

# **Winning Worldwide:** **The Future of Global Trade Technology**

June 2019



White Paper



Transforming global trade operations through technology modernization will yield direct and dramatic savings.

## Introduction

As global trade accelerates, so does the cost of compliance. The future is bright, with a projected total value of nearly \$400 trillion by 2020. Unfortunately, the operational costs of global trade are rising too, with an estimated \$1.8 trillion being spent last year alone. Of course, as any global trade pro will tell you — the only thing more expensive than getting it right is getting it wrong.

But these are not fixed costs. Transforming global trade operations through technology modernization will yield direct and dramatic savings — some estimate 10%. In addition to cost reduction, the value global trade management can bring to the business can rise exponentially. These savings and efficiencies are best realized through the adoption of a global trade management platform. That's what this paper is all about.

## GTM landscape and challenges

### Complexity at scale: the challenges of global trade management

Perpetually balancing competing needs and escalating costs is no small feat. Global trade teams operate in an environment where risk and reward are intricately connected and every detail matters. Change is fast and impactful, from warehouse to the White House, and uncertainty rules. Global trade management leaders must find a way to not only evolve to meet today's changes but create platforms and tools that ensure future agility and adaptivity.

Expanding worldwide markets and rapidly shifting regulatory tides demand a global trade team that's proactive, strategic, and informed. But first, they must:

- **Navigate** a crowded and complex regulatory landscape
- **Liberate** staff from outdated, automated, processes that drive the duplication of work and increase in risk
- **Minimize** the cost, in time and dollars, of missing or incomplete data or documentation
- **Reduce** time to completion of important tasks including item classification, pricing, planning, and reporting
- **Enable** teams to strategically and proactively plan, while responding to and recovering from events and disruptions

Together, these are tactical challenges with a strategic impact. Teams simply don't have the information or insight they need to fully assess supply chain issues and opportunities. This means a continued status quo of outdated processes and inconsistent information, and an ever-widening gap between global trade leaders and laggards that grows as complexity increases.

### From dirt to delivery:

The \$105 billion global trade in cut flowers is a perfect lens into the complexity of buying and selling across borders, especially when timeliness is critical to success.

Shipping information must pass through many hands, increasing potential for delays in transport. One shipment can require sign-off from 30 unique organizations and up to 200 communications. One lost form or late approval could leave the container stuck in port, and the entire process can take more than one month.

One shipment can require sign-off from **30** unique organizations and up to **200** communications.



**36**  
Original documents



**240**  
Copies



**27**  
Handoffs

## Current pain points

In today's fast-paced global trade landscape, you need a solution that can offer you speed, certainty, and adaptivity.

- **Speed.** From product design through to financial settlement, everybody wants cycles to move faster and close sooner. Rapid automation on the factory floor isn't always matched by rapid digital automation of information, financial, and control systems. **This means information and insight are following, not leading. Connecting systems enables acceleration.**
- **Certainty.** While deadlines rule, details matter. The rapid pace of regulatory change shows no signs of slowing, so it's nearly impossible to predict what stakeholders will expect, and how new rates and rules will impact business. When systems duplicate without integrating, error gains room to run. **Automating and integrating workflows can drive confidence in both operations and strategy.**
- **Adaptivity.** You're already late for tomorrow. Succeeding in an always-on, omnichannel world ruled by demanding consumers and disruptive events means being able to spin up, specialize, and deliver. Multiply market dynamics by the scope of global change and edges begin to emerge. The implementation mindset must be replaced with a culture of iteration. **This is the key to embracing risk.**

This is the promise of a modern global trade management solution. One platform that can manage disparate assets and information, connecting events, locations, and controls. Instant visibility into where you were or what comes next, all informed by data that can be trusted to become part of a powerful digital foundation.



## What is the world waiting for?

You're already seeing the gains of digital transformation. Design, manufacturing, marketing, all fundamentally changed. New markets, new partners, developing opportunities. But given the high cost of global trade administration, the time for GTM transformation is past due.

For more organizations, progress has been uneven. New applications for some processes, legacy systems for the rest. It can represent innovation at its worst, piecemeal and incomplete, expensive point solutions that still create gaps and force duplication.

The resistance to transformation is easy to understand. Global trade intertwines complicated systems and a continuously evolving compliance landscape. Each business has unique dynamics that bring critical context to the decision-making process. **That means each piece of a GTM solution: compliance, content, and connectivity must integrate into those dynamics in a meaningful way.**



Moving goods from maker to user is faster than ever, however, the flow of information struggles to keep pace.

## GTM solutions high-level overview

Moving goods from maker to user is faster than ever. As products and services uplift and enchant happy customers, however, the flow of information struggles to keep pace, and the very necessary trade in trust and transparency continues to lag. Each stakeholder brings their own operating environment and expectations. A lack of internal alignment is duplicated inside supply chains and markets, as old-world systems work to align around new world best practices.

### Emerging ecosystem needs



Across supply chain and distribution, each stakeholder interfaces with records and reporting. How those interactions are managed is global trade. Simplified, it's modern global trade management done correctly.

- Predictable processes
- Dependable data points
- Faster completion of tasks and cycles

### Evolving collaborative priorities

Inside an organization, global trade unifies a similarly diverse set of stakeholders and events. Each core function has record and reporting demands, and each interaction between functions becomes an opportunity for either friction or innovation.

- Export/Import Management
- Risk/Quality Management
- Production Management
- Transportation Management
- Supply Chain Visibility

Each function takes a unique view of objects or events. A GTM platform ensures they speak the same language, follow the same rules, and share the same set of trusted data points. Those are tactical benefits which drive the capacity to ask and answer critical questions that span finance, supply chain, and every other function involved in trade and finance.

- Should I source elsewhere?
- What are my landed costs?
- What is my duty impact?

Taken together, these are again tactical challenges with a strategic upside. The same information that answers each question can inform more dynamic and creativity modelling and planning. This in turn reduces risk and boost profitability, all with insights driven by the information you're already managing.

- How will project regulatory changes impact my current supply chain?
- Am I maximizing preferential programs?
- Are there other agreements available that reduce my compliance costs?

### Who needs a GTM platform?

Globalization drives complexity. The more complex a trade and supply chain, the greater your need for modernized, maximized GTM. The greater the need for proactive scenario planning and modelling, the greater the impact the same platform can have on global trade going forward.



When it comes to understanding the benefits of a unified GTM platform, three overlapping value propositions are emerging.

## Pieces and parts: creating the ideal GTM solution

When it comes to understanding the benefits (tactical and strategic) of a unified GTM platform, three overlapping value propositions are emerging. They're similar facets of the same promise: precise acceleration.

### Compliance: walking the fine line

Regulators are now customers of the same information supply chain you build for internal stakeholders. A modern GTM solution ensures they have easy, direct access to the information and reports they need to understand and certify transactions. Keeping the customer happy has never been more important.

- Missed information can lead to penalties and fines
- Maintaining an updated list of prohibited, denied, and trusted customers and sources gets more and more complicated
- When and if audits occur, information and documentation must be centrally accessible

By simplifying regulatory compliance and reporting, a unified GTM solution can boost compliance confidence without impacting productivity or profits. It can also ensure that, even as you stay compliant, you're making supply chain choices that keep you competitive.

### Content: keep it fresh and out front

Regulatory changes require new rules around calculation and reporting. Without a full-time research and compliance staff, it can be hard to keep up with the new rates and rules that have a significant impact on how your business runs.

- Cross-border settlements are especially complex
- Managing global tariff schedules, FTA rules of origin, and restricted parties lists is time-consuming and expensive
- Lack of awareness impacts long-term strategic planning capacities

By ensuring your workflows are always informed by the latest relevant content, you spend less time updating details and more time solving for constraints. It also empowers state-of-the-art planning and modelling not possible without the right tools and relevant information.

### Connectivity: collaboration at scale

Connectivity is critical to the future of global trade. This means building a robust and resilient network of suppliers, transporters, importers/exporters, and customers. It also means connecting functional teams inside the organization, again empowering them to share the lenses and levers required to get global trade management right.

- Standardizing interfaces and forms
- Sharing information through data-linking and reporting
- Driving critical communication across the process

As a platform, these capabilities mean global trade specialists can orchestrate with confidence. Better planning based on better information, and a certainty of execution only possible when stakeholders collaborate. It can only happen when you can connect and collaborate in real-time and across borders and boundaries.

### Embracing innovation with confidence

On top of accelerating modern GTM through digital transformation, a platform approach also ensures new technology possibilities can be leveraged with minimal risk. This is especially critical when it comes to global trade management technology, where budgets are constrained, and resistance to change runs high.



Connectivity can only happen when you can connect and collaborate in real-time and across borders and boundaries.

## What's hype vs. what's helpful: emerging technologies

Global trade management transformation is about more than technology — IT is just a layer. Tools must also empower experts to do their best, wrapping around state-of-the-art best practices and controls. Technology doesn't always lead, but it can light the way.

### Getting it on the map: Artificial Intelligence and Machine Learning

That's why it's important to track emerging tools and technologies. Over time, use cases grow and offerings evolve through testing and adjacency. Putting the technology on a road map, even if it's several years off, keeps it on the horizon and forces you to reconsider distances and barriers at regular intervals. Artificial Intelligence (AI) is a perfect example.

The maturity of AI in the mainstream is quite remarkable — as an example, look no further than the phone in your hand. It's sifting through reams of data to create answers to questions, sometimes before asked. Or spotting patterns from long distances and giving you a head start on everybody else.



#### What's the difference?

Artificial Intelligence (AI) and Machine Learning (ML) are often used side by side, but they're not interchangeable. AI is about turning information into insight. ML is turning those insights into lessons learned for next time. AI captures learning, ML drives behavior.

But away from the glory of the high-profile use cases, firms are anxious to apply AI to critical business challenges. Luckily, for supply chain and global trade professionals, the near- and long-term possibilities are staggering.

It's a target rich environment, given what AI-driven predictive analytics can do. While AI isn't new, key trends are making it more accessible and consumable, and lowering the barriers to entry.

- Simpler tools reduce the need for large teams of specialists to manage simple analytics and learning, and it's getting easier by the day
- The ability to manage unstructured data and the reduced cost of storage is enabling strategies that take some of the stress out of data management
- As margins shrink and the competition nears, leaders look to squeeze every ounce out of their assets — data included

### What can AI and ML do?

AI and ML are already hard at work for global trade management leaders, helping strengthen operations while reducing costs.

- **Spot fraud faster.** Whether searching for patterns or anomalies, analytics and AI can combine to help spot fraudulent transactions early, reducing the impact and cost of mitigation.
- **Strengthen operations.** AI and ML let you learn big when things go wrong. Those lessons become collective wisdom that guides the next iteration of operational methodologies.
- **Reduce Risk.** On our own, we calculate risk at a slow pace. AI and machine learning drive something much more powerful than artificial intelligence — data-assisted decision-making that sees around corners and plans accordingly.

### On the map: blockchain

There's probably not a technology out there today less understood than blockchain. General confusion, a broad association with cryptocurrency, and a lack of common applications leaves most decision-makers rolling their eyes, some for good reason.

Part of it is vocabulary. While blockchain describes the parts, it's a poor description of the whole. That's why use cases like distributed ledger are so compelling — an immutable system of record that distribute both record management and record security across a P2P network.

This means total transparency — every node can see file updates in real-time. It also removes the constraints of centralized infrastructure.



AI and ML help strengthen operations while reducing costs.



What can blockchain do for global trade management solutions?

- Enable all stakeholders — shippers, transporters, suppliers, etc. to interface with trust and transparency
- Automate the registration of transactions and assets
- Reduce administrative burdens

### GTM solutions high-level roadmap

Each business is unique. You need a global trade management platform that can extend and integrate to ensure specific requirements are met.

#### **Compliance: get coverage that matches your business**

Your specific compliance profile is dictated by everything from industry and line of business to geography. GTM vendors like to talk about global coverage, but if that globe doesn't include specifically where you're doing business, you're out of luck.

- GTM partners must bring more than just applications to your global trade, but demonstrated experience helping global leaders solve critical business issues

#### **Content: rely on data and guidance you can trust**

From manufacturing through settlement, calculation and reporting are driven by constantly changing rates and rules. Just like the software solution itself, your global trade platform should be updated continuously with the latest relevant updated information. Over time, this content translates directly into confidence in the face of uncertainty — if you can trust it.

- Insist on solutions informed by carefully vetted content developed by industry professionals

#### **Connectivity: design useful experiences and interactions**

A global trade management platform brings systems and stakeholders together, enabling them to engage and interface in ways that reduce time and cost without impacting quality or timeliness. This means modern productivity customized for the world of global trade management — there's no one-size-fits-all solution.

- Solutions must be easy to use and adapt, never driving up the cost of support or infrastructure

#### **One more: innovation**

Find a trusted technology partner that's committed to testing new ideas, but partners with you to understand business needs first. This ensures technology that doesn't just accelerate transactions but elevates the value global trade adds to the overall business.

Every organization moves at their own pace. But a GTM platform ensures you're ready to reshape and respond as opportunity requires. In a future marked by uncertainty, it's the single smartest investment you can make.

**To learn more visit [tax.tr.com/globaltrade](http://tax.tr.com/globaltrade) or call +1 800 865 52527**



A global trade management platform can extend and integrate to ensure specific requirements are met.

---

## Thomson Reuters

Thomson Reuters is a leading provider of business information services. Our products include highly specialized information-enabled software and tools for legal, tax, accounting, and compliance professionals combined with the world's most global news service – Reuters. For more information on Thomson Reuters, visit [tr.com](http://tr.com) and for the latest world news, [reuters.com](http://reuters.com).

## Thomson Reuters ONESOURCE™

Thomson Reuters ONESOURCE™ is the industry's leading corporate tax technology platform. ONESOURCE enables global tax compliance and accounting decision-making. In over 180 countries, ONESOURCE helps companies stay in compliance, avoid penalties and audits, save time, and increase efficiency through every step of the tax lifecycle, including corporate income tax, indirect tax, property tax, trust tax, tax information reporting, transfer pricing, data management, and internal processes. For more information, visit [tax.tr.com/onesource](http://tax.tr.com/onesource).

---

Contact us today: [tax.tr.com/globaltrade](http://tax.tr.com/globaltrade)

+1 800 865 5257

The intelligence, technology  
and human expertise you need  
to find trusted answers.



the answer company™

THOMSON REUTERS®