don't be afraid to use Irish flag – Ireland is Jo Public's favourite neighbour!



Dealing with Brexit – practical tips

Become an Authorised Economic Operator

According to WCO (World Customs Organisation) an AEO is :-

"a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards. Authorized Economic Operators include inter alia manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses and distributors"



Oakland Invicta – **AEO Status** (Authorised Economic Operator)

- World Customs initiative designed to pre approve trusted international traders.
- AEO is NOT influenced by Brexit and will be even more important post-Brexit.
- Why be AEO approved?
 - Access to simplified Customs procedures
 - Access to priority clearance
 - Fewer fiscal examinations of goods at Border (less delays)
 - 70% reduction in required bonds and guarantees (National Transit Bonds and Duty Deferment guarantees)
 - Access to VAT postponed accounting meaning that VAT does not have to be physically paid at point of Customs clearance



Why use Oakland Invicta?



- 35 years of Customs clearance experience
- In depth understanding of processes, procedures and Customs jargon
- We will walk you through the AEO application and audit process
- We will suggest procedural changes that will ensure you are compliant now and going forward
- Robert Hardy (Operations Director) has spent the last 5 years running the largest 24 hour Customs clearance station in the UK
- Excellent working relationships with key Government Agencies including Border Force, HMRC, DEFRA, Trading Standards and FSA
- Fixed fee of £2,750 per application
- Act now! There are already 15,000+ AEO authorised companies in Europe – there are only 500 in the UK.



Dealing with Brexit– practical tips

Summary

- 🌿 Everyone is in the same boat
- 🌿 UK is a massive net importer of food and will always need to buy from its neighbours
- 🌿 Bord Bia is doing a great job in the UK for Irish food PR and reputation
- 🌿 Get close to your supply chain partner – walk the walk in the warehouses to get ideas on packaging, pack sizes, end-of-line processes. If they can't help you, talk to Oakland!
- 🌿 Visit the retailers or employ support locally in the UK to assist with brand development – be present at buyer meetings and know your supply chain solution ahead of the meeting.
- 🌿 Stay confident that Ireland will prosper through Brexit

Expect the best, plan for the worst, and prepare to be surprised.

Denis Waitley

THANK YOU

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