

## CASE STUDY

**TRADEDESK****ON DEMAND TACTICAL TRADE COMPLIANCE SUPPORT**

Trade Compliance is one of the most difficult aspects of logistics for multinational corporations. Import and export operations are heavily regulated throughout the world, and change regularly. In addition to Customs and export control procedures surrounding technology and encryption, a variety of other government agencies have promulgated regulations concerning taxes, consumer safety, environmental protection, food and drug purity, and public security. The scramble to comply with these many rules may cause shipment delays and higher costs for businesses involved in international trade. Customer service is often the first casualty.

Companies are typically faced with two choices: either maintaining a core staff for governance and strategy while hiring an outside professional group to manage the day to day tasks, or building an internal team to handle both the strategic and tactical responsibilities. The often overlooked hurdles of doing this internally are the hiring, training, mentoring, and retaining of experienced staff that keep the supply chain moving compliantly.

One of the trends that we see from leading companies is that they focus their internal effort on a core strategic vision and governance while outsourcing the functions where they lack expertise or bandwidth. This helps keep shipments moving during seasonal peaks and valleys in today's business environment of limited resources and reduced headcount, without compromising the trade compliance of the enterprise.

**OPPORTUNITY**

A large multinational organization in the hi-tech industry found it challenging to build and maintain a trade compliance team due to headcount restrictions, limits to the array of expertise available, and staff attrition. Even in those instances where the budget allowed, seasonal peaks and 24-hour coverage required building a large team to handle employee losses, vacation, and other personal time off.

Operational fire drills became the focus of the staff by necessity so that the shipments could continue to move. However, this often came at the cost of the reasonable care that Customs and other government agencies require. The company continued to see an influx of government inquiries surrounding trade compliance issues, export penalties in the hundreds of thousands of dollars, and was targeted for a Customs audit surrounding tariff classification and suspect free trade declarations.



## OUR SOLUTION

Tradewin started by analyzing the company's current processes, documenting staff responsibilities, and leveraging advanced expertise and compliance software. A gap analysis identified those areas where expertise was not readily available, as well as "white spaces" where trade compliance responsibilities were not assigned. Tradewin's findings were documented and submitted to the client along with a compliance improvement plan to be implemented over several months. Finally, and most importantly, Tradewin assembled a TradeDesk® to support the organization's global tactical trade compliance. The TradeDesk for this client included operational trade compliance support covering:

- Harmonized tariff classification
- Free trade program solicitation & eligibility analysis
- Export control classification and license review
- Customer order compliance hold / release
- Restricted party screening
- An import and export declaration audit program
- Broker / freight forwarder inquiries
- Partner government agency assistance
- Professional trade compliance guidance



### Assistance of technology:

We also merged our trade compliance expertise with the technology that allows us to efficiently perform the day-to-day tactical tasks that help move shipments compliantly. The merging of trade compliance expertise with today's technology, specifically Tradeflow - our online compliance software application, and FTANavigator - our online Free Trade Agreement solicitation tool, reduced disruptions to the client's supply chain and core business functions.



## THE RESULTS

TradeDesk was implemented in eight cities with staff positioned in the United States, Europe, Asia, and Australia to provide global 24-hour coverage. Harmonized tariff classification is performed timely, is available via our web tool, Tradeflow, and is electronically transmitted back to the client's ERP and to the client's Customs brokers. As classification is a core service of Tradewin, the classifications are both accurate and consistent across all geographies.

Export order releases are completed in hours rather than days and restricted party screenings are performed within minutes instead of hours. This client now spends more time managing its core business functions and leaves the tactical trade compliance tasks to Tradewin's professional compliance team which averages 12 years of industry experience.

Volume spikes are effectively handled by the Tradewin team while the customer retains governance responsibilities for trade compliance as Customs authorities expect.

Finally, regularly scheduled audits have been instituted as a Customs audit defense mechanism bringing a robust compliance profile and peace of mind.