# OPTIMISE CUSTOMS OPERATIONS WITH

## INSIGHTS & ANALYTICS

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# Overview

Is your customs data lost in a black hole? For example, do you know how many declarations you are filing a year? Do you have an idea of the total customs duty savings available per business unit, per country, and per product for each Free Trade Agreement (FTA) that applies to your global trade activities? Are you able to trace the validation time of each declaration? Can you identify anomalies and errors that occur regularly throughout your flows and optimise processes accordingly? If you have insight into all of this information, you are leading the field in customs compliance!

Across industries and departments, organisations rely on data to drive their business decisions. Yet for most customs managers, collecting data that is dispersed across IT applications, business units, partners, and geographies is a herculean task in and of itself. Making sense of that data presents another challenge entirely. By the time you structure, analyse, and compare the data you've gathered, it's often no longer current. What if there was a tool available that could do all that work for you—in real time?

In this whitepaper, we address the challenges that lack of visibility into data poses to global organisations and present opportunities that can not only make the lives of compliance managers easier, but a lot more interesting.

# Challenges

The job of customs managers can often be equated with that of firefighters—always reacting to a situation that has already become an emergency. In large part, this is due to lack of control over their own customs operations, which we can boil down to four contributing factors.

1. **An Antiquated Approach Reaction** is generally accepted as the nature of the beast when it comes to customs. That's because, while customs compliance gets exceedingly more complex on an almost daily basis, processes and procedures have not evolved much over the years. Spreadsheets and manual tasks are simply no match for modern technology, yet while other business functions have risen to a strategic level within companies, customs and trade—arguably an area that could have the most tremendous impact—remains a laggard.

2. **Outsourcing Customs brokers** can provide expertise along with a cost-effective alternative to hiring niche skills in-house. Yet once a function is outsourced, an organisation is constrained by the capabilities and technology of the broker along with the ability to integrate with their systems. Introduce multiple brokers all using different systems, and the possibility of gaining insight into the entirety of your customs operations becomes slim.

3. **No Centralisation** Compliance is typically sprinkled everywhere, across a variety of stakeholders including customs authorities, customs brokers, community service providers, and port community systems, all of whom use different systems. Organisations rarely have a centralised system that houses all of the data relating to their customs and trade operations.

4. **No Visibility** It's impossible to move the needle on any key performance indicator (KPI) without an informed strategy. And it's impossible to have an informed strategy without complete and current data. Yet with customs data spread across business units, geographies, systems, and third parties, the ability to harness information in a timely enough manner to produce actionable insights is unlikely.

If you always do what you've always done, you always get what you've always got. Imagine the opportunities that could be attained by taking customs beyond compliance.

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# Building a Customs Control Tower

To get an overview of the totality of your customs operations, you need to first have centralised and standardised data. Once this is achieved, ensuring the quality of your data is the next step. Getting meaningful insights is only possible when your data quality is good. When gathering data from different sources, it needs to be checked and validated. Only when data is centralised, standardised, and validated can it be manipulated and analysed to provide valuable insights on various metrics and KPIs that will help you improve processes, optimise customs operations, and grow your business further. All of this can only be accomplished with technology.

**USE CASE 1**

Detect significant differences in declared customs values of similar articles. The customs value of a given article in a declaration is based on its invoice value and certain adjustable cost elements. These may adjust due to price changes. However, it may happen that by human error, the wrong costs have been entered into the source systems, resulting in substantial differences. As these differences tend to get lost in the multitude of transactions, they're not noticed very quickly and can result in potential financial risks. With technology, the customs value of each item ID can be compared to the item ID in previous similar flows.

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**USE CASE 2**

Detect differences in classification behaviour for items. In master data, item IDs may have a classification code for a classification type, e.g., classification type TARIC with classification code 1511909900. The expected behaviour is that different item IDs with item descriptions 1, 2, and 3 that are very similar would generally have the same classification code for a given classification type. With tens of thousands of items, however, it is challenging for a classifier to detect small differences. Machine learning is one of the most efficient ways to detect errors and anomalies. It can help standardise the classification codes used for similar products and suggest better classification codes to reduce costs.

With centralised, standardised, consolidated data, customs managers can then gain insights via dashboards and reports that provide added value to the business, for example process improvements for greater operational efficiency.

# The Silver Bullet
# for Customs Managers

Customs4trade (C4T) has built zero-touch customs compliance software and, along with it, Insights, a visibility and analytics module that allows you to gather declaration data filed by your external customs broker or worldwide locations and transform it into at-a-glance dashboards for insights and controls. CAS Insights can be used as a standalone analytics solution or as a component of C4T's end-to-end customs automation software.

## HOW IT WORKS

• Your appointed customs brokers or any of your locations worldwide can upload declaration data to CAS Insights via Excel or, for high-volume transactions, using our standard APIs. C4T provides templates and integration assistance, if necessary.

• Data from different countries, in different languages, and with different form fields is automatically standardised and consolidated into a centralised repository.

## WHAT INSIGHTS CAN DO

• Process data from any country in which declarations are filed, regardless of the language or data structure, giving you a centralised view of all your customs-related activities.

• Compare operational, performance, and financial data across all of your import and export activities and standardise procedures based on what is working best.

• Filter by date range, customs flow stages, or receiving country and use the data to easily report on different metrics and KPIs.

• View real-time status of declarations, customs errors, validation errors, releases, exit confirmation, performance and speed of filing, current and potential duty savings, guarantee thresholds, and much more.

• Download content and graphs for use in presentations.

• Optimise customs duty costs using simulation functionality that evaluates the outcome of changing parameters of declaration data, such as preferential origin and commodity codes.

• Work smarter in the future thanks to artificial intelligence and machine learning capabilities, which predict performance and detect anomalies.

# The Silver Bullet
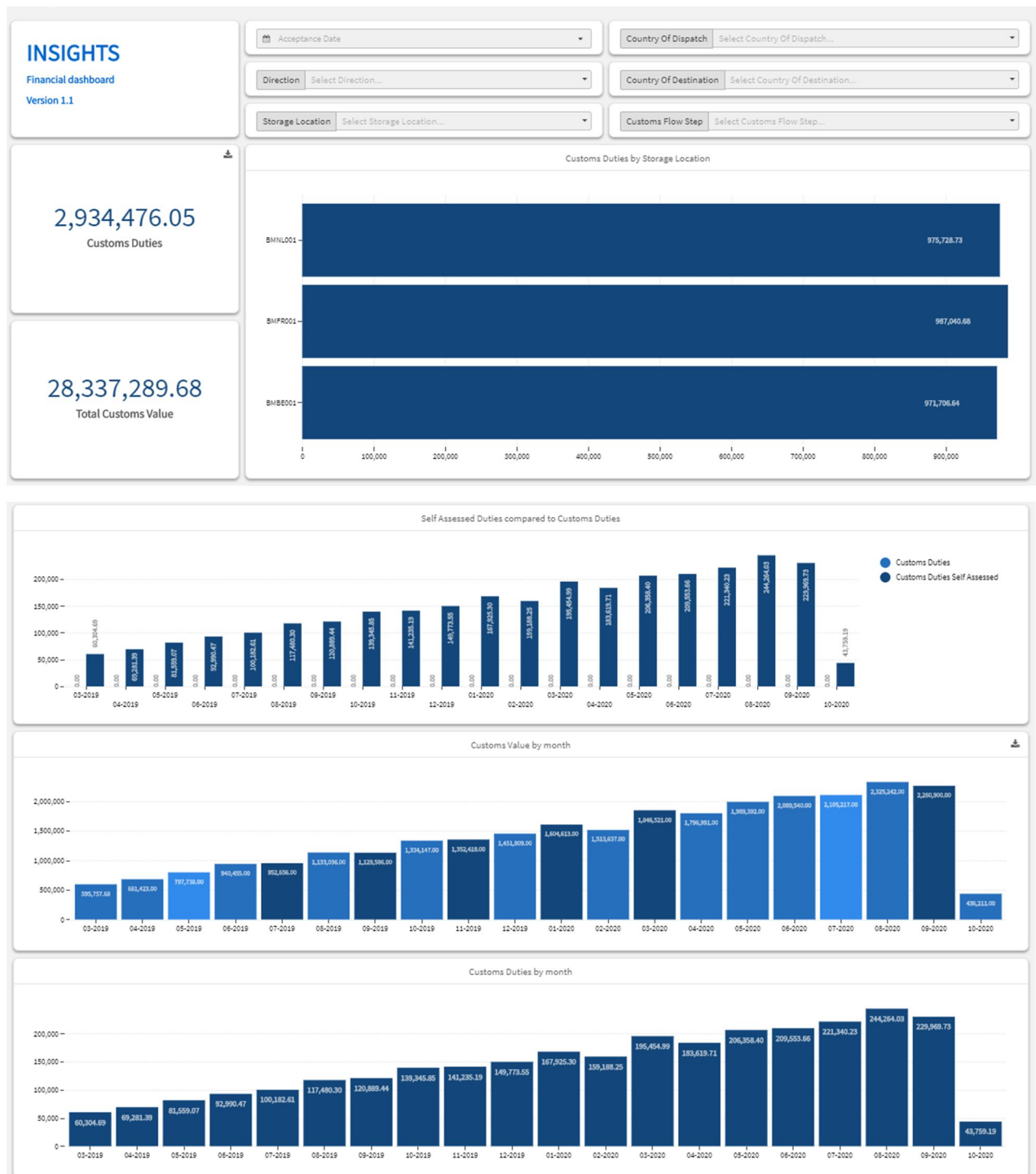# for Customs Managers

**INSIGHTS OPERATIONAL DASHBOARD**
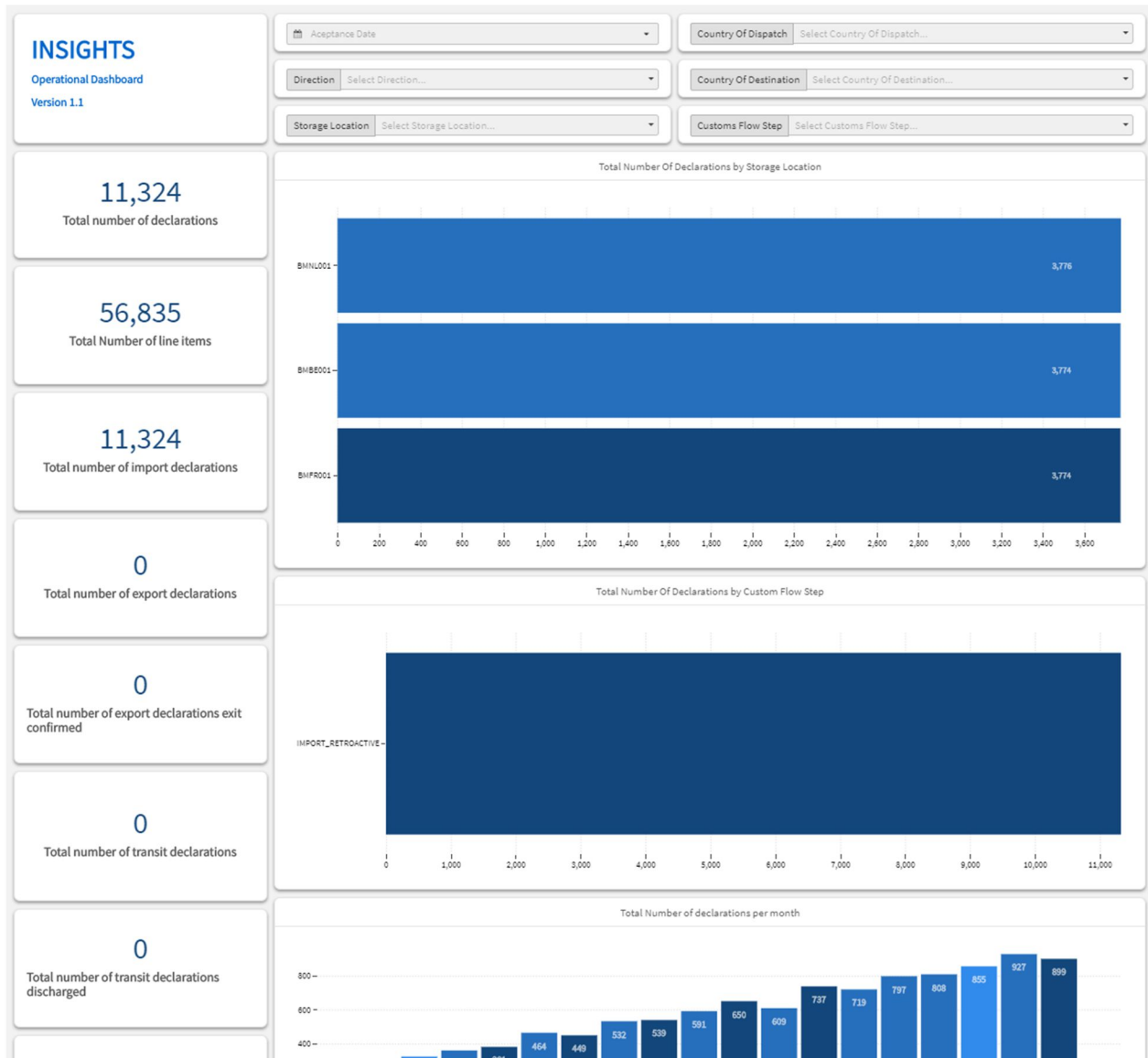


*"Actionable analytics are the key to transforming customs and trade from a cost centre to a strategic organisational player."*

# The Silver Bullet
# for Customs Managers

**INSIGHTS FINANCIAL DASHBOARD**

# The Silver Bullet
# for Customs Managers

**USE CASE 3**

This use case is a real-world example of a CAS implementation with the CAS Insights module at a European automotive company.

**SITUATION:** The customer was looking for a solution to solve three major problems:

1.  The internal team did not have any visibility into customs declaration data—it all resided with their appointed brokers and, as a multinational corporation, they dealt with many, all with different processes, making it impossible to gather standardised information.

2.  As no detailed information was available from the brokers, it was impossible for the trade compliance team to know the customs duty costs they were paying. No reporting or measurements existed on this critical KPI.

3.  The team used spreadsheets to manage data, making comprehensive reports to management particularly difficult. By the time data was compiled it was no longer current, and the data analysis lacked details that they needed to support strategic decision making.

**SOLUTION:** CAS gave this company a single platform to which their customs brokers could upload all customs declaration data and have it automatically standardised. Using the Insights module, the customs and trade compliance team were then able to draw analytics from the dashboards in order to optimise duty costs and improve processes.

**RESULTS:** An initial data analysis showed potential duty savings of £5.000.000. In addition, the company could save on administrative efforts equalling the workload of one full-time employee.

# Conclusion

Actionable analytics are the key to transforming customs and trade from a cost centre to a strategic organisational player. The more you can measure your KPIs, the more insight you will have into what is working and what isn't. By evaluating your operations, you will be able to improve your processes, giving you the competitive edge and making room for growth.

Contact C4T today to witness first-hand all of the amazing insights you could be getting into your customs operations.

# About Customs4trade

Customs4trade's (C4T) unique team of customs experts and best-of-breed technology engineers has developed CAS, a one-of-a-kind software solution that automates customs and trade compliance. They have now added Managed Customs Services to their roster of offerings, helping companies make the most of their software investment.

CAS is a collaborative hub, built on the Microsoft Azure platform and delivered as a Service (SaaS). It is designed to manage regional and worldwide customs and trade compliance quickly and accurately, within one single platform. By automating all import and export processes, C4T clients experience faster time to market, reduce customs duty and administration costs, and gain strategic visibility into their customs operations. CAS provides clients with continual updates and feature enhancements, including the incorporation of any changes to legislation and compliance regulation.

Forward-thinking customs managers are turning to C4T to help them navigate customs and trade with software and managed services for their organisation's highest strategic benefit. For more information or to contact the company, please visit www.customs4trade.com.