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BPE Global Hot Topic – June 2019

Those last crazy days of Quarter-End

Last year at this time my topic was “Suffering from Headline Fatigue?” Little did my crystal ball reveal back then that 12 months forward I’d be coining a new term “trade compliance whiplash”. Whiplash is defined as forceful, rapid, back-and-forth movement. Does that not perfectly define our days as of late, based on the latest tweet, or soundbite? Phones start ringing, emails start coming, the exec team, and customers start asking questions that you don’t yet have answers to, but you’d certainly like to have an answer for!

For those of you on a traditional quarter-end calendar, your focus right now should be on revenue, revenue, revenue. Your fingers have been crossed for the last month that a major customer won’t suddenly be added to the Entity List, causing the executive team sheer panic. You wonder what the next “national security” related move might be impacting your products, and ability to export. It is too late to make sourcing changes that may help with the bottom line, even for next quarter, so everyone is nervous! Oh yes, I remember, as I was one of you too, not so long ago, before I went into consulting.

The best thing you can do now is what you do best, step back and look at the bigger compliance picture. While peak volume is whirring through your ERP system, spot check that your processes are working as designed. Is your GTM system catching potential matches, or are too many orders flying through as “no match found”? Pick a few parties from 10 or so restricted parties lists and push them through – check both physical and virtual orders. Pull up your GTM systems and take a look at what “passed” this week without review by the trade compliance team, do some legwork, and see if you agree. Are your match thresholds too high, too low, or, just right? Pull some end of day export document packets from yesterday – do it today.

If you don’t have time today, next week is the perfect time to analyze those last few days of the quarter. Do it while things are fresh both for you and your operations team. Look for the usual flags i.e. large revenue orders from the last couple of days whether for physical shipments, software, training or service. Select things like new customer orders (were they truly vetted?), odd country destinations etc. Use your trade compliance “spidey sense” to identify transactions which need additional scrutiny. You know what to look for! And you want to find it before someone else does!

Plan to audit some EEI’s, whether filed by you, your freight forwarders, or couriers. When was the last time you did a correction, cancellation, or amendment to an EEI? Are you using ACE as a tool to find systemic errors? When was the last time you trained your team, or did a refresher on EEI filing?

Making the time to spot check your trade compliance related activities during, and immediately after peak revenue period is a great practice. Don’t wait until your next scheduled formal audit to find questionable transactions and take corrective action.



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