



CASE STUDY

TRADEWIN'S GLOBAL FTA SOLUTION

Most companies engaged in global trade have to deal with multiple trade barriers. These barriers can cause companies to become intimidated and miss opportunities in certain markets. One of the most common trade barriers includes the complexity of free trade agreements and how to take advantage of them in a compliant way.

Tradewin was able to help a Multi-National Fortune 500 company in optimizing their global trade program through industry expertise, data analysis, and system efficiencies, which ultimately led to millions of dollars in annual duty savings and perhaps more importantly, the peace of mind that a compliant program was set in place.

THE OPPORTUNITY

- **Organization:** The company has 5 divisions with data spread out over 700+ systems making it very difficult to obtain accurate product information. They needed a way to consolidate all relevant data in a central place.
- **Country of Origin Inconsistencies:** Transshipments between countries, having multiple warehouses around the globe, and inventory control issues, led to country of origin reporting inconsistencies in their raw materials used to manufacture goods.
- **Procedure Variations:** Each of the company's manufacturing facilities operated their own compliance program independently, which led to communication issues and inconsistencies in processes.
- **Classification Inconsistencies:** Due to the decentralized nature of their compliance program, product classification was inconsistent and led to customs audits, duplicate certificates of origin issued by suppliers, and mis-qualification of finished goods.
- **FTA Qualification for Product Customization:** The company designed and manufactured products to their customer's unique specifications which created Bill of Material variations and duplicate product records. Managing FTA eligibility information for these specific products became a compliance and recordkeeping concern.
- **Manual Solicitation:** Solicitation of supplier's free trade documents was a manual and cumbersome process managed through e-mail communication and excel spreadsheets which led to long turnaround times, supplier unresponsiveness, and data inconsistencies.



- **Reporting Metrics:** Due to data inconsistencies and lack of organization, the client was unable to develop a platform for clear and concise key performance indicators.
- **Delayed Process:** The company engaged Tradewin for support in November 2021 for product qualification in the 2022 reporting year under multiple free trade agreements.

THE SOLUTION

Tradewin began by gathering the import and export data and analyzing the supply chain process in order to streamline the company's global trade program.

Tradewin created duty impact and sourcing analysis reports for all free trade agreements involved. This allowed Tradewin and the company to prioritize products by duty impact and make sourcing recommendations that would allow for the company's products to become eligible for duty mitigation under various free trade agreements, thus saving millions of dollars. Through the centralization of data, multiple KPI reports were generated on a weekly basis to show program progress and cumulative duty savings.

Tradewin's classification experts reviewed and properly classified all products, applying the rules of classification and creating a proper audit trail for all items. Prior disclosures were filed with the appropriate Customs authorities to demonstrate reasonable care and due diligence. All product classifications were stored in

Tradewin's classification repository tool, Tradeflow, which seamlessly fed that information into FTANavigator, Tradewin's web-based global solicitation platform.

Tradewin extracted data from over 700 systems. Through FTANavigator, Tradewin simultaneously solicited certificates of origin for priority raw materials over multiple free trade agreements and obtained origin information through Manufacturers Affidavit documentation. Turnaround time in obtaining the valid certificates of origin from suppliers was reduced by 60% due to the simplicity of the user interface of FTANavigator.

THE RESULT

Prior to engaging Tradewin services, the company paid over \$20 million annually on products that potentially could have been eligible for preferential duty treatment. In the first year of managing their global trade program, Tradewin was able to provide a duty savings of approximately \$11 million. Standard processes and procedures were implemented globally for all manufacturing facilities which allowed for a streamlined process and accurate data flow throughout the course of the supply chain. Maintaining product classification in Tradeflow allowed for classification consistencies and the company to access classification information from anywhere around the globe.

Tradewin's staff of seasoned professionals and licensed Customs brokers were able to add value by saving the company time and money while mitigating the risks associated with free trade.