Strategic Exposure Assessment™

SEA/001 - UK Steel Industry Edition

Executive Discussion Asset

Prepared independently to support UK Steel Industry & Ecosystem

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How To Use This Asset

This asset is designed to help leadership teams structure a 20-30 minute executive discussion around the potential impact of recent UK stell policy changes.

It works best when completed collaboratively by representatives from:

- Managing Director
- Procurement
- Operations
- Commercial
- Finance

The objective is not to produce perfect answers.

The objective is to build a clearer picture of where risks, assumptions and opportunities may exist across the organisation.

Most organisations already possess the knowledge.

This asset simply helps bright it together.

From Policy Change to Better Decisions

Government Policy Change

New regulations, trade measures or policy decisions create uncertainty and potential impact.

Understand Exposure

Identify how policy changes may affect your business, supply chain, customers and costs.

Gather Information

Collect the right information across procurement, operations, finance, commercial and strategy.

Internal Discussion

Bring people together to share insights, challenge assumptions and understand the full picture.

Better Decisions

Make informed, timely decisions with a clear understanding of risks and opportunities.

Greater Resilience

Stronger preparation today leads to greater stability, flexibility and long-term competitiveness.

Good decisions often begin with a understanding of the whole picture.

Why This Executive Discussion Asset Exists

The purpose of this asset is not to predict the future.

Nor is it intended to tell businesses what decisions they should make.

Instead, it has been designed to help leadership teams bring together information that often sits across several different parts of an organisation and view it as a single, connected picture.

Recent discussions surrounding UK steel have focused on quotas, tariffs, CBAM and wider industrial competitiveness.

Many organisations are naturally asking:

- How exposed are we?
- Which parts of our business may be affected?
- What should we be discussing now?
- Where are our biggest vulnerabilities?
- What options might still be available to us?

Unfortunately, the answers to those questions rarely sit in one department.

Procurement may understand suppliers.

Finance may understand cash flow.

Operations may understand production dependencies.

Commercial teams may understand customer contracts.

Boards often have to make decisions by combining all of those perspectives together.

This asset has been designed to help facilitate that discussion.

Why A Strategic Exposure Assessment?

Recent months have seen considerable discussion surrounding UK steel, tariffs, quotas, carbon border adjustments and the wider competitiveness of British manufacturing.

Trade associations, industry commentators and Government publications have helped explain what is changing.

However, many leadership teams are now facing a different challenge:

What does this actually mean for our business?

The answer to that question rarely sits in one department.

Procurement may understand supplier dependencies.

Operations may understand production constraints.

Commercial teams may understand customer contracts.

Finance may understand working capital and margin sensitivity.

Boards are often required to make decisions by bringing all of those perspectives together.

Yet relatively few practical tools exist to help organisations organise that internal knowledge into a single, structured view.

Awareness Is Not The Same As Understanding

Many businesses are aware that significant changes are taking place.

Far fewer have had the opportunity to systematically consider questions such as:

- Which materials create our greatest dependency?
- Where do we have single-source risks?
- Which customer contracts are most exposed?
- How much financial flexibility do we actually have?
- What assumptions are different across departments?

This asset has been developed to help structure those conversations.

Why Complete It Now?

Periods of policy change often move more quickly than organisational planning cycles.
The earlier businesses understand their own position, the more options they may have available to them.
Waiting until disruption becomes visible may reduce the range of practical choices that remain.
The objective of this asset is therefore not simply to record information.
It is to help organisations identify potential areas of exposure early enough to respond deliberately rather than reactively.

Building Better Organisational Knowledge

The asset has also been designed as a living document.

It can be reviewed as circumstances evolve, helping organisations compare what they expected to happen with what actually occurred.
Over time, this can help build valuable corporate memory and improve future decision making.
Strong organisations rarely eliminate uncertainty.
More often, they develop better ways of understanding and responding to it.

A Tool For Conversation

The most valuable output may not be the completed asset itself.

Often, the greatest value comes from the conversations that take place whilst completing it.

Different parts of the organisation may see risks differently.

Bringing those views together can often reveal opportunities, vulnerabilities and practical actions that might otherwise have remained hidden.

There Are No Right Or Wrong Answers

This is not a compliance exercise.

It is not an audit.

It is not a pass-or-fail assessment.

The objective is simply to organise information that many businesses already possess and present it in a way that supports clearer thinking and better internal discussion.

The asset should therefore be completed honestly, using the best information currently available.

Why Complete The Asset Carefully?

Small differences in individual answers may create a very different overall picture.

For example:

- a business with diversified suppliers may face different risks to one with a single-source dependency;
- a company with flexible customer contracts may have more options than one operating under long-term fixed pricing;
- organisations with strong cash reserves may be able to respond differently to those operating with limited working capital.

The more accurately the asset reflects the current position of the business, the more useful it may become as a future reference point.

A Living Document

This asset is not intended to be completed once and forgotten.

Many organisations may find value in reviewing it periodically as circumstances evolve.

Future policy changes, supply-chain developments or market conditions may alter the answers over time.

Maintaining a record of those changes can help build valuable organisational knowledge and support future decision making.

An Optional Independent Perspective

Many businesses will simply use this asset internally.

Others may wish to compare their own observations against wider market developments and emerging industry trends.

A completed Strategic Exposure Assessment™ can, if desired, provide the foundation for a more detailed Strategic Clarity Report™, helping organisations combine their own internal knowledge with an independent external perspective.

The purpose is not to replace internal expertise.

It is simply to help leadership teams see the wider picture with greater confidence and clarity.

Before You Begin

Suggested executive discussion time: 20-30 minutes

Recommended participants:

- Managing Director
- Procurement
- Operations
- Finance
- Commercial

Building The Strategic Exposure Picture

A structured approach to understanding your organisation's exposure

> This workbook helps you build a clearer picture of where your key risks and opportunities may lie today.

01	**Procurement Exposure**	Supplier sources, import dependency, critical grades and lead time risks.
02	**Commercial Exposure**	Customer contracts, pricing flexibility, margins and market sensitivity.
03	**Operational Exposure**	Production dependencies, substitution options, inventory levels and delivery risks.
04	**Financial Exposure**	Working capital, cost absorption capacity and financial resilience.
05	**Strategic Exposure**	Growth plans, investments, market opportunities and competitive positioning.
06	**Board Readiness & Governance**	Leadership alignment, scenario planning and decision making preparedness.

OVERALL EXPOSURE

A clear understanding of your organisation's current exposure to help support better decisions.

Better understanding today leads to stronger decisions tomorrow.

Most modern ERP systems provide organisations with excellent visibility into day-to-day operations.

They help manage purchasing, inventory, production, finance, customer orders and many other critical business activities.

However, strategic decisions often require leadership teams to bring together information, assumptions and perspectives that sit across several different functions.

Questions surrounding supplier dependency, customer contracts, financial resilience, operational flexibility and future policy changes may each be understood by different parts of the organisation.

The purpose of this asset is not to replace existing systems.

It is simply to help structure the conversation that brings those different perspectives together into a single, connected view.

Many organisations already possess this knowledge.

This asset is designed to help make that collective understanding easier to see.

The strongest organisations often combine the discipline of good systems with the value of informed executive discussion.

Company Profile

Company Name ________________________________

Employees ________________________________

Annual Turnover ________________________________

Main Markets ________________________________

Main Steel Products ________________________________

Primary Countries of Origin ________________________________

Discussion Notes

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Procurement Exposure

% steel imported ________________________________

Largest supplier dependency ________________________________

Critical grades unavailable in UK? ________________________________

Alternative suppliers identified? ________________________________

Average stock cover ________________________________

Discussion Notes

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Commercial Exposure

% fixed-price contracts ________________________________

Escalation clauses included? ________________________________

Largest customer % revenue ________________________________

Ability to pass on cost increases? ________________________________

Discussion Notes

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Operations Exposure

Can critical grades be substituted? ________________________________

Production shutdown risk? ________________________________

Single-source dependencies? ________________________________

Inventory buffer (weeks) ________________________________

Discussion Notes

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Financial Exposure

Working capital available ____________________________________

Cash reserves ____________________________________

Maximum absorbable material increase (%) ____________________________________

Estimated tariff exposure ____________________________________

Discussion Notes

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Strategic & Board Readiness

Board has discussed July changes ________________________________

Procurement strategy reviewed ________________________________

Customer communication prepared ________________________________

Financial model updated ________________________________

Scenario planning completed ________________________________

Supply chain contingency documented ________________________________

Discussion Notes

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Information Becomes Understanding

The conversation is where the real value is created.

Individual Knowledge

Teams hold valuable insights based on their experience and perspective.

Procurement, Operations, Commercial, Finance and other teams each see different parts of the picture.

Shared Discussion

Bringing perspectives together to challenge assumptions and fill the gaps.

Open conversation reveals connections, challenges assumptions and builds a common understanding.

Better Understanding

A clearer, joined-up view of risks, dependencies and opportunities.

Seeing the whole picture helps identify what matters most and where action is needed.

Better Decisions

Informed, timely decisions that strengthen resilience and performance.

Clarity leads to confidence, better choices and more effective action.

THE VALUE IS IN THE DISCUSSION, NOT JUST THE ANSWERS.

The most valuable output may not be the workbook itself. Often, the greatest value comes from the conversations that take place whilst completing it.

Better conversations today lead to better decisions tomorrow.

Board Discussion Summary

What surprised us most?

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What worries us most?

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What should we investigate further?

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Immediate actions agreed:

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Next Steps

This asset has been designed primarily as an internal discussion tool. Many organisations may simply retain it for their own planning purposes.

A completed Strategic Exposure Assessment™ can also provide the foundation for a more detailed Strategic Clarity Report™, helping leadership teams convert internal knowledge into a clearer picture of future risks and opportunities.

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Reflex IT Marketing

Star-Insight™ Decision Clarity Framework