Turn Insights Into Action
Discovering the hidden value in your trade compliance data
Turn Insights Into Action

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Understanding the role of analytics in the digital world
Introduction

The problem with data
Data. Years ago companies wanted more of it. Now the opposite is true; companies are so inundated with data that they can’t analyze it effectively. Supply chain data, for example, resides in different systems and different formats, and often spreads across various government agencies, multiple customs brokers, and freight forwarders. On a user level, that makes reporting and analysis difficult. On an executive level, that makes strategic decision-making impossible.

Among supply chain managers, advanced analytics are top of mind right now. Most understand the value that data can deliver, but many are not utilizing the tools available. In fact, 97% of supply chain executives report that they understand how big data analytics could benefit their supply chain. And yet only 17% report that they have already implemented analytics in one or more supply chain functions.3

Every decision should depend on data. Not just any data either. You need clean data, presented and arranged for analysis, whether that’s snapshot reporting for trends or a more thorough drill-down into details by country or carrier.

The solution for data
The need for actionable data has sparked the development of many business intelligence (BI) solutions on the market today. What is business intelligence? In a sentence, BI is an umbrella term for software that analyzes raw data. BI can include activities such as data mining, online analytical processing (OLAP), data visualization, querying, and more.9

Who should read this
The target audience for data analytics is — you. If you downloaded this resource, you probably deal in the realm of trade compliance, whether you’re a professional working in the details day-to-day or an executive overseeing these functions. You may not be skilled in advanced analytics technologies or computing. But finding actionable insights through data is essential to your job as well as the company at large.

What you will learn
There are many resources on data analysis, business intelligence, or data visualization — but there are few focused solely on how big data intersects with trade compliance. We have created this e-book to help you understand how executives and trade compliance professionals can use self-service analytics solutions to make informed decisions and gain the competitive edge.
Today our ability to store data greatly outweighs our ability to analyze it. Many companies don’t have the technical capacity to aggregate and refine disparate sources to make them analytic-ready. That’s important because your data is only as good as your ability to draw meaningful insights from it.

According to recent studies, 47% of top performers listed BI/analytics as their number 1 technology investment. Companies around the world are feeling the demand to better manage their data for a number of reasons.

### Making data analytic-ready

Chances are, you know what data looks like when it’s not analytic-ready — kept in various excel sheets, filed in cabinets, or stored in different systems. A BI solution can take all that data and integrate it into a visual format that’s easier to see and understand.

### Why are companies pursuing advanced analytics?^8

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive pressures require becoming more data-driven</td>
<td>46%</td>
</tr>
<tr>
<td>Workforce demands better analytics and data access</td>
<td>42%</td>
</tr>
<tr>
<td>Difficulty accessing data from different areas of the business</td>
<td>31%</td>
</tr>
<tr>
<td>More data is available than what is currently used meaningfully</td>
<td>29%</td>
</tr>
</tbody>
</table>

### Competitive pressures for business growth

46% of companies cited competitive pressures as a key reason to become more data-driven. If you’re still using traditional, limited reporting, and your competitors have moved onto advanced data analysis, then you’re at a major disadvantage. BI analytics can help you reduce cost by identifying waste or poor performance. On the compliance side, it can also help you improve the performance of your supply chain.

### Workforce interest in self-service analytics

Another 32% cited that their employees wanted better analytics and data access. More and more non-technical decision makers are actively seeking ways to refine their data for better analysis. Your compliance department, for example, would like to see data on how their brokers are classifying the same products. If there’s inconsistent classification, then that insight would help them correct the situation with their brokers and lower the risk of noncompliance.

### Difficulty accessing data

Thirty-one percent responded that they had difficulty accessing data from different areas of the business. A key aspect of BI solutions is the integration of data from disparate sources. In the trade compliance world, that means integrating declaration data from your broker with official government data on trade regulations. That insight helps you compare the cost of doing business in new markets.

### Too much data to use meaningfully

Today’s supply chains require faster decision-making than ever before. Critical decisions crop up frequently and with a high sense of urgency. In order to keep up with changes in your supply chain, be it delays or regulatory changes, you need quick access to accurate data. That’s why around 30% of respondents said their main driver for BI analytics was to use more meaningful data in the business.
Top benefits driving the need for analytics

Now that we know the reasons for data analytics, we can move onto the benefits.

Research shows that companies with a holistic approach to BI experience significant advantages over their competitors. These benefits show that BI analytics have universal value for today’s businesses. When you have real-time access to data, as well as the data visualization tools to see and interpret that data, you will be able to make faster, more strategic decisions for your company.

For more on how these benefits apply to trade compliance specifically, just keep reading.
Leveraging big data for big returns in your trade compliance strategy
Using data analytics to transform your supply chain

Trade compliance, like the rest of the supply chain, has its fair share of data issues.

When it comes to the supply chain, approximately 80% of your data is outside the organization and in the hands of suppliers, service providers, carriers, warehouses, etc. On top of that, your various supply chain partners may provide missing values (sparse data), incomplete information (inadequate data), or inconsistent monetary values (dirty data). But an experienced software provider — one who understands what’s required to analyze trade compliance data — can interface with your entire broker/freight forwarder network while ensuring field-to-field mapping for clean, quality data.

Gaining control over your data on a global scale may be hard to imagine. But it’s possible when you partner with a provider who truly knows the ins and outs of trade compliance data. Then, and only then, will you have complete visibility into your global operations. This is where the problem with data becomes an opportunity.

When executives and trade compliance departments bring discipline to data collection and analytics, they have the opportunity to create new value — in the form of smarter decisions throughout the supply chain.

Here are 3 areas where the trade compliance industry benefits most from big data deployment.

**Identify potential savings**

By integrating all your import and export declaration data, you can determine how much you’re spending on customs duties by geography, business unit, product, and supplier. With this insight, you can identify new ways to reduce cost, such as adjusting your sourcing strategy.

**Manage compliance risks**

Data analytics provide a whole new level of visibility into your trade compliance operations and, as a result, into your level of compliance. With that integrated declaration data, you can pinpoint which brokers are incorrectly classifying and overpaying duties.

**Improve supply chain performance**

A data analysis solution for trade compliance should require interfaces to your broker/freight forwarder network. That information, once presented in a visual format with drill-down options, can help you develop key performance indicators (KPIs) for your supply chain partners, such as arrival-to-delivery times.

**What are the most important business benefits of big data deployment?**

- **More accurate business insights** 57%
- **Predict behavior** 44%
- **Improve business performance, practices, or processes** 40%
- **Competitive differentiator** 32%
- **Drive operational efficiency** 31%
- **Faster response to business change** 30%
- **Identify risks** 28%
Identify potential savings

We could describe the type of trade compliance insights you would find with an experienced data analytics provider — but we'll just show you instead. All of these examples and screenshots are taken from the ONESOURCE™ Global Trade Visibility (GTV) solution, which we will discuss in more detail in the next section. Not all data analytics providers will be able to offer these types of reports, only those specializing in trade compliance.

With GTV, a ONESOURCE client realized $500,000 in FTA savings, which they used to bolster their internal business case for purchasing global trade management (GTM) software.

Duty Savings by Product Number

In the first screenshot, you can see the top preferential duty savings by product number. For product number 2C4557, there's potential for $101,744 in duty savings. You can also drill-down further to see the breakdown of which FTA(s) account for those savings.

Duty Savings by Preference Program

In the second screenshot, you can view your top preferential rates by preference program. In this instance, you could potentially save $3 million by taking advantage of the EU Economic Area. Just as in the previous report, you can also drill-down to see which individual products may be eligible and what the associated savings are for each.
In our second scenario, you can use GTV to identify and correct compliance risks.

With GTV, a ONESOURCE client discovered a classification error that, once corrected, saved the company more than $100,000.

In this next example, you can view your classification fluctuations by import country. For France, there are a total of 369 fluctuations in the way your products are classified. If you drill-down into France, you will have the option to view discrepancies by declaration number.

In the second screenshot, we have chosen a declaration where two brokers are classifying the same product differently. NC Shipping is consistently using the same HS number and, as a result, paying a consistent duty rate. Your other broker, however, is using two distinct HS numbers and paying different duties. This is very likely an instance of noncompliance. Which HS number (and corresponding duty) is correct? If the correct HS number is 7013229000 for the base total line value $41,951, then CSM Freight is making you pay twice as much as you should with that second HS number.
Improve supply chain performance

In our third and final scenario, you can better manage your broker, so you can better manage your supply chain.

With GTV, a ONESOURCE client is interfacing with more than 100 brokers globally, as well as measuring KPIs for broker performance.

Broker Scorecard

In the first screenshot, you will see the broker scorecard within GTV. Here you can monitor your broker's performance over a specific timeframe. You can see trends regarding value, duty paid, and average duty rate. You can also view certain key performance indicators (KPIs) for your broker. For example, you can monitor their average import-to-release time, total number of errors, and total number of classification fluctuations.

Arrival-to-Release Times by Broker

In the second screenshot, you can compare how your brokers are performing based on their arrival-to-release times. As you can see, the times vary greatly with some brokers averaging 11 days and others averaging fewer than 6 days.
Introducing the ONESOURCE Global Trade Visibility solution
Managing import and export operations for a global company has its challenges, especially when it comes to data. With limited visibility, companies are forced to make decisions with information that is outdated, inconsistent, and incomplete.

The result is that organizations are unable to answer critical operational questions such as — what is my global duty spend, how are my brokers performing, what free trade agreements are available, what are my areas of risk, how can I lower landed cost, and is my trade data accurate and complete.

The ONESOURCE Global Trade Visibility (GTV) solution was developed for today’s trade compliance professional. Trade executives, who need real-time visibility into their import and export activity, are now able to analyze trade data to:

**How does GTV work?**

GTV creates a unified view of your trade activity across trade lanes. We consolidate your global declaration data and use data visualization techniques to provide snapshots, heatmaps, scorecards, and drill-down options for you to see and interpret your data. You have the freedom and flexibility to explore your answers through a variety of visual reports.

**What this means is better data and better decisions.**

**How we differ from other solutions**

Other solutions on the market are not designed for analyzing trade compliance. They are static in nature and resource-intensive to get up and running. GTV, on the other hand, comes integrated to the network where your data lives and provides out-of-the-box reports and dashboards targeted at gaining insight into trade compliance activities. With GTV, you can begin analyzing data in weeks, not months, leading to a faster Time to Value (TTV).

**You worry about analyzing your data — we take care of the rest.**
Advanced analytics for continuous improvement

With GTV, you can:

**Identify global patterns**
- Gain visibility into import and export customs data harmonized across your global supply chain
- Design your supply chain based on continual evaluation rather than a one-time report
- Use dynamic scorecards to evaluate the health of your global trade compliance operations
- Consolidate disparate compliance data for a unified view of your global trade activity
- Integrate with our global network of government agencies, brokers, and freight forwarders

**Identify savings opportunities**
- Base sourcing decisions on available FTAs and duty deferral programs
- Determine the impact to landed cost when considering changes to your sourcing strategy
- Leverage our integrated trade content for 210+ countries and territories and 400+ FTA rules of origin
- Determine the projected savings of implementing a more effective duty management strategy
- Access 1,000+ out-of-the-box reports built to analyze trade data

**Identify compliance risks**
- Discover compliance discrepancies to minimize risk from regulatory agency enforcement action
- Evaluate supply chain risks across trade lanes to avoid major disruptions
- Dramatically reduce the time to onboard your broker.freight forwarder network without involvement from IT
- Manage analysis to post-entry review by integrating other ONESOURCE solutions
Integrated trade data for actionable insights

You’ll notice that many of the benefits we mentioned focus on trade data. That’s because a general solution on the market may only integrate your current declaration data. That allows you to see where you’re doing business and how your supply chain partners are performing. But without integrated trade data from official government sources, you can’t easily analyze your areas of risk or your opportunities for cost reduction. The good news is that ONESOURCE has the largest, most comprehensive database of global trade content in the world.

400+ FTA rules of origin
By having these up-to-date rules of origin within the system, you can see the projected savings of every FTA that’s available to you without ever leaving the platform.

Regulatory requirements for 210+ countries and territories
Our comprehensive database of tariff schedules allows us to identify trends in your classification. We can not only identify where there are discrepancies in your product classifications, but also the dollar amount associated with the duty.

Global exchange rates
By integrating global exchange rates in GTV, we can harmonize data across all countries regardless of the currency used.

“The backbone of any Global Trade Management solution is the trade information and international classification system which determines the product classification for all items being traded between countries. This determines the tariffs, duties, and handling of all products, which is why having access to trade information is the most critical capability.”

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What it means to trust the trade compliance experts

In addition to trade compliance expertise, here are a few considerations to keep in mind when you’re evaluating analytics providers.

Is this a one-time report or a continuous service?

Many analytics consultants on the market provide a one-time report rather than a continuous service. It’s important to note that the report, depending on the time it takes to set up your data feeds and to onboard partners, may be outdated by the time it’s complete. Traditional BI implementations take much longer than anticipated, from a few months to a year.4

Furthermore, a one-time report will not encourage an overall data culture in your company that’s focused on quality insights and informed decisions.

Is this standalone or embedded into my core application?

Another factor to consider is whether the solution is standalone or embedded in your core application. Studies show that only 44% of standalone BI users are satisfied with their access to the data they need for decision-making.8 That’s because, as critical decisions become more frequent, users want data insight at the point-of-decision. “Embedded analytics” means that the data is integrated into a software application you already use.

Because the data is easier to access, almost 70% of embedded analytics users said they were satisfied with their ability to access data for decision-making. These users were also 22% more likely to see an improvement in the speed of decision-making.8

For ONESOURCE users, that means GTV allows you to analyze transactional data (such as imports and exports) managed across our platform.

For ONESOURCE users, there’s an added benefit in the onboarding process. If you use other ONESOURCE solutions and already have those broker connections in place, then the mapping exercise will be minimal. The same goes for government interfaces. Because ONESOURCE is already mapped to receive data from various government sources, those connections are in place from the start.

Creating a data culture

“Ultimately, organizations need to drive toward a data culture, where access to data is commonplace and data-driven decision making is expected.”6

What is the focused support for data accuracy and mapping?

Support is always a factor to consider. A good data analytics provider should invest time and resources when building out your broker feeds. Once those interfaces are set up, there should be no doubt that you’re getting good data. Your data should be mapped and cleansed, ensuring field-to-field accuracy.
References

Contact us

The ONESOURCE platform is built for the global enterprise, bringing together the full scope of functionality that companies need to manage their trade operations. That includes integrated trade data, duty deferral, trade compliance, supply chain security, and direct connectivity to government agencies around the world.

Combined with our global footprint, ONESOURCE is the only provider on the market today that can support your global operations on a single integrated platform.

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