



**Beth Pride**  
President, BPE Global

Profit & loss statements still ignore the intricacies and costs of crossing borders. True product landed cost remains buried and unexplored in most companies. The decision to market and sell products in a new country or region seldom considers how challenging it is to accurately clear goods from an export and import perspective. Now the U.S. election has brought this issue front and center.

As president-elect, Donald J. Trump announced a goal to impose a 45-percent tariff on Chinese imports. At the very

Global trade compliance remains a topic that most C-level executives successfully ignore. This should not be regarded as an accomplishment but as a serious corporate deficiency that will affect a company's bottom line and its ability to compete on a global basis. Ignorance of global trade compliance is no longer an option.

least, C-level executives should look at their current costs for goods sourced from China and estimate the impact to their bottom line. If they manufacture their products in China, they need to determine if their customer base is willing to pay 45 percent more for their products. Whole industries may lose significant segments of their business, eliminate product lines or may have to reengineer their supply changes and change the way they make their goods.

Trump also stated that he will renegotiate or withdraw from NAFTA. Companies that source or build their products in Canada and/or Mexico will be determining whether they can continue to produce, market and sell their products instead of figuring out

how to bring more jobs back to the U.S.

We expect that companies with strategic global trade compliance programs will be selling and servicing their products in a way that optimizes their resources and lowers their costs. They will be designing their items not only for the markets that they serve but with export and import regulations and costs in mind. Companies with strategic trade compliance programs will focus on ensuring the accuracy of their product classification, country of origin and value so that shifting trade policies do not put them out of business. They will also ensure that their export and import declarations are accurate and complete and are filed on time so they don't attract enforcement actions.

Companies which continue to keep their heads in the sand will spend more time and money than their competition to cross borders. They will have continued supply-chain delays. Companies which fail to see the strategic value of global trade compliance will continue to scratch their heads because it costs so much more to build their products than they estimated.

Global trade compliance is an extremely complex undertaking, but once it's mastered, it will ensure a company's success.

## The Outlook

What does today's regulatory and compliance reality mean for the future? Companies which understand their operations as they cross borders will have more insight into their business and can implement strategies to outwit the competition. Companies should not let their competition or the government figure this out before they do. The cost to catch up competitively or to respond to a government audit is significant and avoidable.

