

Getting a handle on trade

Trade management software targets the most complex supply chains

BY ALAN M. FIELD

Corporate supply chains are getting more complex, which means more difficulty complying with trade laws and rules. Global companies now must generate accurate documents not only about their U.S. imports and exports but also about shipments between other countries, and between company divisions overseas.

If you export semiconductors and other components as a separate product, you must comply with one set of foreign product classifications. But if those semiconductors are listed as components of a finished product, an entirely different set of product classifications is needed.

To address problems such as these, Management Dynamics Inc. has released a new version of its popular Trade Collaborator software. The latest upgrade, known as Version 14, emphasizes flexibility in sharing information with companies' supply-chain partners.

Mona Babra, senior product manager at Management Dynamics, said the new version enables companies to simultaneously view information about their imports and exports. This is particularly useful for global companies whose more complex supply chains involve shipping goods from one foreign location or subsidiary to another, not just into and out of the United States.

Companies that engage in this sort of intra-corporate importing and exporting need to be ready to use one sort of classification code for their exports to Japan, for example, and

another code for the same kinds of products they export to Europe.

With Version 14, companies can generate commercial invoices for imports and exports that comply with local regulations overseas. "And you can e-mail the invoices directly to your broker," Babra said. "He doesn't have to wait for the physical goods to arrive." The new product accesses (Management Dynamics') database of information about how more than 125 countries classify various kinds of products for import and export. This database is updated whenever a foreign country's classification codes change.

Two new Web portals are key components of Version 14 of Trade Collaborator. The first portal links exporters with their forwarders so they can share information about shipments over the Internet. Forwarders can log onto this portal and see which shipments are ready. They can also see all the relevant documents prepared by exporters.

A forwarder can also add information about a shipment and share it with the exporter. For example, it can add information about when the forwarder is going to ship the product, its bill of lading, airway bill number, weight and so forth. The exporter doesn't have to call or fax the forwarder and ask such questions because the answers are all in the portal, Babra said. The portal also keeps a complete history of the shipment.

The second new Web portal built into Version 14 enables importers to

share information with suppliers outside the company as well as those in other corporate divisions. Importers and suppliers can use this portal to view any open purchase orders and decide which items they want to ship and when.

One global company that will use Version 14 is GE Healthcare, which ships products from more than 145 locations in which it does business. Joann Yerkes, GE Healthcare's Americas export team leader, said her company is using Version 12.2 of Trade Collaborator but that it will move to Version 14 next February. A key attraction of Version 14, Yerkes said, is that "the broker is going to receive information rapidly and it will reduce cycle time and raise satisfaction internally."

GE Healthcare is hardly alone among large global companies. As word spreads about the advantages of global trade management, other major companies are discovering the benefits of this kind of software. According to a new study by Aberdeen Group, so-called best-in-class global companies are twice as likely as laggards to be using export and import compliance software modules for managing their global trade flows.

But despite growing evidence that global trade management provides visibility and speed to far-reaching supply chains, many midsize and smaller companies have yet to dive in. "The overall adoption of this kind of automation is still moderate," said Viktoriya Sadlovska, a research analyst at Aberdeen. ♦

Alan Field can be contacted at afield@joc.com.

 **Management
Dynamics Inc.**
POWERING GLOBAL TRADE®