

Tradeflow[®] ROI



Tradeflow customers have seen improvements to their compliance and supply chain process in different ways. The goal of using Tradeflow is to have a platform, around which you can build a solid compliance program. Contained on this sheet is an example of how one particular customer realized significant value from its Tradeflow subscription.

Scenario – Collaboration with Vendors and Ensuring Compliant Documents

One of the world's largest specialty retailers, with over \$14 billion in revenues uses Tradeflow as a global platform for managing product compliance attributes. This retailer has a global supply chain, with vendors and manufacturers residing across the Europe and Asia continents.

Having used Tradeflow for many years to serve as a central repository and distributor of product information to their broker, in recent years the company faced difficulty in collaborating with the many vendors spread across the world. When the retailer issued orders for new items, the vendor would produce the items, along with commercial documents and begin the shipment movement.

The shipment and associated documents eventually arrived to the broker (Expeditors) who took the commercial invoice and the items with their descriptions to prepare customs entries. However, what was often the case is the descriptions provided by the vendor did not match what the retailer had defined as the proper description of those items. The broker was using a feed from Tradeflow to pull up the HTS codes, yet the descriptions were also checked to verify that the right classifications were used.

When the descriptions on the documents were not consistent with the HTS classification, it caused the broker to initiate communication back to the retailer, which was very extensive and wasted a lot of time between the two parties. The retailer also felt there was a big risk if Customs was to audit the commercial documents and notice discrepancies between the HTS classification used and the description listed for those items.

To resolve this issue, the retailer looked to Tradeflow for ideas of how to better collaborate with its vendors. Given that Tradeflow is a web-based platform, it was agreed that having vendors pull their item descriptions from Tradeflow, rather create their own, would be a much more consistent process.

With this in mind, the retailer collaborated with Tradeflow to setup over 300 different users spread across a couple hundred vendors to have access to the Product Management Centre in Tradeflow. Additionally, viewing rights were put into place so that each vendor could only see items to which it supplied products. To accomplish this, the vendor had to be linked to the product to gain visibility to the item. The retailer's compliance team managed the process to link vendors, and the Tradeflow team ensured each vendor had access.

When the vendors began using Tradeflow as the single source for item descriptions, the need to resolve discrepancies nearly disappeared within about a one year period. Before the new process was implemented, in a typical month, there would be between 700 to 1,000 discrepancies to resolve. By December 2009, the number of discrepancies was reduced by 93% year-over-year, where there were a total of only 29 discrepancies to resolve.

The reduction in discrepancies has saved a lot of time for both the retailer and the broker. Furthermore, the risk of penalties by Customs for using misleading descriptions was dramatically reduced. All of this was implemented with minimal cost to the importer. Plus, in cases where a part was missing a classification, it was much more likely to be acceptable to use the description to help classify the item, knowing the accuracy was much higher there.