



**APEC Symposium On Paperless Trading Capacity  
Building And Intellectual Property Protection  
People's Republic of China  
September 2007**

**Paper  
The Critical Role of Content in effective Global Trade  
Management**



## **The Critical Role of Content in effective Global Trade Management**

**Graham Napier, CEO, TradeBeam**

**APEC Conference**

**August 2007**

### **Agenda**

- I. Global Trade Management Defined**
- II. GTM Value Proposition**
- III. Global Trade Content Overview**
  - I. Content is Key to Global Trade**
  - II. Content is Complex and Dynamic**
  - III. Scope of Content & Support Requirements**
  - IV. Considerations for Outsourcing Content**
- IV. Content and GTM Solutions Deployed in the Market**
- V. Content within GTM Applications**
- VI. Additional GTM Case Studies**

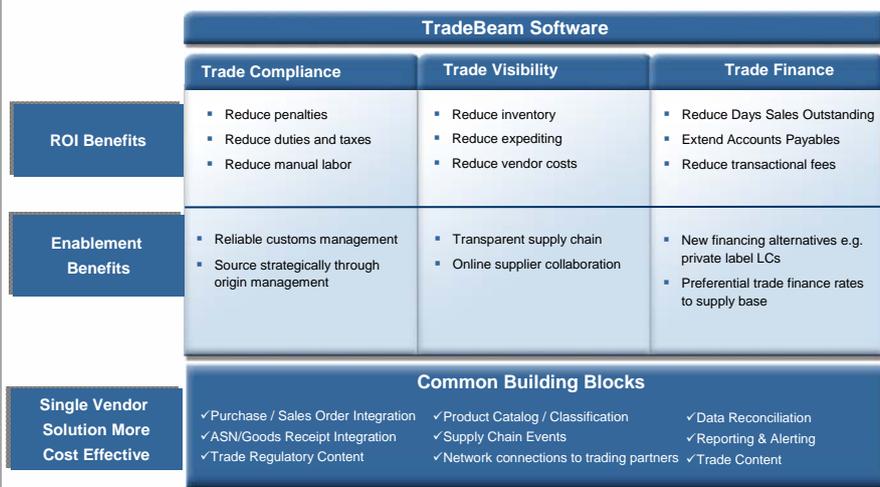
## Global Trade Management Solutions



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## Benefits of an end-to-end Solution



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## Global Trade Content Overview

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## Content is Key to the Trade Process

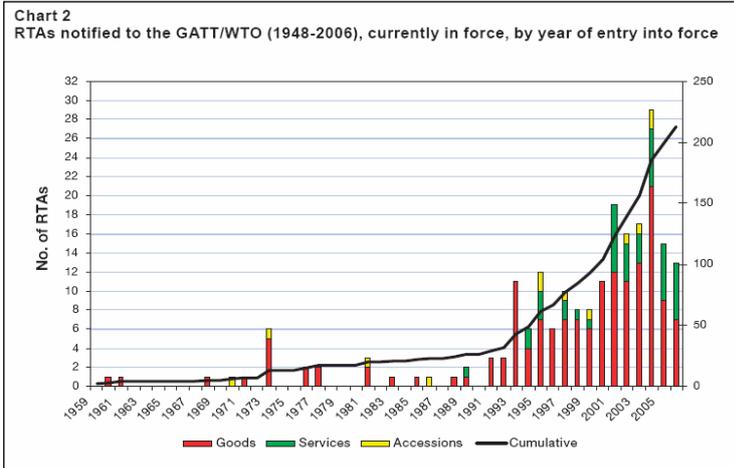
### Trade Content

- **Trade Content is required to effectively transact globally**
- **Content drives key trade functions such as Landed Cost, Customs Clearance, Duties, Taxes and Tariffs**
- **Failure to integrate accurate, up-to-date content into the trading process has many negative implications**
  - **Delayed shipments and orders**
  - **Inaccurate payments and costs**
  - **Penalties and fines**

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## Content is Increasingly Complex and Dynamic

*Increasing number of RTAs\* makes duty rate management more difficult*

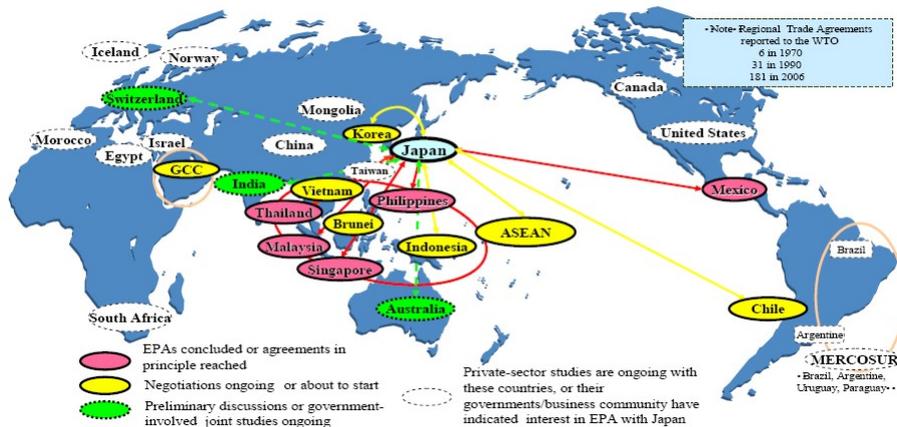


RTAs\* Regional Trade Agreements

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## Managing FTAs – Japan example



Source: Bilaterals.org

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## Scope of Global Trade Content Required

- **Duties**
  - HS based duties/fees/taxes
  - Non HS based duties/fees/taxes mapped to HS (including VAT, Excise)
- **Compliance**
  - HS based
    - Broad compliance information based on HS code – license and document requirements
  - ECN/ECCN based
    - License determination based on country combinations and goods
  - Restricted Party Data
    - UN, EU, US, UK, Japan, Germany, Worldbank
- **Customs Clearance Content**
  - Customs Clearance Tables directly from customs authorities in local language to support electronic customs clearance
- **Trade Document Support**
  - Ensuring supported documents are valid and correctly mapped
- **Classification Tree**
  - HS and ECN/ECCN classification tree enabled with keyword searches
- **Origin Rules**
  - Preferential Origin Rules (per Rules of Origin as part of FTAs/RTAs)
  - Non-preferential Origin Rules (per local customs legislation)
- **Trade Intelligence**
  - Collect, store, and synchronize documents on specific trade topics

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## Sourcing Global Trade Content



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## Global Trade Content Support Requirements

- Support for 60+ countries to capture 95% of global trade volume
- A team of Trade Specialists and engineers that collectively have:
  - **Decades of subject matter experience**
  - **20+ foreign languages**
  - **Customs House Brokers**
  - **Background in brokerage, consultancy, logistics, and GTM**
- Multi-million dollar investment developing content tools and technologies
- Subscription services to over hundreds of trade data sources
- Network of local contacts in supported countries

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## Considerations for Outsourcing Trade Content

- Due to the high cost of maintaining trade content, organizations mature in GTM outsource to specialists in one of several manners:
  - Content-only
  - Software with embedded content
  - Software with embedded content and supporting services
- Government options for global trade content:
  - Use global trade data to enhance market access for exporters
  - Use an experienced content provider as de facto issuing authority for local customs data
  - Use GTM software to provide importers and exporters with relevant information and supporting tools for needs such as landed costs, FTA eligibility, and classifications

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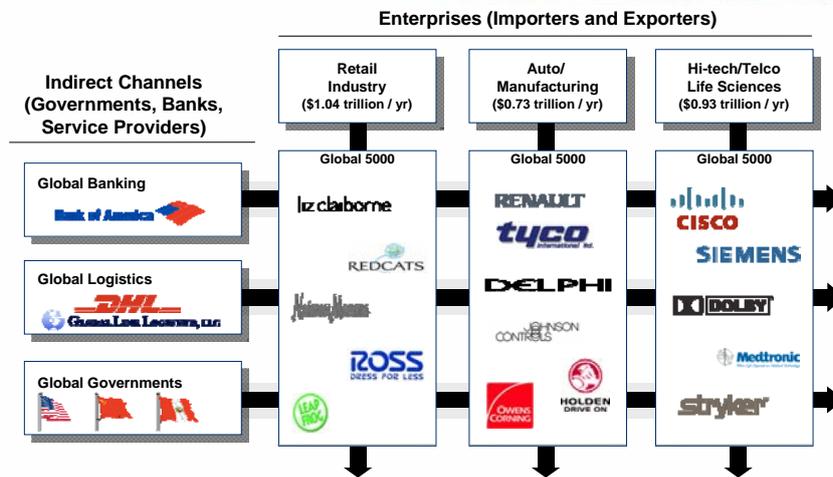
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## Considerations for Outsourcing Trade Content Continued

- When selecting software solutions, CXOs are turning to On Demand (Software as a Service) GTM Platforms for several reasons:
  - Deep trade content to support activities from many countries to many countries
  - Open, convenient access for suppliers, trading partners, and local compliance staff
  - Quick, low cost roll out to additional countries with no local IT investment
  - Mission critical reliability
  - Single, Centralized Database of Trade Compliance
    - Import and Export data for all countries in one system
    - Business Intelligence to support 'what if' scenario analysis

## Content and GTM Solutions Deployed in the Market

## Types of Organizations Leveraging GTM Solutions



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## Example Solutions Deployed by GTM Leaders

- **DHL:** Content for all Small to Medium-Sized business globally, offering Landed Cost Calculations, Classifications, Documents and Restricted Party Screenings
- **Peruvian Government:** Content for Ministry of Commerce (MINCETUR) to support Peruvian exporters
- **Tyco:** Software with embedded content, offering Restricted Party Screening, Landed Cost, Trade Document Management
- **Renault:** Software with embedded content and services for Customs Clearance, Product Classification, Landed Cost and Free Trade Agreement Management

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## Examples of Content in GTM Applications - Continued

### Landed Costs Calculator

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Home | Order Management | Product Catalog | Compliance | Fulfillment | FP | Batch Screening | Customers | User Admin

Manage Orders | Landed Cost Calculation | User: TRAINING | Logout

#### Landed Cost Calculation

A response has been received from the system.

**Landed Cost Results (Values USD)** Apr 25, 2007 5:42:03 PM

| Item ID                              | Cost            | DUTY           | VAT            | TRADE_PROMOTION_FEE |
|--------------------------------------|-----------------|----------------|----------------|---------------------|
| CS-100                               | 13650.00        | 1796.40        | 2682.62        | -                   |
| <b>Totals</b>                        | <b>13650.00</b> | <b>1796.40</b> | <b>2682.62</b> | <b>5.66</b>         |
| <b>Total Purchase Cost: 13650.00</b> |                 |                |                |                     |
| <b>Total Fees: 4484.68</b>           |                 |                |                |                     |
| <b>Insurance: 120.00</b>             |                 |                |                |                     |
| <b>Freight: 1200.00</b>              |                 |                |                |                     |
| <b>TOTAL LANDED COST: \$19454.68</b> |                 |                |                |                     |

Enter information about the transaction in the space below. Optional fields are in *italics*.

**Ship From**

Country:    
 State/Province:

**Ship To**

Country:    
 State/Province:

## Examples of Content in GTM Applications – Continued

### Trade Solutions for Small to Medium Sized Businesses

**Shipment Services**  
My Shipments  
New Shipment

**Comparative Services**

**Account Management**

**TAS Resources**

**TAS Terms & Conditions**

You are currently logged in as: **AIMEVDH** [Logout](#)

To create a shipment:

1. Enter a reference number or accept the default reference number.
2. Select a service under "required fields" tag to see the mandatory fields needed to run the service.
3. Complete the remaining shipment information and add products to your shipment.
4. If you want to save the shipment information without buying a report, click "Save".
5. View a report or set of reports by clicking the desired service or services in the "Select a Service" section.

**Shipment Details**

Reference:

**Required Fields**

Select a service to see the required fields needed to run the service.

[Restricted Party](#) [Landed Cost Estimate](#) [Product Compliance](#) [Shipment Documents](#)

**From (Shipper)** **To (Receiver)**

|   |   |
|---|---|
| Recent Addresses: <input type="text" value="Copy Address From..."/>     | Recent Addresses: <input type="text" value="Copy Address From..."/> |
| Contact Name: <input type="text" value="Anne van de Heetkamp"/>         | Contact Name: <input type="text"/>                                  |
| Company Name: <input type="text" value="TradeBeam"/>                    | Company Name: <input type="text"/>                                  |
| Country: <input type="text" value="US"/> <a href="#">Select Country</a> | Country: <input type="text"/> <a href="#">Select Country</a>        |
| Address: <input type="text" value="Two Waters Park Drive"/>             | Address: <input type="text"/>                                       |
| <input type="text" value="Suite 200"/>                                  | <input type="text"/>  |
| <input type="text"/>  | <input type="text"/>  |
| City: <input type="text" value="San Mateo"/>                            | City: <input type="text"/>  |
| State/Province: <input type="text" value="CALIFORNIA"/>                 | State/Province: <input type="text" value="Entry Optional"/>         |



## Additional GTM Customer Case Studies

### Best-in-Class: Neiman Marcus Improves Service by 50%

#### Global Business

- \$2.5 billion annual sales
- Operates 37 stores
- 60% imported product from over 50 countries
- High-value, time sensitive product portfolio

*Neiman Marcus*

#### GTM Issues

- Reactive issue management
- Poor unified visibility into orders
- Poor broker visibility
- Poor pre-entry classifications, manual entry process

#### GTM Strategy

- Proactive management of uncertainties around international shipments
- Obtain product information and shipment visibility from all logistics partners
- Enable electronic sharing of customs information with brokers prior to goods entering U.S.

*Aberdeen Group*  
Business Success Study

#### Client's Expected Results

- Reduction in **duties paid of over 5%**
- Regulatory Non-compliance avoidance
- Brokerage spend **reduction by over 25%**
- Service Improvements of in **excess of 50%**
- Received a Low Risk Rating from Customs

## Best-in-Class: Anritsu Reduced Risks of Penalties

### Global Business

- Test and measurement equipment
- Expanding into more global markets
- Customers US, South America, Europe, and Asia

Anritsu

### GTM Issues

- Risk of fines and penalties
- Risk of loss of ability to export due to non-compliance
- Increased regulatory requirements, such as AES filing
- Compliance with multiple regulatory bodies, such as BIS
- Labor intensive process of compliance regulations

### GTM Strategy

- Establish single global export control platform that would enable compliance automation
- Replace manual screening processes performed by multiple departments with new centralized process
- Automated screening at multiple points of the cycle, including initial quote, order placement and at time of shipment.

AberdeenGroup  
Business Success Study

### Client's Actual Results

- Reduced risk of fines, penalties, loss of trade privileges, and potentially bad publicity for non-compliance
- Increased staff productivity in compliance, order management, and shipping departments due to automation
- Fully auditable compliance process, including access to audit trails for each transaction
- Worldwide access to compliance system to drive productivity and screening consistency

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**Thank You**

**For more information about TradeBeam, go to:**

<http://www.tradebeam.com>



## Appendix

## TradeBeam: GTM Category Leader

### Strong Company Performance

- 3,000 + Customers
- Strategic Partnership with CIECC in China
- Thought Leadership: "Pros to Know" 2007
- Industry Accolades



### Significant Operations

#### Global Growth

- 75% N&S America
- 15% Europe
- 10% China
- Users in 100+ Countries
- Billions of \$\$ in trade via TradeBeam



### Satisfied Customers

#### Automotive



#### Consumer Goods & Retail



#### Hi-Tech & Medical



#### Logistics



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# TradeBeam China

**1 Million Chinese Companies**



**8 Chinese Government Agencies**



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**\$635m in '07 Recurring Market Opportunity with Double Digit Growth**

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