Reducing the cost and risk of international trade

An overview of PwC’s SAP Global Trade Services solution
As the international marketplace continues to rapidly evolve and expand, today’s companies are faced with big opportunities as well as enormous risks. While globalization is a core driver of enterprise growth and value, the fluctuating cost of international transportation, increased cross-border regulations and extensive filing and documentation requirements have made global trade more costly, complex and riskier than ever. With the continuous movement of goods across a multitude of borders, international trade brings the following challenges:

- **A complex regulatory environment**—Complex and ambiguous requirements make it difficult to understand your company’s position on trade compliance, which may increase risk and potentially compromise market reputation. Furthermore, as governments modernize and automate more processes, companies are increasingly being required to file declarations electronically.

- **Increased scrutiny**—Import information on customs declarations face increasing scrutiny of value, tariff classification and trade preferences. The risk of inaccurate or incomplete customs declarations as well as export control documentation can lead to loss of import or export privileges and penalty assessments.

- **Increased exposure**—Failure to comply with government import and export requirements can lead to increased duty costs, supply chain disruptions and penalty assessments.

- **Competitive pressures**—Pressure from competition demands the use of complex trade preference programs (e.g., Free Trade Agreements) to reduce customs duty costs.

- **Lack of visibility**—Without visibility into global import and export activity, compliance with government requirements and ability to effectively manage trade activity can be compromised.

- **National security concerns**—The war on terrorism has brought renewed focus on export control compliance, with increasingly aggressive enforcement of export controls by various government agencies.

- **Increased complexity of inventory delivery**—Companies must avoid delays at borders to meet just-in-time inventory management and meet customer expectations.

Global enterprises need a coordinated approach to the customs and trade function designed to manage risk while increasing operational efficiencies, reducing costs and achieving duty savings. Processes and controls must be sufficiently flexible to accommodate varying business needs while meeting the compliance requirements of a variety of government agencies in multiple countries.
Solutions from an experienced leader

PwC can help your organization reduce the cost and risk of international trade and achieve compliance with global regulations, increase trade activity and reduce duties and other costs by implementing the SAP Global Trade Services (GTS) solution. GTS is a comprehensive regulatory management component of a Governance, Risk and Compliance (GRC) framework that supports all areas of a client’s export and import processes.

PwC’s experienced teams bring together extensive regulatory knowledge when designing a GTS implementation, integrating industry-specific business-process insight with deep technical knowledge of SAP solutions. We look at process holistically and pull in experienced professionals from across the firm with expertise in designing trade compliance programs to work on the implementation. We can draw upon resources in our global customs and trade network (of over 70 countries around the world) during the blueprinting process and tailor the solution to the actual regulatory requirements specific to each company’s situation.

PwC’s experience in global trade management and in implementing GRC tools makes it possible for our teams to mitigate many of the typical pitfalls experienced during a system migration (e.g., lack of resources to conduct a thorough cost-benefit analysis, managing various phases of a GTS implementation, complexity of merging GTS with legacy systems, transitioning key functions from legacy systems, and defining and testing compliance scenarios comprehensively to minimize future break-fixes). Our vast industry and system knowledge positions us to optimize and streamline the full functionality of GTS.
Taking a proactive approach to import and export compliance

In addition to increased automation, GTS helps standardize global processes across business units, manages customs data in a central location, and provides increased certainty surrounding interactions with various government agencies in the trade process. PwC works with organizations to address a wide range of GTS issues and can provide:

- Complete GTS implementation for both integrated SAP platforms and standalone platforms with non-SAP systems
  - **Blueprint**—Project planning and scoping.
  - **Design**—Business process design and improvement for customs processing and SPL screening.
  - **Build**—Implement custom enhancement in order to fully integrate GTS with ECC or other systems.
  - **Test**—End-to-end system testing for all applicable business scenarios.
  - **Deployment**—Seamless “go-live” transition with minimal business impact.
- Design desktop procedures, SOPs, and other documented processes and conduct the necessary training for company personnel.
- Audit Services & Control Design of GTS.
- Customs and Trade Compliance Governance design to fully leverage GTS services.

About PwC

PwC provides industry-focused assurance, tax and advisory services to build public trust and enhance value for our clients and their stakeholders. More than 161,000 people in 154 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice.