

## Establishing your Trade Compliance Strategy for 2014

It's only November but it's never too early to begin planning your trade compliance strategy for 2014. And I'm not talking about just doing the same things you did this past year, only better. I'm referring to specific goals you plan to tackle next year according to your three to five year strategic plan. Wait, you don't have a three to five year strategic plan? Ok, let's start there.

The first step to creating a strategic plan is to examine your greatest compliance risk areas, areas of opportunity, the business environment in which your company operates and the regulatory environment.

Let's start with examining your greatest compliance risk areas. You'll know these areas from the results of recent audits and or any recent government inquiries. If you've read about other companies getting fined for violations over a specific topic and you get nervous thinking that your company might have this same issue, consider it a risk area until you can rule it out with certainty. Your strategic plan should contain an audit schedule and highlight these areas so you can determine any gaps or process improvements in order to minimize risk.

Changes in the business environment can influence your strategic plan as well. The recent Export Benchmarking Report published by BPE Global and American Shipper this October (<http://www.bpeglobal.com/documents/reports/>) showed that trade compliance managers are increasingly taking on a more global role requiring more headcount. The impact will have a direct effect on the quality of compliance on activities such as licensing, screening and free trade agreements. These areas tend to strain day to day resources and you might need additional help or automation.

You should also ask which customers are driving your business. What are their trade compliance needs and how can you serve them better? Do they require certificates of origin, are export licenses/permits required to ship to them? The answers will allow you to build a strategy to support them.

The regulatory environment will definitely affect your strategic plan. For instance, are you in the C-TPAT program? ISA? Should you be participating in one of the CBP CEEs? Is the Export Reform Act going to impact your company? Could you participate in the new US-Korea FTA? Think of these as areas of opportunity for your company. You'll need to weigh the advantages against the costs to see if or how it fits in your strategic plan.

Once you have assessed all of these influential areas, you'll need to align your plan with the company's strategy and goals. I'm not talking about just at the corporate level but also at the functional level as well. By creating a cross functional trade council, you can share your strategy with other key parts of the business such as Legal, Finance, HR, Business Development, Product Development, Sales and Logistics. Understanding their goals and strategy will be infinitely important as to whether you'll be successful.

Our benchmarking report shows that compliance is less and less likely to be involved with key conversations about company strategy, new product introductions, and new market development. It's time to change this trend! By creating a strategic plan, trade compliance can be recognized as an integral part of your company's success. We hope this Hot Topic has given you some insight on how to establish your trade compliance strategy for 2014!



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