

# Why it's important to "tune up" your company's Global Trade Logistics Process

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## Just what is Global Trade

**Logistics?** It's a series of decisions and functions, many times independently made, by numerous people and departments that dictate how product is moved through a company's global supply chain. Everything from the terms and conditions contained in every sales and purchase agreement, to credit determinations, documentation production, customs compliance procedures, packaging, packing, labeling, and shipping choices are guided by the string of processes and decisions that comprise a company's Global Trade Logistics process.

Just because product makes it from point A to point B doesn't necessarily mean that a company's global trade logistics process is in perfect running order. Almost all companies suffer from poor global trade logistics practices to some degree, some more so than others. A poorly tuned global trade logistics process elevates risk and causes delivery delays and cost overruns.

To better understand why this is so common, one needs to look no further than how companies are structured.

Most companies work in distinct departments and business units. A decision made in the global trade logistics process in one department's silo is typically made without fully understanding the adverse impact it can have on decisions made in other departments for the same transaction.

If a company suffers from ongoing; inaccurate freight billing, delivery delays, foreign payables or receivables delays, customs compliance issues, loss or damage claims, too little or too much inventory, missed delivery dates, partial orders, stock-outs, and warranty and non warranty return issues, there is an excellent chance that a good portion of what is causing these problems is tied to improperly executed or poorly coordinated decisions in the company's global trade logistics process.

## Manage global trade logistics – Win the race!

To use an analogy, let's compare a company's global trade logistics management process with what it takes to field a successful a race car:

Just as a company's ultimate objective is to deliver product on time and on budget, the objective of the race car is to deliver a win by running the entire race quickly and without breaking down so it crosses the finish line ahead of the competition. However, just having a race car doesn't mean the race is already won!

To win, all of the car's components and every member of the pit crew must work in perfect harmony to insure the car has a chance of being competitive. This means, not only does each nut, bolt, and washer must be in perfect working order, but each crew member must understand how to do their job, and how their job impacts the jobs of other crew members so the tuning process or pit stop makes sure the race car never falters.

Taking time in the beginning to make sure all the car's components are in excellent working order and that the pit crew's individual jobs are understood and in sync the rest of the crew will allow the car to run with the rest of the pack. And, if this overall process is better than the competition, chances are this car will be in the winner's circle more often than not.

Keeping this story in mind makes it very clear why it is a wise company who works at improving their global trade logistics process before taking on any global supply chain related improvements. Since most supply chain initiatives are aimed at increasing velocity, companies will never gain the full advantage of such initiatives if their global trade logistics practices are not improved beforehand.

At Wings Technologies, we understand the impact on financial and functional improvement a finely tuned global trade logistics process can have on a company's bottom line. Our proprietary assessment process allows us to look at a company's entire global trade logistics process and string together all of the disparate decisions and components that are currently in use.

We pinpoint problem areas down to the root cause many times, even to the desk level. Once these issues are exposed, we can impart the requisite knowledge using our global trade logistics training curriculum to plug these holes and reduce or eliminate future problems.