

READY FOR THE FUTURE ISSUE 4

“37%

of businesses we surveyed, consider China and India as potential markets for their business*

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Confused by all the advice you've heard?

Simple answers to your most frequently asked questions

GDPR will impact businesses of all sizes, from sole traders to multi-national organisations. We've been talking to a wide range of business owners this year and wanted to share the questions that are most frequently asked.

1 I'm starting to worry that my business is not GDPR-compliant. What do I need to do?

First - don't panic! Our easy to follow **GDPR customer journey*** will help you identify what stage your business is at in its journey and what needs to happen to become GDPR compliant. *Go to www.hcrlaw.com/resources/downloads-2 to access resources.

Next, think about the personal data that you hold and begin to map how it comes into your business. Once you have identified all sources of data entry, you then need to consider what happens to the data – how is it moved around your business and where the data is stored? As you are conducting this 'mapping exercise', it might help you to think about how easy it would be to get hold of the data if a subject access request was received.

Don't forget – your employee or potential employee data. When recruiting, how does your business dispose of your unsuccessful applicant personal data? Employers also need to ensure that all of their employees understand the impact of GDPR and attend training if required.

2 We use our client database to stay in touch with people and send updates about our products and services. Can we still do this?

That depends on whether you are marketing to other businesses or individual consumers. The rules are less strict when marketing to businesses, and you may not need consent to continue marketing to business clients.

When marketing to consumers (including sole traders and some partnerships), the rules are stricter. You either need to have consent from them in a way that complies with GDPR, or rely on the "soft opt in" process (where you are marketing similar products to existing customers and always give the option to opt out of such emails). If you already have GDPR-compliant consent, you don't need to ask again. Explicit consent is not just a tick-box exercise - you need to ensure that your contacts have clearly signed up to receive your updates and that they know what to expect from you.

If you want to send them different types of information, you need to be clear what they are signing up to receive – for example information about your events, new product launches or your monthly newsletter?

If you are contacting your client to provide an update as part of their contract with you, for example you offer accountancy services and need to alert them that tax rules have changed – you can do this as part of your service to them because there is a legitimate reason for you providing this information.

3 I run an SME – is it right that I don't need to appoint a Data Protection Officer (DPO)?

Not strictly! Whatever the size of your organisation, if one of your core activities is processing customer data, you need a DPO.

If your organisation doesn't require a DPO, it's important that you record the decision-making process for audit purposes; you may wish to appoint someone who will carry out the role on a voluntary basis and who would handle any subject access requests.



Contact Rob Cobley, technology and data law expert

M: +44(0)7791 894 955

E: rcobley@hcrlaw.com

Will impact the UK's defence & security sector?

Richard Morgan, head of our defence, security & the forces sector (recently recognised with the MoD's silver award for services to the military community) shares his thoughts on Brexit's impact for the sector.

What are the immediate challenges?

The UK has sadly experienced an increase in terrorist attacks in the last few years, many citizens and visitors are worried that the UK's security services post-Brexit will be under more pressure. There is a real concern that information about potential terror suspects might not be shared as freely by the EU with the UK to help prevent future attacks.

What we need to remember, is that communications within the EU haven't always been perfect, so while there may be some security issues post-Brexit, it's likely that some UK-EU collaboration on security will continue. More significant is the possible non-availability of funding that may undermine the ability of the UK to keep up-to-date with the changing nature of terror attacks.

UK companies have been particularly successful in securing EU funding for research and development projects within the sector (since 2007, they have successfully bid for over £8bn in research grants). With 90% of the UK's defence and security innovation based in the 'golden triangle' (Herefordshire, Worcestershire and Gloucestershire), the impact in this region could be significant if the funding regime changes.

Post-Brexit, UK companies will need to look outside the EU to secure funding. For businesses that currently rely significantly on EU funding, now is the time to start considering what other funding opportunities are available, particularly as the procurement process in the sector can be protracted.

What type of EU funding do UK based companies and consultants currently receive?

One example is the large number of defence and security consultants delivering 'reconstruction' and 'rule of law' projects in former war zones such as Afghanistan and Iraq, helping to train local police and military.

Recently, the EU has indicated that the UK will not be given access to the Galileo project (the rival to GPS) post-Brexit. HMG retaliated by threatening to impose requirements on UK companies not to share the enabling technology, and to refuse access to British overseas territories for the relay stations, which would require the EU to re-budget the entire project. The political landscape is so volatile that it will be impossible for UK businesses to forecast reliably based on EU funding.

What should business leaders in the sector do next?

In short, think more broadly - investigate the opportunities, research those countries outside the EU which may need your products or services, network and attend trade shows.

Many UK companies are beginning to work more closely with NATO, which has access to separate funding and a wider membership than the EU, including the USA. At HCR, we are working with representatives of the NATO industry group, NIAG, to develop opportunities for UK businesses. The Department for International Trade is promoting the British defence industry via commercial officers in embassies and trade missions overseas.



Contact Richard Morgan, defence, security and the forces expert

M: +44 (0)7890 304 469
E: rmorgan@hcrclaw.com



What's your passion?

By Jenny Okafor-Jones
(Partner, Barrister) –
Head of Employment &
Immigration team

My passion is justice, equality and fairness in the workplace. Leading and managing people effectively is difficult and we often don't realise the amount of skill, time and energy it takes.

Yet when people feel fulfilled, motivated and valued at work, it is remarkable how much they can achieve for the organisations they work for. Individuals who are part of such teams are more productive, have better health and this has a knock-on effect on their families and communities.

I feel very lucky to be able to work in an area of law I feel passionately about. Whether I am supporting an employee who is having a tough time at work or a manager or HR colleague who is struggling with a tricky staff situation, the opportunity to make a positive difference through advice, support and coaching exists every day. My personal goal is simple. I want my clients to sleep better at night.



Contact Jenny Okafor-Jones,

M: +44 (0)7816 969 492
E: jjones@hcrclaw.com

“ 79% ”

of SMEs with 10-49 employees, are ready for GDPR according to Government research ”

If you're still not sure what your business needs to do, check out our resource pages at www.hcrclaw.com/resources/downloads-2



How is it impacting UK businesses?

In the next few issues we'll be exploring the real impact Brexit is having on three sectors key to the UK economy. To do this, we'll be talking to our clients and asking them what is really happening in their sector. We'd love you to join in the conversation – so ask your questions by emailing us: campaigns@hcrlaw.com

Our team of experts will provide their expert opinion on topics that matter to you.

Head of International, Nicolas Groffman gives his opinion on why Brexit has made UK exports more competitive

Immediately after Brexit, the pound fell because of lack of investor confidence in our currency. As confidence increased when the predicted disaster failed to happen, the pound began to increase steadily in value and has continued to do so since 2016 and will presumably continue to do so unless Brexit really does turn out to be as dreadful as originally predicted. This seems unlikely (EY's recent UK investor attractiveness survey contains greatly revised estimates from last year, read the survey at <https://www.ey.com/uk/en/issues/business-environment/ey-uk-attractiveness-survey>).

The downside for exporters is that they cannot indefinitely take advantage of the weak pound to boost exports. For two years now, British products have been relatively cheap, because buyers overseas could pay in their own currency which is now worth more when converted into GBP. In our view, this trend has been exaggerated: few exports from Britain are made in the UK from concept all the way through to packaging. The highly efficient nature of UK product creation involves input from overseas, such as imported raw materials, or imported design expertise,

or processing overseas, or warehousing, or many other stages. This means that nearly all exporters are also importers themselves. If the pound increases in value, their import costs reduce. The overall message is that manufacturers need to spend far more time on developing and working on their own core product rather than creating their strategies around the value of the pound, which they can't control anyway. Foreign exchange hedging needs to be tactical rather than strategic.

Did you know?

Sterling's fall in value following the Brexit referendum has made UK exports more competitive

Our manufacturing client, shares his view on the impact of Brexit on his business

Operating in the manufacturing sector, our client's products are sold on licence within the UK, across Europe, Africa and the Middle East. His business was impacted by the overnight drop in the pound, which occurred almost immediately after the vote. As a result, he now watches the markets much more closely to take steps to reduce risk. He feels slightly luckier than some of his peers as his company provides products to clients in countries that are not limited to the EU. Exporting to African and Middle East countries has become more viable since Brexit which is benefiting his business. He

Helping our partners 'get ready for the future'



Harrison Clark Rickerbys are delighted to have been legal partners for the Three Counties Showground for over four years and in addition to supporting the showground's vibrant and varied events programme, we have recently been helping the team at Three Counties get ready for GDPR with a series of training workshops for their employees. Find out more about our events programme at www.hcrlaw.com/events

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Get your topic onto our Brexit agenda by emailing campaigns@hcrlaw.com

has also received encouragement and support to look to other markets by both the Government and the Department for International Trade and they have seen this benefit and help their business expand.

Some sectors have clearly suffered with recruitment and have concerns about changes to immigration policies – for this particular manufacturer, this has not been an issue, nor do they expect it to be. In fact one of his employees, an EU national, advised that she would have voted “Leave”.

One of the biggest challenges our client currently experiences with the EU is the level of bureaucracy. In the manufacturing sector, some of the regulations companies have to comply with are onerous. Our client believes that the level of bureaucracy is currently making it harder to trade with the EU. If he had a hotline to the Prime Minister, he would ask, “As we work towards Brexit and a trade strategy with the EU, can your Government take a long hard look at reducing some of the red tape to make doing business easier and more effective?”

Our legal opinion on our client's position

It might surprise you to learn that an EU national would have voted “Leave” if they had been given a vote, but we shouldn't be shocked - anti-EU sentiment is not confined to the British.

The fear of “red tape” may be under-appreciated by people who are not business owners. Compliance and form-filling are burdensome for business, and particularly onerous for small businesses that cannot take advantage of the economies of scale to process their compliance, tax, HR and other policies. Politicians often respond to pressure from non-stakeholders such as the media, students, and campaigners to introduce legislation that makes it extremely difficult to concentrate on the core business. Indeed some of the tax benefits and tariff allowances provided by the EU require a time cost equivalent to, or even greater than, the actual cash amount provided by the benefit. A smart client like ours quoted earlier is clearly alive to this issue.

More importantly, he has rapidly re-examined his client base after the referendum and is benefiting from having done so. He is not saying goodbye to his European clients, but has managed to welcome some new blood from different continents, which is exactly what successful business owners need to do.



Contact Nicolas Groffman, international expert

M: +44 (0)7816 592 934

E: ngroffman@hcrlaw.com



Contact Robert Capper, commercial and advanced manufacturing expert

M: +44 (0)7909 970 323

E: rcapper@hcrlaw.com



Talk to us

Call us on 0845 900 7830

Email campaigns@hcrlaw.com

We'd love to have a chat.

Quotes:

*HCR survey conducted March
2018

Birmingham

63 Church Street
Birmingham
B3 2DP

Cambridge

Compass House
Chivers Way
Histon
Cambridge
CB24 9AD

Cheltenham

Ellenborough
House
Wellington
Street
Cheltenham
GL50 1YD

Hereford

Thorpe House
29 Broad Street
Hereford
HR4 9AR

London

New Broad
Street House
35 New
Broad Street
London
EC2M 1NH

Thames Valley

100 Longwater
Avenue
Green Park
Reading
Berkshire
RG2 6GP

Worcester

5 Deansway
Worcester
WR1 2JG

Wye Valley

Overross House
Ross Park
Ross-On-Wye
HR9 7US