

Premium Paint and Coatings Company Saves Millions in Preferential Duties

Service, Speed and Quality by Design

This North American organization is a major manufacturer of home maintenance products, primarily paint and coatings. The company distributes its products exclusively through a network of thousands of independent retailers. Defined by innovation, technology and leadership, the brand has set new standards of excellence in every aspect of production and supply chain processes.

Since the paint and coatings organization distributes exclusively through small, independent retailers, maintaining a solid relationship and delivering value to each of those retailers is essential for success. The company's strategy is to be very easy to do business with, so customers get what they want without delays, at a minimum cost and with the expected high quality of the brand.

Customs Delays and Unnecessary Costs

As the company pushed for continuous improvement in customer service and efficiency, a costly trade operations bottleneck became evident. With products being sold only in the United States and Canada, leveraging a free trade agreement (FTA) between these countries is a significant duty savings opportunity for the organization. But there were recurring challenges — including delays — when clearing Customs into Canada. Due to a lack of automated processes, the company did not always have the necessary documentation from suppliers when shipments were crossing the border. As a result, the company paid the duty upfront and later filed paperwork to reclaim those payments, a process called drawback. It was not

uncommon for the duty reconciliation process to go on for 12 months, restricting cash flow to the tune of up to \$3 million annually.

Any customs delays or unnecessary expenses were more than just an operational problem. They were a brand problem. To transform its trade operations, the organization realized it needed to reduce complications at the border, overhaul its poor handling of duty payments and gain efficiencies by replacing an outdated, manual approach.

Why e2open®?

The company was searching for a solution provider with deep and broad expertise in trade compliance and process automation. With preferential trade savings between the United States and Canada vital to its bottom line, the organization also sought a leader in managing FTAs. Impressed with e2open's ability to simplify complex trade agreement processes, reduce product costs and overhead and ensure regulatory compliance, the company selected e2open. Access to e2open's comprehensive, up-to-date global trade content was a crucial factor.

Automated Compliance Platform and Streamlined Trade Agreements

To exercise a duty claim based on a trade agreement, companies must provide supporting information and documentation from suppliers. E2open's global trade management functionality enables companies to utilize a single, collaborative platform for internal teams and suppliers to identify and accurately manage the processes for duty filings.

E2open Applications

The company selected the following e2open applications to leverage duty reduction opportunities, streamline operations through automation and improve cash flow:

- e2open Export Management
- e2open Trade Agreements
- e2open Global Knowledge®

Smooth Implementation and Integration

The company was also able to capitalize on the value of working with e2open's professional services team to ensure a smooth implementation and integration with existing software and business practices. E2open helped the paint and coatings company's team understand how to use the system and provided assistance as needed until cost-saving product rollouts occurred more easily. The company was able to automate processing and make proper and efficient use of data.

Using an automated trade agreement management solution enabled the company to efficiently collaborate with its suppliers to automate the qualification of goods under the trade agreement. The company gained speed and agility because the various types of data the teams needed to make fact-based decisions — including data stored in a third-party enterprise resource planning (ERP) system — are now visible on a single operating platform. Teams can now proactively and collaboratively identify and resolve any issues when exporting goods.

Simultaneously, the company added more robust trade compliance capabilities and streamlined the necessary export compliance checks. The centralized, enterprise-wide platform automated transactional functions, including country controls, restricted party screening, license determination and tracking, document generation and filing. Each of these crucial steps in the company's export and trade agreement management processes is powered by the comprehensive, continually updated regulatory data in e2open's trade content database, reducing the risk of fines.

Transformed Cash Flow, Agility and Customer Satisfaction

As a result, the company has streamlined border crossings, improved margins, reduced compliance risk and

instantiated a platform for supply chain agility. Now that all data is centralized, the company can efficiently classify products, solicit suppliers for the documents necessary to qualify goods for a trade agreement and generate certificates of origin. Digital collaboration with supply chain partners like customs brokers and freight carriers has expedited border crossings, reduced costs and increased customer satisfaction.

The company can now easily and quickly solicit suppliers for origination certificates using artificial intelligence (AI) and machine learning to automatically determine which product components are essential to the qualification process. These changes have significantly reduced the number of supplier solicitations and product classifications required. Since the documentation from suppliers is now readily available upfront, the company no longer has to pre-pay its estimated duties and then recoup the payments, freeing up an estimated \$2.7 million of cash annually. With the right platform to support a high-volume region, the premium paint and coatings company can now easily support new trade agreements or comply with changes to existing agreements as needed, resulting in a more agile supply chain and improving capital efficiency.

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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