

# GEODIS Gains Advanced Trade Compliance and Value-Added Service Capabilities

## A Leader in High-Volume Cross-Border Trade

GEODIS® is a European transportation, logistics and supply chain organization that operates around the world. With 41,000 employees, a direct presence in 67 countries and a global network spanning over 120 countries, the company is the top-ranked operator in France, fourth in Europe and seventh worldwide. GEODIS provides its 165,000 customers with proven expertise across five lines of business: Supply Chain Optimization (SCO), Freight Forwarding, Contract Logistics, Distribution & Express, and Road Transport. The organization's services span the high tech, luxury goods, fashion, retail, consumer products, automotive, and aerospace and defense industries. The diverse range of high-volume goods that GEODIS transports crosses international borders hundreds of times each day. A subsidiary of the French state-owned railway SNCF, GEODIS generates about \$8.9 billion in revenue annually.

## Market Opportunities and Client Expectations

Over the years, GEODIS grew successfully and sustainably by providing traditional third-party logistics (3PL) services such as freight forwarding, shipping, distribution and customs brokerage assistance. The recent unprecedented rise in globalization introduced new opportunities, but challenges accompanied them as well. Many of GEODIS' strategic customers expanded, increasing their sales in existing markets all over the world and bringing globally

recognized brands into new markets as well. Well-known organizations relied on GEODIS as their exclusive logistics provider, counting on the company to quickly fulfill orders and ensure customer satisfaction, especially in competitive markets. Before long, GEODIS had an extraordinary surge of freight volumes to handle on an ongoing basis.

The scale of the challenge was significant. By the end of 2019, GEODIS had moved over 300,000 international and domestic small parcels — worth approximately \$6 billion — around the world for one major customer alone. This not only stretched GEODIS logistically but also resulted in technology and trade compliance challenges. Soon the same customer added transactional and product data for over 80,000 items in more than 2 million variations to GEODIS' transportation management system (TMS). These included technologically advanced products that were sensitive in nature and export-controlled by the U.S. Department of Commerce, requiring extra attention.



“E2open compliance capabilities are very important for the GEODIS Supply Chain Optimization compliance risk management program. The digital information is key to providing timely and accurate visibility, streamlining our compliance check processes, improving their efficiency and reliability. We’re now very well-positioned for the next wave of growth and ready to offer our customers more value than ever before.”

**Laurent Rosa**

Business Transformation, Supply Chain Optimization

GEODIS

To mitigate risk, the customer requested that GEODIS further enhance its export control procedures and take additional compliance measures. GEODIS’ TMS, however, was not yet equipped with the right software for continuously and independently verifying regulatory compliance for the goods in transport. Not only was GEODIS’ logistical proficiency mission-critical, but the company’s management of trade compliance had also become a business imperative. In light of the increasing opportunities and demands of global trade and in response to customer needs, GEODIS decided to take specific measures to improve speed-to-market, reduce logistics and transportation spend and — most importantly — ensure that the movement of goods was in full compliance with all global and local regulations.

GEODIS’ leadership focused on two objectives. The first was to identify and incorporate reliable and accurate global trade regulatory information and scale it to process large amounts of export and import transaction and trade compliance data. This would enable automated decision-making in full compliance with the applicable export and import rules. The second objective was to grow from a 3PL into a fourth-party logistics provider (4PL) and begin offering value-added services such as analytics and insights that would streamline and optimize customers’ trade lanes.

A team within GEODIS’ SCO business unit was tasked with finding a way to meet these two objectives. The team sought a partner to help make sense of the masses of transactional and compliance data in GEODIS’ systems. With intelligent insights from a knowledgeable partner, GEODIS could better influence logistics and freight-sourcing strategies such as transportation, border clearance, logistics spend, capacity utilization and carrier performance.

## Why e2open®?

GEODIS had been using e2open’s Due Diligence Screening application primarily for ad-hoc and manual restricted party screening (RPS). With shipment volumes increasing and compliance challenges that were more pressing than ever, it was time to automate compliance verification for high-volume global operations.

The SCO team examined other trade compliance solutions on the market and found that they typically offered basic screening capabilities at best, without a sufficiently broad or deep scope to handle high transaction volumes, address a wide range of complex products and provide diverse country coverage. In addition, GEODIS had been leveraging e2open’s accurate, timely and reliable trade compliance content — and this was not available from any other vendor. After the SCO team explained its growth objectives, e2open proposed a plan that would expand GEODIS’ use of e2open Export Management and automate trade compliance for the company by cross-checking every line of each commercial and transport document against applicable trade regulations across more than 225 countries.

Along with e2open’s robust automation, the SCO team also discovered that GEODIS could leverage additional capabilities to build up its 4PL value-added services. Powerful analytics, enhanced planning and reporting would give GEODIS visibility into the ramifications — in compliance, timing, landed cost and risk — of the company’s logistics decisions. Using these insights, GEODIS would be able to propose optimized cross-border, logistics and transport solutions to customers.

## Integrated, Automated Export Compliance

The SCO team recognized that new capabilities from e2open would be a strong differentiator for GEODIS and enable the company to provide significant competitive advantages for its customers.

### **E2open Applications**

GEODIS chose to leverage the following applications from e2open's Global Trade application suite:

- e2open Due Diligence Screening
- e2open Global Knowledge®

### **Accelerated Time-to-Benefit**

To meet GEODIS' unique needs and take the system live as quickly as possible for the high-volume client, e2open's professional services team created an integrated system by incorporating regulatory data and analytics capabilities into GEODIS' TMS. The new system would perform critical actions:

- Continuous collection of all the client's shipment and purchase order data, product codes and transportation details
- Automatic cross-referencing of data against e2open Global Knowledge — the world's most comprehensive and accurate database of trade rules and regulations — to draw current regulatory information from all countries where GEODIS' clients operate

The e2open system verifies the quality of incoming data, screens against restricted or denied parties and checks the accuracy of product classifications against the latest tariff and export control codes. As a result, GEODIS is now able to comply with all necessary regulatory export controls and identify required trade documents with minimal keystrokes and manual steps. E2open's extensive compliance checks often run so seamlessly in the background that GEODIS personnel do not even notice them.

## Improved Compliance, Confidence and Efficiency Across Global Trade Operations

GEODIS exceeded its objectives and now benefits from a TMS that can handle high volumes of trade compliance and complex supply chain data automatically. The company reduced supply chain and logistics risks along all trade lanes by receiving up-to-date, multi-country trade content into the GEODIS TMS multiple times a day. Customers can make sales with confidence, knowing that when GEODIS fulfills them — no matter how many there are and where they go — compliance risks are minimized. This also helps safeguard time-to-market by preventing border clearance delays.

As an added benefit, GEODIS can offer new 4PL value-added services to optimize its customers' logistics and transportation spend. The company is able to analyze the compliance impact of adjusting trade lanes or transportation modes and advise clients accordingly. GEODIS can also improve sourcing decisions by modeling the effects of altering product components, country of origin and other variables.

Looking forward to further broadening its 4PL services, GEODIS is evaluating other elements of e2open's integrated platform to discover ways they can advance this expansion.

## About e2open

At e2open, we're creating a more connected, intelligent supply chain. It starts with sensing and responding to real-time demand, supply and delivery constraints. Bringing together data from customers, distribution channels, suppliers, contract manufacturers and logistics partners, our collaborative and agile supply chain platform enables companies to use data in real time, with artificial intelligence and machine learning to drive smarter decisions. All this complex information is delivered in a single view that encompasses your demand, supply and logistics ecosystems. E2open is changing everything.

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