

# Global Food Manufacturer Saves Over \$40 Million in Duty Costs

## A Fast-Growing Global Enterprise

This global food manufacturer and distributor is one of the world's largest companies, with operations in more than 100 countries. As a leading consumer products company with revenues exceeding \$16 billion annually, the company continually focuses on product innovation by rapidly addressing evolving food trends and delivering food that consumers love. Today, the organization manufactures and distributes some of the most recognizable food brands and continues to add to its product lineup through acquisitions and organic growth.

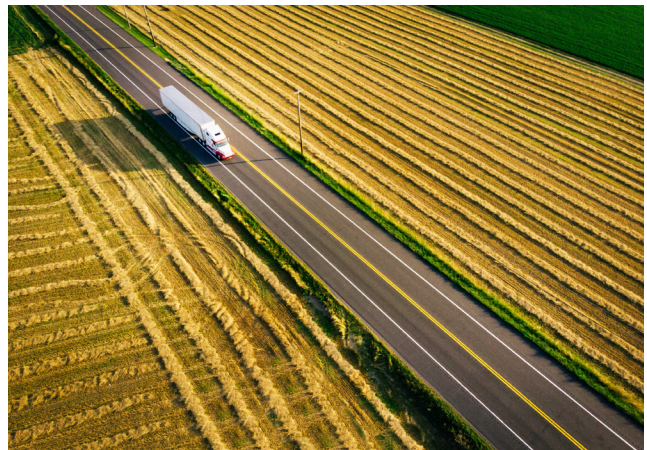
The company's U.S. and international operations include manufacturing facilities, distribution operations and company-operated retail shops. The enterprise currently exports to over 70 countries and, like many global companies, has been focused on achieving sustainable growth from established international markets while also expanding in emerging markets.

## Move From Manual Import Processes

The organization's business environment involved high volumes of imported products and the labyrinth of documentation requirements associated with complex trade operations. The company was trying to manage its processes using mostly manual efforts, which resulted not only in significant duplicate efforts and inconsistency across the organization but also greater risk of non-compliance. For instance, in certain situations the company underpaid or overpaid duties, requiring manual efforts to correct the inaccuracies.

With the increasing complexity of managing imports and exports, the company concluded that it could not continue to address global trade operations by simply devoting more people to the department. The organization required a more efficient approach for tackling import and export management. It was also clear that shipment delays due to documentation errors and other international shipping issues were having a negative impact on supply chain cycle times.

The company saw an opportunity to take advantage of more substantial duty savings with an automated free trade agreement (FTA) process, which would in turn reduce supply chain costs. In the case of agreement identification and supplier solicitation, the organization's processes relied on inefficient manual efforts that increased the risk of failing to pass potential audits. The manufacturer was certain that its global trade processes required a transformation.



## Why e2open®?

The company chose to implement software from e2open to manage imports, exports and duties using a phased implementation methodology. The applications enabled the food manufacturer's global trade team to centralize processes and streamline FTA qualification. The implementation team consisted of FTA experts who understood complex qualification and solicitation processes, data analysts who knew how the bill of materials and part data were managed in the enterprise resource planning (ERP) system, information technology (IT) resources who built the interfaces from the ERP system to the FTA solution and global trade expertise from e2open. A dedicated project manager coordinated the project and managed scope, timeline and cost.

## A Supply Chain Primed for Growth

The importance of people, processes and technology for the success of this project was fully addressed and has an ongoing impact on the supply chain organization. In the case of technology, system automation was in place for many of the global trade transactions previously managed manually. Also, the project team now could expand the project globally by leveraging leading technology standards. Global trade processes were improved by enhancing import and export controls to ensure valid admissibility. Improvements were also made to audit requirements to comply with various government regulatory environments. From a people and organizational view, a Compliance Center of Excellence was instituted to better meet increasingly complex import and export regulations around the globe.

### **E2open Applications**

e2open Import Management  
e2open Trade Agreements  
e2open Global Knowledge®

## Continuity and Compliance Achieved

The burden of managing FTAs has caused many companies to fail to see the potential savings from FTA utilization. In the case of the global food manufacturer, a comprehensive approach that involved leading global

trade technology from e2open had a positive impact on global supply chain performance and cost reduction. The manufacturer has been able to significantly reduce duty payments, decrease inventory levels and improve global trade processes.

The company has also improved collaboration with suppliers and partners, such as the organization's customs brokers, with beneficial results:

- Reduced error rates that negatively impacted cycle times
- Improved cycle times and accuracy
- Enhanced product availability for customers

In addition, the customs team can more easily analyze the supplier base to determine where to pursue duty savings from preferential trade programs. Due to improved FTA identification, the project has delivered significant duty savings in excess of \$40 million on an annual basis.

E2open's applications have allowed the food manufacturer to centralize and automate its global trade processes, ensuring an efficient deployment to all global operations. This has resulted in business process improvements, continuity across global trade teams and lower global supply chain risks.

## 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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