

Brexit Strategy



New Design Group has undertaken risk analysis, the objective being to mitigate the risk associated with the ever-changing Brexit landscape and to be as prepared as possible for any outcome. This is an ongoing process and is a constant agenda item in both our team leader meetings and our quarterly Senior Management Team meetings. There are three identifiable and obvious areas of risk to our business.

- 1) Increased lead-times associated with cross border legislation.
- 2) Increased costs associated with duty and point of sale taxation (VAT).
- 3) The legality of post-Brexit contractual obligations with European supply partners.

Whilst over 70% of our standard product range is either produced directly in our UK factory or from an existing UK sub supply chain our risk mitigation takes two forms.

- Where we single source furniture components from the European Union we have increased our stock holdings in anticipation of a disruption to our normal supply process. In addition to this we are setting up secondary UK or non-EU sourcing where we are able to do so.

- Where we single source completed furniture items from the European Union, we have instructed our supply partners to assemble and pack goods rather than store in component form. The time saved to the manufacturing process in doing this should offset any border related delays thus allowing us as best as possible to maintain quoted lead-times.

In addition to the above we have categorised all our product ranges as LOW, MEDIUM or HIGH risk and are happy to share this with any potential customer prior to order placement.

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