Global Trade Management software – What to do before you contact the vendors….

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Trade Compliance professionals are often overwhelmed when it comes to researching and selecting a Global Trade Management (GTM) solution for their company. Many don't realize there is a strategy to selecting a software solution and there's homework to do before cold calling the GTM software vendors.   Not all GTM software is the right fit for all companies. There are some great GTM solutions out there that are better for small to mid-sized importers and exporters compared to other GTM solutions that are more geared for multinational conglomerates. The secret is to do a bit of pre work so that you can quickly identify the right fit.

Before you begin calling the GTM vendors, be prepared to provide specific information about your business needs.   Believe me, the GTM vendors don't want to begin lengthy discussions until you have distinct business requirements and a budget.   That means looking internally at your company, identifying the compliance and operational gaps that need to be addressed and getting management support and a budget. Many GTM related projects fizzle because these first steps aren't taken.

In order to convince your management that you need a GTM solution, you need to make sure your project has clear, measurable goals. Those goals can be very simple (for example, the desire to save money, support growth, and be compliant) and then evolve as the project is managed. Take advantage of working with a project sponsor to generate communications that establishes thought leadership to your compliance team, key stakeholders, partners and your leadership.

One of the most compelling drivers for a GTM project is a gap analysis. This is a "must-have" part of any GTM project and will be hugely compelling in convincing management to support the project. Your gap analysis should look at both compliance and business risk. Develop your problem statement, showing the need for automation and the expected outcomes that you will get from automation. Be sure not to allow the problem statement to limit the solution. A GTM solution is not about fixing the problem, it's about clarifying the business pain and impact.

In most companies, it is critical to connect with IT early in the process. Support from the IT department is key to ensuring that your project has the proper visibility and priority. Although it is fairly uncommon to find an IT department that thoroughly understands the functional needs of trade compliance, it is even more uncommon for a global trade compliance professional to have any experience evaluating, implementing or pricing technical software solutions. IT will also help you to develop your estimated budget, which typically includes solution acquisition, hardware and implementation services. IT will also help you to understand your corporate philosophy regarding enterprise solutions – would you rather own your solution or lease it? Does the organization support cloud-based solutions?
It's also important to have a clear change management strategy: you aren't replacing people's jobs with software, you are freeing up their time so they can be more strategic instead of operational.

One last step before you call the vendors: determine how you will measure success for your GTM implementation. Take the metrics that you currently collect regarding your trade compliance operations and

identify how your GTM solution will improve your metrics. Or, if you are unable to collect trade related metrics, be prepared to ask the GTM vendors how they can help you do this in order to show improvement and an ROI for implementing the GTM solution.

You'll need a project team as well. The team should include an executive sponsor, a project manager, trade compliance subject matter experts (e.g. an import and/or export trade compliance manager from each geographical region), and representatives from each functional area that will be affected by the implementation and use of the software (e.g. IT, shipping/logistics, finance, human resources, and outside partners like 3PLs or brokers).   This team should be helping you to create and validate your gap analysis and cost / benefit analysis for acquiring a GTM solution.

Your gap analysis should allow you to generate tangible requirements for the software. It's important to create a Business Requirements Document (BRD) to capture what software features or functionality are mandatory, "nice to have" or optional. The BRD should include your process flows and use cases to ensure the requirements are a realistic fit for your current operations and systems. A crucial part of the BRD has actually nothing to do with trade compliance, but rather IT-related issues. For instance, what browser support is required? Who are the users and what type of permissions and access controls should they have?

The BRD should then be used to create the Request For Proposal (RFP). In addition to listing the functional requirements for the software, you'll want to include a section in the RFP for information that will affect pricing and the implementation cost. Such as including the number of users, transactions (orders, entries, shipments, exports), part numbers, Harmonized Tariff System (HTS) number / Export Commodity Control Number (ECCN) classifications, Exporter Identification Numbers (EINs) and Importer of Record (IOR) numbers as applicable. If documents are required (e.g. generating commercial invoice), list the languages needed and for which countries. The vendors will also need a list of importing and exporting countries for regulatory content purposes. If you are considering restricted party screening, you'll want to provide the number of vendors, customers, and employees that will be screened on a reoccurring basis. You should also include all systems that will need to integrate with the software. This might include systems other than just your ERP, such as a customer relationship management tool, document and reporting software and/or proprietary databases, not to mention any connectivity you want to have with transportation, warehousing, or logistics management systems.

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