



Beth Peterson  
president,  
BPE  
beth@bpeglobal.com

### Strategic communications — an essential job element

**H**ow often do you communicate with your senior management? Most likely, the answer is not enough. Global trade professionals too often push off strategic communications to manage day-to-day operational issues. By doing so, we are unwittingly doing our companies a disservice.

You likely had aspirations to develop a periodic report to senior management from your first day on the job — issues such as lack of standards for reporting on global trade compliance to varying definitions of what exactly global trade compliance encompasses are well known challenges. Wouldn't it be great if there was an equivalent of a profit-and-loss statement for global trade compliance?

Although there isn't a standard for reporting global trade compliance operations, it's fairly straightforward to develop your own report. So let's get started with a few ideas on how you can build your own Global Trade Compliance Executive Report.

First of all, align your report with your company's mission, vision and values. Ensure that your report lists your department's objectives and make sure that those objectives are tied directly to your company's objectives.

Here's an example: If one of your corporate objectives is to increase revenue by 10 percent, report on the percentage of export transactions that you manage and make sure to calculate the increase in volume and state how that ties to the overall corporate objective of 10 percent. Make a clear statement about how your team ensured that these increased sales were achieved by complying with global regulations.

Report on what you know. This includes obvious things like the number and value of the import and export transactions that your department manages on a monthly basis. If possible, report on your direct costs, such as salaries for your team, invoices from service providers and global trade management system costs. If you don't have access to this information, sit down with your finance team and figure out how to get the information. Include the fact that you don't have visibility to this information on your report as a risk until you get the data.

Speaking of risk, you should identify all known risks to the business that result from global trade compliance issues and concerns. Don't just list the risks, make sure to quantify them (e.g. monetary penalties, loss of authorization to export, non-material error, external audit costs, etc.) and to prioritize them. This is risk-based management and is a very acceptable way to run your business.

Don't forget to include all operations where you can

reduce costs to the business. These cost reductions include duty savings programs, reductions in service provider contracts and increased efficiencies in your operations. If you charge your operational costs to your business units, you should report on your top customers and the services that you've provided them. It's great if you can highlight case studies of specific projects that you've undertaken for your internal clients.

If possible, report on the cycle time for export and import clearance into your top countries of operation. You can directly tie cycle time to inventory carrying costs. Some companies have estimated that every day something sits on a dock waiting for customs clearance, is equivalent to a 1 percent tariff per day.

A key section to your report is a list of projects that you are working on with a summary of each project and its projected outcome. In addition to projects internal to your team (such as classification of new products and tariff engineering) make sure to communicate all cross functional projects that you are supporting. Include projects such as Enterprise Resource Planning (ERP) implementations, participation in new product introduction meetings and 360-degree reviews.

Once you've developed your report, make sure to mark it as confidential, encrypt the report and protect the document with a password. Strategic reporting on your compliance operations is a competitive advantage and you should safeguard it. As you get a few reports under your belt, you should start to roll the report up into a quarterly and year-end report.

Finally, don't develop your report in a vacuum, involve your team — and I don't just mean your direct reports. Ask your team of advisors — such as consultants, project managers and attorneys — to give you their opinions on what you should report on. Ask your service providers to supply you with monthly performance reports of their operations and roll their data up into your report.

Test your new report internally with your team and once you think you've got an excellent representation of your operations, schedule time with your manager to share the data. This should be a one-on-one meeting with the goal to fine tune the report. Once upper management agrees that it's ready for prime time, create a three- to five-sentence summary of the report with a link to the full supporting data.

As you start thinking strategically about and reporting on your compliance operations, your decisions and day-to-day activities will be easier to align with your company's strategy and you will be able to measure your contribution to the company's bottom line.

*BPE is a global trade consulting and training firm focused on enabling companies to succeed globally.*

*Align your report with your company's mission, vision and values.*

*Identify all known risks to the business that result from global trade compliance issues and concerns.*

*Strategic reporting on your compliance operations is a competitive advantage. Safeguard it.*