



ANDREW SHARP @ BOBUX

1. How do you prepare your business for different scenarios?

We have a five year strategic direction that looks at market forces, global trends and then local trends for our main target markets. That then distills down into annual operational plans. This gives us a framework that allows a fair bit of flexibility as external forces come to the business. Brexit has been a part of our op plans for the past couple years - I think like most people, we have been pretty optimistic that rational heads would prevail, but looks like we may have put too much faith in that...

2. What does a customs border mean for the shipment of your goods?

For about 80% of our sales we ship product direct to the channel partner, so that won't affect us for all bar the UK, which will hurt the retailers and therefore the consumers there. Where we will be impacted is for our direct to customer sales – for Europe we ship those from our warehouse in the UK. A customs border will have massive impact on service levels, time to customer and cost – in fact it already has, with some of our European consumers telling us that we have seen almost a doubling in freight costs and time for delivery. This means we are now opening a new warehouse relationship in mainland Europe (in two weeks).

3. What are the potential customs compliance reporting and costs?

I am actually most concerned about the time delays for getting product to our customers. Costs and inconvenience can be borne reasonably well - we have a great team that look after reporting etc. – they are confident that we are well covered. We pride ourselves on amazing service to go with the best shoes in the world for growing feet – we need to quickly ensure that bureaucracy doesn't take away one of our greatest strengths as a brand.

4. If no deal is reached, what would the cost impact of the MFN (most-favoured-nation) tariff be to your company?

For us it depends mostly on the new tariff rates that can be agreed to – I understand that the UK have submitted a list of rates, but we haven't seen those yet. We currently pay 4% tariff into all EU member countries, but from our research, the WTO rates for shoes are 16%, so massive cost there.

5. Travel Tip for Germany?

When running around the streets of German cities in the early mornings, remember that they drive on the right hand side – so don't just run out onto the road. I almost got hit by a bus in Berlin and a taxi in Hamburg (slow learner perhaps?)