

Academia Brexit Update

Due to the current activity regarding Brexit and the recent defeat of the Withdrawal Agreement Bill in the House of Commons and the more recent defeat to the Prime Minister's amendments, this statement has been prepared with the latest information available to Academia, by our Brexit Committee.

As a reseller, Academia rely on the channels of our distribution partners, including but not limited to Westcoast, Tech Data and Ingram. This reliance restricts our own impact and risk mitigation as we are bound by our supplier agreements with these partners. As an organisation, we are in regular communication and close liaison with our partners and therefore seek assurances from our distribution partners and pass these on to our customers. We anticipate the following areas to be affected, at present:

Impacts of Brexit

Logistical Delays

The possibility of a 'no deal' scenario would pose extreme difficulties for much of the IT sales sector. With feedback from one of our partners, Westcoast, we understand one of their main couriers into Europe – Europa, would face significant disruption. They state that if either the UK or EU customs were not prepared for this eventuality, this could lead to substantial delays at channel ports. This is the case with many distribution partners, as much of the shipping would take place at Dover/Calais. It is understood at present that the likelihood of such readiness is extremely low and hence customers will experience both shortages and delays in receiving goods. Perishable goods are likely to get priority leading to greater delays for IT and consumables.

Many products are built to order in Europe and our distributors are working with manufacturers and customers to ensure forecasted products can be held locally in the UK. Westcoast as an example, have purchased increased warehousing space to accommodate such requests.

Due to this, Academia advise all of our customers to forecast demand beyond the 29th of March, where possible, and engage with your account manager to ensure we can place appropriate forward orders on your behalf. Beyond this date, customers should attempt to order stock available in the channel and reduce their reliance on specific build to order devices.

Exchange Rates

Due to the relatively unknown status of the outcome of the UK's exit from the European Union, exchange rate fluctuations are difficult to predict. There is a common assumption that Sterling (GBP) is likely to fall, and Academia will ensure that our customers are aware of any pricing changes that we see from our vendor partners.

Incoterms

Some of our distribution partners receive the majority of their goods, Delivery Duty Paid. If they become responsible for any duty or carriage, these will be included in the cost of the product and passed on to our customers. We will ensure that customers are notified of any excess charges and changes to the pricing structure of affected products.

Contracts

Whilst there is still much uncertainty, the significant short/medium term issue affecting our supply chain is delay at the ports. This will be mitigated with a signing of the Withdrawal Agreement and will allow the UK to build more robust custom procedures where required in collaboration with the EU.

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Sales Director

For further information on the Academia Group of Companies Brexit updates, please email the PR team on pr@academia.co.uk