



BEYOND COMPLIANCE THEATRE

Brexit Has Been Misclassified

Why regulatory certainty must be governed as business continuity, not disguised as transformation

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1. Brexit Has Been Misclassified

At the end of a portfolio meeting, a programme director is handed a deceptively simple instruction: “Make us ready for Brexit.” The legal team has identified hundreds of obligations that may change. Operations cannot say which procedures depend on them. Technology has no agreed requirements. The commercial functions want reassurance that customer service will continue. Yet the investment committee still asks for a conventional business case, complete with revenue growth, efficiency savings and a confident target operating model.

That is the wrong test.

Brexit is creating mandatory change on a scale normally associated with transformation, but without transformation’s usual promise of an improved future state. Its first purpose is more austere: to preserve the organisation’s ability to trade, contract, employ people, move goods, hold data and serve customers as political and regulatory arrangements change.

Calling this work “transformation” encourages leaders to demand benefits that are not there. Calling it “compliance” makes it sound narrow, technical and delegable. It is neither. It is a business continuity programme conducted through regulatory change.

That distinction matters because the label determines the governance. If the work is treated as ordinary compliance, it is dispersed across functions and discovered too late. If it is treated as discretionary transformation, it must compete with growth initiatives on a benefits case it can never win. The practical consequence is predictable: the organisation delays mobilisation, consumes its contingency in analysis, and eventually pays a premium for compressed execution.

2. The False Comfort of “No Business Benefit”

There is an understandable frustration behind the claim that Brexit programmes have no business benefit. Capital and scarce specialists are being diverted from digital channels, productivity improvements and customer propositions into work that may leave the organisation looking much as it did before. In a conventional investment

appraisal, that feels like pure cost.

But the phrase conceals the real economics. The benefit is not new value created; it is value at risk preserved.

A licence retained, a contract still enforceable, a supply route still usable or a customer still serviceable may produce no incremental revenue. It nevertheless protects existing revenue, margin and reputation. The proper comparison is not between the programme and doing nothing in a stable world. It is between the programme and the operational or legal exposure created by an external change that the organisation cannot veto.

This is not an argument for unlimited expenditure. On the contrary, benefit preservation demands sharper choices because there is no attractive vision to conceal weak discipline. Each proposed response should be tied to a defined exposure:

- the activity or obligation that may be affected;
- the value, customer service or operating capacity at risk;
- the trigger that would make action necessary;
- the latest safe decision date; and
- the minimum viable response that keeps the option open.

The arithmetic changes when leaders see the exposure clearly. A £4 million intervention to protect £120 million of annual contract value is not assessed like a £4 million efficiency project. The intervention may still be rejected, but it is rejected with the consequence visible rather than because it failed to invent a saving.

Brexit work should not be forced to manufacture a return on investment. It should be required to demonstrate the exposure it retires, the option it preserves and the deadline it protects.

3. Uncertainty Is Not an Excuse for Inaction

The strongest case against early mobilisation is serious. Negotiations have only begun. The eventual relationship is unsettled. Requirements may change, transitional arrangements may emerge, and premature implementation could create expensive rework. Why commit scarce people before the rules are known?

Because waiting is also a decision, and it consumes time that cannot later be recovered.

The answer is not to pretend that uncertainty has disappeared. It is to separate work by decision maturity. Some activity is valuable under almost any plausible outcome; some creates options; some should wait for a political or regulatory trigger.

Consider a composite diversified services group in mid-2017. Its first inventory identifies 640 potentially affected obligations across nine legal entities. After six weeks of tracing them to contracts, processes and systems, the team reduces the list to 83

material exposures. Of those, 27 require no immediate implementation but do require named owners and monitoring. Nineteen depend on a future policy choice. Twelve involve contracts with renewal dates before the likely conclusion of negotiations. Eight require systems changes with a twelve-month lead time. The remainder can be handled through procedure or documentation changes.

The inventory has not predicted the settlement. It has converted a political uncertainty into a manageable set of organisational decisions.

The programme then assigns each exposure one of three treatments:

Treatment	Purpose	Appropriate work now	Commitment
No-regret	Needed across the credible range of outcomes	Inventory, dependency mapping, contract review, data and licence analysis	Proceed
Option-preserving	Keeps more than one response viable	Reserve specialist capacity, draft clauses, prepare designs, test alternative routes	Fund to the next decision point
Triggered	Justified only if a specified condition occurs	Define trigger, owner, lead time and mobilisation pack	Hold, monitor and release deliberately

This is how uncertainty should enter governance: not as a reason to postpone the programme, but as a property attached to each decision. When the external rulebook is unsettled, internal decision discipline becomes more—not less—important.

4. Govern the Deadline, Not the Illusion of a Final Requirement

Conventional programmes assume that requirements can be stabilised before design and delivery accelerate. Brexit reverses that sequence. The deadline is politically visible while many requirements remain conditional. A programme that waits for a complete specification may receive clarity only after its longest-lead actions have become impossible.

The governing unit should therefore be the decision clock. For each material exposure, the team works backwards from the point at which continuity would fail:

1. Identify the operational end point. What must be true for the organisation to continue the activity lawfully and practically?
2. Establish the real lead time. Include approvals, consultation, contract notice, recruitment, systems testing, customer communication and regulatory engagement—not merely the build period.
3. Set the latest safe decision date. This is the last date on which the preferred response remains deliverable with acceptable risk.

4. Name the evidence threshold. Specify what must be known, assumed or authorised for the decision to be taken.
5. Define the fallback. If clarity has not arrived by the decision date, leaders must know which more conservative action will be released.

This approach is less comfortable than a single master plan because it exposes how many decisions depend on executive judgement. That is precisely its value. A plan can be made to look green by moving uncertain activities into later months. A decision clock cannot hide that the organisation has only ten weeks left to approve a contract variation that requires twelve weeks to negotiate.

Programme reporting should change accordingly. Percent complete is largely meaningless when the scope itself is conditional. Leaders need to see:

- material exposures with no accountable owner;
- decisions approaching their latest safe date;
- assumptions whose failure would change the response;
- capacity reserved but not yet released;
- dependencies shared by several business units; and
- the cost of the fallback compared with the preferred option.

The central programme office should own this integrated view, but not every answer. Legal interprets obligations. Business owners determine service and commercial exposure. Operations traces procedures and capacity. Technology establishes lead times and system dependencies. Finance makes value at risk visible. The executive sponsor resolves conflicts that no function can settle alone.

This is cross-functional programme governance in its most literal form: not a reporting layer above the work, but a mechanism for making decisions that otherwise fall between accountabilities.

5. Protect Capacity Without Freezing the Portfolio

A second objection is that ring-fencing Brexit capacity allows a regulatory programme to crowd out strategy indefinitely. That risk is real. Mandatory change is often used to justify oversized teams, gold-plated controls and opportunistic system replacement. Once every desirable improvement is labelled “required,” scrutiny becomes difficult.

The remedy is not to make Brexit compete as if it were discretionary. It is to separate three kinds of demand:

- continuity-critical work, without which a defined activity may become unlawful or impracticable;
- adaptation work, which changes the operating model to accommodate a credible outcome; and
- adjacent improvement, which may be sensible while a process or system is open but is not required for readiness.

Only the first category receives protected capacity automatically. Adaptation is funded to explicit decision points. Adjacent improvement returns to the ordinary portfolio and competes on its own merits.

In practice, this boundary is tested at design reviews. If a team proposes replacing a whole customer administration platform because six fields and two workflows may need amendment, the burden of proof sits with the replacement. If the existing platform cannot support multiple legal entities or alternative contractual terms, that constraint is recorded and tested. Regulatory urgency is not a licence to smuggle in a deferred transformation.

This discipline also protects strategic work. The portfolio can decide deliberately which initiatives to pause, slow or continue because regulatory demand is expressed in roles and dates rather than as a general claim on “all available resources.” A scarce legal specialist might be required for twenty days across four decision windows, not assigned indefinitely to a programme. An architect may be reserved for a design sprint, then released unless a trigger is met.

The result is not certainty. It is controlled optionality.

6. The Leadership Choice Is Whether to Pay Early or Pay Late

By the summer of 2017, the debate is no longer whether Brexit will create change. The open questions concern its form, timing and extent. Those questions are important, but they should not obscure a pattern familiar from other mandatory programmes: organisations that wait for perfect clarity do not avoid cost. They exchange planned cost for compressed cost.

Compressed cost arrives as emergency procurement, duplicated solutions, scarce contractors, shortened testing, rushed customer communication and executive attention diverted at the worst possible moment. It also narrows choice. An option that was affordable with eighteen months’ notice can become impracticable with six.

Leaders therefore need to make five decisions now:

- recognise regulatory continuity as a distinct investment category;
- appoint one executive sponsor across legal, operational, commercial and technology boundaries;
- fund no-regret discovery and option-preserving work without demanding invented benefits;
- require every material exposure to carry a decision clock and fallback; and
- protect continuity-critical capacity while keeping adjacent improvement in the normal portfolio.

None of these decisions assumes a particular negotiating outcome. They acknowledge that organisational readiness has its own lead times, regardless of political preference.

7. Readiness Without Theatre

The measure of a Brexit programme should not be the volume of its plans or the confidence of its status reports. It should be whether leaders can answer three questions for every material exposure: What is at risk? By when must we decide? What will we do if clarity has not arrived?

A programme that can answer those questions may still face unwelcome costs and imperfect choices. But it will face them while choice remains.

That is the real purpose of governing Brexit as a programme. Not to turn compliance into a heroic transformation story. Not to predict the settlement. Not to promise benefits that do not exist. It is to preserve the right to operate through a period in which external certainty may arrive later than internal action can safely wait.