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CII COMMERCIAL INSURANCE PROFILE

DID YOU KNOW?

In response to Britain's decision to leave the EU, the former Chancellor of the Exchequer George Osborne pledged to cut corporation tax from its current 20 per cent rate to below 15 per cent. This would provide Britain with the lowest corporation tax of any major economy and help ensure that businesses based in the EU and elsewhere around the globe will continue to invest in Britain. However, the new chancellor, Philip Hammond, has stated he may 'reset fiscal policy' in this year's Autumn Statement.



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Keep Calm and Hold Your Nerve: A Brexit Update for Businesses

While Brexit has left the future for Britain relatively uncertain, UK businesses must remain level-headed and optimistic.

Learning From the Panama Papers

The Panama Papers represent one of the largest data breaches in history and highlight how pervasive corruption has become. Read to find out what your company can do to avoid a similar instance.

Why Bad Reviews Can Sometimes Be Good for Business

Do not let negative reviews sink your company. Instead, use them to improve your image.

Keep Calm and Hold Your Nerve: A Brexit Update for Businesses

Brexit is poised to bring significant changes to nearly every aspect of the nation, and while it is still too soon to know whether the long-term effects will be positive or negative, UK businesses have already begun to feel the strain. In July, BDO, an accountancy and services firm, published its Business Trends Report, which is a weighted average of Britain's main business surveys. The survey revealed that the business optimism score, which predicts growth over the next six months, fell from 99.4 in May to 98.9 in June, while the figure for predicted output fell from 99.7 in May to 99.0 in June. While these shifts may seem minute, they actually signal that business sentiment in Britain has fallen to a three-year low.

Unfortunately, until Britain can accurately identify and address the effects of Brexit, the economic climate is not expected to greatly improve. However, that is not to say that it will continue to get worse. The only statement that can be made definitively is that change, whether for the better or worse, is on the horizon. While the prospect of change is generally coloured by uncertainty and unease, your company needs to remain calm—now is not the time to panic. Instead, stay smart and judicious to avoid getting caught up in needless hysteria.

To ensure that your company is capable of weathering the effects of Brexit, ask yourself these six questions:

1. What aspects of EU membership are most important to my business?
2. How much of my business comes from the EU?
3. How does Brexit affect my supply chain?
4. If we lose freedom of movement within the EU, will that hurt my business?
5. Does reduced EU regulation help or hurt me?
6. Does Brexit open any opportunities for me?

While Brexit's lasting effects are still unknown, **Crendon Insurance Brokers Ltd** can ensure that your company has the most effective cover to guard against uncertainty.



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Learning From the Panama Papers

Published in April of this year, the Panama Papers—a collection of 11.5 million documents that provide information on the identities of shareholders and directors of more than 214,000 offshore companies—represent one of the largest data breaches in history. The information contained in these documents is concerning, since an offshore company, sometimes called a ‘tax haven’, can help investors deposit large sums of money that are exempt from taxes. The breach not only highlighted the value of a robust cyber security system, but how a lack of transparency in business contributes to corruption.

Corporate transparency is vital to the long-term well-being of companies of all sizes, as it builds a rapport with the public, shareholders, investors and even the government. However, as the Panama Papers illustrated, corruption can undermine that rapport. In fact, according to a report published by Eversheds, a multinational law firm, 80 per cent of executives have seen bribes and corruption within their firms. Companies that are desperate to remain competitive within their industries may be willing to take any measure to get ahead. However, in order to mitigate the temptation to succumb to corruption and bribery, companies must adhere to the Bribery Act 2010 and adopt a risk-based approach to managing those types of risks.

Yet, according to the same report, 59 per cent of executives do not believe that their company’s anti-bribery and corruption policies are effective. To ensure that your company’s defences against bribery and corruption are comprehensive, consider implementing these two practices:

1. Bolster your IT systems in order to analyse high volumes of data flowing to and from your company, which will help identify potential malpractices as soon as they occur.
2. Review your anti-fraud and bribery policy to ensure that what constitutes as fraud and bribery are clearly outlined, and ensure those practices are implemented throughout your organisation. In addition, provide your employees with training on how to identify and address these risks.

Why Bad Reviews Can Sometimes Be Good for Business

Negative reviews are an unfortunate inevitability—some customers just cannot be pleased. That is fine, as long as you approach negative reviews with the right mindset. While it may seem counterintuitive, negative reviews can be beneficial to the overall well-being of your company.

Negative reviews are thought of as holes in the hull of a ship—receive one too many and your ship sinks. Yet, negative reviews provide your company with a certain level of credibility, as 68 per cent of customers trust a collection of reviews more when they see both positive and negative comments, according to a study done by review site, Reevo. In fact, negative reviews are three times more popular than the most complimentary reviews. When customers are already interested in the product or service, they want to know why it may be a poor investment.

Your company has two options with how to address those ‘holes’: either ignore them and let your ship sink, or examine them in order to discern how best to plug them. Negative reviews provide your company with the opportunity to review your products, marketing campaigns or public image through the lens of that criticism. While not every criticism will provide insight, some may show your company ways it can improve.

In order to ensure that your company remains cognizant of the reviews that customers are submitting and proactive in its responses, consider implementing the following practices:

- Monitor your company’s social media accounts to track what customers find both beneficial and objectionable about your company. If a customer had a poor experience with your company, reach out to them to apologise. This shows that your company is interested and cares about its customers’ experiences and opinions.
- Establish a dedicated team to review negative criticism and determine whether they provide valuable insight into how your company may improve. Potential beneficial adjustments should be communicated to the appropriate departments in order to introduce the changes as soon as they are viable.

The Value of a Bad Review



Source: Reevo

