

Global Supply Chain Trends for 2018 and Beyond

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Amber Road



Global Trade Academy™

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About Amber Road

On-Demand Global Trade Management Solutions

We automate sourcing, logistics, cross-border trade, and regulatory compliance activities to dramatically improve the operating efficiencies and financial performance for our customers.



Global Trade Academy™



TRAINING & PROFESSIONAL DEVELOPMENT

Amber Road's Global Trade Academy mission is to turn you and your employees into a team of experts in international trade.

- Certified Classification Specialist (CCLS) Programs
- e-Learning Courses
- On-site Training
- Public Seminars and Workshops
- Customs House Broker (CHB) Prep Courses
- Specialty Workshops on Advanced Classification
- Live Webinars

***Earn NCBFAA and CCLS™
credits towards your
certification!***

Agenda

Big Data

Data Strategy

- Defensive
- Offensive
- Risk Models for Global Trade

Changing Customs Landscape

Technology Influencers

Practical Applications- Continuous Improvement

Big Data – Does Your Company Know what to do with its Data?

- Estimated that Companies Use less than 30% of the Data we Collect
- Applying Analytics and Data Science to Untapped Information will show patterns
- Improve Predictability and Actionable Intelligence

Big Data

- Full potential is More about Management than Technology
- Biggest Obstacle to Using Advanced Data Analysis isn't skill base or technology – its *Access* to the Data
- What is Your Company's Data Strategy?
 - Is it Defensive?
 - Minimize Risk and Ensure Compliance
 - Is it Offensive?
 - To Support Business Goals such as Increasing Revenue

Global Data Elements to Know

- Automated Commercial Environment (ACE)
 - Customs and Border Protection (CBP) Computer System
 - Captures all Import / Export Transactions
 - Single Window
 - Data Typically Accessed by Trade Compliance Team

Global Data Elements to Know

- ACE Offers you an Opportunity to See Your Firm as CBP Sees it
 - Are you A Major Player in the Global Market?
 - What type of Risk do you Represent?
 - Are you about to be Audited?
- Risk Models
 - Imports
 - Exports
 - Cargo Security

Risk Models

Example for Imports

- Imports
 - Number of Entries
 - Total Imported Value, Total Duty Paid
 - Entry Code Types (01, 02, 03)
 - Number of Filers
 - HTS Codes
 - Conditionally Duty Free Programs
 - Liquidation Dates

Defensive Strategy

Reducing Possibility of MASSIVE PENALTIES

2017 Highest Level of Export Penalties

Imposing a \$100 million dollar penalty on ZTE this year:

“From on or about January 2010 to March 2016, ZTE’s highest-level management developed, approved, and implemented a company -wide plan that utilized third-party companies to conceal and facilitate ZTE’s illegal business with Iran. ZTE’s highest-level management was specifically aware of and considered the legal risks of engaging in such activities prior to signing contracts with Iranian customers and supplying U.S. - origin goods to Iran.”

This was only part of the \$ 1.19 billion in total criminal and civil penalties that ZTE agreed to pay to BIS and Justice.



Offensive Strategy

- Partnering with the Government
 - Customs – Trade Partnership Against Terrorism (C-TPAT)
 - Voluntary Cargo Security Program
 - Requires a Review of your International Supply Chain From Origin through to Distribution
 - Opens the Door to Becoming a Trusted Trader through Compliance
 - Importer Self-Assessment (ISA)
 - Voluntary Trade Compliance Program
 - Removes You From Focused Assessment Pool

Offensive Strategy - Planning For Brexit

- March 29, 2017 Brexit was announced
- Two year period to finalize withdrawal agreement
- Can be extended *with agreement* by all 27 EU member states



Offensive Strategy

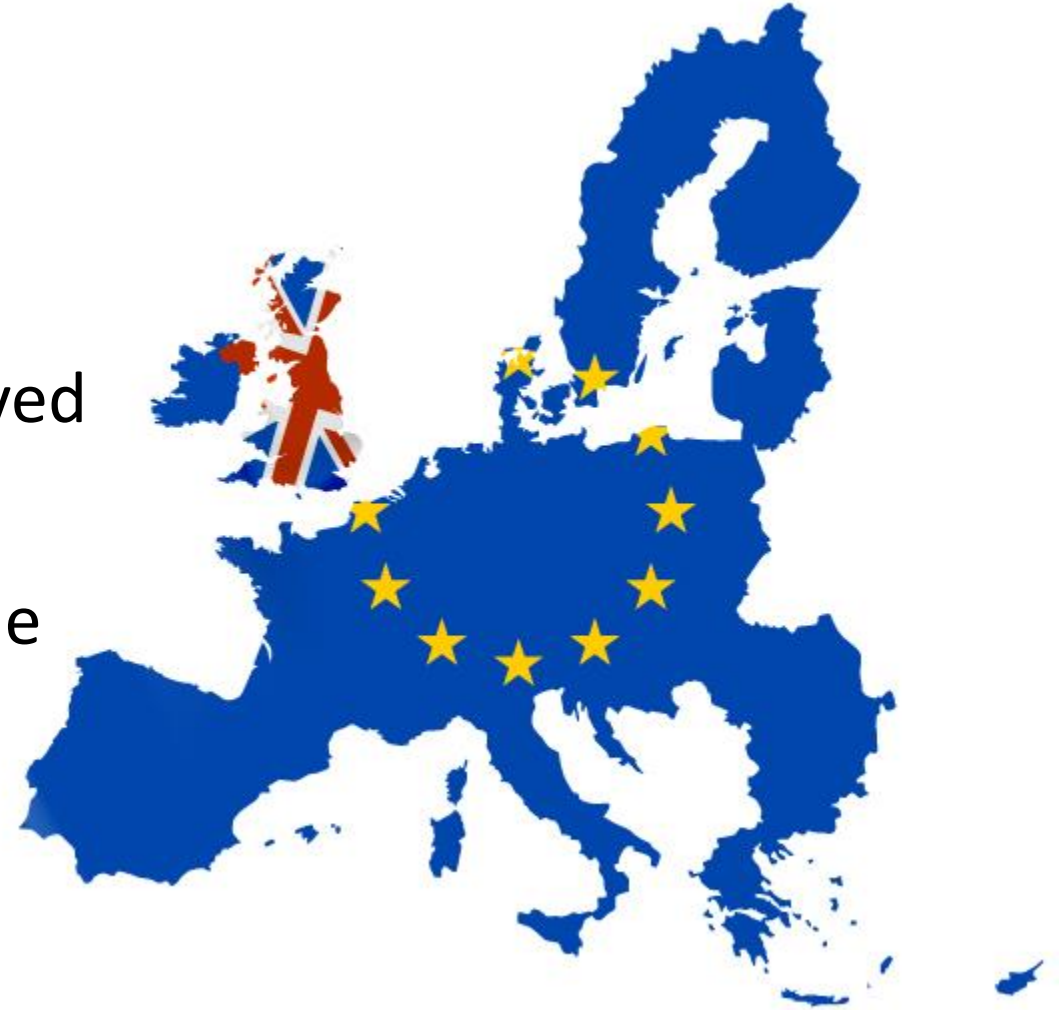
Partnering with the Government

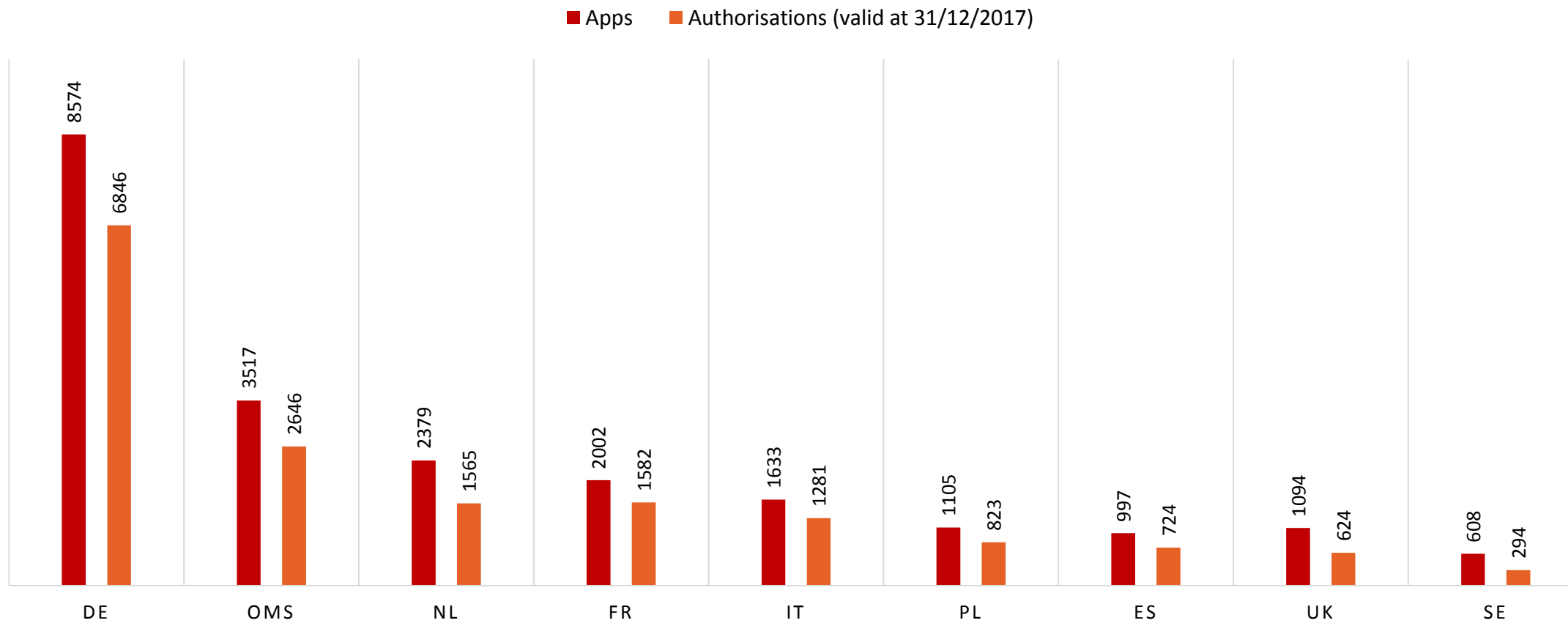
- European Union (EU)
 - Customs Simplification (AEOC)
 - Customs compliance
 - Recordkeeping
 - Security and Safety (AEOS)
 - Focused on security and safety standards



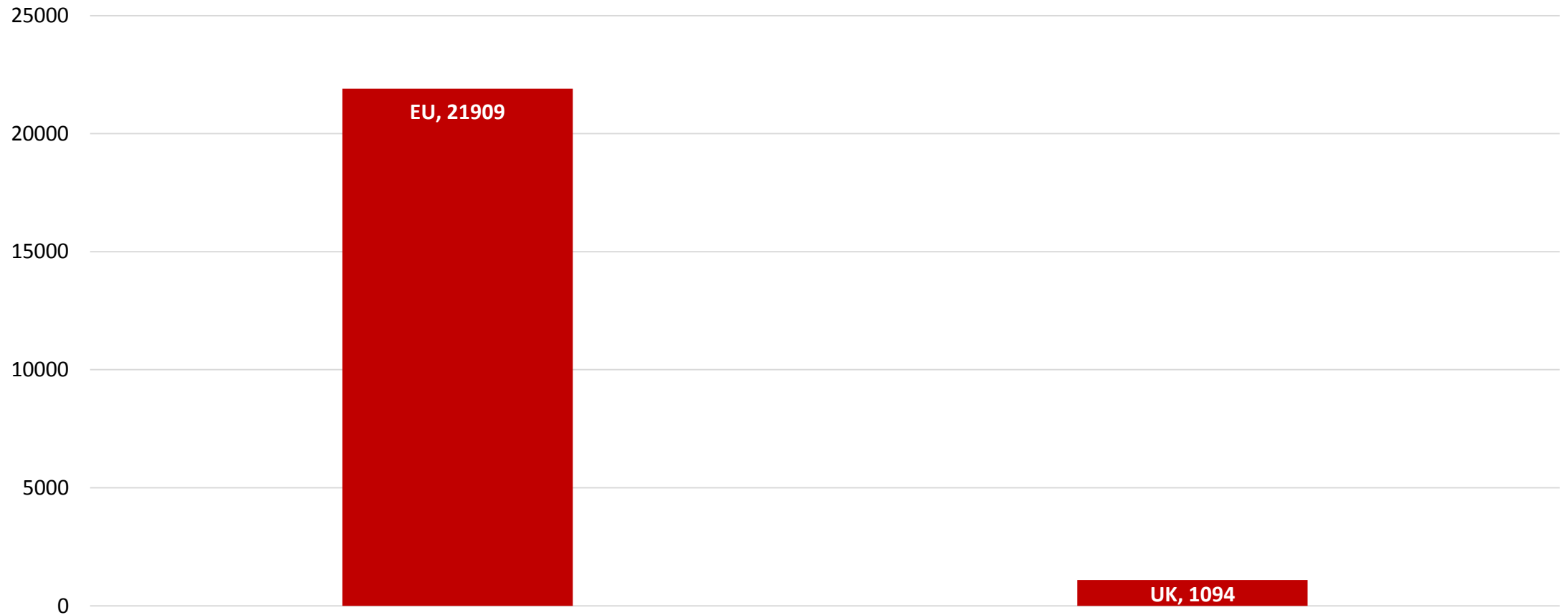
AEO In Light of Brexit

- UK companies number just over 1000+
- Represents only 10% of business approved in Germany
- Recognized mechanism to facilitate trade

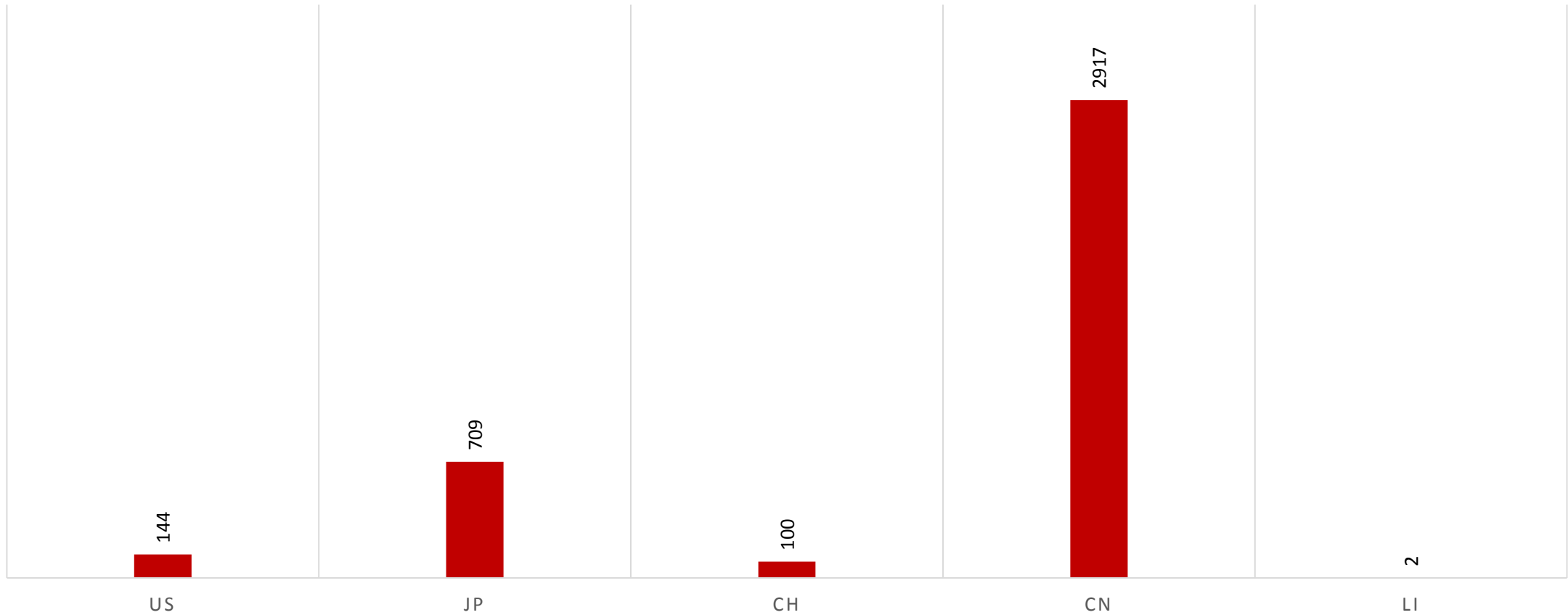




Total AEO applications received



MRA – 3rd country recognized by the EU



Data Analysis and Checklist to Prepare For Brexit

Business Restructuring Exercise

- Business structure and operations
- Duties, fees and tax implications
- Data retention and transmission
- Legal
- Employment

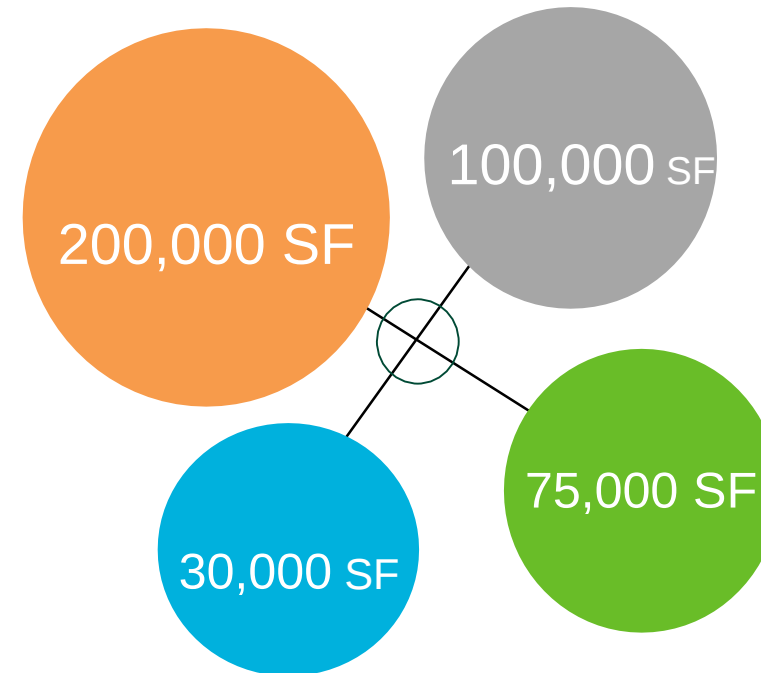


Emerging E-Commerce Trends

CURRENT
Mega E-Commerce Facility



FUTURE-LAST MILE
Multiple Locations Strategically Located.



Striking the right balance



COST & PROXIMITY



Pivoting Global Trade

- NAFTA / KR – USA Trade Agreements
 - Under Review for Renegotiation and/or Withdrawal
- Potential Change in Duties
 - Product and Country Specific
 - Amber Road Webinar February 7th

Technology Influencers

- 3D Printers
 - Allows Production to be done Closer to the point of need
 - Significant impact on Prototyping in the Product Innovation and Design Process
- Mobility
 - Access and Connectivity
- Block Chain
 - Visibility of Product at All Stages

Practical Application

- How will you Apply Data Analytics Strategically to
 - Procurement
 - Contracts in a Searchable Electronic Repository
 - Opportunity To Mine Contract Data Performance by
 - Vendor, Product, Geography, Pricing, Risk, Quality
 - Compliance
 - Distribution Metrics
 - Customs Brokerage / Freight Forwarding Operations
 - E Commerce and Reverse Logistics
 - Forecasting / Lead Time
- Data Leads to Continuous Improvement

Q & A



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