

## BPE Global Hot Topic – May 2018

### Do You Have Whiplash Yet?



Between Russia, North Korea, Iran, BREXIT, the NAFTA renegotiation, new tariffs, retaliatory tariffs and the countless other changes to our trade compliance world, it's not a surprise that you would have whiplash. Our world is shape-shifting before our very eyes. The reality is that trade compliance is headline news for the first time in my life. I've been hoping for this moment for a very long time. I had hoped that companies would look at cross-border business with a new lens once it became mainstream news. Unfortunately, it's fraught with divisiveness which is (mostly) not what trade compliance is about. Regardless of the cause, this is our time to help communicate the value of global trade compliance to our companies. However, the sheer magnitude of change is an easy excuse for inaction. If you do not have a clear plan to address the business impacts of trade compliance changes, then you are doing a disservice to your company.

Whenever I am faced with huge challenges in life and in business, I've always reached out to my dad. He was always happy to help. He consistently advised me to toughen up and just get the job done. Business issues are problems to be solved. So... let's all take my father's advice and face these issues together. Here's how I recommend approaching things:

1. Know your products and your countries. Focus on the trade compliance changes that affect your company based on the products you have and the countries you operate in. Ignore the static created by topics that don't impact you. If you don't know where to start, just give us a call and we can help you identify the key risks to your company.
2. Measure the impact of the current and pending trade compliance changes. Does a new tariff completely stop your business because you can no longer source a material or component? Or are there economic impacts that will increase your cost of doing business? Will you incur increased costs to move a supply chain to continue production? Will your customers be able to absorb increased prices? Hint: our free [Trade Policy Impact Calculator](#) can help you.
3. Tackle the most expensive and disruptive realities first. Develop a plan to reduce costs and reduce barriers. Look at options such as tariff engineering and creative sourcing strategies. Should you start taking advantage of preferential trade agreements that you hadn't considered in the past?
4. Communicate. Tell the story of how trade compliance impacts your company. Teach your executive management team how to tell that story. Share it with your elected officials, share it with your trade associations. We are in this together and we can help each other. Our combined stories can make a difference.

Last year, I predicted that the attack on global trade compliance would intensify in 2018. We've got a tremendous battle ahead of us and we are up to the challenge. These business issues are solvable. We all just need to get to work keeping our companies strong and viable.

My dad passed away earlier this year and he's not here to stiffen my resolve to address and overcome the massive issues that we face as global trade compliance practitioners and corporate leaders. As a result of my loss, I have come to this current state of trade compliance chaos with a realization that the business issues we face today pale in comparison to the loss of a loved one. We are smart and capable



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and can tackle these issues because of our loved ones helped us to become the good people we are today. And in my case, my dad made me tough enough to stand up to any business issue. I welcome these new challenges and will make him proud.

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