

Next Generation of Global Trade Management Software Navigates Complex Trade Rules to Streamline the Import Supply Chain

By Jim Preuninger, Chief Executive Officer, Management Dynamics, Inc.

The adoption of low-cost country sourcing strategies has had a significant impact on U.S. businesses – \$2 trillion worth of products were imported this year from more than 150 countries, according to U.S. Customs & Border Protection (CBP). While these strategies can reduce total product cost, there are many indirect costs that can ultimately counteract the benefits. Total landed costs can only truly be calculated with a comprehensive review of product classifications by country, duties and the applicability of preferential trade programs, as well as the impact of import/export controls.

New Global Trade Management (GTM) technologies – software, trade content and e-commerce services – have responded to this market need for optimizing sourcing strategies by effectively automating and synchronizing the procure-to-pay process.

While most ERP and legacy systems provide the foundation of an organization's data structure, they lack the details to support multi-country sourcing in various countries and with multiple suppliers. Consequently, the information required to accurately determine valuation and duties, and to efficiently file an entry is missing.

A recent Aberdeen Group study found that 65 percent of companies lack automation to manage their global supply chain. In response to this challenge, organizations are making investments in trade compliance a priority to close the gap.

A GTM solution that integrates global trade content to provide decision support to make accurate landed cost calculations, classify products and manage regulatory controls, and respond to rising regulatory and security requirements, can complement your enterprise technology framework. We have seen innovative companies utilizing GTM solutions to effectively navigate the complexities of constantly emerging preferential trade agreements and deliver on the promise of optimal low-cost country sourcing strategies.

Companies can quickly and effectively address the emerging Customs-Trade partnership programs with an integrated GTM solution. Proactively screen supply chain partners against restricted party lists; automate the global purchasing process by centralizing information and collaborating with supply chain partners; provide brokers with easy access to product and compliance information to minimize mistakes and expedite entry preparation; and allow suppliers to access POs and generate invoices and Advance Shipping Notices (ASN), required to clear Customs.

Importers must take advantage of these advanced GTM capabilities to reduce the risk of non-compliance and prevent supply chain disruptions in light of the proliferation of new security initiatives. Now is the time to establish the proper procedures, controls, and audit trails to demonstrate reasonable care and support the highest levels of compliance.



Global Logistics SOLUTION PROFILE



Management Dynamics, Inc.

is the leading developer of Global Trade Management (GTM) solutions and information services. We help some of the largest and best-known companies build profitable export markets and realize the potential of low-cost country sourcing. Our GTM solutions enable companies to improve supply chain performance in four areas:

1. Trade strategy and supplier management;
2. Trade compliance including integrated modules for import and export; compliance, import and trade agreements;
3. International transportation management; and
4. Supply chain visibility and performance management

In addition to these execution-based software modules, we differentiate our GTM solutions with integrated global trade content from 122 countries to make sure you pay the correct duties, don't sell to a denied party, and use the correct licenses and documents to clear Customs.

Key Customers:

Our solutions are currently deployed to over 13,000 users in 70 countries and our customer base includes some of the world's leading retailers, manufacturers and logistics providers including: Agilent Technologies, Amazon.com, Baker Hughes, Boeing, Cisco Systems, Dell, Hallmark Inc., Honeywell, Fairchild Semiconductor, FedEx, GlaxoSmithKline, Haworth, Honeywell, Levis, Mallory Alexander, Pfizer, Procter & Gamble, RadioShack, Schenker, Triton Overseas, Tyco Electronics, UPS, and Xerox.

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Featured White Papers/Collateral:

- Management Dynamics Global Trade Management Corporate Brochure
- White Paper: "Automating the Import Supply Chain"
- Analyst Report: Aberdeen Group's "Five Ways to Increase the Business Value of Trade Compliance"

Available at the Management Dynamics, Inc. website or www.scdigest.com/letter