

Business Transformation Strategies; An Ongoing Webcast Series from PwC and SAP

Overview of Global Trade Best Practices for a Risk Aware Business

May 15, 2008



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Agenda

- Introduction
- Trends and Key Issues
- Business Challenges
- Technology Solutions
- Benefits of Automated Trade Management
- Future Trade Management Requirements
- Case Studies
- Q&A



Introduction - Speakers

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Trends and Key Issues in Global Trade

Challenges	Examples
Globalization	~30% of the world trade crosses borders ~10% yearly growth in global trade volume
Regulatory Environment	UN Regulations, Prohibited Parties, SOX, ITAR, C-TPAT, Dual Use, Export Administration Regulations, ...
Government Modernization	Mandatory filing of SED via AES in the US, European eCustoms Initiative (NCTS, AES, AIS), ICS in Australia, ...
Increased Complexity	Need to avoid delays at borders – to meet JIT inventory management and meet customer expectations

Business Challenges



- Lack of Common Processes
- Complexity of Customs and Trade Issues
- Quantification of Indirect Tax Costs

Fragmentation Increases Risk



Using Technology Today to Support Automated Global Trade Management

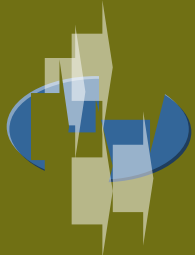
**Provides consistent, reliable
best-practice processes**

**Streamlines export/import license management
and embargo checks**

**Enables standardized, enterprise-wide
trade compliance processes**

**Automatically identifies and manages
eligibility of products and goods**

Benefits of Automated Trade Management



Accelerate Cross-Border Transactions

- **Ensure faster delivery to customers**
- **Reduce costly buffer stock, implement JIT inventory mgmt**



Increase Efficiency

- **Seamless integration with logistics processes**
- **High degree of automation - Move towards management by exception**



Reduce Risk of Non-Compliance

- **Ensure regulatory compliance**
- **Maintain complete and accurate audit trail**



Reduce TCO

- **One single central solution for all global trade activities**
- **Certified for electronic communication with multiple customs systems around the globe**

World-Class Global Trade Management Solution Requirements

1. Compliment & leverage your ERP and other technology investments
2. Ease of integration for short implementation
3. Centralized approach; Maintain control & visibility of entire process
4. Produce short-term ROI → less than 12 months
5. Document existing customs and trade business processes; manage gaps
6. Intelligent content vs. amount of content (fluid)
7. One Global Content Repository... not multiple
8. Contributes value and efficiencies to other areas of the organization
9. Leverages a platform that allows you to grow
10. Identify links to other business processes and controls



Customer Case Studies

Challenges

Value

HALLIBURTON

Increasing Trade Regulation

Automated 99.9% of export processes

AB Applied Biosystems

Grow and stay compliant with multiple regulatory changes

Reduce cycle times (5 → 2 days)

Medtronic
When Life Depends on Medical Technology

Comply with 66 regulations in 93 countries

Standardized global processes – productivity and consistency

Bayer

Ensure goods clear customs without unnecessary non-compliance delays

Replaced legacy systems -- estimated 30% - 40% reduction in maintenance costs

Customer Case Studies

	Challenges	Value
Automotive Industry	Managing origin of materials for FTA requirements	Standardized process, ability to do “what if” analysis for sourcing plans and maximize FTA savings
Industrial Products	Manage export processes across autonomous business units	Consistent and standardized processes, reduced shipping Delays and reduced penalties
Consumer Goods	Manage customs data (i.e., classification) across multiple countries	Standardized global processes – productivity and consistency

Q & A

Thank You!



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