



Imports & Exports Made Easier with Global Trade Management Software

Current State of Global Trade Management Software

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Report Overview

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Disclosure

Your trust is important to us. In our business, we are open and transparent about our financial relationships and our research processes; and, we never share the names of respondents or give attribution to the open comments collected in the research.

Research Methodology

For the purpose of this study, global trade management software is defined as software that automates trade compliance checks and validation to automate compliance and generate international shipping documents, calculate duties, file information electronically with governmental organizations and track international shipments.

Figure 1. Study Overview for the Global Trade Management Study

Global Trade Management Software Study		Global Trade Management Study Overview	
WHY	Objectives: <ul style="list-style-type: none">To understand how well global trade management (GTM) software is used today.	WHAT	Survey Topics Include: <ul style="list-style-type: none">Importing/exporting of productsUse of and satisfaction with global trade management softwareImplementation of primary GTM softwareUse of and satisfaction with trade content
HOW	Methodology: <ul style="list-style-type: none">Surveys conducted online by Supply Chain Insights as well as the Research Now B2B respondent panelSurvey dates:<ul style="list-style-type: none">November 3, 2014 – February 5, 2015	WHO	Respondents: <ul style="list-style-type: none">99 respondents in totalRespondent requirements:<ul style="list-style-type: none">Manufacturers, Retailers, Wholesalers / Co-operatives / DistributorsImport and/or export productsHave and are familiar with global trade management software (rated 3-7 on 7-point scale)

This study reflects the views of 99 respondents. To qualify to participate in the study, respondents had to be manufacturers, retailers, or wholesalers / co-operatives / distributors who import / export products and self-assess on their knowledge of global trade management software (a score of 3 on a scale of 1-7). In this report, we share the key findings. The details of the survey methodology are outlined in Figure 1.

Executive Summary

Global trade is essential to growth, and it is growing more complex. Global Trade Management (GTM) software makes it easier to become a global shipper and ensures regulatory compliance. Success with GTM requires the careful selection and use of both the software and trade compliance content.

The average study respondent is a supply chain professional in North America working for a manufacturer with \$4.5 billion in revenue. Over 90% of the respondents import and export goods; however, the software is only used to manage trade for 11 out of 19 of countries involved in exports. The top countries for the respondents to export and manage shipments from are the United States, China, Mexico, Germany, and England.

In the average company, there is not one solution; instead, the average company has solutions from three different providers. Unlike other software, there is a high satisfaction rate with GTM. In the study, 67% of users were satisfied with their GTM software, reporting a Return on Investment (ROI) of thirteen months with 70% of respondents stating that they had achieved a ROI.

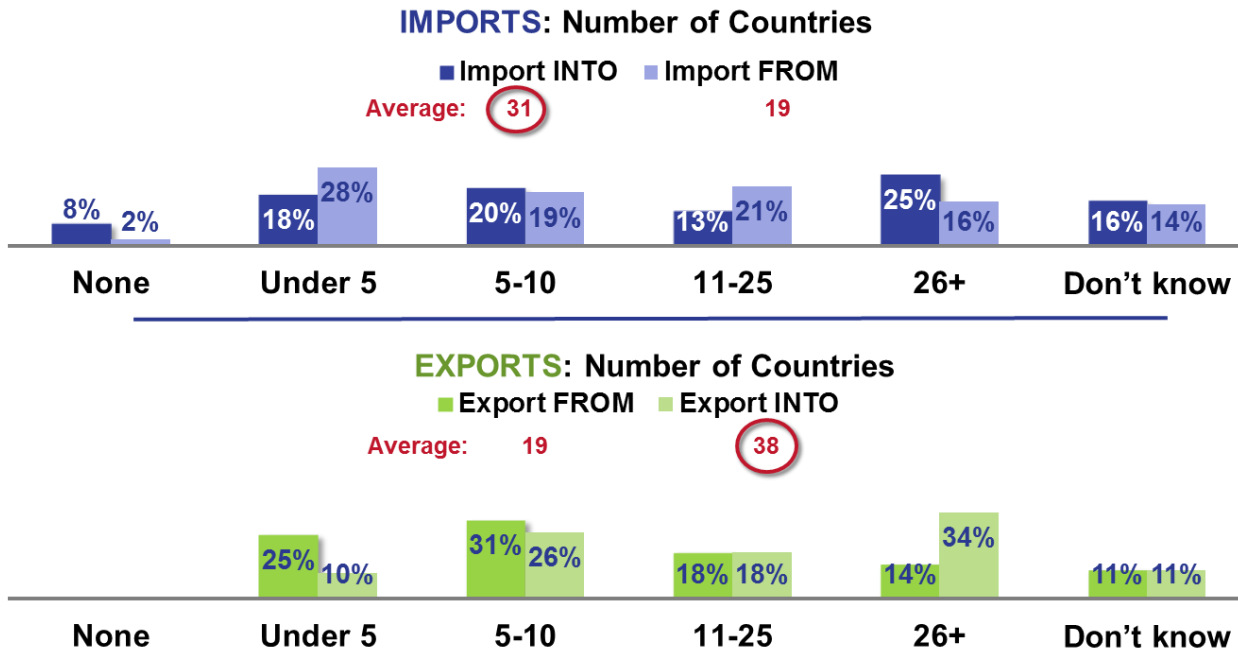
In summary, GTM is a mature supply chain software with high satisfaction and a strong ROI. Here we share the results.

Global Trade: An Important Piece of Supply Chain Management

Companies want to grow. For the supply chain leader, this translates into one of three strategies: growth in emerging markets and managing global trade, effectiveness with new product launches, and the exploitation of new business models. The most fundamental capability is effectively managing global flows in and out of country borders. With these flows, there is friction. There is also opportunity. To manage the opportunities and risks requires the careful management of the intricacies. It comes down to details. This includes governmental compliance, restricted party screening, preferential trade arrangements, free trade zones, tax efficiency, and trade finance.

The management of exports is more mature than imports. With the rise of the global multinational, it is a tightly interconnected web of raw materials, supplier pulls, transportation and freight forwarders to produce products, and a complicated channel composed of distributors, customers, and transportation providers. As shown in Figure 2, the average company manages imports into 1.5X the number of countries that they import from.

Figure 2. Overview of Import and Export Flows



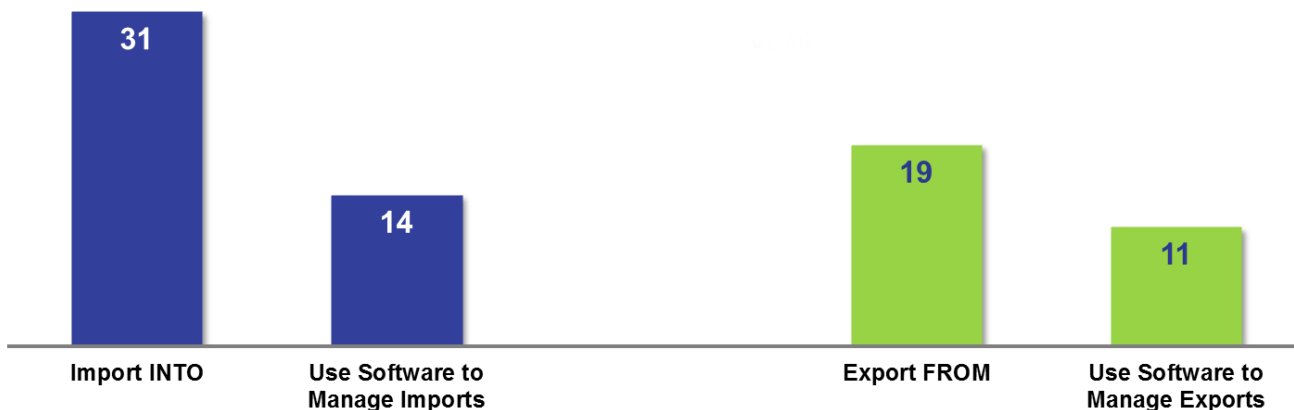
Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who have and are familiar with global trade management software – Import products (n=90), Export products (n=88)
 Q9. In total, how many countries does your company currently export FROM and how many does it export INTO? Q13. In total, how many countries does your company currently import INTO and how many does it import FROM? NUMERIC RESPONSE; ○ Higher than group indicated at 90% or higher level of confidence

Within the respondent companies, approximately 50% of the country flows are automated by GTM software. This is an opportunity. The relationship is shown in Figure 3.

Figure 3. Flows Managed by Global Trade Management

Average # of Countries Import Into, Export From
and Use Software to Manage



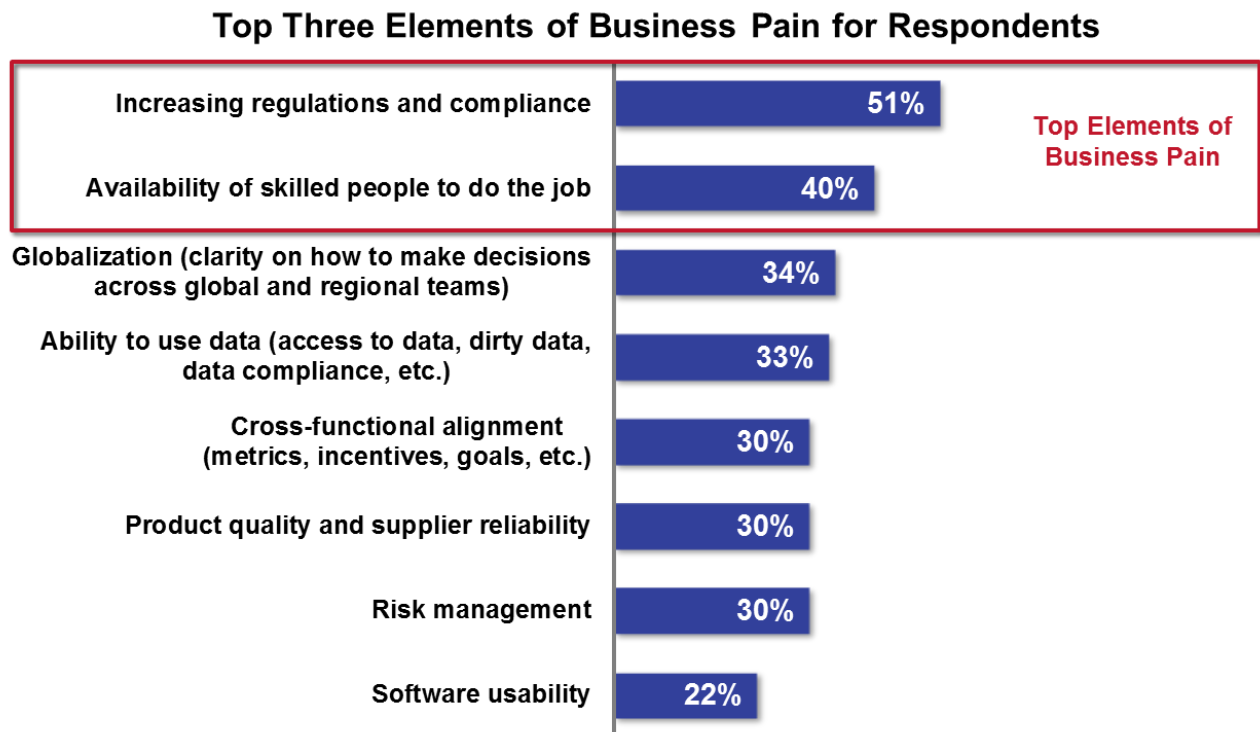
Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who have and are familiar with global trade management software – Import products (n=90), ; Export products (n=88)
 Q9. In total, how many countries does your company currently export FROM and how many does it export INTO? Q10. In total, for how many countries do you use software to automate export processes BEYOND simply restricted party screening? Again, this is only among the countries you export FROM. Q13. In total, how many countries does your company currently import INTO and how many does it import FROM? Q14. In total, for how many countries do you use software to automate import process BEYOND simply restricted party screening? Again, this is only among the countries you import INTO. NUMERIC RESPONSES

Growing in Importance. Why?

Business pain is growing for the global multinational. Not only are the regulations and compliance restrictions increasing, but there is a shortage of talent. Many companies struggle with unclear definitions regarding regional and global governance; when this happens, decision making is not clear. Each company is different. Clarifying roles within a matrixed multinational is essential for success. In Figure 4, we share the drivers of business pain for the respondents in this study of global trade.

Figure 4. Study Overview for the Global Trade Management Study



Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software (n=99)

Q8. When it comes to doing your job, which of the following are your top 3 elements of business pain? Please select no more than three.

As shown in Figure 5, this business pain is greater for larger companies with higher export volumes. The business pain of managing process and people is far greater than the pain associated with technology.

Figure 5. Business Pain by Company Type

**Top Three Elements of Business Pain for Respondents:
By Number of Countries Import Into, Export From**

Top 3	Total	Import INTO		Export FROM	
		1-10 Countries	11+ Countries	1-10 Countries	11+ Countries
		A	B	C	D
Increasing regulations and compliance	51%	53%	58%	53%	50%
Availability of skilled people to do the job	40%	38%	48%	31%	54% C
Globalization (clarity on how to make decisions across global and regional teams)	34%	38%	42%	29%	54% C
Ability to use data (access to data, dirty data, data compliance, etc.)	33%	32%	24%	37%	21%
Cross-functional alignment (metrics, incentives, goals, etc.)	30%	21%	30%	37% D	18%
Product quality and supplier reliability	30%	44% B	15%	37% D	18%
Risk management	30%	29%	36%	27%	36%
Software usability	22%	26%	21%	16%	29%

Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software –

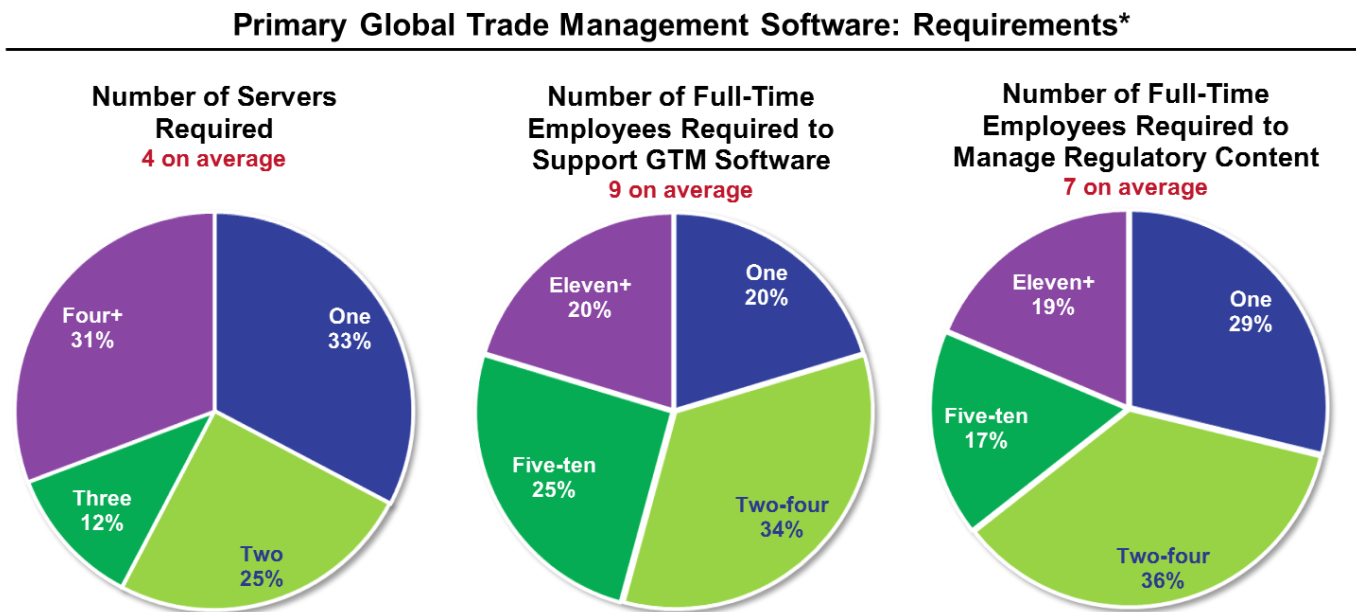
By number of countries import into, export from: Import into 1-10 (n=34), Import into 11+ (n=33), Export from 1-10 (n=49), Export from 11+ (n=28 SMALL BASE)
Q8. When it comes to doing your job, which of the following are your top 3 elements of business pain? Please select no more than three.

ABC = Higher than group indicated at 90% or higher level of confidence

A Closer Look at GTM Deployments

Global Trade Management software deployments are mature with an average age of deployment of five years. The software took an average of 14 months to implement. The average company has seven employees managing regulatory content, and nine employees using GTM software to improve compliance. There is a shift from licensed to Software as a Service (SaaS) deployments. Trade content purchase costs are 21% of the cost of software. The characteristics of the respondents are portrayed in Figures 6a and 6b.

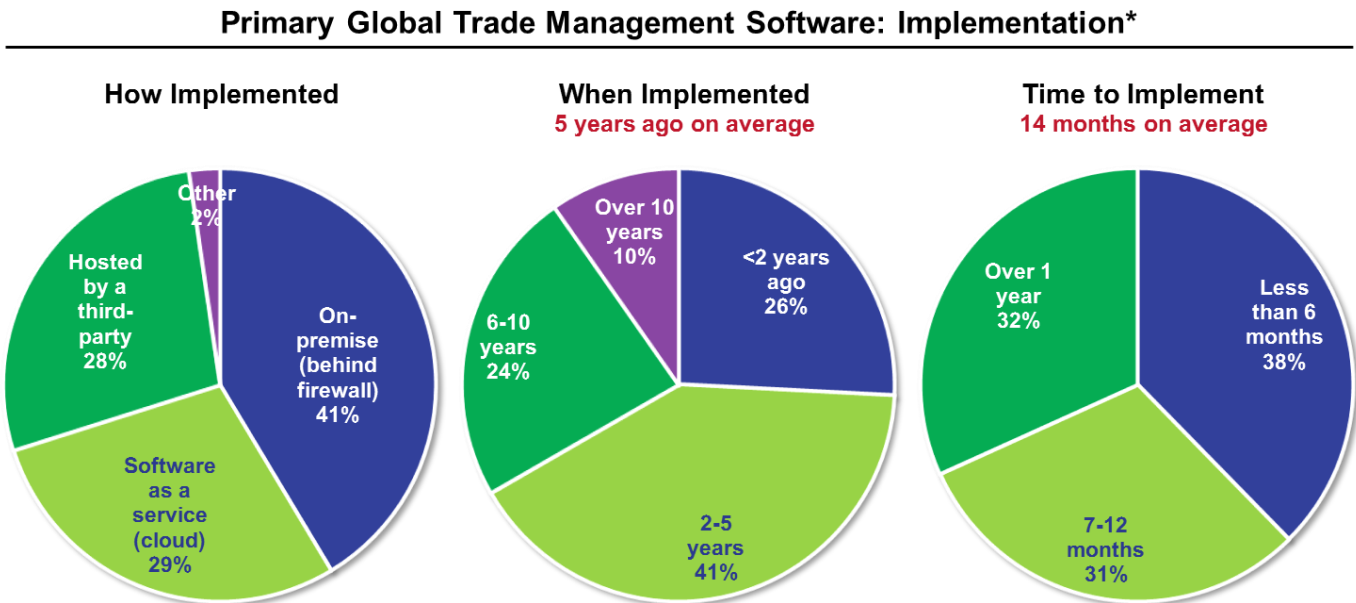
Figure 6a. Characteristics of Global Trade Management Software - Requirements



Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software -- know answer (n=52-59); *Excludes "don't know"; Q25. How many servers are required to run your [primary] global trade management software? Some companies have a unique server for each business unit or geography. Other companies deploy multiple servers to support processing volumes and deliver reasonable response times associated with their GTM software applications. Q32. How many full-time employees does it take to support the running and operation of your [primary] global trade management software? Q33. How many full-time employees does your company use to manage the regulatory content to support the trade management system? Managing trade content includes receiving trade content updates from your content provider, interpreting the regulations (if needed), applying the regulations to your specific products or business processes (if needed), and uploading the content into your GTM software application. NUMERIC RESPONSE FOR ALL 3 QUESTIONS

Figure 6b. Characteristics of Global Trade Management Software - Implementations



Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software -- know answer (n=85-93); *Excludes "don't know"

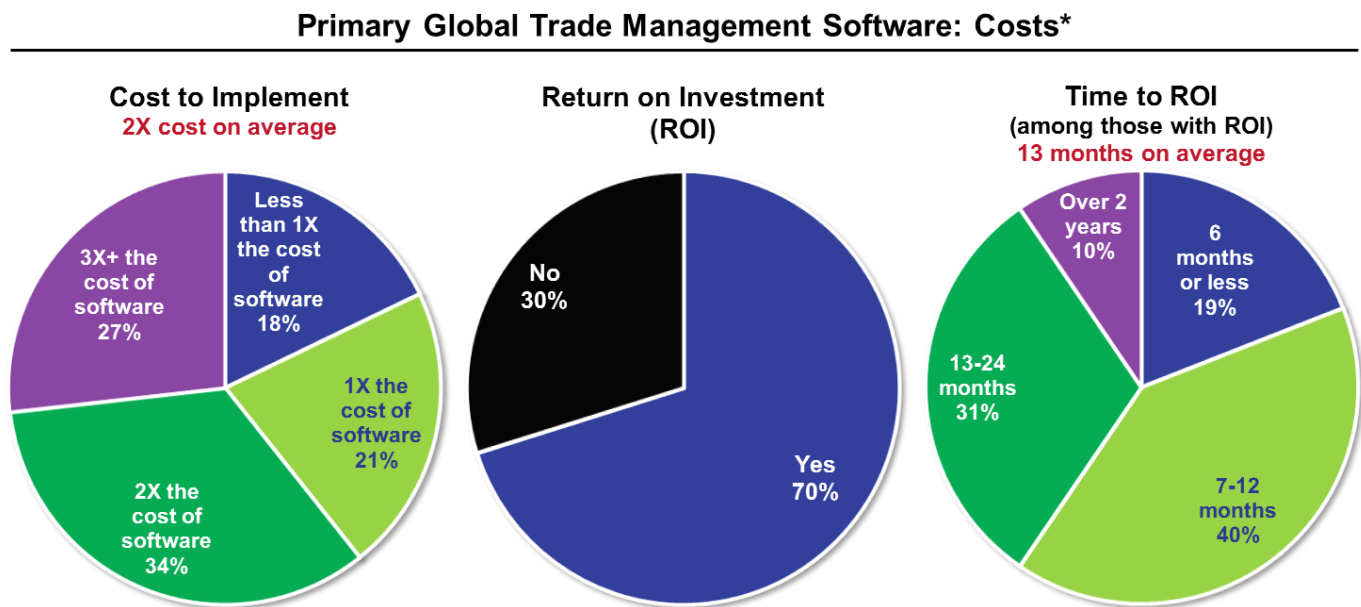
Q26. Which of the following best describes the implementation of your [primary] global trade management software?

Q27. How long ago was your [primary] global trade management software implemented? Your best estimate is fine.

Q28. How long did it take your company to implement your [primary] global trade management software? Your best estimate is fine.

The Return on Investment is high with 70% reporting a definitive ROI. The average time to achieve ROI is 13 months post-implementation of the solution with 59% reporting a ROI in one year or less. The details of the value proposition are shown in Figure 7.

Figure 7. Return on Investment



Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software – Know answer (n=56-67), Achieved ROI and know answer for timing (n=42); *Excludes "don't know"

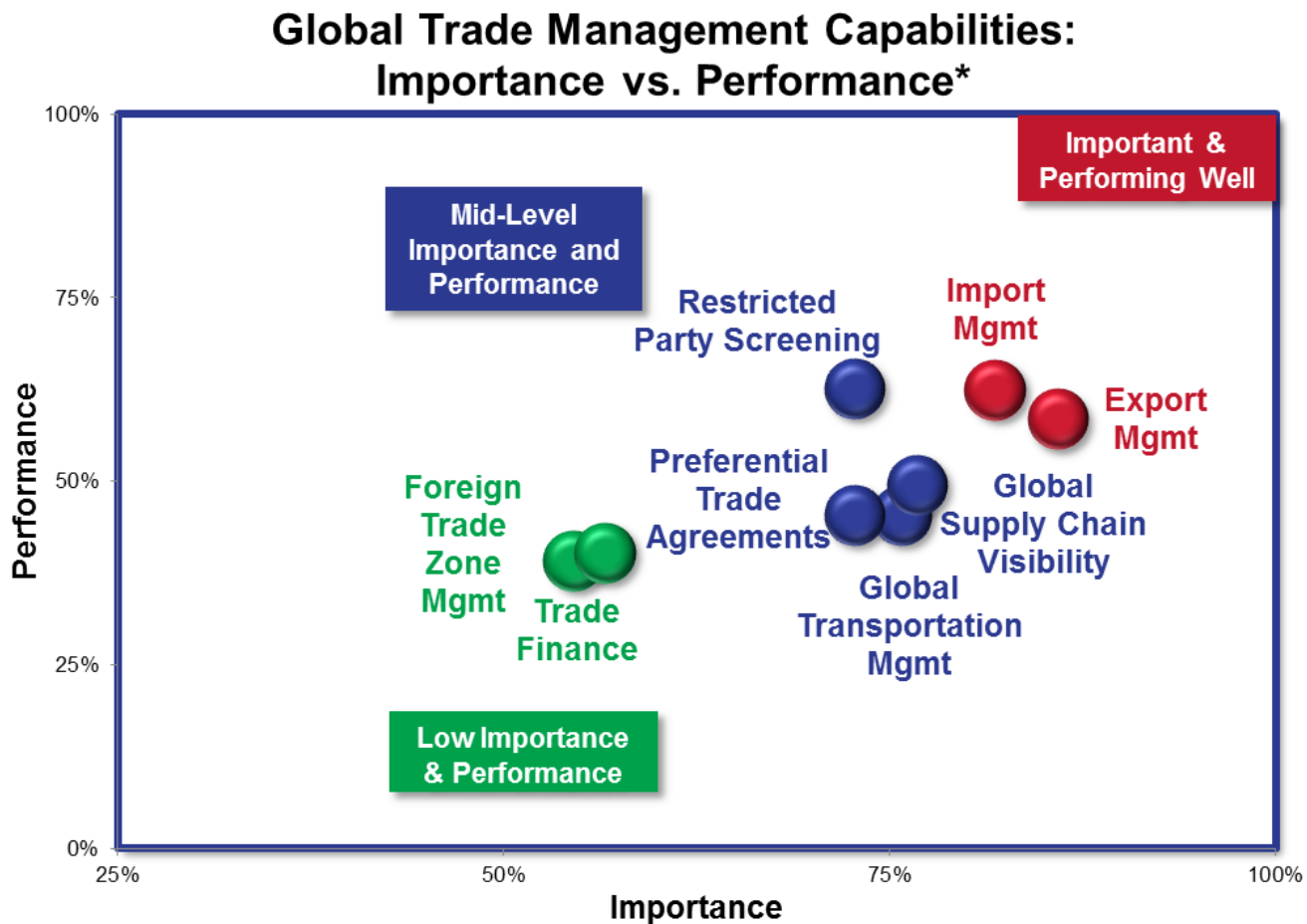
Q29. How much did it cost to implement your [primary] global trade management software? Your best estimate is fine.

Q30. Has your company achieved a return on investment (ROI) for your [primary] global trade management software yet?

Q31. How soon did your company get a return on your investment (ROI) for your [primary] global trade management software? Your best estimate is fine.

The gaps, as perceived by the user, in the GTM software for import and export functionality is small. These features are both important and perform well. Conversely, the functionality for trade finance is not seen as important and the features are not performing as well. It is significant that there are no large gaps in the software for what the user thinks is important and the level of performance of the software. Where there are large gaps there are major issues on user satisfaction. As shown in Figure 8, this is not the case with GTM software.

Figure 8. Software Gaps in Global Trade Management Study

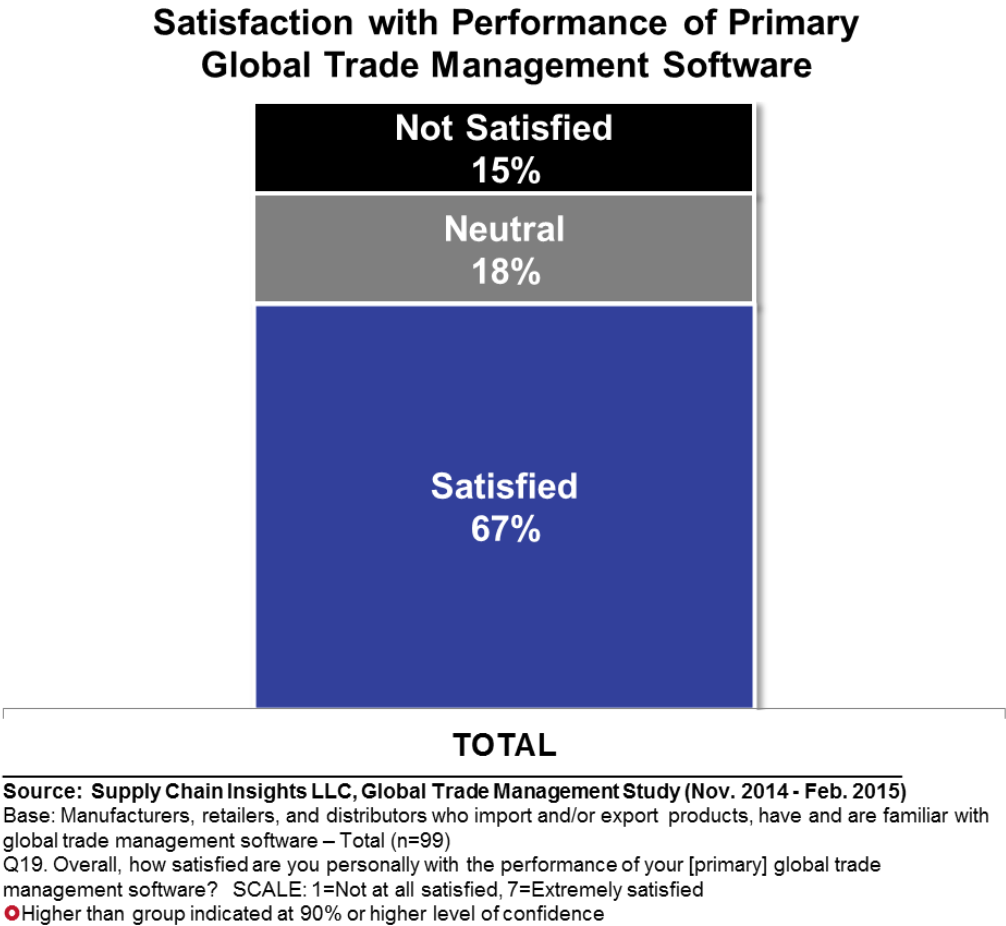


Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software (n=99); *Importance and performance data are those who rated it 5-7 on 7-point scale (top 3 box); Q22. How important is each of these same capabilities to your business? SCALE: 1=Not at all important, 7=Extremely important Q23. How would you rate the performance of your current technologies in terms of these same capabilities? SCALE: 1=Poor, 7=Excellent

Overall satisfaction with the software, as shown in Figure 9, is 67%. As stated previously, this is a high satisfaction rate.

Figure 9. Global Trade Management Satisfaction Rate



Global Trade Management Content

GTM software requires trade regulatory content to function well. This content is the backbone of decision making, documentation, and compliance. The user has the choice to either buy the content from the software provider, the third-party logistics provider, or a third-party content provider. As shown in Figure 10, the content is usually purchased from the software provider. It usually represents 21% the cost of the software.

Figure 10. Source of Content for Global Trade Management

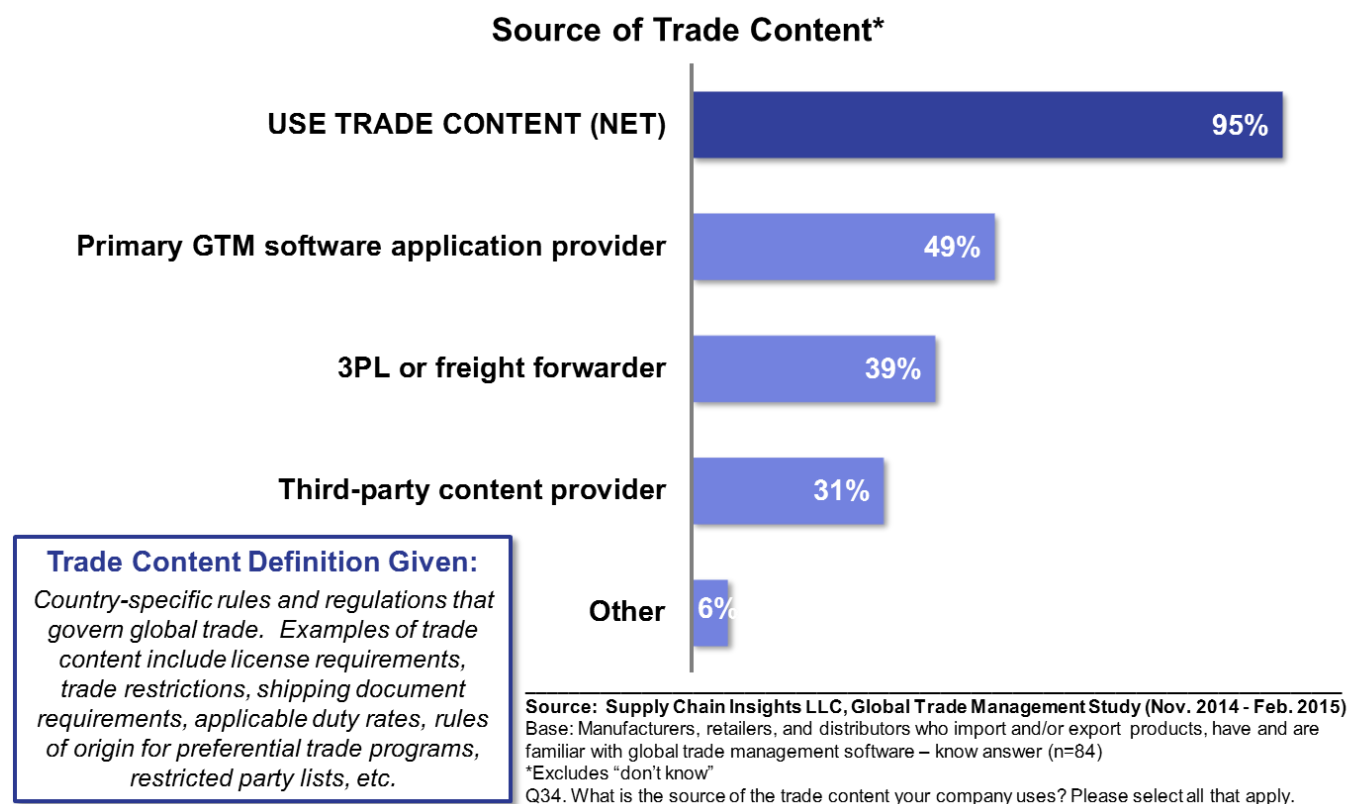
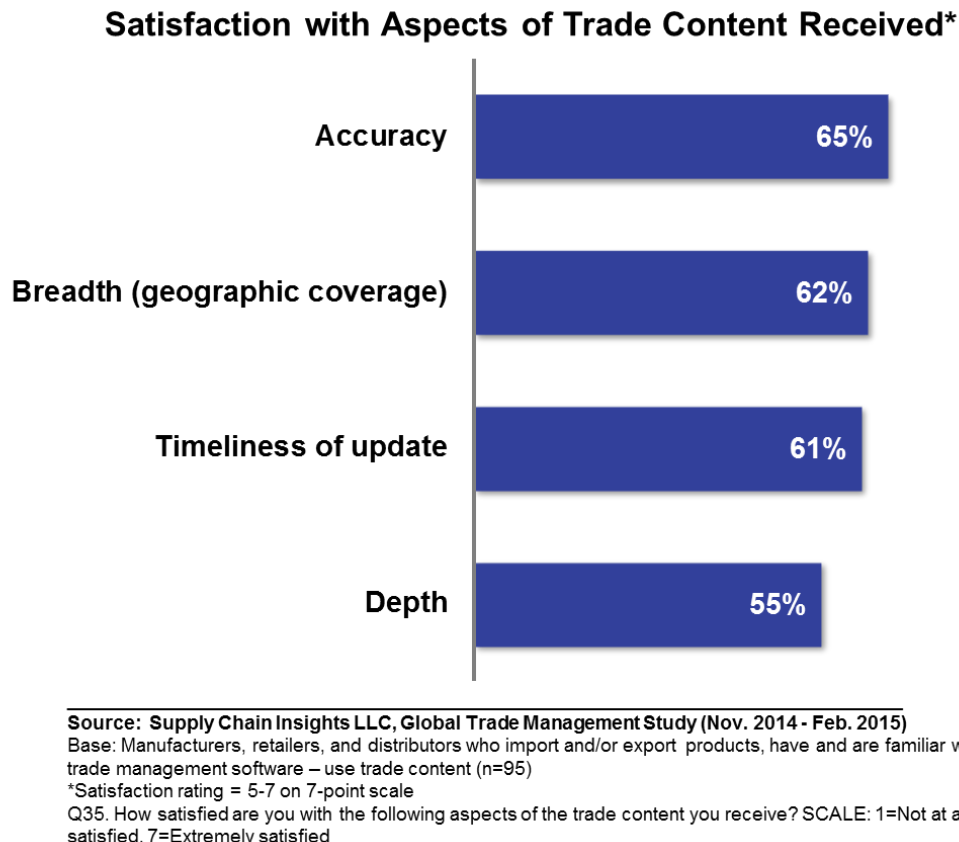


Figure 11. Satisfaction with Global Trade Management Content



Satisfaction with the content is also high with more than 60% satisfied with the content based on accuracy, breadth (geographic coverage), and timeliness. The lowest satisfaction is with the depth of the content for specific country relationships. As a result, the buyer of the software and content should provide a clear listing of the trade lanes for import and export to ensure that the depth of software is sufficient.

Recommendations

Excellence in global trade is essential to power growth. Here are some recommendations based on the findings of this report:

- Clearly define regional and global governance to ensure that employees understand their roles as individuals, and that each node in the supply chain understands their role in supply chain flows.
- GTM software has a high ROI and very small gaps in performance. As a result, companies should expand the use of the software to cover all important import and export flows.
- Global Trade Management is about more than software. Carefully select the solution based upon both software and trade regulatory content to manage trade.

Conclusion

Global Trade Management software is a mature software category with a clear Return on Investment and high satisfaction. As companies become more global, automating flows is more critical to ensure compliance, remove the friction from trade, and manage costs.

Other Reports in This Series

Readers may gain added value by accessing complimentary reports on the [Supply Chain Insights website](#):

[Power of Voice: Voice Automated Warehousing](#)

[EDI Workhorse of the Supply Chain](#)

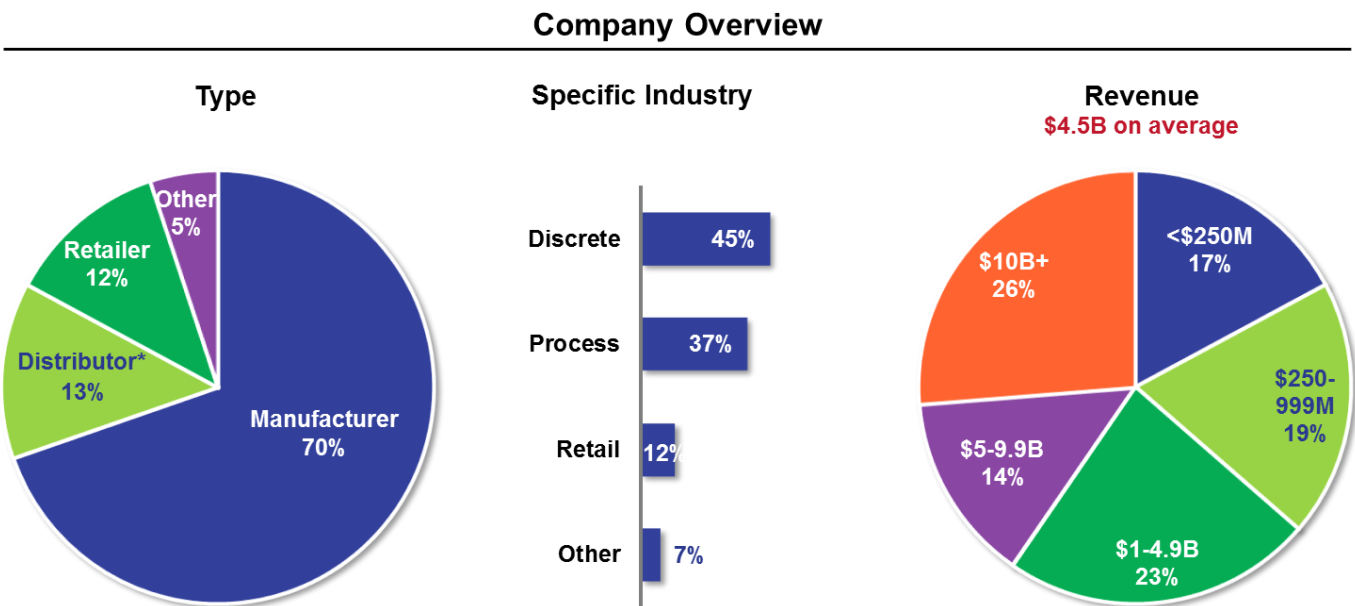
[Voice of the Supply Chain Leader 2014](#)

Appendix

In this section, we share the demographic information of survey respondents as well as additional charts referenced in the report to substantiate the findings.

The names, both of individual respondents and companies participating, are held in confidence. We never share the name of the respondents. In this section, the demographics are shared to help the readers of this report gain a better perspective on the results. The demographics and additional charts are found in Figures A–H.

Figure A. Overview of Respondents in the Survey: Company Type, Industry and Revenue



Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)
Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software (n=99)
Q1/Q2. Which of the following best describes where you work? Please select what fits best, even if the terminology isn't quite right.
*Distributor = Wholesaler/Distributor/Co-operative
Q40/42. Which industry grouping best defines your company? Q43. Which type of industries does your company support?
Q3. Approximately, what was the last fiscal year revenue for your entire company? Your best estimate is fine.

Figure B. Respondents by Industry

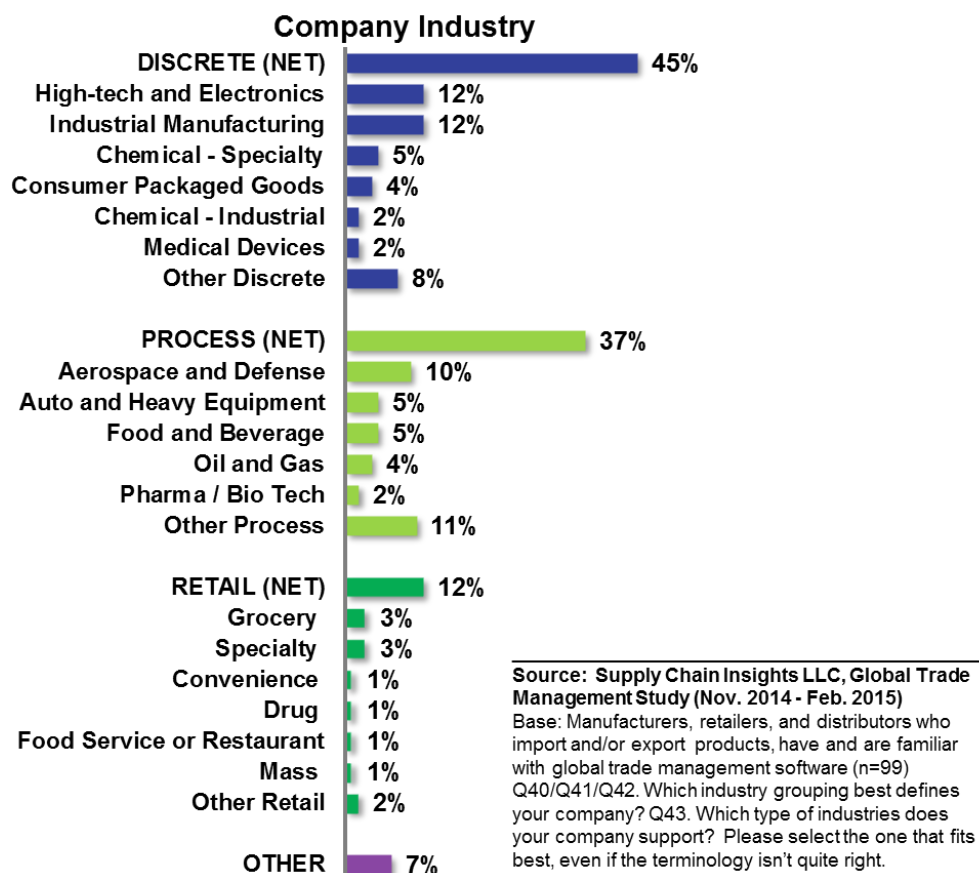
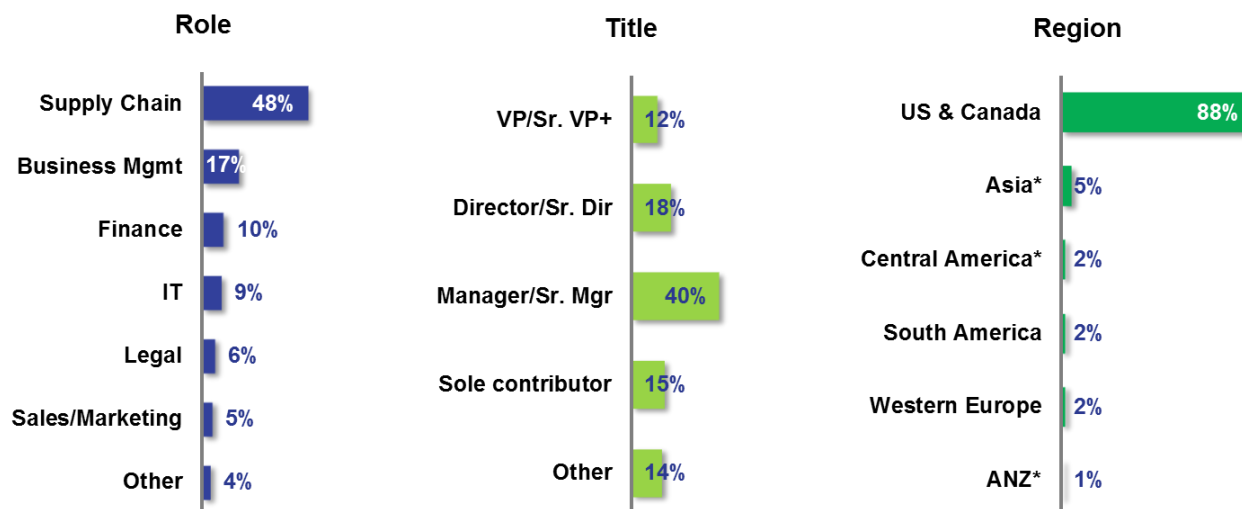


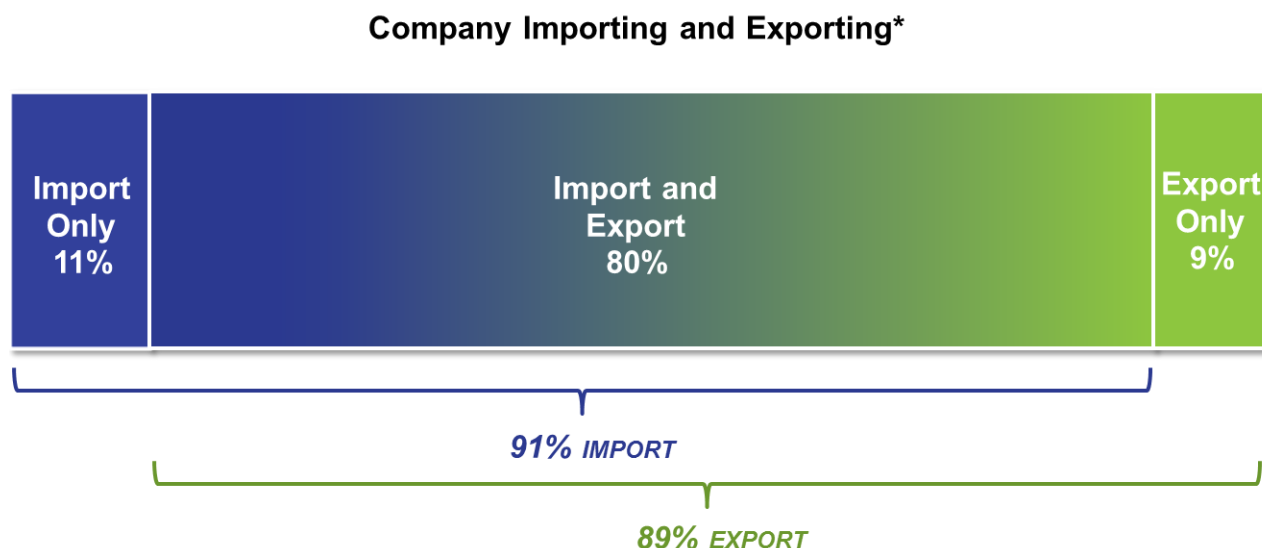
Figure C. Reporting Relationships

Respondent Overview



Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)
 Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software (n=99)
 Q38. Within which of the following organizations do you report through?
 Q39. Which of the following best describes your current title or position, even if the terminology isn't exactly right.
 Q7. In what region of the world are you personally based (physically located) at this time?
 *Asia includes China, India, Japan; Central America includes Mexico, Guatemala, etc.; ANZ includes Australia and New Zealand

Figure D. Imports and Exports: Trade Patterns of the Respondents



Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software (n=99)

*Respondents required to either import and/or export products

Q4. Does your company currently import and/or export products? Please select all that apply.

Figure E. Import Relationships

Countries Import INTO

Country	Import Into	Most Important (4) Import Into	Use Software to Automate Import Processes
United States	58%	51%	45%
Mexico	51%	31%	30%
England	50%	21%	26%
China	48%	34%	25%
Germany	48%	24%	26%
Brazil	44%	26%	21%
Australia	41%	9%	20%
Japan	39%	10%	18%
India	37%	8%	18%
Singapore	37%	11%	16%
Korea	34%	8%	18%
Argentina	33%	2%	13%
France	33%	3%	18%
Italy	32%	7%	18%
Malaysia	32%	9%	11%
Thailand	30%	6%	14%
Spain	28%	2%	11%
Russia	26%	6%	11%
Vietnam	23%	1%	8%
Philippines	21%	1%	8%
Sweden	19%	1%	11%
Denmark	18%	1%	8%
Greece	16%	-	6%
Norway	16%	-	10%
Pakistan	16%	2%	9%
Finland	14%	-	8%
Portugal	14%	-	8%
Other	19%	12%	9%

Import Automation Examples Given:

License determination and administration, document determination and generation, duty calculation, electronic filing with government agencies, etc. (Note: It is not uncommon for companies to import into more countries than they have automated the import processes for using a GTM solution.)

Top 5 countries

Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who have and are familiar with global trade management software – import products (n=90), know countries import into (n=80)

Q13A. Now please think only about the countries you import INTO. Into which specific countries does your company currently import products? Please select all that apply. Q15. What are the four most important countries that your company imports into? Please select no more than four. Q16. Still thinking just about the countries you import INTO, please select the countries for which you use software to manage import processes beyond simply restricted party screening? Please select all that apply.

Figure F. Export Relationships

Countries Export FROM

Country	Export From	Most Important (4) Export From	Use Software to Automate Export Processes
United States	60%	52%	49%
China	58%	49%	35%
Mexico	50%	27%	29%
Germany	49%	17%	26%
England	36%	19%	14%
Singapore	34%	9%	15%
Brazil	33%	15%	15%
Japan	33%	8%	11%
India	32%	15%	15%
Thailand	32%	10%	10%
Australia	31%	10%	15%
Korea	26%	6%	11%
France	25%	5%	12%
Malaysia	25%	7%	11%
Italy	24%	5%	10%
Spain	24%	3%	10%
Argentina	20%	7%	7%
Vietnam	16%	2%	5%
Denmark	13%	3%	5%
Philippines	10%	1%	4%
Portugal	9%	-	1%
Finland	8%	1%	2%
Russia	8%	1%	1%
Norway	7%	-	2%
Sweden	7%	1%	2%
Pakistan	6%	1%	2%
Greece	5%	-	-
Other	17%	11%	6%

Export Automation Examples Given:

License determination and administration, document determination and generation, landed cost calculation, electronic filing with government agencies, etc. (Note: It is not uncommon for companies to export to more countries than they have currently automated the export processes for using a GTM solution.)

Top 5 countries

Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

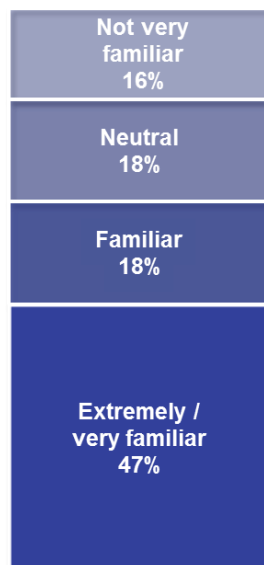
Base: Manufacturers, retailers, and distributors who have and are familiar with global trade management software – Export products (n=88), Know countries export from (n=84)
Q9A. Now please think only about the countries you export FROM. From which specific countries does your company currently export products? Please select all that apply. Q11. What are the four most important countries that your company exports from? Please select no more than four. Q12. Still thinking just about the countries you export FROM, please select the countries for which you use software to automate export processes beyond simply restricted party screening? Please select all that apply.

Figure G. Respondent Familiarity with Global Trade Management Software

Familiarity with Global Trade Management Software*

Global Trade Management (GTM) Software Definition Given:

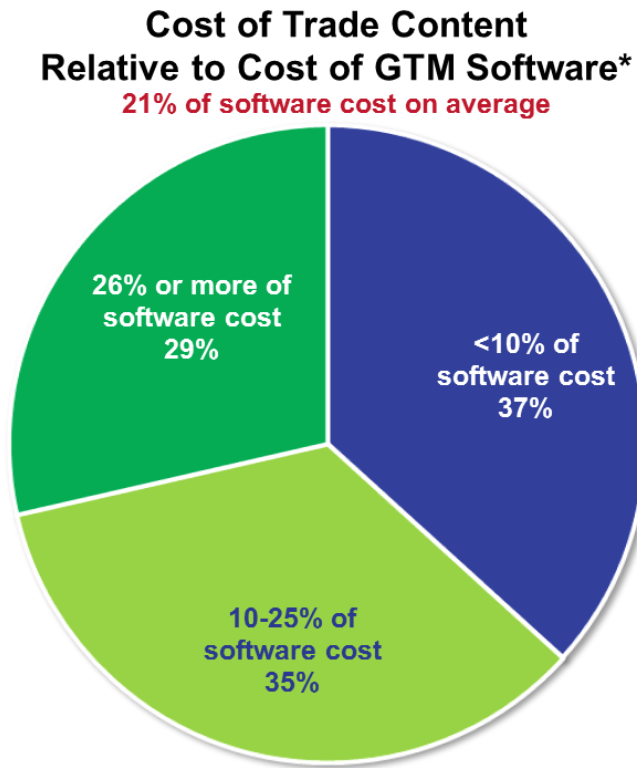
Software that is designed to automate trade compliance checks, generate international shipping documents, calculate duties, file information electronically with government agencies, qualify for and manage preferential trade agreements, track international shipments, etc. While the aforementioned is by no means an exhaustive list of GTM capabilities, for the purposes of this survey, if you are using software to manage any of these functions, you qualify as a user of GTM software.



66%
are quite familiar with Global Trade Management Software

Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)
Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software (n=99)
*Respondents required to be at least somewhat familiar with GTM software (rated 3-7 on 7-point scale)
Q6. How familiar are you personally with global trade management software? (SCALE: 1=Not at all familiar, 7=Extremely familiar)

Figure H. Cost of Trade Content



Source: Supply Chain Insights LLC, Global Trade Management Study (Nov. 2014 - Feb. 2015)

Base: Manufacturers, retailers, and distributors who import and/or export products, have and are familiar with global trade management software – use trade content and know answer (n=49)

*Excludes “don’t know”

Q36. Independent of your GTM software, how much does your trade content cost? Your best estimate is fine.

About Supply Chain Insights, LLC

Founded in February, 2012, [Supply Chain Insights LLC](#) delivers **independent, actionable, and objective advice for supply chain leaders**. If you need to know which practices and technologies make the biggest difference to corporate performance, turn to us. We are a company dedicated to this research. Our goal is to help you understand supply chain trends, evolving technologies and which metrics matter first to gain first-mover advantage.

About Lora Cecere



Lora Cecere (twitter ID [@lcecere](#)) is the Founder of [Supply Chain Insights LLC](#) and the author of popular enterprise software blog [Supply Chain Shaman](#) currently read by 5,000 supply chain professionals. She also writes as a LinkedIn Influencer and is a contributor for Forbes. Her book, [Bricks Matter](#), (co-authored with Charlie Chase) published in 2012. Lora's second book, *The Shaman's Journal*, published in September 2014, and her third book, [Supply Chain Metrics That Matter](#), which published in December 2014.

With over ten years as a research analyst with **AMR Research, Altimeter Group, and Gartner Group** and now as a Founder of Supply Chain Insights, Lora understands supply chain. She has worked with over 600 companies on their supply chain strategy and speaks at over 50 conferences a year on the evolution of supply chain processes and technologies. Her research is designed for the early adopter seeking first mover advantage.