

DID YOU KNOW?

UK Trade & Investment's new e-Exporting Programme is expected to help UK online retailers reach £60 billion in exports by 2018, according to the International Omni Retailing Markets Association. For more information on this exciting market growth and how your business can get involved, keep reading.

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Protecting Your Directors and Officers with Cover and Communication

During the past several years, there has been an increased frequency of directors and officers (D&O) facing litigation. Possible explanations for this growing trend include a stricter regulatory environment, new laws emphasising accountability and transparency in the wake of the recession, and increased online visibility. Despite this trend, 70 per cent of businesses have no cover to protect their directors and officers from corporate liability risks, according to a Datamonitor report.

But there is some good news. As an unforeseen by-product of this growing trend of claims against directors and officers, insurers have had to expand what was included in D&O cover. Insurers can now offer businesses additional modules to add on to their D&O cover, including employment practices liability, pensions trust cover, crime, corporate legal liability and more.

However, D&O cover is not the only strategy that a business can enact. Businesses should supplement their cover by strengthening their foundation—their employees. Provide them with detailed information on ethical standards, how to behave if offered a gift or hospitality from a third party, the appropriate procedures for dealing with various delicate corporate situations and guidance for how to review the indemnification provisions included in their D&O cover.

Gov. Guidance to Help Online Selling

UK Trade & Investment (UKTI), the government programme that works with UK-based businesses to ensure their success in international markets, has introduced the e-Exporting Programme to help encourage UK online retail exports. The programme helps expose UK retailers and brands to international e-marketplaces, which are online locations that provide a platform for retailers of all sizes to do business through e-commerce. And because UKTI has identified more than 400 e-marketplaces worldwide, the programme is expected to succeed.

One reason for the projected financial success of the programme is that it provides UK retailers and brands with discounted rates for listing their products on major e-commerce platforms, such as Amazon (US), Mercado Libre (Latin America) and Alibaba (China).

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Reputational Risk: Managing and Defending the Intangible

Reputation is an intangible commodity, unable to be properly weighed or measured, and yet highly susceptible to the sway of public opinion. When a company interacts with the public—through a press release, an advert, a product, etc.—it leads with its reputation. However, despite being intangible, reputations are exposed to all manner of risks. Defending against these risks can prove to be a challenge for not only the company but the insurer, who has to define what constitutes as reputational indemnity, as well.

While companies are connected to their reputation, they do not truly own them—they belong to the public and are stored within their minds. So what companies really possess are positive or negative perceptions of their brand. This intangibility is the challenge that companies must deal with when managing their reputational risk. To manage their reputation successfully, companies should implement these three best practices:

- Foster a professional relationship with the media in order to better monitor how your company is perceived. Use social media proactively and successfully to help shape your company's reputation. Collect and analyse customer feedback.
- Keep abreast of business, economic, social and regulatory trends that could spawn new risks in order to stay compliant and be prepared. Fostering and managing professional relationships with regulators can provide your company with more in-depth insight into current and upcoming regulations.
- Identify potentially adversarial special interest groups and initiate a professional relationship with them.

For all the work and proactive measures that companies may implement, their reputations are still fragile commodities that are controlled by their various business channels. While each channel offers its own unique risks, foreign supply chains may offer some of the most damaging. Using foreign supply chains restricts companies' operational control, leaving their reputation vulnerable to unethical or unfavourable business decisions undertaken by their business partners—if a supplier engages in unethical behaviour, your company's reputation will certainly be damaged. Issues such as unfair treatment of workers and non-environmentally friendly operations have prompted many UK companies to reshore for greater reputational cover. For more information on protecting your business' reputation, contact the insurance professionals at Packetts today.

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The e-Exporting Programme offers the following six benefits to UK retailers and brands:

1. Access to a Digital Trade Advisor to discuss export plans
2. Help and advice on how to build both a business' online and e-commerce presence
3. Expanded reach for a company's brand
4. Identification of new international e-marketplaces
5. Assistance setting up an e-marketplace
6. Invitations to events and webinars discussing retail/e-commerce opportunities

For businesses interested in entering the e-marketplace for the first time, the programme provides assistance with registering crucial marketplace information—such as trademark, website URL and tax—as well as establishing other marketing and related services.

With the majority of the globe wired and well-connected, your business can benefit from establishing an e-commerce presence. For more information on how your business can benefit from the e-Exporting Programme, schedule a meeting with your nearest UKTI representative here: www.uktiofficefinder.ukti.gov.uk.