

Brexit Strategy

The decision made by the UK to leave the European Union, or 'Brexit' as it has become known, means that we must embrace the challenges that this decision will bring. In order to ensure that our business is sustainable, we have put into place a number of strategies which will ensure the strongest possible outcome for our company as the transition away from the EU membership takes place.

iLECSYS currently has a foot in both the distribution and the manufacturing camp and we have to deal with each a bit differently.

The distribution side is relatively easy because we have an understanding of past component requirements. We are fortunate enough to have large warehouse facilities allowing for a greater level of stock to be carried. Some of these products are bought directly from companies in Europe. If you are aware of any larger than normal requirements, we would welcome as much forecast as possible, in particularly covering the first 6 months of 2019.

The manufacturing side of the business is slightly different as, very often, it is dealing with orders that are project based. We are in a strong position in that we manufacture a lot of our own components and bespoke equipment here in the UK. Nether the less a similar approach would be welcomed in keeping us up to date with estimated requirements for projects that will be commencing within the first 6 months of 2019.

So what are we doing about this?

1. We have a designated team looking at the past 12 months usage of product. We will then be placing much larger than normal orders to cover the first 6 months of 2019. We wont get everything right but we will try to have as many products covered as possible. Any forward ordering that you, our customer, can do will be very useful.
2. We are monitoring the current Euro/GBP exchange rate on a daily basis. It has been relatively stable for some time. Our intention is to bank a substantial amount of Euros to protect us against the influence of the Euro becoming stronger against the GBP and therefore being forced into implementing price increases. However, we have been made aware that there are a number of manufacturers that will be having a price increase ranging between 3-6% on the 1st January that is out of our control. Known manufacturers who will be having a price increase are: Cahors, Cosmotec, Ensto, Invent (Erico), Iboco, Pheonix Contacts, Schneider Electric, Spelsberg, Wiedmuller, Wieland and ABB. All orders received before the 1st January 2019 will not be subject to the price increases.

We are confident that we are taking the correct steps in reducing the effects of a 'Brexit' deal or no deal. If you would like to discuss this further then please contact us on 01442 828387.