

SOLUTION BRIEF

Harness the Power of Global Trade Management

How automation and comprehensive trade content can help you maintain compliance, adapt to change, unlock new opportunities, and spur growth.





Global trade is vital to the modern economy. It gives businesses access to new markets, source materials, and delivers products virtually anywhere. However, global trade comes with many challenges that create complexities, increase costs, and expose businesses to risk, including changing regulations, tariffs, customs, compliance, transportation, and logistics.

Businesses must be adaptable, agile, and resilient to succeed in the dynamic and competitive global trade environment. They need visibility and control over their end-to-end supply chain processes — from sourcing to delivery. They must also leverage automation and digitalization to optimize operations, reduce errors, and enhance collaboration with their partners. The best way to achieve these goals is by using a comprehensive and integrated global trade management (GTM) software solution connected to an end-to-end supply chain platform.

The need for adaptability has never been greater.

The global trade landscape is becoming increasingly complex, marked by ever-changing regulations, geopolitical shifts, sanctions regimes and rising costs. A recent article in Harvard Business Review on the [state of globalization in 2023](#) recommends that companies do need to adjust for heightened geopolitical tensions, but they should not abandon global strategies on the assumption that US-China decoupling will necessarily lead to deglobalization. The data presented in the article concludes that the critical business drivers of globalization — more growth and innovation, coupled with lower costs and better-diversified risks — remain strong, and new technologies continue to expand international opportunities.

Businesses must be adaptable to remain competitive in this evolving landscape. A GTM platform with innovative technology and tools can equip enterprises to respond quickly to changes in regulations, tariffs, sanctions and compliance requirements. The right GTM solution enables businesses to adapt swiftly and efficiently to the changing global trade environment by providing real-time insights, automation capabilities, and proactive compliance checks.

Automation opportunities are endless.

Automation plays a significant role in streamlining global trade operations. By automating manual processes, businesses can enhance efficiency, reduce errors, and improve compliance. In addition to the opportunities to automate documentation and customs procedures to integrate trade compliance checks, advanced technologies like artificial intelligence and machine learning can help optimize operations by providing real-time insights and predictive analytics.

The following are some of the typical functional areas or workflows within global trade operations in an organization that are prime candidates for automation:



Product Classification and Valuation

Automatically assign harmonized system (HS) codes and product descriptions to goods based on predefined rules and algorithms. Calculate the total landed cost of the products using applicable duties and taxes in the destination country.



Duty Optimization

Automatically calculate the applicable duties and taxes for goods based on various factors, such as HS codes, origin, destination country or region, trade agreements, tariff schedules, and special regimes or programs.



Origin determination

Automatically determine the origin of goods based on various criteria, such as preferential trade agreements (PTAs), rules of origin (ROOs), or non-preferential origin rules. Generate certificates of origin (COOs) or other origin-related documents.



Document generation

Automatically generate and distribute documents required for global trade transactions, such as invoices, packing lists, bills of lading, air waybills, commercial invoices, pro forma invoices, or shipping labels. Then store and manage these documents in a centralized repository for easy access and retrieval.



Export control

Automatically screen goods, parties, and transactions against various export control lists, such as restricted party lists (RPLs), embargoed countries, or sanctioned entities. Identify export license requirements or exceptions based on multiple criteria.



Customs filing

Automatically generate and submit customs declarations or entries for imports or exports based on various formats, such as automated commercial environment (ACE) in the US or the EU's Import Control System (ICS2). Communicate with customs authorities or brokers via electronic data interchange (EDI) or application programming interface (API) to receive acknowledgments, responses, or notifications.



Trade content — its coverage, accuracy, and access to current data — is the critical piece to the puzzle.

Staying compliant while trading across borders can be a daunting challenge. Staying up to date with ever-changing regulations, sanctions regimes, restricted party lists and product classifications — which can all impact landed costs — requires continuous effort. At the same time, penalties for non-compliance are increasing rapidly.

To stay ahead, companies must manage a tremendous amount of trade content, or information to comply. This information — trade content — constantly changes and ranges from the customs tariffs used to classify goods to the duty rates needed to calculate landed costs

to the controls determining whether a company can legally complete a transaction. Unfortunately, collecting, cleansing and publishing trade content is complicated by the number of countries and government agencies involved, differences in trade regimes, and various formats and languages. A robust process to update the trade content on time with minimal human intervention is vital to ensure accuracy and global coverage.

Automated global trade in action: Three case studies.

Here's how automating Global Trade Management connected to logistics management workflows drove substantial results for different organizations across multiple industries.

Use Case

Breaking down compliance bottlenecks to scale for growth at a global technology provider



This multinational company provides mobile products, software and internet-related services for consumers and businesses around the globe. With a new initiative to offer consumer electronics for productivity, the need to move various types of technology hardware worldwide efficiently and quickly became a top priority.

As global demand for their data processing services grew, the company needed to answer complex trade compliance questions around exporting and importing — plus customs filings to prepare and submit — for each transaction. Many of the company's products are subject to stringent dual-use controls with particularly complex licensing and documentation requirements. In addition, they must screen against restricted parties to meet sanctions requirements from authorities worldwide.

Their first step was identifying the best way to automate export and import processes to reduce bottlenecks and enable new growth opportunities. The new solution would have to automate the compliance screenings and the export and import filings. All these steps needed to occur on a single platform for efficiency and data reliability on both the export and import sides of the workflows of a product shipment.

They decided on a modular rollout, starting with the export management capabilities. The application was set up to use a highly configurable set of validation rules to compare its transaction data against the industry's comprehensive global trade database. The company then set out to implement the import management capabilities to adhere to import regulations, automate the management of trade documents, gain process efficiencies and drastically reduce errors caused by



manually re-keying data. Since export and import happen on the same platform, it would be straightforward and automatic to reuse export data with minimal manual effort.

During the next phase, the solution was enhanced to collect and validate the essential product and transactional data from supply partners by plugging in a trading partner management solution and integrating it with a due diligence screening solution. The company now automatically reviews every transaction, screening for potential sanctions violations — and seamlessly determining import and export license and trade document requirements.

The most significant gains came as they integrated with a multi-carrier parcel solution and customs filing solution on the cloud to use the collected and validated data to prepare documents for filing electronically with customs authorities for routine shipments and use air carriers to deliver the shipments quickly using the most cost-effective service option.

Use Case

Improving compliance, increasing speed-to-market, and reducing costs at a global sportswear company

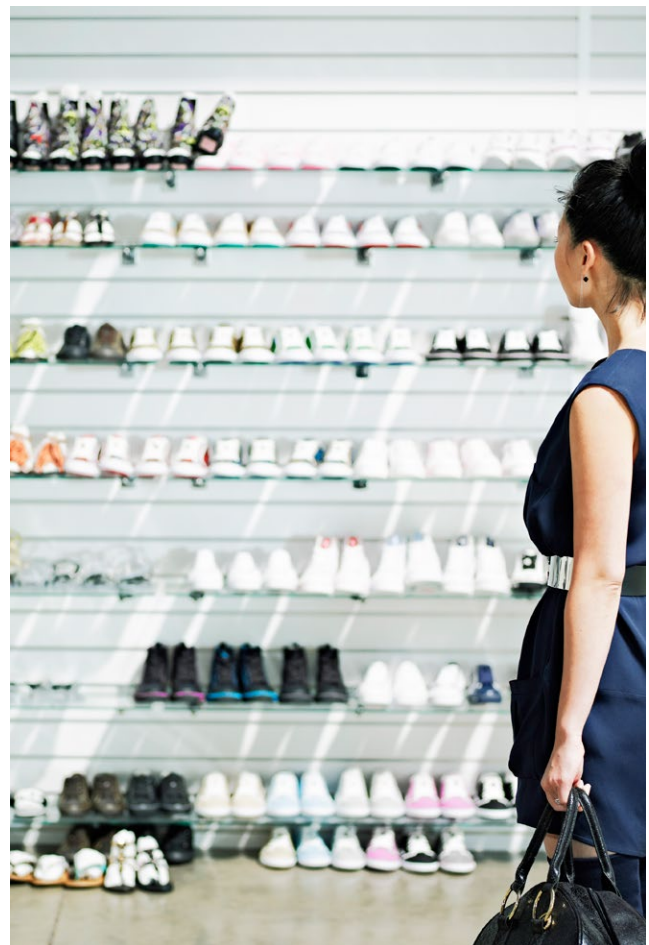


This globally recognized sportswear company based in the US set a goal of doubling its revenues in 2016. Part of growing revenues at this scale hinged on reducing product costs to stay competitive and increase available cash. The company strategically decided to shift its primary operations from wholesale to retail. This means volumes would double from the current one billion shipments per year, and more inventories would be in the supply stream. But their supply chain's lack of agility was standing in the way.

With 100% of its manufacturing footprint contracted across 750 factories in Vietnam, Malaysia, Bangladesh, Indonesia, and other countries, the company realized they needed greater visibility into their supply chain to meet the new growth expectations, grow customer demand, and minimize costs. They were using a patchwork of providers and solutions — including SAP event manager, manual processes, home-grown systems, and GT Nexus for finance components — so they launched a new initiative around Inbound Logistics Management (ILM) as a first step in their transformation journey.

Additionally, the company ships worldwide using a combination of 180 carriers — air, ocean and truck — via three consolidators. With so many shipments from so many suppliers and footwear and apparel imports absorbing, on average, 50%–70% of U.S. duty and tariff costs, the natural taking advantage of free trade agreements (FTAs) was the next step on their transformation path. Qualifying many different products from various manufacturers against different trade agreements would require a single, scalable global platform with broad and deep trade content. They expanded from 4 to 28 trade agreements in less than one year and started reaping immediate benefits in substantial cost savings.

The effort grew from there to streamline import and export operations with a high degree of automation. Connected with accurate trade agreement documentation and duty management application, automation of import and export operations helped the company achieve a high compliance rate and quickly move goods across borders. Due to this success, they gained Trusted Trader status with U.S. Customs and Border Protection (CBP). The In-Transit Visibility application also allowed the company to track and trace its global shipments as they cross borders.



Use Case

Improving efficiency and achieving a faster cycle time at a global medical technology company.



This global medical technology company faced complex supply chain challenges with over 145 shipping locations worldwide, requiring automated trade compliance processes and a unified system for increased efficiency, reduced costs, and improved compliance. With subsidiaries, suppliers, distributors, manufacturing facilities, carriers, brokers and customers located worldwide, operations could have been more cohesive and easier to manage.

Import and export compliance for the shipped products required accuracy with every single detail of product and packaging materials to determine proper export controls and the corresponding documentation necessary to avoid potentially significant fines and cross-border delays.

To streamline all of it, the company began automating its trade compliance processes for each business unit — including product classification, restricted party screening, order-to-shipment compliance screening, and the generation of export documentation. Because of the range of borders crossed, any trade compliance software application must use the most current regulatory data. Since the business units were operating on different enterprise resource planning (ERP) systems, the company implemented a GTM platform that seamlessly integrated all these systems using a common framework.

The platform created a flexible environment for sharing information with supply chain partners and established a “global transaction” for managing related party trade. This also allowed users to view import and export information simultaneously. Users can electronically send pre-entry instructions directly to brokers without waiting for the physical goods to arrive, thus expediting cycle times and improving overall efficiency.



Next, the company established a central Global Knowledge repository for compliance data accessible by all trade parties. With this, the company could maintain accurate, up-to-date classifications and remain compliant with country-specific export and import regulations, resulting in a much lower potential compliance risk and notable cost savings on import broker fees. Now compliance administrators around the globe can retrieve local data across 100 countries where the company does business.

With the unified solution and global content database in place, taking on complete automation of export documentation for multiple business units represented the next logical phase to accelerate shipping speed at all their global sites. Now the company can offer quick responses to customs and internal audit requests with a critical feature that provides a complete audit trail for all transactions, including that at product component level change details from its trading partners.

Today, the company has dramatically improved its supply chain visibility, facilitating timely, accurate communication between its business units and trading partners. The platform also provided internal teams with greater visibility into shipments, improving on-time delivery and internal satisfaction while achieving the overall company goal of improving overall efficiency, expedited cycle times and reduced compliance risks across the globe.



Build a Resilient Supply Chain

In today's rapidly evolving global trade landscape, harnessing the power of GTM is vital for enterprises seeking to maintain a competitive edge. e2open's GTM solution offers a comprehensive suite of capabilities, enabling businesses to adapt to regulatory changes, automate processes, optimize costs, and effectively manage risks in their supply chains.

The e2open GTM solution is powered by e2open Global Knowledge, the industry's most comprehensive database of government regulations and international business rules, tightly integrated within a full suite of applications that help streamline and automate global trade. Business leaders can confidently import and export goods while ensuring that their transactions are fast, smooth, fully compliant, and optimized for cost. Through up-to-date and complete trade content, companies move from mere process automation to full intelligent decision automation with minimal human intervention.

Connect Your Supply Chain

E2open is the connected supply chain software platform that enables the world's largest companies to transform how they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects over 400,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 12 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.

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