



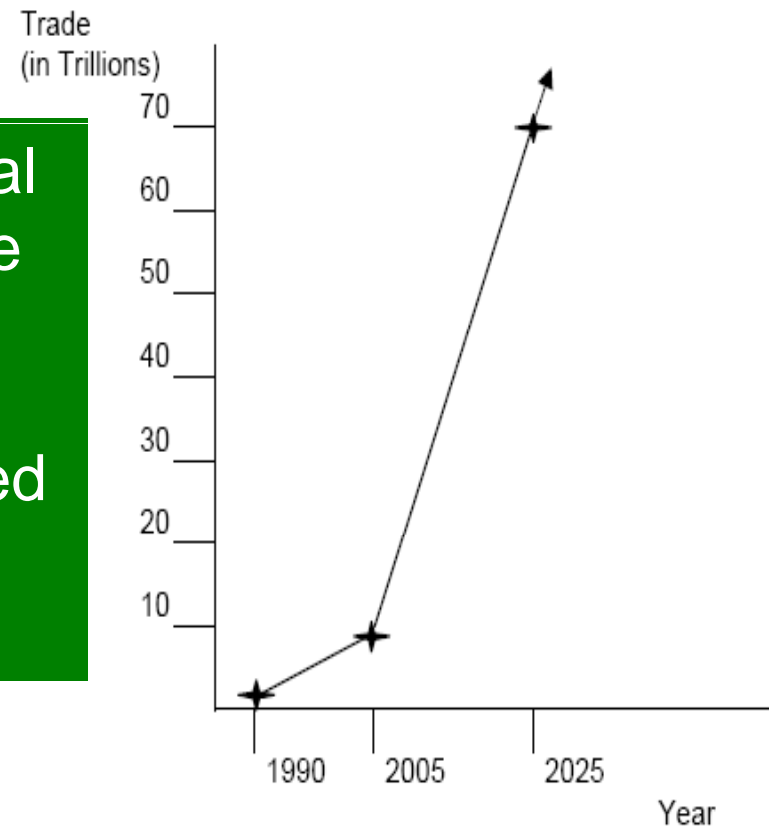
Beth Peterson
Enterprises, Inc.

Getting a Seat in the Boardroom



How Big is Global Trade?

“Complex, cross-border global transactions account for more than \$10 trillion in 2007 and, according to a recent McKinsey report, are expected to grow to more than \$70 trillion by 2025 .”





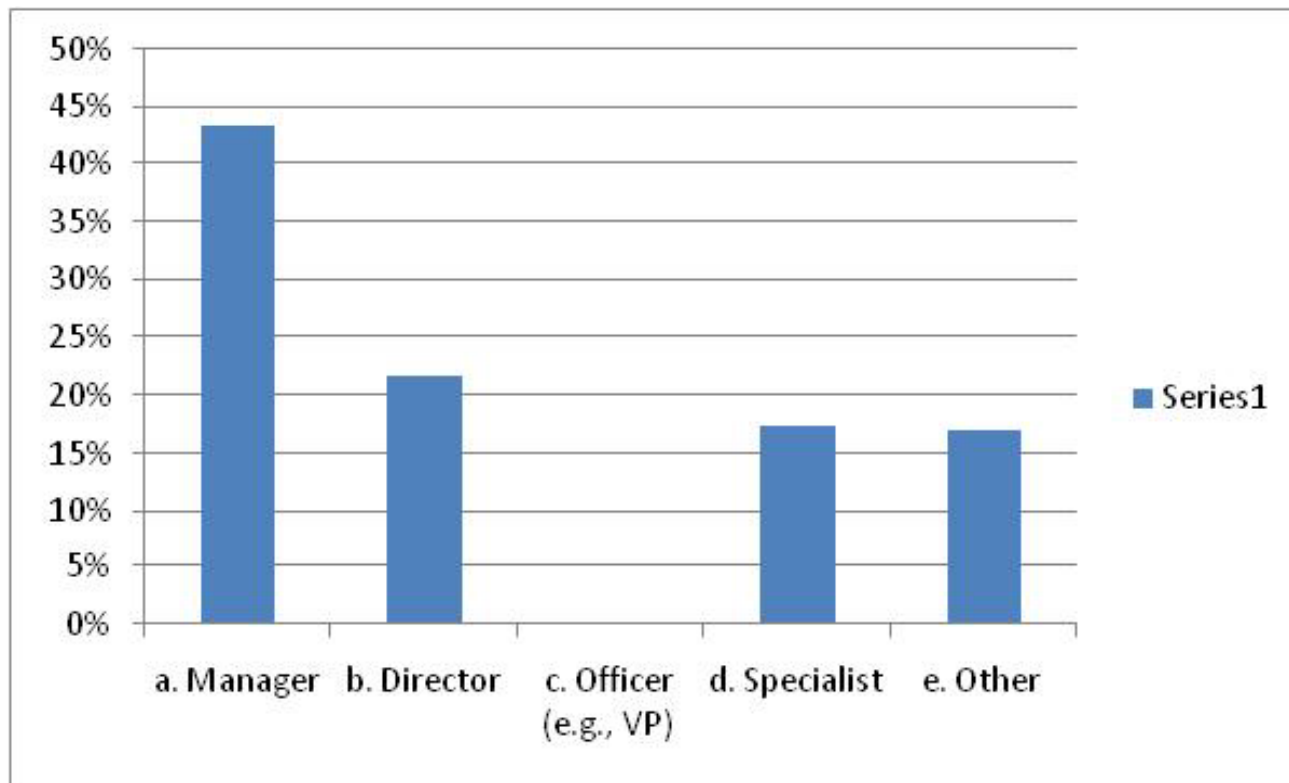
Regulatory Compliance Realities

- Thousands of pages of regulations per country.
- + 20,000 tariffs in the US alone.
- Multiple government agencies involved in the importation and exportation of goods.
- On average 27 parties are involved in the importation process.
- Many countries require advance filing of cargo information prior to departure or arrival.
- High penalties for non-compliance or violations.
- Risk of delays for repeat violations.



Export Trends – AAEI Export Benchmark Survey

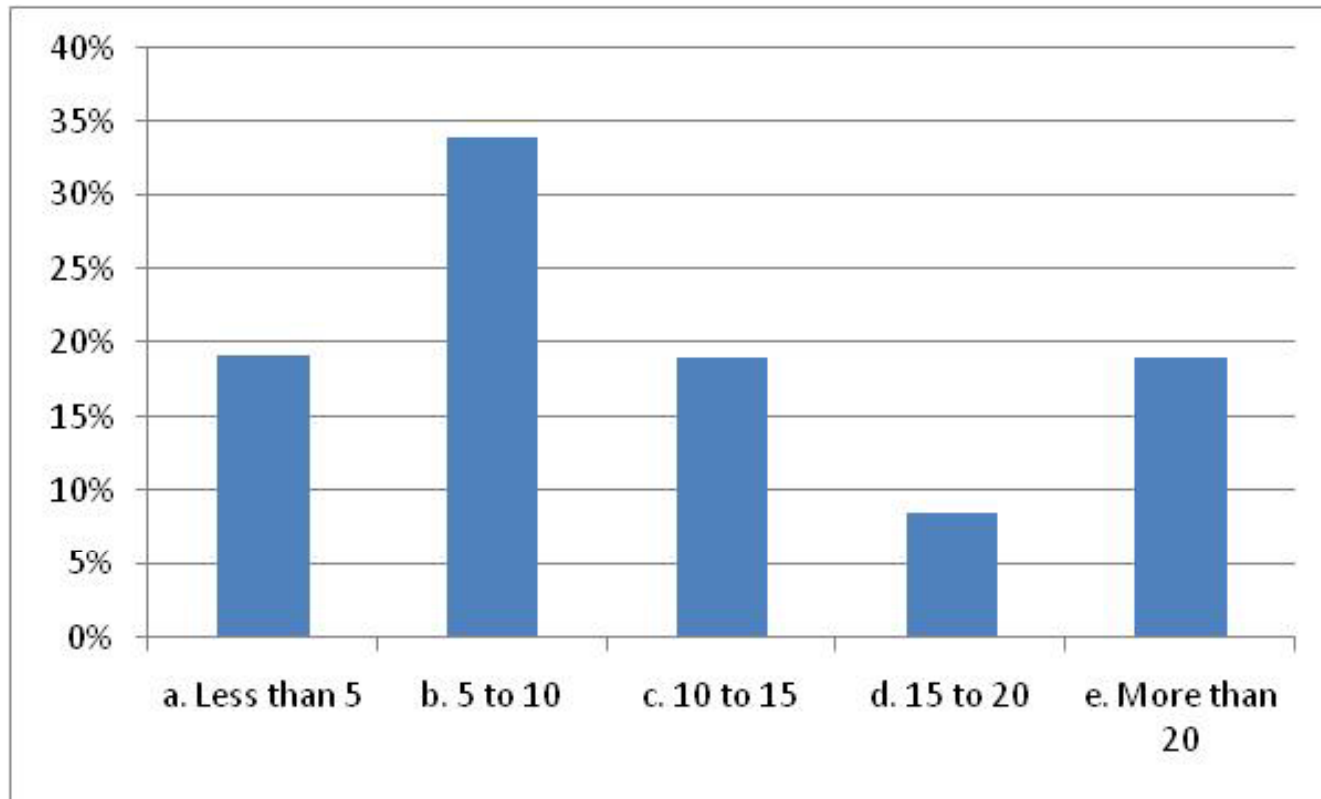
Export Personnel Titles





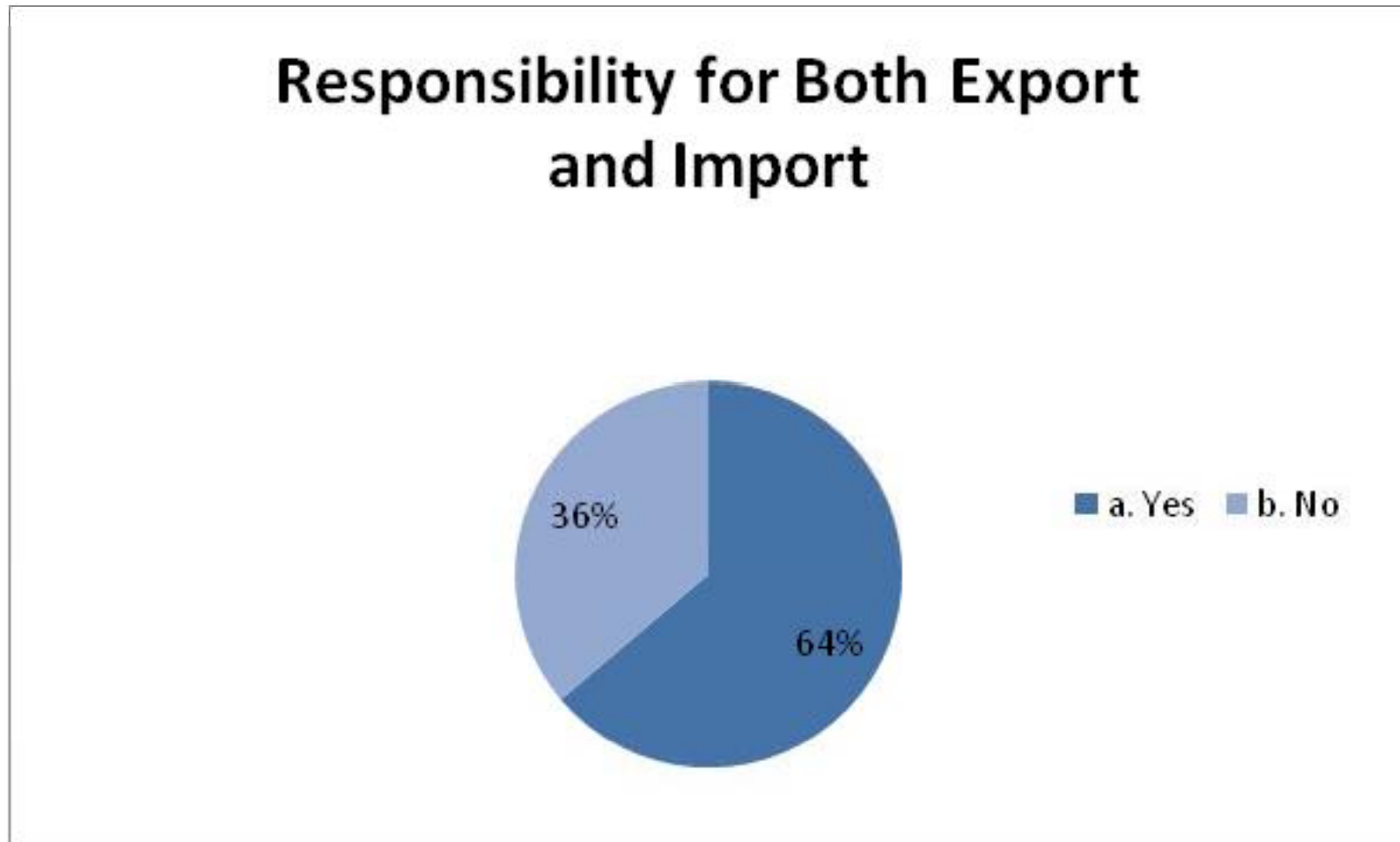
Export Trends – AAEI Export Benchmark Survey

Years of Experience



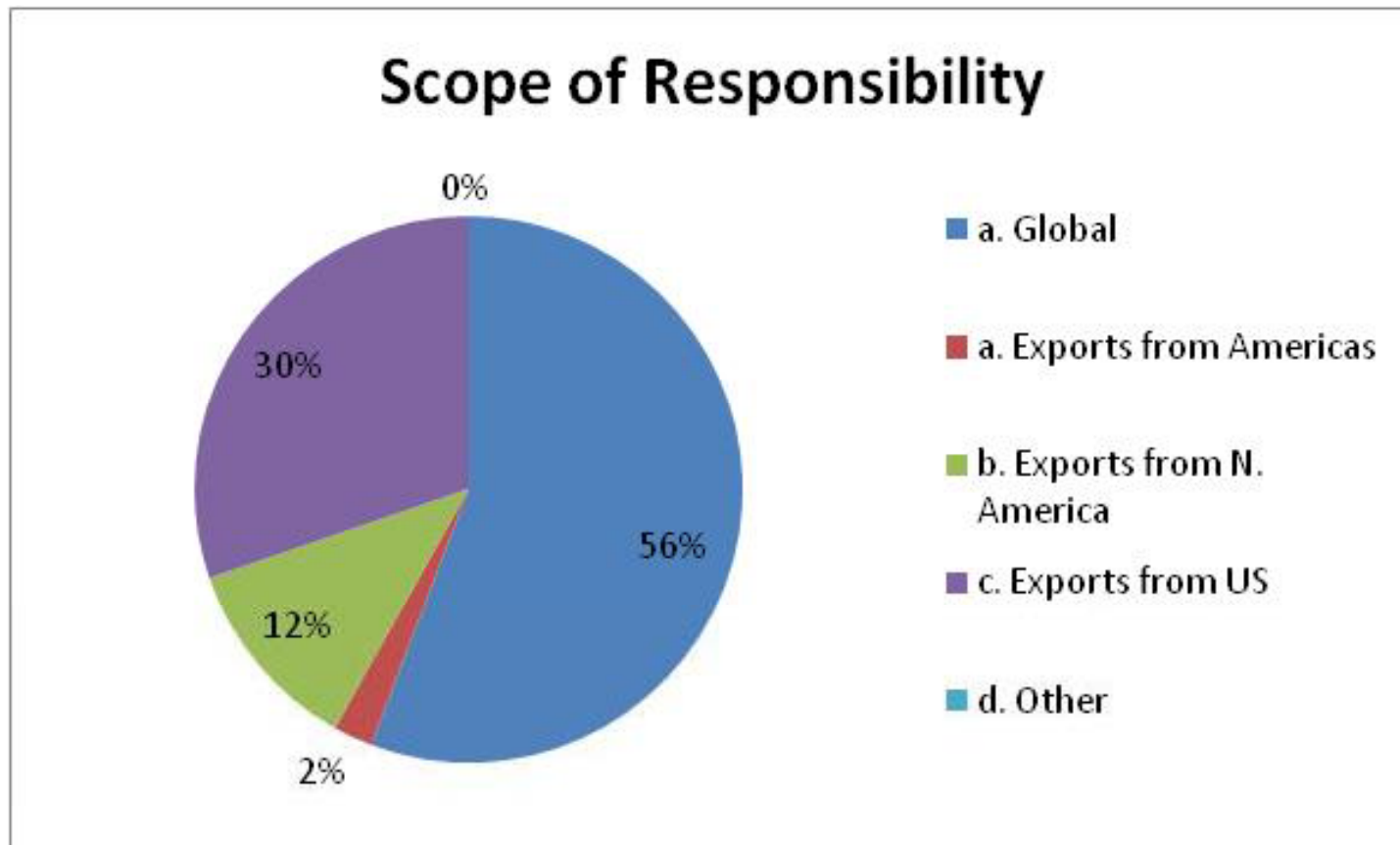


Export Trends – AAEI Export Benchmark Survey





Export Trends – AAEI Export Benchmark Survey





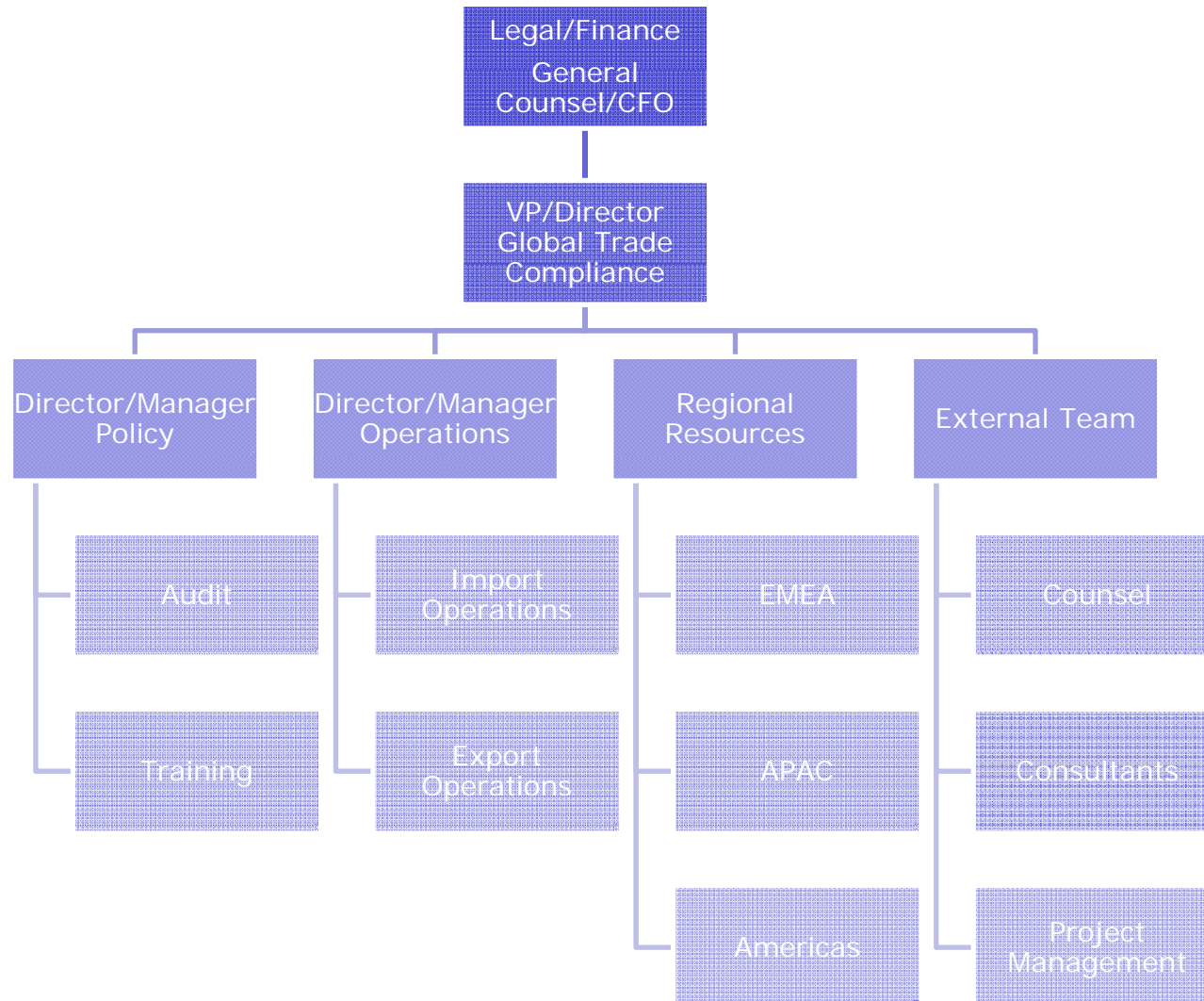
Raising Awareness

1. Change your language.
2. Understand your operation.
3. Align your departmental objectives to the company's objectives.
4. Measure, measure, measure.
5. Get your team thinking this way too.





Organizational Structure





Tools You Should Be Using

- Annual Report.
- 10K.
- Analyst briefings.
- Competitors annual reports.
- Benchmarking with peers.

"Companies making strategic investments in global systems to better manage and synchronize logistics, compliance, and trade finance as an integrated process are making great headway, often decreasing total landed costs and delayed shipments by 10%–40%."

Beth Enslow, Vice President of Enterprise Research, Aberdeen Group,
"New Strategies for Global Trade Management," *Aberdeen Report* (March 2005)





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Did you Know?

According to the Aberdeen Group, “a \$1 billion company can free \$10 million to \$40 million in cash by better controlling its basic global trade processes...” .





Corporate Objectives Mapped to Your Objectives

- Example - HP's Corporate Objectives
 - Customer Loyalty
 - Product compliance, online compliance data.
 - Profit
 - Trade agreements and trade preference programs.
 - Freight and Duty Payment/Audit to ensure accurate declarations.
 - Market Leadership
 - Licensing and classification for new markets/products.
 - Participation in voluntary government programs.



Corporate Objectives Mapped to Your Objectives

- Example - HP's Corporate Objectives, continued:
 - Growth
 - Reduction of Global Barriers
 - Global trade systems to support growth.
 - Employee Commitment
 - Training and education programs, internal control programs.



Language to Leave at your Desk

- ⊗ Compliance → ✓ Competitive Advantage
- ⊗ Regulations → ✓ Sarbanes Oxley
- ⊗ Fines & Penalties → ✓ Risk-based Approach
- ⊗ Clearance → ✓ Market Access
- ⊗ Your Projects → ✓ Corporate Objectives



Translating your Import Responsibilities

- Cost Reduction through:
 - Decreased clearance cycle time.
 - Duty reduction/avoidance programs.
 - Process improvements.
- Customer Retention through:
 - Predictable supply chain.
 - Accurate documentation resulting in accurate declarations.
- Higher Margin:
 - Lower inventory carrying costs.





Translating your Export Responsibilities

- Increased revenue through
 - Access to all markets as a result of compliance.
- Customer Retention though:
 - Accurate classification and licensing of products.





Translating your Security Responsibilities

- Customer Retention through:
 - Participation in government programs.
- Cost Reduction through:
 - Reduced loss/theft/pilferage.





Measuring Compliance Value to Companies

- Increased Profit
 - Improved product safety (e.g., 38 percent reduction in theft/loss/pilferage, 37 percent reduction in tampering)
- Reduced Cost
 - Improved inventory management (e.g., 14 percent reduction in excess inventory)
 - Improved product handling (e.g., 43 percent increase in automated handling of goods)
 - More efficient customs clearance process (e.g., 49 percent reduction in cargo delays, 48 percent reduction in cargo inspections/examinations)



Measuring Compliance Value to Companies

- Customer Satisfaction
 - Improved Supply Chain predictability (e.g., 12 percent increase in reported on-time delivery)
 - Higher customer satisfaction (e.g., 26 percent reduction in customer attrition and 20 percent increase in number of new customers)



Good Measures to Maintain for your Operation

- Inventory carrying costs.
- Total value of imports/exports.
- Total import/export volume as a percent of revenue by country.
- Total duties paid.

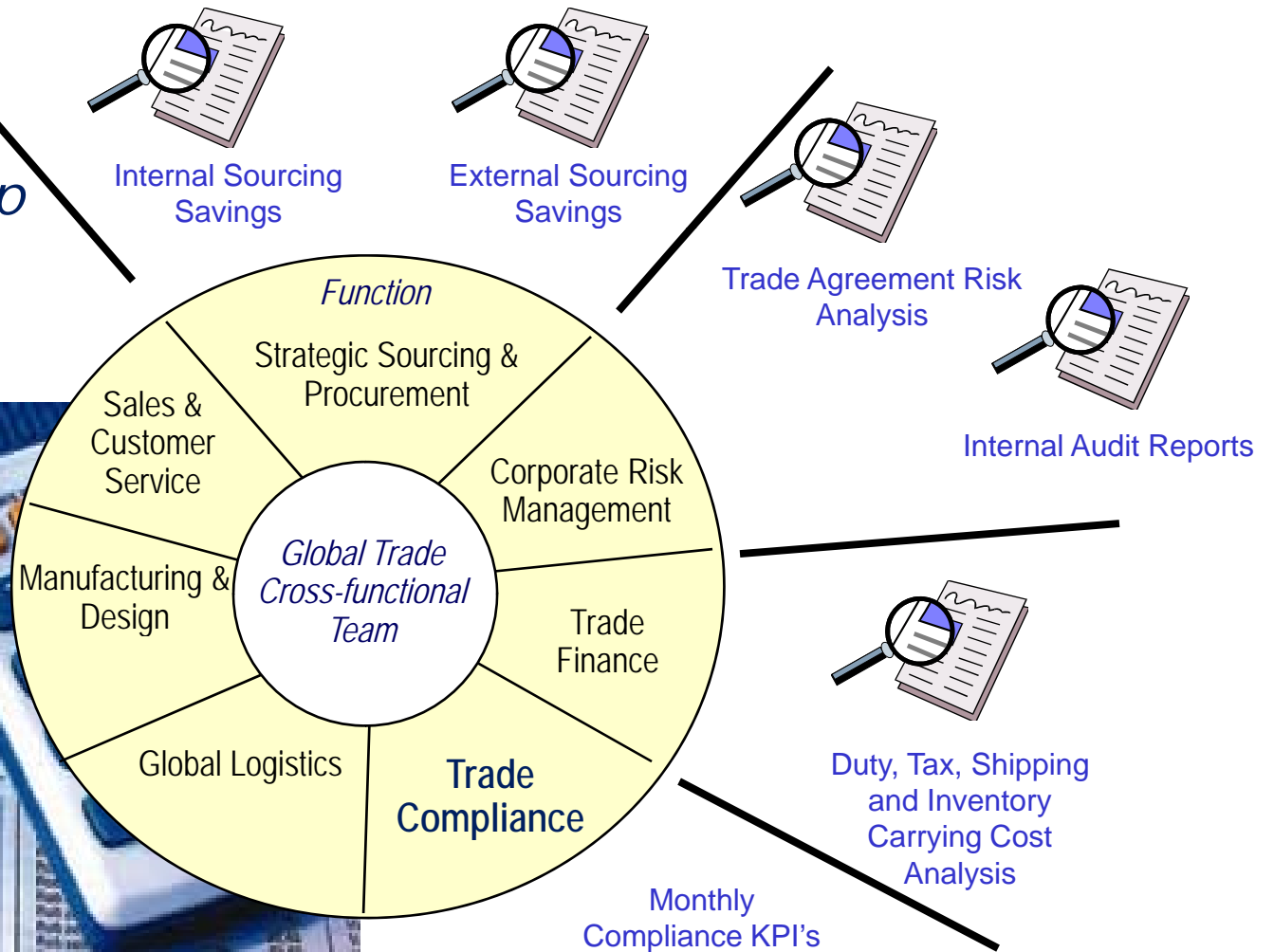
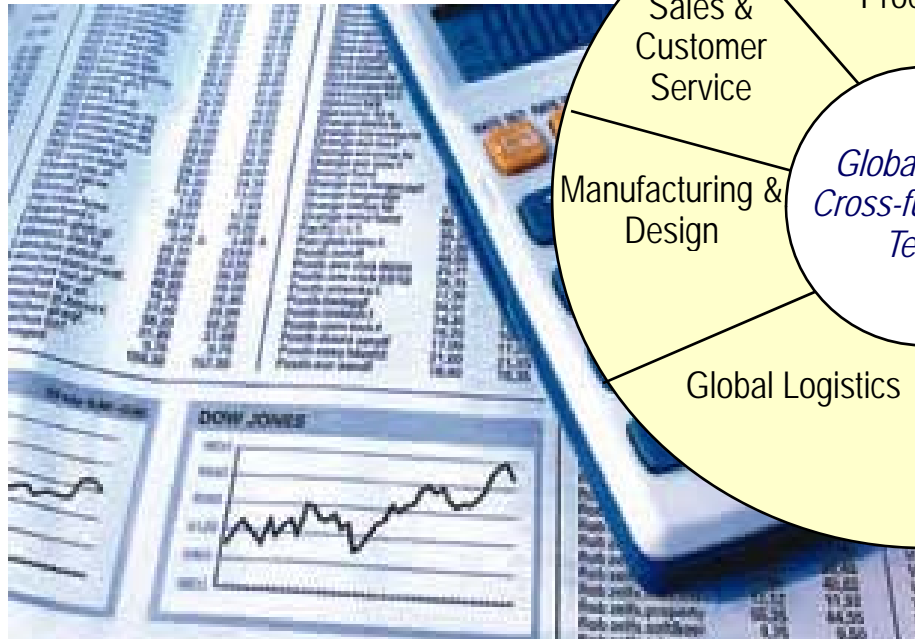
Know how the Measures Above
Tie to Revenue and Profit





Enterprise Wide Approach to Compliance

Treat the trade compliance group as the strategic asset it is!





Corporate Impact

- Accelerate your supply chain.
- Increase corporate profit.
- Decrease cost of goods.
- Establish competitive advantage.
- Drive executive decisions.



**Business information can and should
be used to outthink rivals**



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