The Isolationist Impact of Brexit

UK Businesses to Become Islands

By Philip Rooke, CEO, Spreadshirt

As a British man living in Berlin, running an international e-commerce company since 2009, I understand the value of open borders to conduct successful business and embrace an agile workforce. During my tenure, we became active in 18 markets, available in 12 languages, began operation at 5 global production sites and last year shipped 3.6 million products to 180 different countries. We are successful precisely because we embrace a global market of sellers and buyers.

As a global CEO, I can see the profound business and cultural implications that my home country will be facing with this journey down this isolationist route, if Brexit goes ahead. There will be immediate consequences in the UK online business sector as investors choose to put their money into mainland European businesses rather than a UK business that may become a single market. A tighter border will make it much tougher for UK businesses as they will lose equal access to the EU Markets; even the current uncertainty is already slowing investment.

The UK has long enjoyed a role as the a global hub and stepping stone to globalization in the online market and many

others, attracting American and Asian businesses who want a base in the EU, in an English speaking land with easy access to the EU market. It has also been the first stop for many EU businesses on their way to the USA. This has made it a vibrant highly competitive market and rich with consumer choice. The UK will be turning its back on this opportunity and already I see companies heading to Berlin, Dublin, Amsterdam and other European hubs instead.

Alongside this global hub role, London developed a reputation for attracting the top talent. With people from all over the world being attracted to this market and opportunities; spending a few years in the London market has often been seen as a "right of passage" by European recruiters. London and the UK will now see this role diminish and talent disperse to other countries.

Our corporate headquarters in Leipzig, formerly East Germany, is a microcosm of the benefits of a dynamic inclusive workplace powered by open borders — we have more than 20 nationalities that work together. I am sad that many of the UK voters did not appreciate what this environment adds to the knowledge, skills and enjoyment from working in a mixed culture.

British companies will find it a lot harder to trade with the EU (their largest trading partner); currently 51% of all British goods are exported to EU partners. Many of the Brexit politicians say that the UK will be very similar to countries like Norway and Switzerland. But I can tell you now, as a German company working in 18 countries, that Norway and Switzerland are a lot harder for us to do business in due to additional paper work, taxes and delays. As a result, we put more investment in emerging ecommerce countries like Italy and Spain. While the EU and its regulations were not perfect, it

would have been preferable to shape the regulations rather than make it more difficult to conduct UK business by exiting the EU.

This is the risk the UK, my home country, is now taking. I know I am not alone with my "slightly devastated" response, which leads me to wake up every day hoping the UK will find a way back to it's pre-Brexit global business roots.

About the Author: Philip joined Spreadshirt in 2009. He was first in charge of the Sales and Marketing Departments, as well as the Product Team before becoming Chief Executive Officer in 2011. His contribution during his time with Spreadshirt has lead to an increase in turnover of over 300%, ultimately leading to the company's sustainable growth.