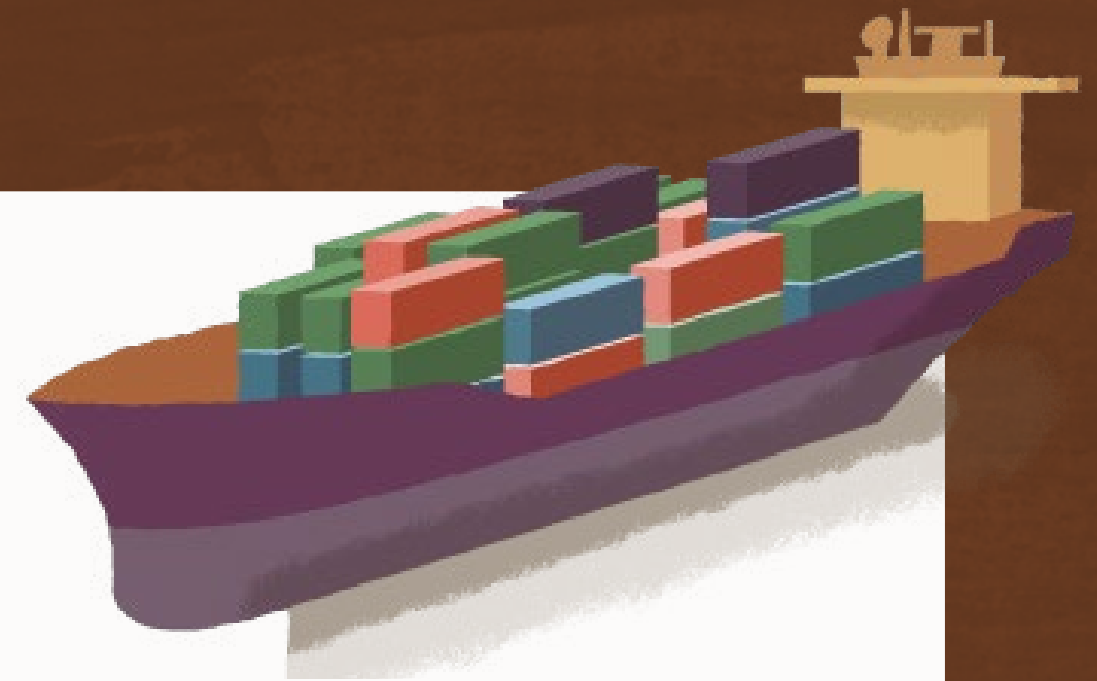ORACLE

HOW TO

Streamline global trade operations for better agility

Position for growth

Most organizations rely on manual and piecemeal systems to manage their import and export processes, and struggle to support changes in tariffs and complexities of trade regulations. Adopting a global trade management system, with the ability to easily integrate with your logistics network and business processes, will enable you to achieve best trade practices, avoid costly delays, and exposure to unnecessary risk.

To make informed decisions related to trade, and scale your global trade operations, it is important to have cross-functional visibility and internal trade controls. It is also critical to be able to adapt to changing business environments, accurately estimate trade-related costs, and centrally manage compliance.

Coordinating between suppliers, partners, and customers, while preparing customs documentation requires accuracy and meticulous orchestration. Companies using manual systems or spreadsheets simply can't keep up. Today, you need a digitally connected global trade management solution that can help scale and support business growth.

Did you know?

According to the **World Trade Organization (WTO):**

- Even though the world has witnessed a large wave of trade policy liberalization in the past three decades, trade policy barriers and regulatory differences **still account for at least 10% of trade costs** in all sectors. [1]

- Trade was weighed down by persistent **trade tensions** as well as by weaker global gross domestic product (GDP) growth, which slowed to **2.3% in 2019 from 2.9% in 2018**. [2]

- With the pandemic, the product mix of imports and exports has shifted to medical goods and personal protective equipment (PPE). Initial data from 41 countries suggests that **trade in medical goods grew by 38.7% in the first half of 2020.** [3]

- While the WTO forecasts a 9.2% decline in the volume of world merchandise trade for 2020, with higher demands in retail and ecommerce, the WTO predicts **trade volume growth should rebound to 7.2% in 2021.** [4]
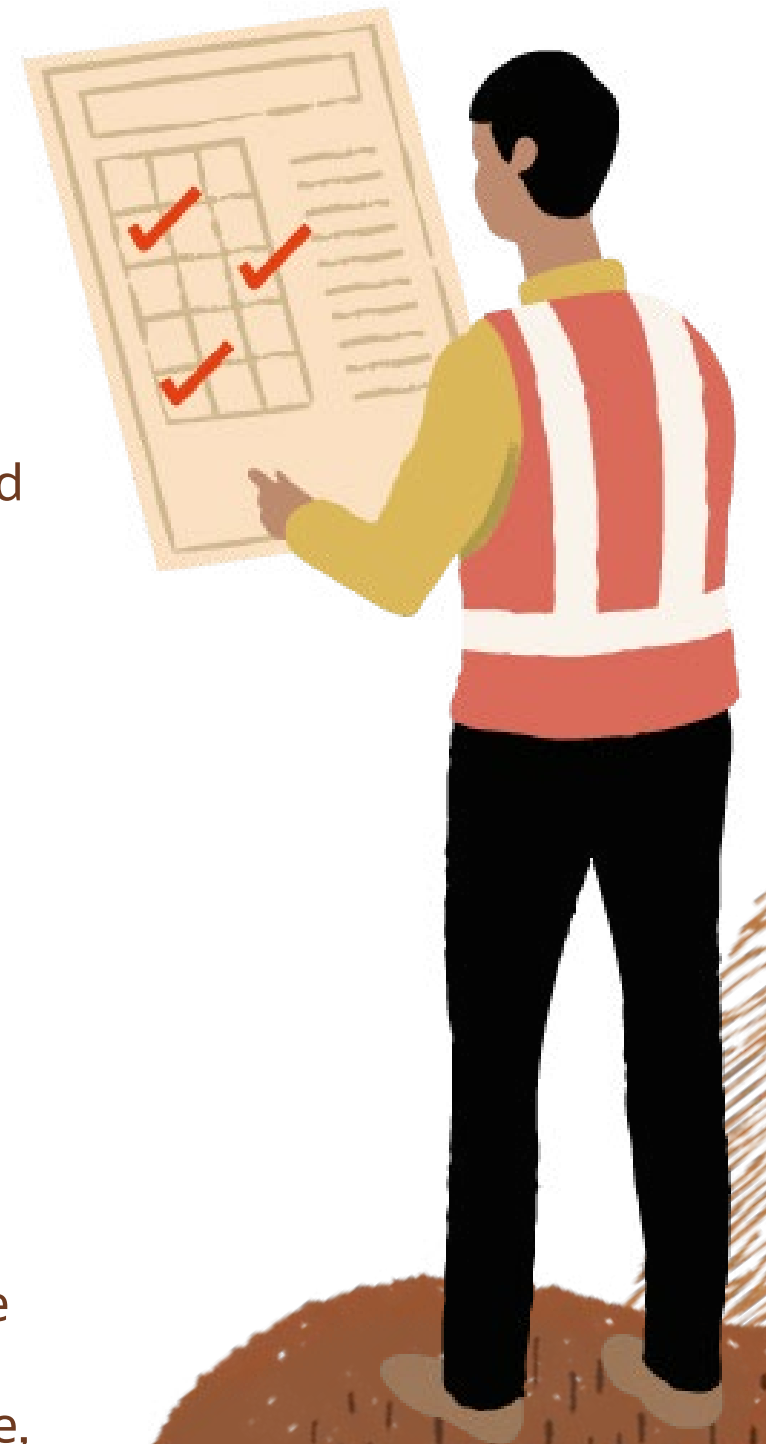
[1] "Trade costs in the time of global pandemic," World Trade Organization, 12 August 2020.
[2] "Global trade growth loses momentum as trade tensions persist," World Trade Organization, 2 April 2019.
[3] "How WTO members have used trade measures to expedite access to COVID-19 critical medical goods and services," World Trade Organization, 18 September 2020.
[4] "Trade shows signs of rebound from COVID-19, recovery still uncertain," World Trade Organization, 6 October 2020.

Ask yourself if any of the following scenarios apply:

- Use of manual or piecemeal systems to manage your import and export documentation and submission, leading to inefficiencies and lack of centralized visibility and control.

- Difficulty and slow response in gathering information from suppliers and partners.

- Lack of visibility into up-to-date trade rules and regulations and trade agreements.

- Trade processes that are only initiated when products are physically ready to ship, requiring expedited shipment to make delivery deadlines.

- Delayed shipments, incurring additional costs in fines and penalties due to incorrect trade and customs documentation.

What does success look like with automated trade processes?

1. **Centralize regulatory compliance**

   Reduce risk of non-compliance by having a centralized platform to manage transportation and global trade activities that can optimize and streamline business processes and foster information sharing with partners and suppliers.

2. **Determine cost-effective options**

   Reduce transportation and landed costs by lowering number of shipment delays, and reduced external broker fees, customs duty overpayments, penalty assessments, and audit costs.

3. **Deliver excellent customer service**

   Improve customer service by providing accurate lead times through real-time shipment tracking, and reduce potential delays from customs holdups.

How Oracle can help you

✓ **Centrally manage and automate global trade operations**, enabling the easy monitoring of cross-border transactions related to the supply chain, mitigating financial and operational risk.

✓ **Efficiently screen for restricted parties** to accurately estimate total landed costs, capture duty savings, and manage customs documentation, reducing the risk of non-compliance.

✓ **Deliver unparalleled in-transit and cross-border visibility and control** over orders and shipments, through a unified trade and transportation platform that adapts to business disruptions and reducing logistics costs.

" Through the use of Oracle's Global Trade Management solution, we have achieved new heights of product classification accuracy, consistency, and compliance efficiency in all Cummins locations globally".

— Dante Monroy
Director, Global Trade Operations
Cummins Inc.

What are the steps you should consider to better position to scale?

Step 1.

Identify areas within your current global trade operations that are causing delays in document completion, and take steps to automate these processes.

Step 2.

Evaluate methods of gathering tariff and trade information and determine the frequency required in obtaining up-to-date trade data.

Step 3.

Check whether your current global trade management processes can integrate with your transportation management system to provide visibility into shipment status and deliveries.

To learn more about how you can optimize fulfillment for maximum business impact – visit our <u>Perfect Delivery page</u> or take a product tour:

Product tour