

# Supply Chain Visibility and Response - Enabling Greater Security & Compliance

## *New Security and Compliance Laws*

In today's global economy there are security, health, environmental and safety threats that exist throughout the supply chain. International trade policies reflect the needs of both government and the private sector to provide a secure supply chain while facilitating legitimate commerce. Government institutions across the globe are playing an integral part in developing supply chain security programs to improve their nation's physical security while not harming their economic security (C-TPAT, PIP, NZCS etc). Joint partnerships are in place between governments and the private sector supporting these new standards. Policy makers are focusing on a "risk management" system in order to target high risk shipments. These initiatives are generally voluntary; the benefits can be far-reaching across the supply chain.

Within the United States, the U.S. Congress passed legislations (ex. Patriot Act, Trade Act of 2002, 9/11 Act, SAFE Port Act) that has placed specific mandates upon government agencies and commercial traders. Over time many programs have evolved that have directly impacted the supply chain including advanced electronic cargo information. In an attempt to keep landed costs down and to not add any further delays in the extended supply chain, logistics providers have revamped standard operating procedures in order to provide the electronic data to the appropriate parties in the supply chain.

## *Compliance Technology and Supply Chain Visibility*

With government policies continuously changing, it is clear that companies need to be proactive and adaptable to new laws. Governments are requesting information earlier in the supply chain timeline and they are requiring that companies be able to identify not just immediate partners in the supply chain but second tier suppliers and logistics providers. Aberdeen group conducted a survey<sup>1</sup> that shows that improving the total landed cost (64%

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<sup>1</sup> Global Trade Management Strategies: Surviving Growing Complexities in 2007, Aberdeen Group (May 2007)

of respondents) and strengthening C-TPAT compliance (55% of respondents) were believed to be the most important supply chain compliance initiatives. Clearly, the challenge is to remain competitive while providing products to the market safely, quickly and at affordable prices. In order to do so, companies are using Trade Compliance strategies, not just as a means to reduce penalties, but as a way of shortening the time required for shipments to cross borders. This shift in thinking requires:

- Greater awareness of companies in your supply chain and how trading partners are performing with regards to Security, Environmental, and Compliance requirements.
- Greater understanding of how new security, compliance and environmental regulations being introduced by governments will affect your global supply chain.
- An efficient way to track and maintain the flow of information from one node in the supply chain to the next.

According to an Aberdeen Group Study<sup>2</sup> only 13% of respondents were satisfied with the availability of information in their supply chain visibility solution. Supply chain visibility and compliance automation software do not provide enough functionality to insure that organizations are able to efficiently comply with government regulations. A more robust and complete service is required that will not only allow companies to achieve government certification but will also allow their supply chains to become more adaptable and opportunistic. Such a service needs to provide:

- A collaborative model that will identify trading partners and create a simpler means to communicate among the partners.
- A technology that can follow complex supply chain processes.
- A service to help with customs clearance and security mandates.
- Event management service that can provide the means to address issues in real-time

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<sup>2</sup> A view from Above: Global Supply Chain Visibility in a World Gone Flat, Aberdeen Group (September 2007)

## *TradeMerit- Supply Visibility*

TradeMerit is a Supply Chain visibility and response management provider that offers expertise in Global Trade Management services including: trade compliance, supply chain design, and integration. The TradeMerit services include:

- A **unique methodology** that maps and synchronizes processes amongst supply chain partners.
- A proven technology that will integrate processes amongst supply chain partners.
- A **Data Assurance** Service to ensure that data exchanges are accurate, complete, and efficient.

Our technology is non-invasive and requires no investment beyond your current IT systems or processes, our solution is a purely On-Demand model that can be tailored to meet your needs. TradeMerit enables you to offer services that will:

- Eliminate or significantly reduce the use of paper documents and enhance the flow of electronic information between trading partners.
- Improve compliance, C-TPAT, WCO Standards for Secure Trade, Filing (10+2), etc
- Improve visibility and security
- Improve predictability and reduce trade lane uncertainty
- Improve management of disruptions and improve supply chain resiliency
- Reduce buffer inventory
- Reduce expedites and premium transportation costs
- Increase corporate profitability

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