

BPE Global Hot Topic – June 2022

Maturity Assessments: Planning for Growth



My daughter turned 9 this year and, as I do every year, I found myself asking, “Now, how did that happen? Wasn’t she born just yesterday?” I have greatly appreciated how through every stage of growth she has become more independent, but I also recognize that my responsibility for her doesn’t diminish because of that. The same can be said for our Trade Compliance Programs. We create them, we nurture them, and we support them so that they can successfully develop into maturity. However, just because they’re up and running smoothly doesn’t mean that they no longer need our attention.

Not every aspect of our Trade Compliance Programs will be fully developed at any given time. I know I’m preaching to the choir when I say the work is never done. But have you thought lately about your program’s state of maturity? With the recent rash of sanctions and export controls, a program in a mature state will be more resilient. While development takes time, the faster you can move your program into the next level of maturity, the easier it will be to adapt to change, especially unexpected change. If you haven’t considered the state of your program in a while, here are a few questions to help you do a quick assessment, and perhaps even get you thinking about what’s next.

1. Restricted Party Screening involves:
 - a. Parties are screened manually using the International Trade Administration’s Consolidated Screening List
 - b. The company subscribes to a screening tool
 - c. Restricted Party Screening is integrated as part of our Global Trade Management system
2. Technology is:
 - a. Still being assessed for classification
 - b. Classified and marked when controlled
 - c. Secured through physical and logical access controls
3. Deemed export controls include:
 - a. Foreign person employees requiring a deemed export license are licensed
 - b. Teams working with licensed foreign person employees have been trained on export controls and company policies regarding technology transfers
 - c. All company personnel have received training on technology controls and know who to reach out to with any questions or concerns
4. Trade Compliance policies and procedures are:
 - a. Documented and stored locally with Trade Compliance
 - b. Distributed to internal teams as needed
 - c. Published on a company network for general employee access
5. When it comes to trade compliance metrics:
 - a. Only baseline metrics are tracked
 - b. An expanded set of metrics is tracked, and target goals are established

- c. Quarterly/Annual reporting is generated based on metrics and associated goals
6. Audit frequency can best be described as:
 - a. Self-assessments are conducted periodically by the GTC team
 - b. Regular risk-based auditing of processes and procedures are conducted; Internal Audit is involved
 - c. Independent, third-party audits are conducted every few years, in addition to a and b
 7. Regarding country of origin (COO):
 - a. COO for company products has been assessed
 - b. A COO marking policy has been implemented
 - c. Free trade agreements have been evaluated or procedures implemented to apply them
 8. Trade compliance training offerings include:
 - a. A PowerPoint training is available for presentation upon request
 - b. Training is presented in person to departments with GTC responsibilities
 - c. Training is automated and required for all new hires and then on a set schedule thereafter
 9. Non-revenue (miscellaneous item) shipments are:
 - a. The responsibility of the individuals shipping them
 - b. Required to be reported and reviewed by GTC
 - c. Processed and authorized by GTC via automated request forms
 10. Product Classification involves:
 - a. A product classification matrix has been developed
 - b. The product classification matrix is published and regularly updated
 - c. GTC reviews are an integral part of the new product introduction process

If you have more “a” responses, your program is primarily in startup mode. Prioritize your key objectives for the program. Classify your hardware, software, and technology so that you can implement proper technology controls and ensure required licenses are obtained. Consider the best ways to implement screening, document key policies and procedures, and develop basic training.

If you have more “b” responses, your program is in its growth stage. Determine which parts of your program can be automated and get friendly with your IT Department. Begin to collaborate with other internal teams to develop and further promote the important concept of shared responsibility for compliance.

If you have more “c” responses, your program is in a mature state. But don’t be deceived - your program still needs you! Review your older policies and procedures and update training modules to ensure they capture the latest practices and regulatory changes. Be forward looking. If your products’ technology is advancing, what can you be doing now to successfully launch the next generation of products?

As always, BPE Global is happy to assist with your trade compliance needs. If you’re interested in a more thorough maturity assessment of your compliance program, or if you’re looking for some fresh

ideas, let us know! BPE Global is a global trade consulting and training firm. Evelyn Bernal is a Director of BPE Global. You can reach Evelyn by email at ebernal@bpeglobal.com or by phone at 408-718-0265.