

## Driving Success Through Effective Compliance and Cash-Flow Management

Established in 1933, this Japanese automotive manufacturer is one of the world's leading automakers, consistently producing a wide range of vehicles renowned for performance, design, and advanced technology. The company operates in over 100 countries and boasts an impressive lineup that includes electric and hybrid vehicles, sports cars, sedans, trucks, and SUVs designed for driving pleasure, safety, and environmental responsibility. With a rich history of automotive achievements, the company prioritizes delivering exceptional vehicles that align with evolving customer needs.



### The situation

In the dynamic world of automotive manufacturing, the company realized that efficiency, precision, and compliance with regulations are critical in ensuring operational success. In its pursuit of supply chain excellence, the company embarked on a journey to revolutionize its manufacturing operation in Europe by setting up a parts import facility in the UK and collaborating with a partner in Germany to innovate and assemble various models tailored to the local market.

### The challenge

As a global company with intricate supply chains, it faced significant challenges managing the storage, distribution, and customs compliance of its imported parts and vehicles as it increased its focus on the European market. As importing non-EU vehicle parts became a regular part of its operations over time, the new challenge was to ensure that these parts were efficiently processed and re-exported to qualify for the Inward Processing relief program that suspends import duties and Value Added Tax (VAT) on certain

components. Failure to meet the program's requirements would result in additional customs duties and taxes, potentially jeopardizing its competitive edge.

### The solution

The company strategically decided to implement a bonded warehouse solution to provide end-to-end visibility into its inventory, ensure customs compliance, and optimize its European operations with two bonded warehouses in the UK.

The solution focuses on three main elements of duty management provided by e2open bonded warehouse management capabilities—part of the Global Trade suite of connected applications:

- **Customs compliance:** Compliance with customs regulations is crucial for any international enterprise. The software facilitated the generation of required customs documentation, provided electronic communication with customs authorities, and ensured that import declarations were accurate and timely.

- **Integrated process:** Seamlessly integrating Inward Processing within the bonded warehouse software allowed for effective management of component parts and facilitated hassle-free re-export or circulation of finished products.



### Japanese Auto Manufacturer

#### Challenges

- Manage the storage, distribution, and customs compliance of its imported parts and vehicles
- Ensure that the parts were efficiently processed and re-exported within the EU to qualify for Inward Processing relief

#### Solution

- Automate end-to-end visibility into inventory, ensure customs compliance and optimize operations of two bonded warehouses in the UK

#### Applications

- Customs Filing
- Bonded Warehouse

• **Audit readiness:** Detailed reporting and full audit capabilities simplified the tracking and HM Revenue and Customs (HMRC) reporting of goods movement, transactions, and customs compliance.

## The outcome

The implementation of the bonded warehouse solution had a far-reaching effect on the company's operation in Europe and delivered impressive results in three areas:

**Efficiency:** Real-time visibility into inventory levels, streamlined customs processes, and accurate reporting led to quicker decision-making and reduced lead times.

**Cost savings:** By optimizing inventory management, the company unlocked substantial cost savings. The ability to defer customs duties and taxes until goods were ready for sale provided a significant cash flow advantage to the company.

**Compliance:** The automaker consistently met customs regulations and standards using the e2open solution which reduced the risk of penalties and disruptions.

As the company expanded its footprint in Europe with its partner, the bonded warehouse solution has seamlessly scaled to accommodate additional warehouses and the demands from new market growth it experienced during the last 15-20 years.

## Applications

- Customs Filing
- Bonded Warehouse



## About e2open

E2open is the connected supply chain software platform that enables the world's largest companies to transform the way they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects more than 480,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 15 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as one.™ Learn More: [www.e2open.com](http://www.e2open.com)

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