



Beth Peterson
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Getting Compliance a Seat in the Boardroom



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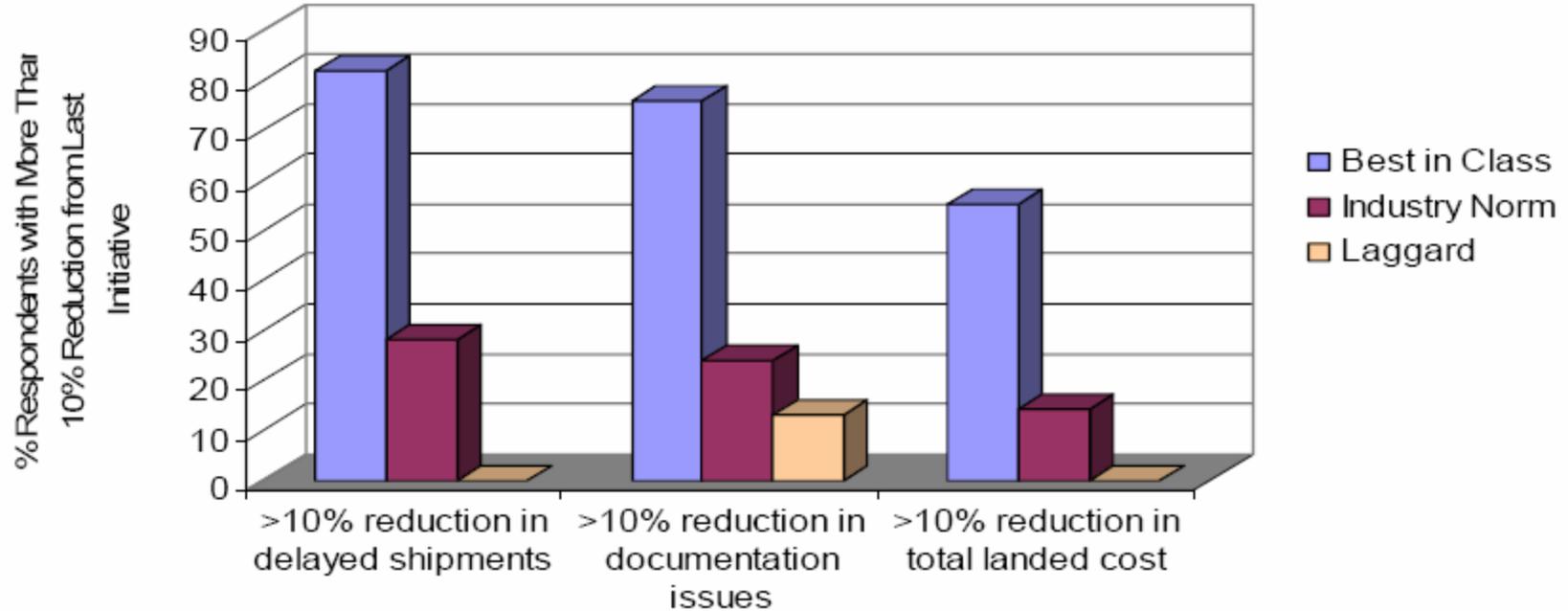
A lot about compliance is tactical, but overall.....

.....It's a strategic issue





Global Trade Leaders Successfully Reduce Uncertainties and Costs



Source: [AberdeenGroup](#), March 2005



Language of the Board Room

- Cost Reduction
- Higher Profit
- Higher Margin
- Customer Satisfaction
- Return on Investment
- Competitive Advantage





Language to Leave at your Desk

- ⊗ Compliance → ✓ Competitive Advantage
- ⊗ Regulations → ✓ Sarbanes Oxley
- ⊗ Fines & Penalties → ✓ Risk-based Approach
- ⊗ Clearance → ✓ Market Access
- ⊗ Your Projects → ✓ Corporate Objectives



Translating your Import Responsibilities

- Cost Reduction through:
 - Decreased clearance cycle time.
 - Duty reduction/avoidance programs.
 - Process improvements.
- Customer Retention through:
 - Predictable supply chain.
 - Accurate documentation resulting in accurate declarations.
- Higher Margin:
 - Lower inventory carrying costs.





Translating your Export Responsibilities

- Increased revenue through
 - Access to all markets as a result of compliance.
- Customer Retention though:
 - Accurate classification and licensing of products.





Translating your Security Responsibilities

- Customer Retention through:
 - Participation in government programs.
- Cost Reduction through:
 - Reduced loss/theft/pilferage.





Translating Board Language to your Company

1. Know your corporate objectives.
2. Map your department's objectives to the corporate objectives.
3. Measure your success towards those objectives.
4. Use the tools available to you:
 1. Annual Report.
 2. 10K.
 3. Analyst briefings.
 4. Competitors annual reports.
 5. Benchmarking with peers.





Corporate Objectives Mapped to Your Objectives

- Example - HP's Corporate Objectives
 - Customer Loyalty
 - Product compliance, online compliance data.
 - Profit
 - Trade agreements and trade preference programs.
 - Freight and Duty Payment/Audit to ensure accurate declarations.
 - Market Leadership
 - Licensing and classification for new markets/products.
 - Participation in voluntary government programs



Corporate Objectives Mapped to Your Objectives

- Example - HP's Corporate Objectives, continued:
 - Growth
 - Reduction of Global Barriers
 - Global trade systems to support growth.
 - Employee Commitment
 - Training and education programs, internal control programs.



Measuring Compliance Value to Companies

- Increased Profit
 - Improved product safety (e.g., 38 percent reduction in theft/loss/pilferage, 37 percent reduction in tampering)
- Reduced Cost
 - Improved inventory management (e.g., 14 percent reduction in excess inventory)
 - Improved product handling (e.g., 43 percent increase in automated handling of goods)
 - More efficient customs clearance process (e.g., 49 percent reduction in cargo delays, 48 percent reduction in cargo inspections/examinations)



Measuring Compliance Value to Companies

- Customer Satisfaction
 - Improved Supply Chain predictability (e.g., 12 percent increase in reported on-time delivery)
 - Higher customer satisfaction (e.g., 26 percent reduction in customer attrition and 20 percent increase in number of new customers)



Good Measures to Maintain for your Operation

- Inventory carrying costs.
- Total value of imports/exports.
- Total import/export volume as a percent of revenue by country.
- Total duties paid.

Know how the Measures Above
Tie to Revenue and Profit





Aberdeen Report – CFO's Agenda

- Consider a paradigm shift from a total landed cost to a *total delivered profit* mentality.
- Ramp up use of financial institutions' trade services.
- Expand the company's trade compliance and documentation foundation.
- Institute stronger financial oversight of supplier contracting and increase ongoing visibility to suppliers' financial conditions.
- Leverage the value of inventory and orders trapped in the longer global supply chain.
- Work toward a fully visible, primarily paperless environment
- Taking advantage of physical supply chain triggers.
- Move finance into a leadership role.



Aberdeen benchmark surveys and interviews with 170 companies show that:

- Reining in global logistics costs is critical to corporate profitability:
 - Logistics cost (% of revenue) is greater than 6% for products bought or sold offshore.
 - Unanticipated international costs are a major concern.
- Supply chain snafus are an everyday occurrence:
 - More than 1 out of 10 international shipments are late, incomplete, or have to be expedited or sent by a non-primary carrier.
 - 13% of large enterprises report that more than 1 out of 5 of their international shipments are out of compliance with order or routing instructions.



Understanding Annual Reports/10K's

- Review the key measures that the company uses to define success.
- Review key products and services and ensure that your team is aligned with them.
- Read the risk statements.
- Read the forward looking statements.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2005
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File No. 1-2217

DELAWARE
(State or other jurisdiction of incorporation or organization)
One Coca-Cola Plaza
Atlanta, Georgia
(Address of principal executive officer)

56-628465
(IRS Employer Identification No.)
9013
(Zip Code)
Registrant's telephone number, including area code: (404) 676-2121
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
COMMON STOCK, \$0.25 PAR VALUE	NEW YORK STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer" or "large accelerated filer" in Rule 12b-2 of the Exchange Act.
Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark if the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The aggregate market value of the common equity held by non-affiliates of the Registrant (assuming for these purposes, but without conceding, that all executive officers and Directors are "affiliates" of the Registrant) as of July 1, 2005, the last business day of the Registrant's most recently completed second fiscal quarter, was \$7,349,677.24; (based on the closing sale price of the Registrant's Common Stock on that date as reported on the New York Stock Exchange). The number of shares outstanding of the Registrant's Common Stock as of February 21, 2006 was 2,367,883,247.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement for the Annual Meeting of Shareowners to be held on April 19, 2006, are incorporated by reference in Part III.



How to Present to the Board

- Thank them for their time – you know its valuable.
- Explain the purpose and goal of your presentation.
- Begin with how your request ties to the corporate objectives.
- Communicate the value of the request to the company.
- Provide hand outs (presentation, supporting materials).
- Keep it succinct (~ 4 slides) and brief (\leq 10 minutes).
- Leave plenty of time for questions and answers.
- Answer all questions as they are asked, even if it means that you stray from your presentation.



Closing Conversations with the Board

- Don't forget to "close".
- Ask for what you came for.
- Remind them of the compelling reasons why you're asking.
- Communicate the implications if they don't act immediately.
- Thank them for their time.





Before, During and After the Board Room

- Be a corporate enabler by creating institutional capacity for managing global trade cross-functionally.
- Master the complexities of ever-changing import, export and security regulations.
- Invest in tools to improve your compliance, but not until current manual processes have been reengineered and standardization enforced.
- Demand equal understanding of your corporate objectives by your service providers.
- Design your operation for flexibility and plan for contingencies because things will break.