In partnership with:

2014 Export Compliance and Operations Benchmark Study

Navigating a Post-AES World

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Executive Summary

Welcome to the fifth annual benchmark study covering U.S. export operations and compliance, produced by *American Shipper* in partnership with BPE Global and the American Association of Exporters and Importers (AAEI).

The theme of this year's study centers on how shippers are handling their export processes in the aftermath of Automated Export System (AES) deadlines, the latest updates of which went into effect last year. Despite attempts by the U.S. government to streamline the export regulation and stoke growth of exported goods, it remains a tricky and evolving process. In particular, this report examines how companies handle their electronic export information (EEI) filings, whether exporters are involved in strategic considerations like product introductions, mergers, and new markets, and the extent to which technology investment is available to automate export functions.

The study includes input from 282 U.S.-based exporters, with responses gathered between late March and late May, 2014. The 30-question survey covered export regulatory reform, operations management practices, organizational structure, compliance policies and strategic considerations, and export management technology.

Strategic considerations

For the first time in five years of this survey, export compliance is being included in strategic discussions regarding mergers and acquisitions the majority of the time. This bodes well for companies that are expanding into new markets and product lines by buying or combining companies. By including export compliance in these discussions, companies can perform their due diligence to determine any export-related risk with the new business and identify whether disclosures might be required by the other company. There is still work to do in this area, however, since 43 percent responded that they are not being included in these discussions at all. Companies that fail to involve export compliance are selling themselves short and opening themselves up to unknown risks and even potential violations.

There has also been an increase in the inclusion of export compliance in new market discussions. Almost 60 percent of respondents report that they are always or frequently included, compared to 53 percent last year. This is a promising trend and shows that exporting companies are increasingly valuing export compliance's input. By including export compliance in these discussions, companies can create a competitive advantage by identifying non-tariff barriers, loopholes in the regulations and understanding how to avoid shipment diversion to these new markets.

EEI filing

This year’s report has a specific focus on export declaration compliance. Exporters who do not declare their own Electronic Export Information (EEI) filings take a risk in allowing a third party to do it for them. Typos and other mistakes can happen by third parties and exporters don’t always review the filings to catch them.

The majority of systems-based exporters utilize internal staff to file EEIs versus manual-based exporters, who more often use their carriers to file for them.

Systems-based exporters who have some level of export automation in place use the web-based AESDirect system 54 percent of the time to file their EEIs. This indicates that their export compliance software does not have AES filing capabilities, or they did not buy AES functionality.

It’s also a little unsettling that 8 percent of systems-based, and 11 percent of manual-based exporters, were uncertain how their EEIs are being filed. This might indicate that the filings are performed by a different department, such as logistics, so they don’t have visibility to this process.

The majority of both systems-based and manual-based exporters review their EEIs filed either internally or by their carriers. This demonstrates that a strong compliance program is in place for these exporters. CBP is beginning to enforce penalties on incorrect and late EEI filings so it behooves exporters to ensure their declarations are filed correctly and promptly.

However, the high percentage of total exporters that do not review their EEI filings is alarming. These exporters are putting themselves at risk for unknown errors and costly mistakes.

Technology Usage

The fragmented nature of export system (or no system) choice has actually held pretty steady over the five years of this study. The idea of using a third party technology provider to supply global trade management software has grown steadily—but it is by no means the most popular path yet. Fewer than one in five companies use such a provider.

The use of spreadsheets as the primary management system for exports has dropped marginally—not enough to suggest that use of this remedial method is on the wane. Indeed, the most popular solution throughout this benchmark exercise has been a hybrid model, incorporating elements of in-house, outsourced, and (likely) manual processes into one export program.

Exporters are indicating they are slowly getting away from a mix of licensed, software-as-a-service, or custom built technology and starting to focus on one pricing model. There is a noticeable uptick from 2013 to 2014 in respondents' use of one of the three models, and a corresponding decrease in the number of respondents saying they use a mix.

Priorities for technology functions have changed greatly in the last year. Whereas AES filing capability was the key function exporters sought to add in 2013, this year, it's documentation generation/management, record-keeping, and classification/product management. Given that exporter respondents, in general, have prioritized more functions than in 2013, this suggests that the export community might have been pre-occupied with AES a year ago. Note, however, that AES functionality remains almost as big a priority this year as last.

About a quarter of respondents say that funding would be available for an IT investment in export compliance or logistics. It's no coincidence this matches up with the quarter of respondents who plan to invest in the next two years. Managers with budget to invest know they need to use it or lose it.

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Section I: Introduction

Background, Methodology, and Timeframe

Welcome to the fifth annual benchmark study covering U.S. export operations and compliance, produced by *American Shipper* in partnership with BPE Global and the American Association of Exporters and Importers (AAEI).

The theme of this year's study centers on how shippers are handling their export processes in the aftermath of Automated Export System (AES) deadlines, the latest updates of which went into effect last year. Despite attempts by the U.S. government to streamline the export regulation and stoke growth of exported goods, it remains a tricky and evolving process. In particular, this report examines how companies handle their electronic export information (EEI) filings, whether exporters are involved in strategic considerations like product introductions, mergers, and new markets, and the extent to which technology investment is available to automate export functions.

The theme of this year's study centers on how shippers are handling their export processes in the aftermath of Automated Export System (AES) deadlines.

The study includes input from 282 U.S.-based exporters, with responses gathered between late March and late May, 2014. The 30-question survey covered export regulatory reform, operations management practices, organizational structure, compliance policies and strategic considerations, and export management technology.

Survey distribution channels included *American Shipper's* subscriber database, BPE Global's e-mail database, and AAEI membership. Qualified respondents are limited to those companies exporting goods, services or technology (so-called "deemed" exports) from the United States. This includes freight forwarders, third-party logistics providers, non-vessel-operating common carriers, and other intermediaries, in addition to shippers from all segments. Carriers and other non-qualified responses are not included in the aggregate data sourced for this report.

Terminology

In the interest of being succinct and direct this study uses several terms or acronyms you may not be familiar with. The following explanations and definitions should be kept in mind when reviewing the study results.

- **Automated vs. Manual Exporters**—For the purposes of this report the term "automated" does not mean a task is managed without human input. Instead, automated export management means a company is employing a substantial amount of technology to support its export operation, allowing staff to interact where necessary to solve problems and optimize the process. Similarly, the term "manual" does not mean the process is managed without the use of computers, Internet access, or other fundamental business tools. It's assumed that companies managing exports manually employ spreadsheets and other support tools.
- **Full Time Equivalent (FTE)**—The number of working hours that represents a single full-time employee during a fixed period of time, such as one month or a year.
- **Global Trade Management (GTM)**—Global Trade Management is the practice of streamlining the entire lifecycle of global trade across order, logistics, compliance, and settlement activities to significantly improve operating efficiencies and cash flow while reducing risk. GTM includes, but is not limited to, trade compliance, visibility to shipments, total landed cost, trade security, and trade finance.

Regulatory Agencies, Regulations and their Acronyms

- **Automated Export System (AES)**—System used by U.S. exporters or their freight forwarders to file documentation electronically with U.S. Customs and Border Protection.
- **Bureau of Industry and Security (BIS)**—The Bureau of Industry and Security (BIS) is an agency of the U.S. Department of Commerce and its mission is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. BIS is led by the department's undersecretary for industry and security.
- **Census Bureau Foreign Trade Division**—The Census Bureau's Foreign Trade Division, which is an agency of the U.S. Commerce Department, compiles the nation's export and import statistics and is responsible for issuing regulations governing the reporting of all export shipments from the United States.

- **Commodity Classification Automated Tracking System (CCATS)**—Code assigned by the Bureau of Industry and Security to products governed by the Export Administration Regulations.
- **Directorate of Defense Trade Controls (DDTC)**—Under the U.S. State Department, the Directorate of Defense Trade Controls is charged with controlling the export and temporary import of defense articles and defense services covered by the U.S. Munitions List (USML).
- **Export Administration Regulations (EAR)**—The EAR is issued by the U.S. Commerce Department's Bureau of Industry and Security under laws relating to the control of certain exports, re-exports, and activities, known as dual-use commodities (Title 15 of the Code of Federal Regulations Parts 730 through 774). Dual-use commodities can be used for both commercial and military applications.
- **Export Control Classification Number (ECCN)**—A code issued by the Bureau of Industry and Security that defines the level of export control for items exported from the United States and other member states of the Wassenaar Arrangement.
- **International Traffic In Arms Regulations (ITAR)**—These are the U.S. State Department's export control regulations for defense-related articles and services.
- **Office of Foreign Assets Control (OFAC)—**The Office of Foreign Assets Control (OFAC) of the U.S. Treasury Department administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.

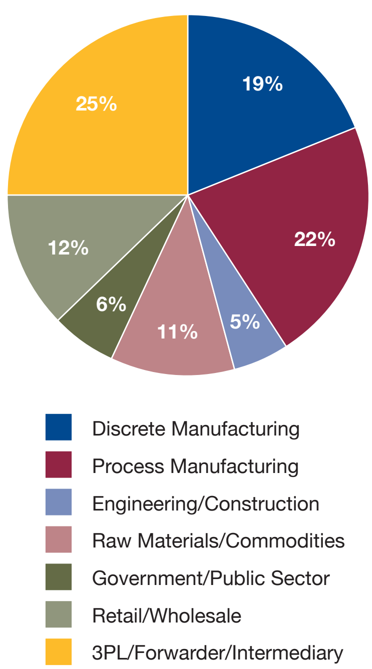
Section II: Demographics

This report is based on respondents from a wide range of shipper and service provider categories, but more than two in five respondents are manufacturers, with another quarter third party logistics services providers. Retailers make up 12 percent of the survey population, a lower representation than in other *American Shipper* benchmark studies.

Looking at respondents by company size yields a typical break-up—nearly 40 percent come from companies with annual revenue of more than $1 billion, while a third comes from companies with less than $100 million in revenue.

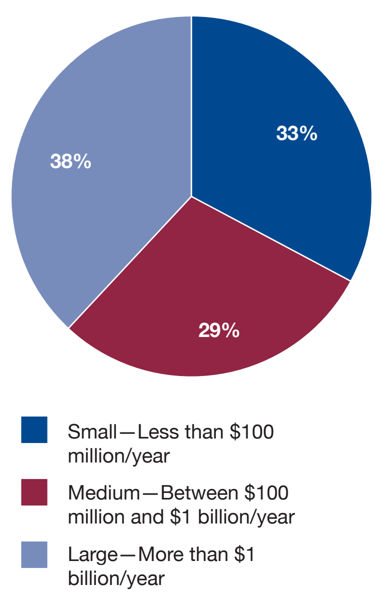
Two-thirds of respondents identify themselves as either staff or manager—one in two total respondents classify themselves as manager (the exact same representation as in 2013). Another one in five is at the director level.

Figure 1: Industry Segments



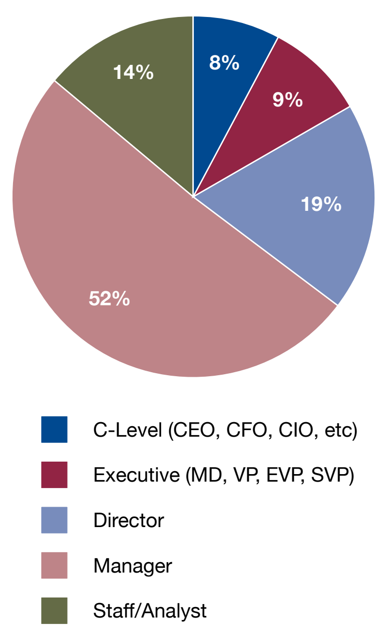
282 total respondents

Figure 2: Company Size



267 total respondents

Figure 3: Job Titles Surveyed



268 total respondents

Section III: Export Operations & Compliance Management

Years of research into the compliance regimes of exporters tells us that certain segments act in a similar fashion relative to their peers. Fig. 4, our traditional look at exporter productivity, tells a familiar tale. Large shippers manage more countries, SNAP-R, and DDTC filings than their small/medium peers. The results are similar for manufacturers versus retailers (with the exception of SNAP-R filings). The gaps are particularly noticeable for systems-based companies versus manual companies.

Certain segments act in a similar fashion relative to their peers.

That's not to say, however, that these groups are more efficient than their peers—in fact, small/medium shippers, retailers, and manual companies have fewer employees per countries their companies export to. That might seem counterintuitive, but it speaks to the degree that large shippers, manufacturers, and systems-based companies put resources in place to facilitate exports. This table shows how many employees exporters have relative to their regulatory requirements, but it doesn't speak to the sophistication level those companies have achieved.

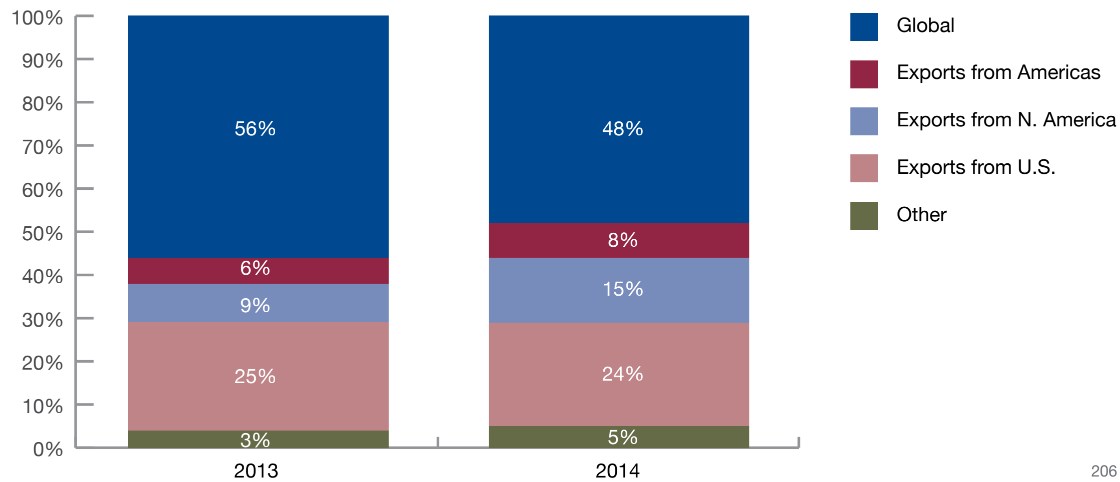
Figure 4: Exporter's Productivity Table

	Countries	FTE	BIS-Snap-R/Year	DDTC/Year	OFAC/Year
Large Shippers	44.2	12.0	7.6	4.4	1.1
Small/Medium Shippers	33.0	4.9	2.7	3.4	2.7
Manufacturers	44.1	8.9	3.0	3.6	0.9
Retailers	28.9	6.2	8.1	1.3	n/a
Systems-based	43.7	12.7	5.4	4.5	2.8
Manual	30.1	5.6	4.2	1.9	0.6

166 total respondents

A slightly higher percentage of respondents this year say their role is tied only to exports from North America relative to last year. More companies last year said they managed exports on a global basis.

Figure 5: **Scope of Export Manager's Responsibility**

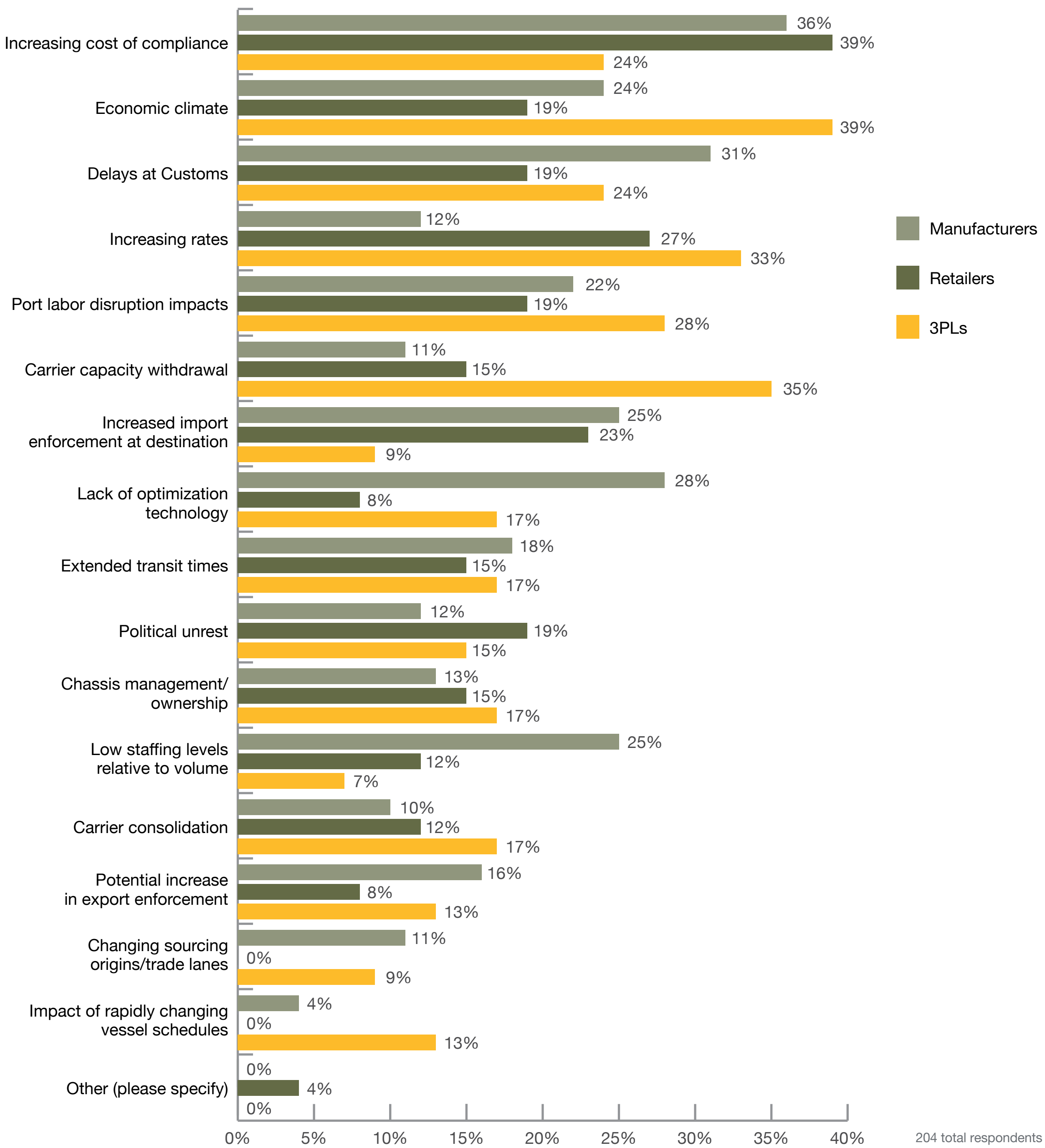


206 total respondents

As with last year, shippers' primary export concern is the rising cost of compliance. Delays at customs and lack of optimization technology also rank highly for manufacturers, while higher rates and increased enforcement at import destination are worries for retailers. Manufacturers are also burdened by what they consider to be low staffing levels relative to volumes.

3PLs, unsurprisingly, are concerned most with the economic climate, carrier capacity withdrawal, and increasing rates (presumably rates from carriers that can't be passed on to their customers).

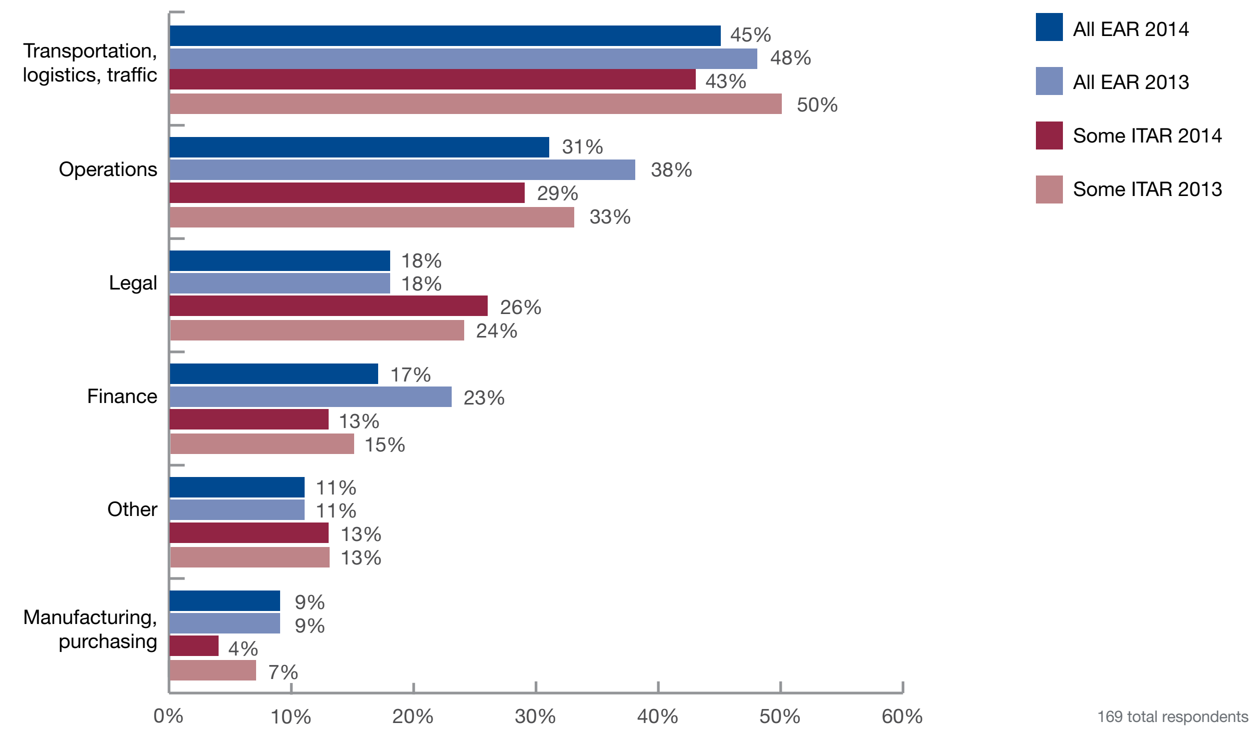
Figure 6: Top Export Concerns



204 total respondents

The majority of exporters still report into transportation, logistics and operations. This indicates that export compliance is still seen as transactional and not a strategic part of the business. However, there was a slight increase this year of ITAR exporters reporting into the legal department. This makes sense since the ITAR is so much more complex than the EAR. Fewer EAR and ITAR exporters are reporting into finance, which is unfortunate because it's possible that export compliance will lose its visibility as a competitive advantage and revenue generator.

Figure 7: Export Operations and Compliance Report To



169 total respondents

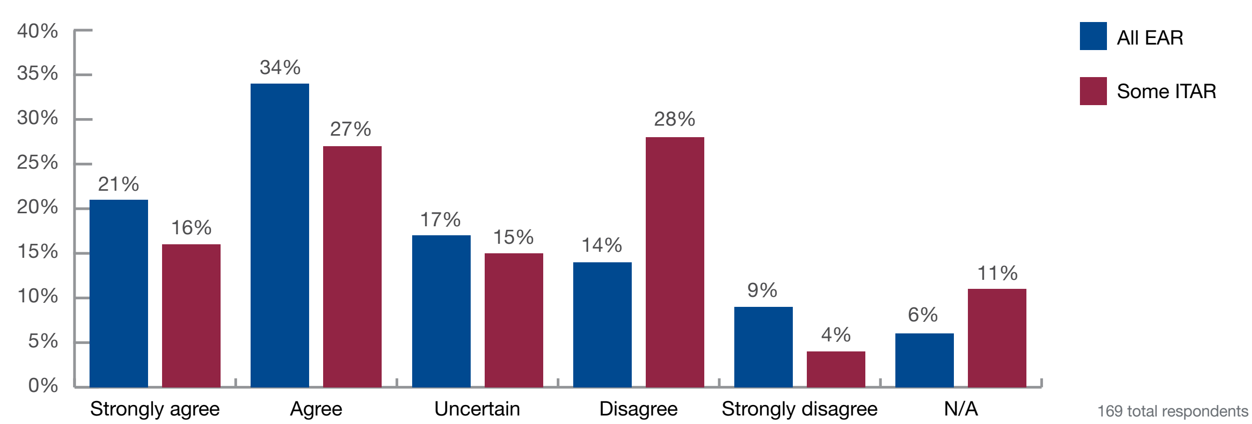
Section IV: Export Strategic Considerations

Last year's export benchmark report emphasized, above all, that export practitioners needed a strategic place within a company's hierarchy. And the message seems to have been received. This year, the number of respondents indicating that early classification consideration, inclusion in strategic discussions, and training were important rose.

In terms of whether classification is considered in the R&D and planning stages, the vast majority of respondents this year either agree or strongly agree that classification is being considered early on. Last year, a whopping 40 percent of respondents said classification was not considered in early planning stages, while only 14 percent of EAR and 28 percent of ITAR said the same this year.

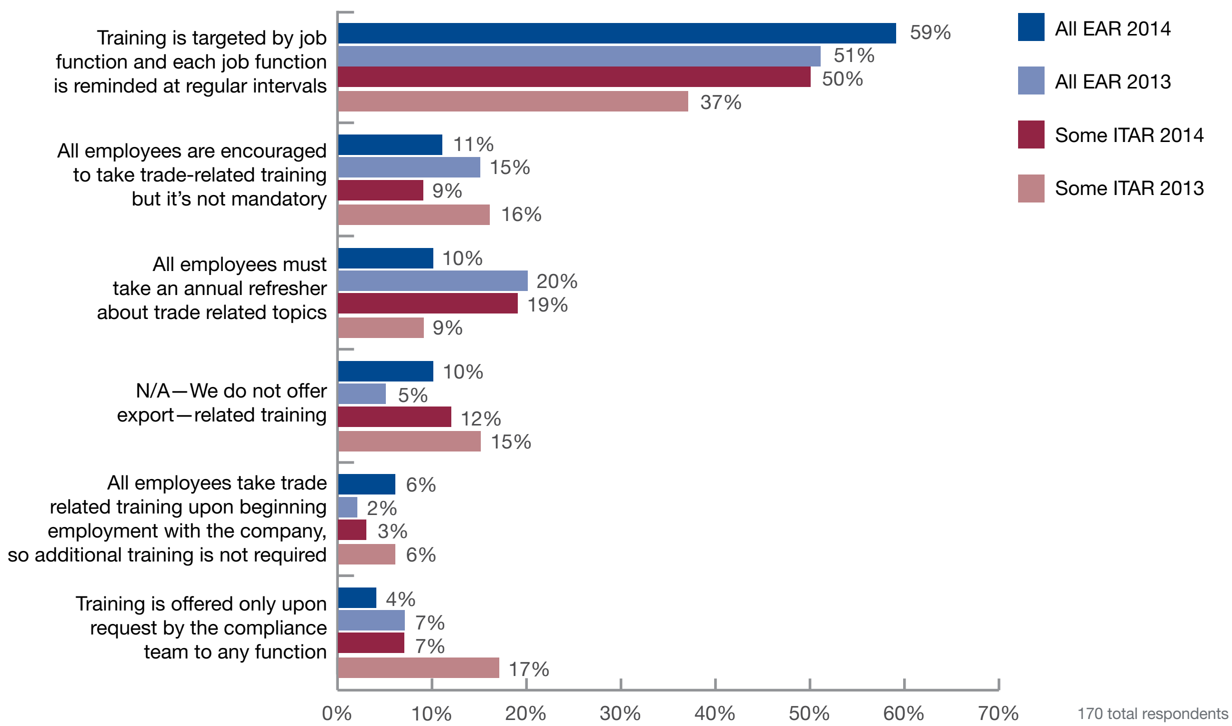
This is great news, because companies are clearly involving export compliance at critical points in product development and planning. This should help companies avoid costly delays getting products to market if, for example, CCATS or licenses are required, which could take months to obtain.

Figure 8: **Is Product Classification Considered in R&D or Planning Stages?**



Export-related training appears to be more prevalent this year than last. There is a fairly substantial increase in training targeted by job function for both EAR and ITAR respondents. This is encouraging since this type of training is not only specific to each group, but is ongoing and only helps to foster a culture of compliance. It's also a relief to see "training upon request" and "optional" training have decreased for both EAR and ITAR respondents, relative to last year, implying that training programs are now most likely mandatory.

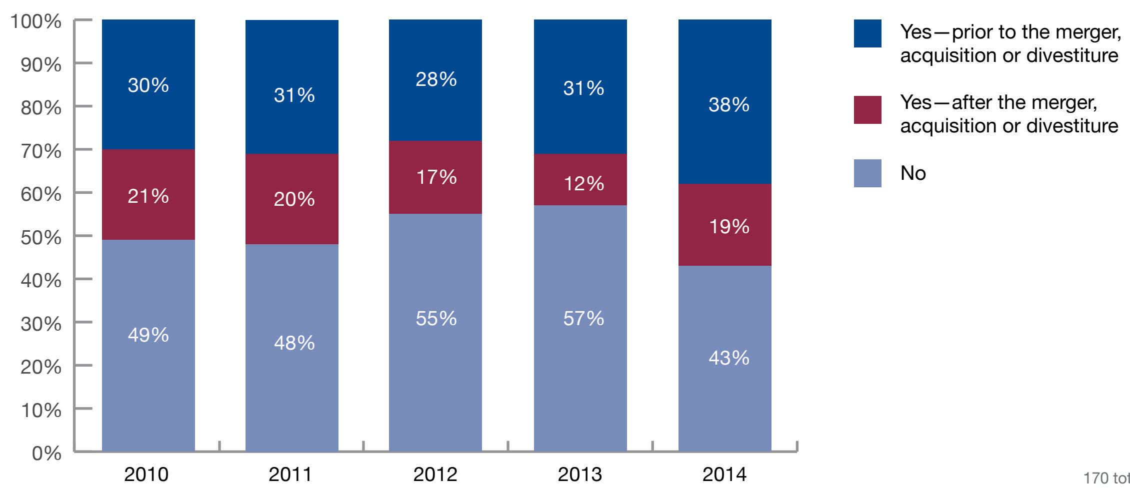
Figure 9: Export-Related Training



For the first time in five years of this survey, export compliance is being included in strategic discussions regarding mergers and acquisitions the majority of the time. This bodes well for companies that are expanding into new markets and product lines by buying or combining companies. By including export compliance in these discussions, companies can perform their due diligence to determine any export-related risk with the new business and identify whether disclosures might be required by the other company. There is still work to do in this area, however, since 43 percent responded that they were not being included in these discussions at all. Companies that fail to involve export compliance are selling themselves short and opening themselves up to unknown risks and even potential violations.

For the first time in five years of this survey, export compliance is being included in strategic discussions regarding mergers and acquisitions the majority of the time.

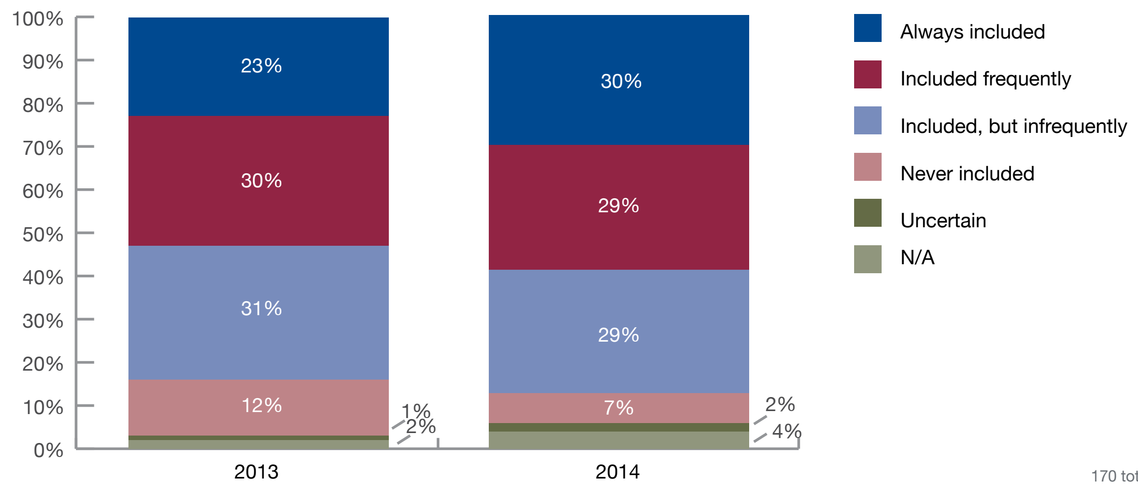
Figure 10: Inclusion in Strategic Discussions



170 total respondents

As with the increase of inclusion in M&A discussions, there has also been an increase in the inclusion of export compliance in new market discussions. Almost 60 percent of respondents report that they are always or frequently included, compared to 53 percent last year. This is a promising trend and shows that exporting companies are increasingly valuing export compliance's input. By including export compliance in these discussions, companies can create a competitive advantage by identifying non-tariff barriers, loopholes in the regulations and by understanding how to avoid shipment diversion to these new markets.

Figure 11: Inclusion in New Market Discussions



170 total respondents

Section V: Regulatory Impacts on Exporters

This year sees an increase in the number of countries where exports are being shipped. Last year, EAR-only companies were shipping to 32 countries on average, compared to 38 this year. ITAR companies were shipping to 37 countries last year and to 41 this year. It's not surprising these companies have a higher head count as well. ITAR companies have approximately four more headcount on their teams this year.

> Although the industry has only just started to see the effects of export reform, it apparently has not had an impact on human resources yet. The burdens of complex ITAR regulations and licensing requirements appears to be just as rigorous, if not more so.

Figure 12: Exporter's Productivity Table—EAR vs. ITAR

	Countries	FTE	BIS-Snap-R/Year	DDTC/Year	OFAC/Year
All EAR	37.9	7.3	2.0	1.2	0.8
Some ITAR	41.0	12.1	7.5	6.5	3.3

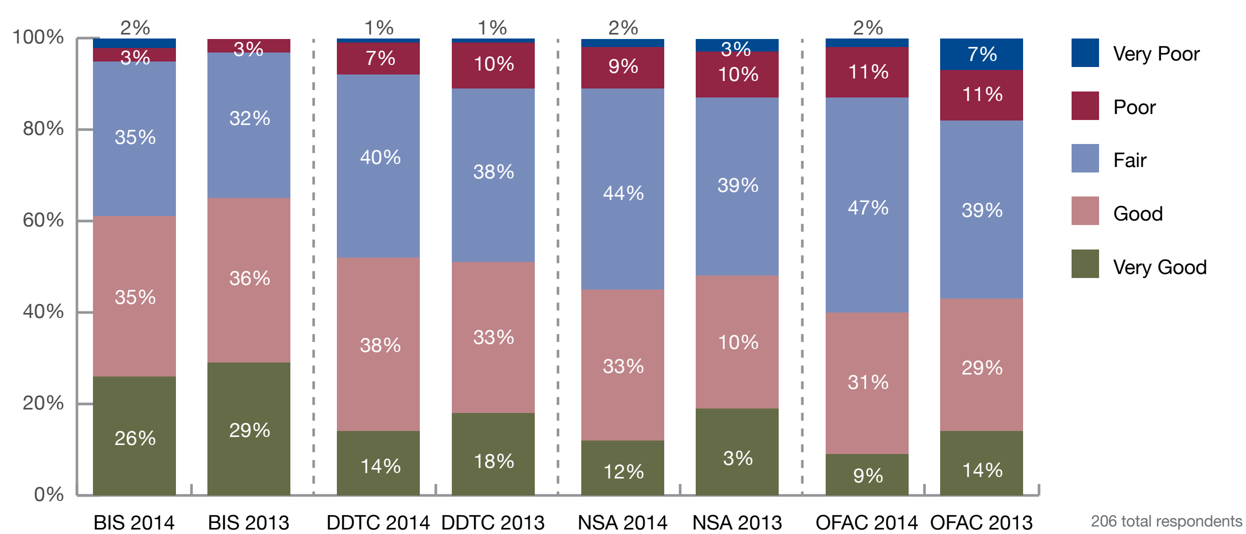
166 total respondents

All licensing agencies seem to have taken a hit compared to last year, losing some percentage points in the "very good" category. This may be a result of the government shutdown last fall. However, the results overall were similar to last year, with perhaps one exception for OFAC, where the number of respondents rating it as "fair" increased noticeably. That's despite OFAC's new online license application system and a public search tool for its Specially Designated Nationals and Blocked Persons List --both of which were apparently very well received by the public.

BIS was not viewed as effective as it has been in prior years despite having strong statistics. In FY 2013, BIS processed 24,782 export license applications (up from 23,229 in FY 2012) in the same amount of review time as last year of 26 days. BIS approved 20,948 license applications (84.5 percent), returned 3,656 applications without action (14.8 percent), and denied 177 applications (less than one percent).

BIS processed 5,577 classification request applications, including encryption requests, in an average of 33.3 days. This is an improvement from FY 2012 when BIS processed 6,107 requests in an average of 34.4 days. BIS also provided recommendations to the State Department on 1,203 Commodity Jurisdiction requests in an average of 20 days which is an improvement in turnaround time compared to 1,292 requests in 22 days in FY 2012.

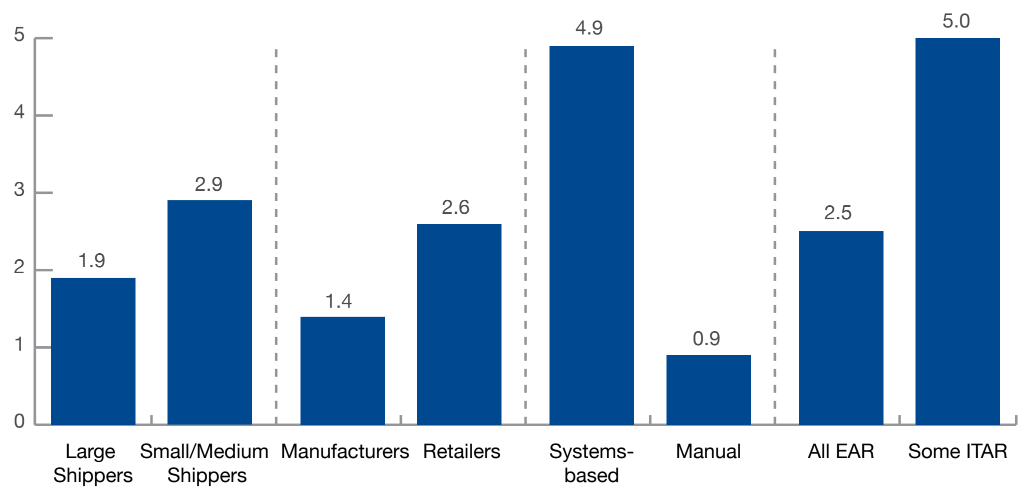
Figure 13: Effectiveness of Licensing Agencies



Exporters must state HTS / Schedule B classification numbers on export declarations, invoices and other documents such as NAFTA certificates that will be referenced by the importer in the destination country. Occasionally, they will submit a ruling request to Customs to help guide them with a classification for certain items.

ITAR exporters requested twice as many rulings as EAR exporters. This could be because of the highly technical nature of defense-related items. Retailers were more likely to request rulings versus manufacturers as were small/medium shippers over large shippers.

Figure 14: Customs Ruling Requests in Last Year

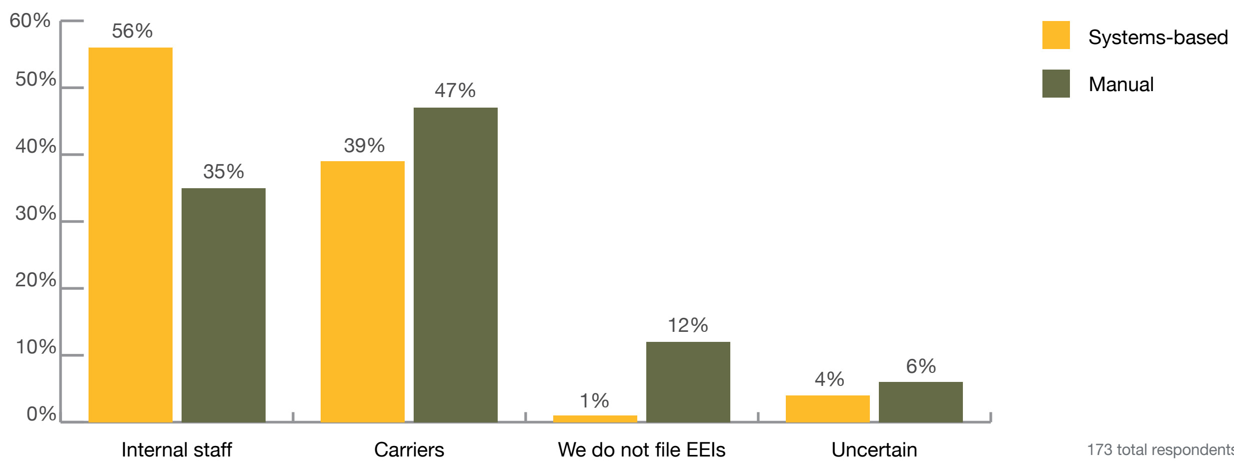


156 total respondents

This year's report has a specific focus on export declaration compliance. Exporters who do not declare their own Electronic Export Information (EEI) filings take a risk in allowing a third party to do it for them. Typos and other mistakes can happen by third parties and exporters don't always review the filings to catch them.

The majority of systems-based exporters utilize internal staff to file EEIs versus manual-based exporters, who more often use their carriers to file for them. Also interesting to note is that 12 percent of manual-based exporters do not file EEIs at all, indicating they must have low-value shipments, shipments that do not require a license, or shipments that meet other AES filing exemptions.

Figure 15: Responsibility for EEI Filing



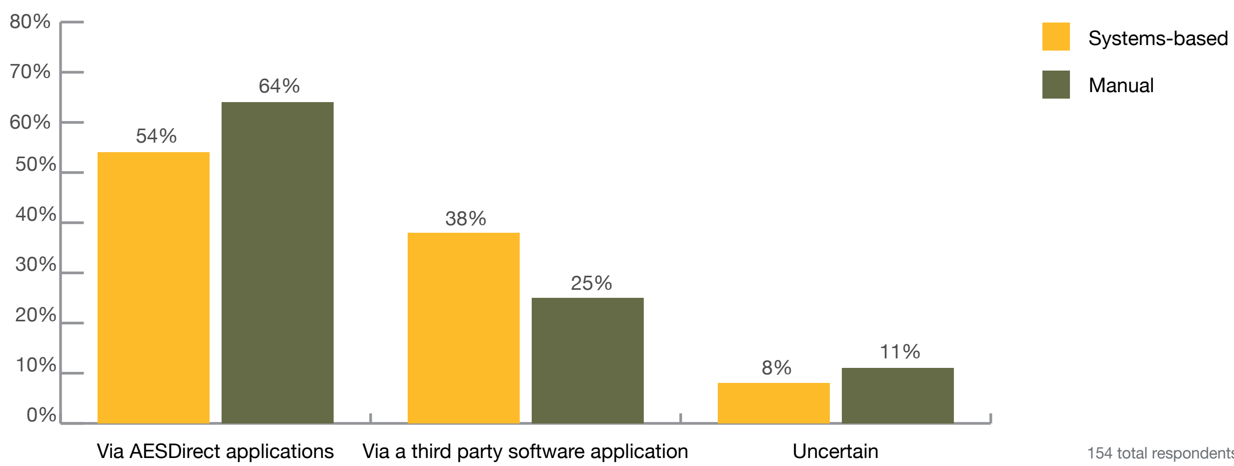
173 total respondents

Both systems-based exporters and manual-based exporters use AESDirect to submit the majority of their EEIs. It's interesting, though, that systems-based exporters who have some level of export automation in place use the web-based AESDirect system 54 percent of the time to file their EEIs. This indicates that their export compliance software does not have AES filing capabilities, or they did not buy AES functionality.

It's also a little unsettling that 8 percent of systems-based, and 11 percent of manual-based exporters, were uncertain how their EEIs are being filed. This might indicate that the filings are performed by a different department, such as logistics, so they don't have visibility to this process. This also might indicate that these exporters do not have access to the EEI filings for auditing purposes, which demonstrates a weakness in their export compliance program.

It's a little unsettling that 8 percent of systems-based, and 11 percent of manual-based exporters, were uncertain how their EEIs are being filed.

Figure 16: How Are EEIs Filed?

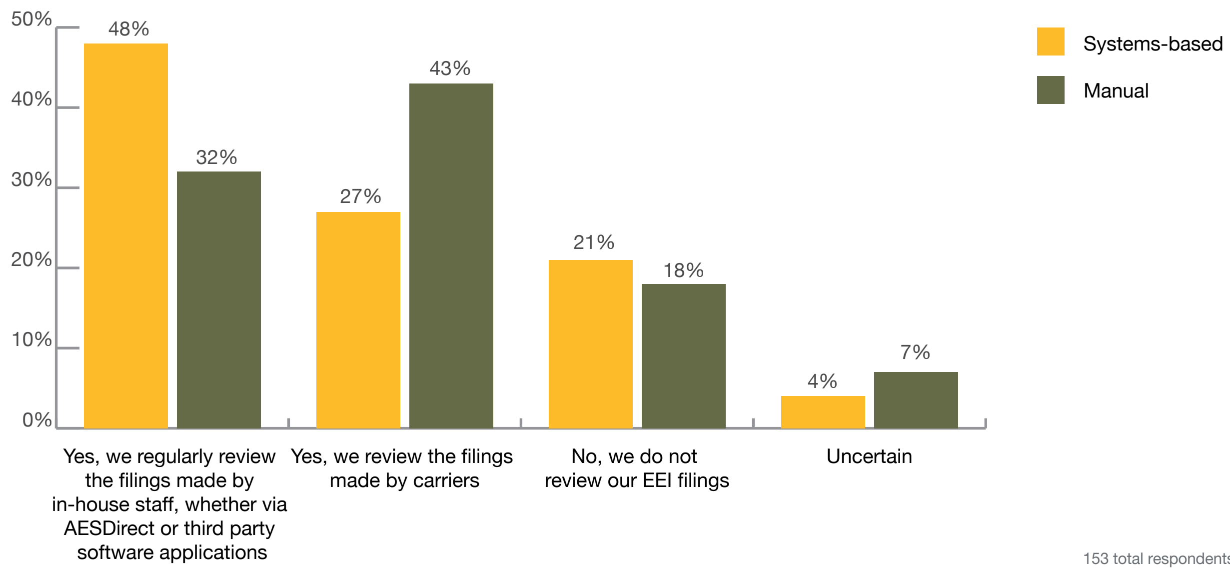


154 total respondents

The majority of both systems-based and manual-based exporters review their EEIs filed either internally or by their carriers. This demonstrates that a strong compliance program is in place for these exporters. CBP is beginning to enforce penalties on incorrect and late EEI filings so it behooves exporters to ensure their declarations are filed correctly and promptly.

However, the high percentage of total exporters that do not review their EEI filings is alarming. These exporters are putting themselves at risk for unknown errors and costly mistakes. It implies that not only do these exporters have a weak compliance program, but they are also not monitoring the performance of their carriers.

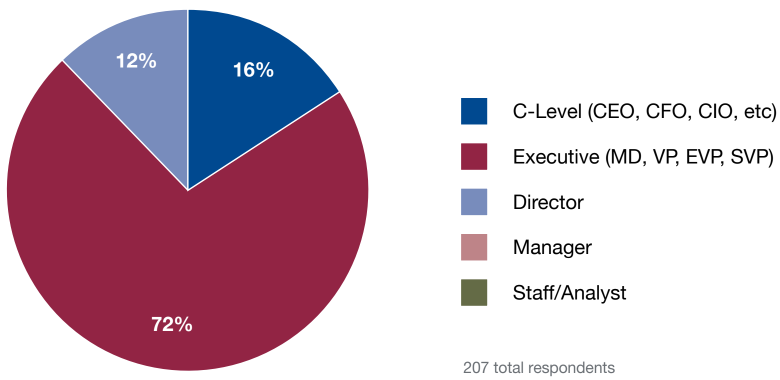
Figure 17: Are EEIs Reviewed?



153 total respondents

Companies that export ITAR products have to jump through myriad hoops to obtain licenses, agreements and perform their reporting obligations. The majority, 72 percent, of respondents claim that ITAR regulations did not cause them to lose a sale. However, 12 percent did incur some serious delays because of ITAR regulations. Historically, this is the most positive response this study has received since first asking this question in 2011. Perhaps the first stages of export reform have influenced these numbers.

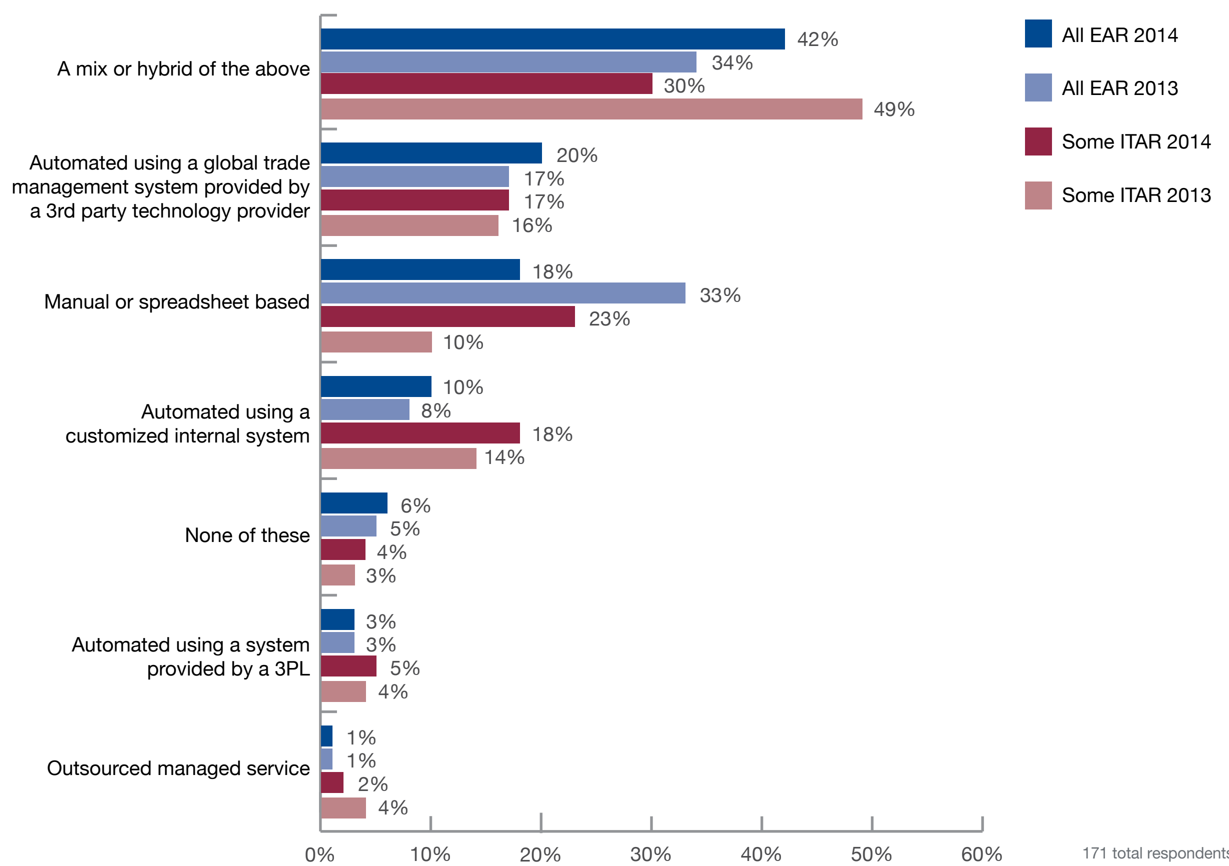
Figure 18: Lost Sale Due to ITAR Regulations



Section VI: Export Operations & Compliance Technology

As stated elsewhere in this report, shippers subject only to EAR have markedly different requirements than those with some ITAR component to their export process. That's why it can be instructive to compare how these two groups go about making strategic decisions, including those about technology usage. Fig. 19 shows that EAR respondents this year are more likely to use a hybrid approach to automating compliance and operations, while ITAR respondents this year are more likely to use a spreadsheet-based process. This could be the vagaries of a different set of respondents from last year to this year, or it could be that ITAR requirements are compelling companies to handle export-related processes in a more hands-on way. That's not to suggest that the manual approach is best—automation, when correctly implemented, helps companies avoid errors.

Figure 19: Export Management Platform—EAR vs. ITAR



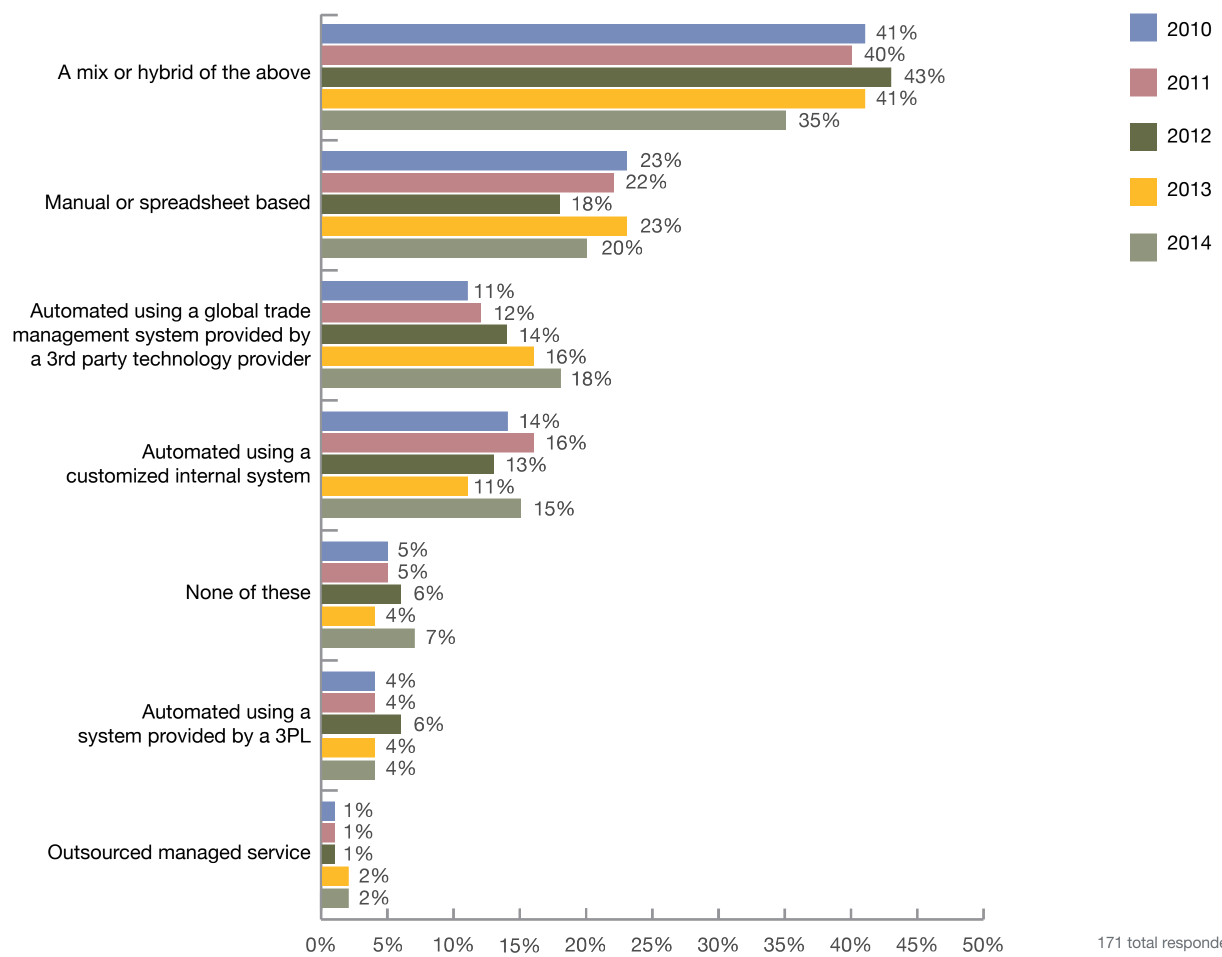
171 total respondents

Looking more broadly at export platform choices, the fragmented nature of system (or no system) choice has actually held pretty steady over the five years of this study. The idea of using a third party technology provider to supply global trade management software has grown steadily—but it is by no means the most popular path yet. Fewer than one in five companies use such a provider.

The use of spreadsheets as the primary management system for exports has dropped marginally—not enough to suggest that use of this remedial method is on the wane. Indeed, the most popular solution throughout this benchmark exercise has been a hybrid model, incorporating elements of in-house, outsourced, and (likely) manual processes into one export program. This hybrid approach can mean that companies are picking and choosing the best of systems (including those developed in-house) or it could mean that export managers are wading through a stack of systems that they would like to merge.

The most popular solution throughout this benchmark exercise has been a hybrid model, incorporating elements of in-house, outsourced, and (likely) manual processes into one export program.

Figure 20: Export Management Platform—2010–2014



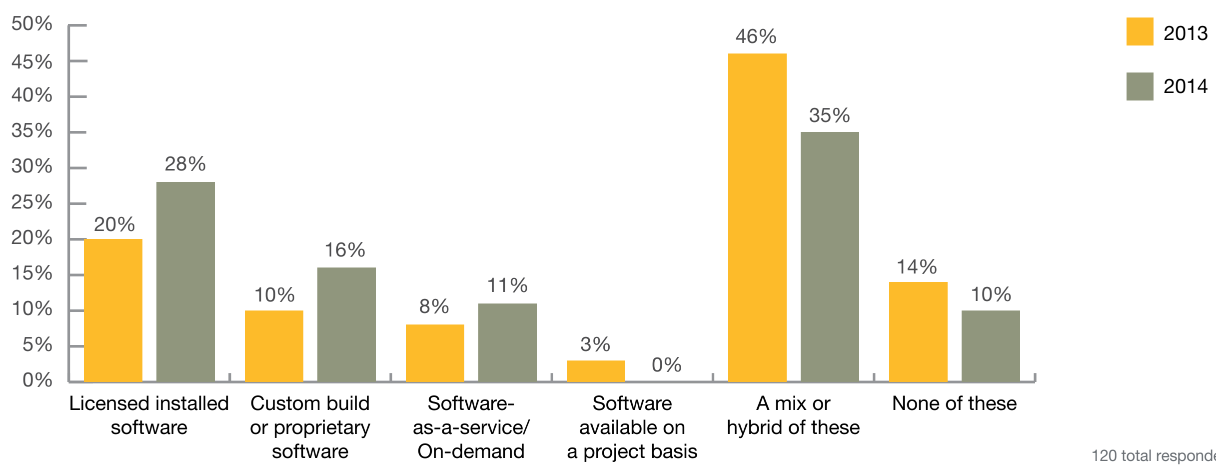
171 total respondents

One notable development from last year to this is that exporters are indicating they are slowly getting away from a mix of licensed, software-as-a-service, or custom built technology and starting to focus on one pricing model. There was a noticeable uptick from 2013 to 2014 in respondents' use of one of those models, and a corresponding decrease in the number of respondents saying they use a mix.

About one in five respondents say they have already integrated their global trade management and transportation management systems, while another 20 percent indicate they plan to do so in the next two years. But that leaves nearly 60 percent that either have no plans to integrate, are uncertain, or only have it as a long-range goal. For context, 33 percent of exporters say they have no plans to integrate, compared to 21 percent in our bookend import compliance and operations benchmark study, released in July. In the import study, 28 percent said they had already integrated GTM and TMS, compared to 18 percent of exporters.

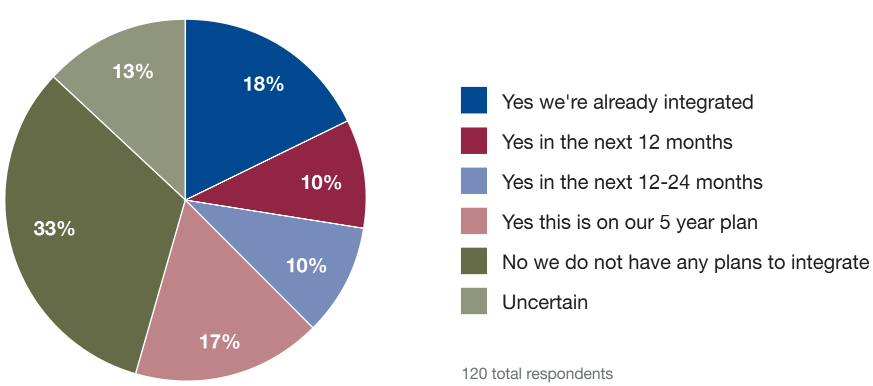
It's clear that exporters have some catching up to do with their import brethren in terms of stitching together these overlapping systems.

Figure 21: Export System Delivery Model



120 total respondents

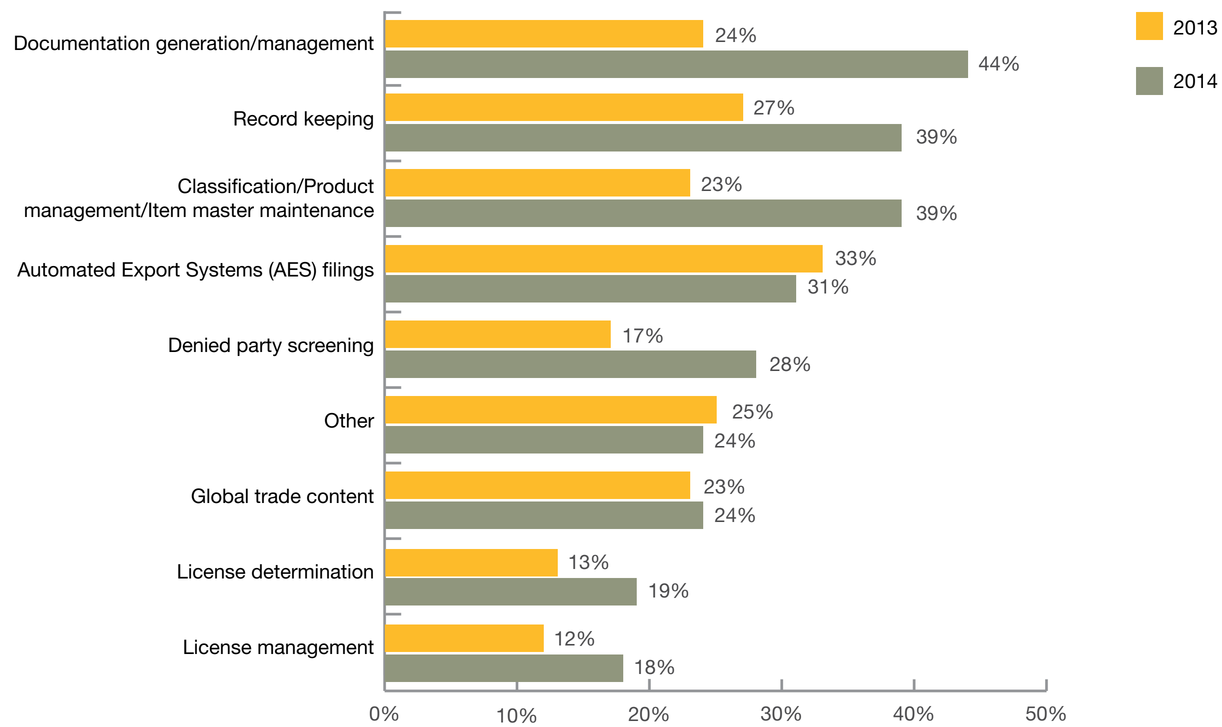
Figure 22: Plans to Integrate GTM and TMS



120 total respondents

Priorities for technology functions have changed greatly in the last year. Whereas AES filing capability was the key function exporters sought to add in 2013, this year, it's documentation generation/management, record-keeping, and classification/product management. Given that exporter respondents, in general, have prioritized more functions than in 2013, Fig. 23 suggests that the export community might have been pre-occupied with AES a year ago. Note, however, that AES functionality remains almost as big a priority this year as last.

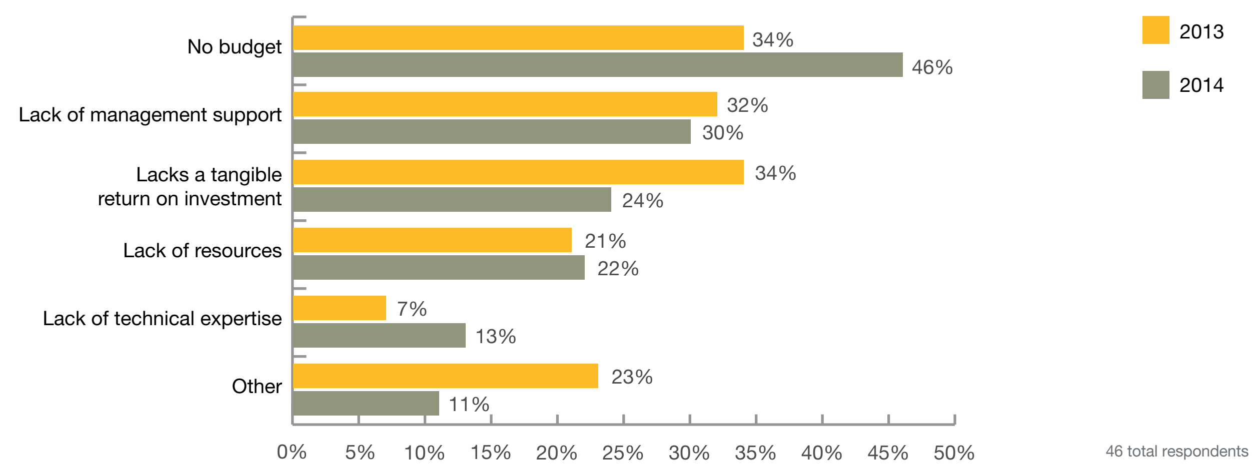
Figure 23: Planned Functionality—All Shippers



103 total respondents

So what prevents exporters from investing in technology? This year, it's clearly a case of not having the funding, especially in relation to a year ago. On the bright side, exporters this year are much more likely to understand the return on investment of export technology, which is a key development. Export managers that can enunciate the benefits of automation are more likely to succeed in convincing upper management to free up funds for systems, whether in-house or from a vendor. Note, though, that lack of management support remains a key roadblock.

Figure 24: Inhibitors to Investment in Systems



About one in four exporter respondents plans to invest in technology in the next two years, while the other three-quarters either have no plans to invest or have it lower on the priority list. These results aren't surprising—our benchmark studies have shown consistently that the majority of managers struggle to say their company will invest in technology. What will it take to move the needle here? Difficult to say—the fact is that compliance and logistics compete with myriad other departments in a typical exporting company, and there will forever be competition for limited technology funds.

Our benchmark studies have shown consistently that the majority of managers struggle to say their company will invest in technology.

About a quarter of respondents say that funding would be available for such an IT investment in export compliance or logistics. It's no coincidence this matches up with the quarter of respondents who plan to invest in the next two years in Fig. 25. Managers with budget to invest know they need to use it or lose it. The results in Fig. 26 also jive with similar results across *American Shipper's* benchmark research this year. For about three in four companies there is either no money to invest in solutions, or uncertainty about that availability.

Figure 25: Plans to Buy a System

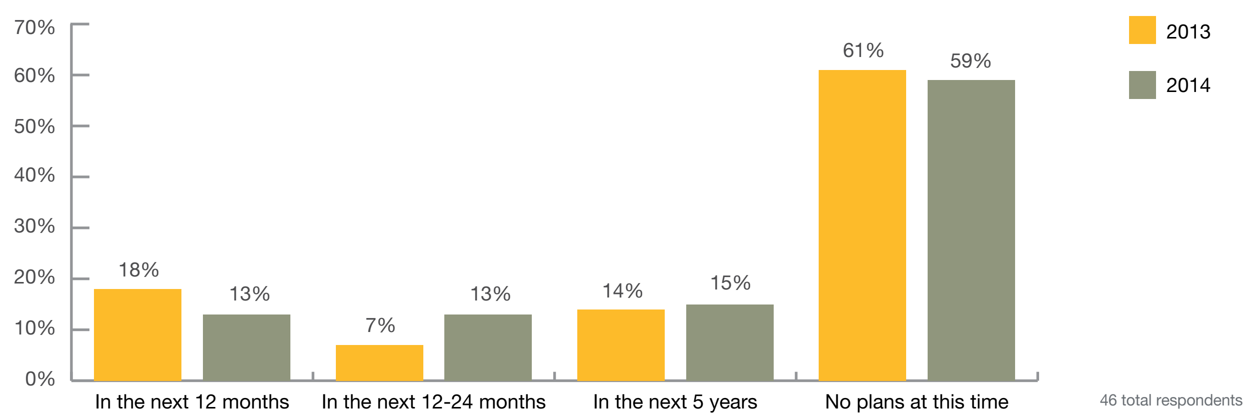
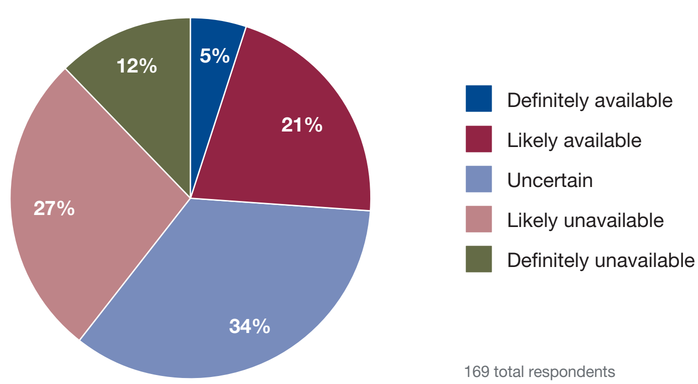


Figure 26: Is Funding Available for Export Management Technology?



Section VII: Best Practices

Each *American Shipper* benchmarking study seeks to provide readers with actionable suggestions to take away. In this case, exporters and their logistics services providers are advised to:

- Trade compliance is better suited reporting to legal or finance to be utilized as a competitive advantage, rather than just operational function.
- Continue to ensure that compliance is involved in new product development, mergers and acquisitions, and market entry decisions. All of these processes have deep ties with compliance, and can be revenue generators and competitive differentiators.
- Exporters should strive to internally file their Electronic Export Information (EEI), using an automated system, where possible, and regularly review those filings.
- Companies should start to decide which technology pricing and delivery model suits their needs, and focus one model to simplify integration with new systems. Juggling licensed, on-premise software with browser-based software-as-a-service as well as internally-developed systems adds unneeded complexity to an export process that is already complex enough.

And finally, strive to understand the return on investment from export technologies, and communicate that ROI to upper management at every opportunity, so that when investment becomes available, export is prioritized.

Appendix A: About Our Sponsor

Amber Road

Amber Road's (NYSE: AMBR) mission is to dramatically change the way companies conduct global trade. As a leading provider of cloud based global trade management (GTM) solutions, we automate import and export processes to enable goods to flow across international borders in the most efficient, compliant and profitable way.

Our solution combines enterprise-class software, trade content sourced from government agencies and transportation providers in 139 countries, and a global supply chain network connecting our customers with their trading partners, including suppliers, freight forwarders, customs brokers and transportation carriers.

Amber Road's Export Management solution automates necessary export compliance checks and executes functions such as country controls, restricted party screening (RPS), license determination and tracking, document generation, and filing.

For more information, please visit www.AmberRoad.com, email Solutions@AmberRoad.com or call 201-935-8588.

Appendix B: About Our Partners

AAEI

AAEI advocates on behalf of U.S. companies on trade policy issues before the U.S. Congress, trade compliance practices and operations before Executive Agencies, and multi-lateral organizations including the World Trade Organization and the World Customs Organization.

AAEI plays an important role in providing education to international trade compliance professionals through its ten (10) standing committees which review proposed trade policy and regulations for comment, off-the-record webinars with government officials, and the Association's annual conference, seminars and trade briefings.

AAEI assists international trade compliance professionals do their job by providing information concerning government regulations through its international trade ALERT hosted on the Thomson Reuters' Checkpoint platform and annual Benchmarking Survey compiling the data on import, export, security and product safety issues.

BPE Global

Since 2004, companies have achieved results through BPE Global's global trade consulting and training services. BPE Global's team of seasoned regulatory and operational experts has the ability to navigate the complexities of global trade compliance, supply chain management, and logistics operations. As a recognized leader in trade compliance and logistics management, BPE Global provides solutions that are customized to your company's needs.

The BPE Global team is made up of knowledgeable, energetic and pragmatic licensed customs brokers, each with over ten years of experience. BPE Global gives back to the trade community by sharing knowledge and skills through webinars, publications, trade events, and as a recognized Trade Ambassador to U.S. Customs and Border Protection.

Enabling companies to succeed in global business is our mission. Helping you achieve efficiencies and best practices in compliance is our passion. To learn more about BPE Global, visit www.bpeglobal.com.

Appendix C: About *American Shipper* Research

Background

Since our first edition in May 1974, *American Shipper* has provided U.S.-based logistics practitioners with accurate, timely and actionable news and analysis. The company is widely recognized as the voice of the international transportation community.

In 2008 *American Shipper* launched its first formal, independent research initiative focused on the state of transportation management systems in the logistics service provider market. Since that time the company has published more than a dozen reports on subjects ranging from regulatory compliance to sustainability.

Scope

American Shipper research initiatives typically address international or global supply chain issues from a U.S.-centric point of view. The research will be most relevant to those readers managing large volumes of airfreight, containerized ocean and domestic intermodal freight. *American Shipper* readers are tasked with managing large volumes of freight moving into and out of the country so the research scope reflects those interests.

Methodology

American Shipper benchmark studies are based upon responses from a pool of approximately 40,000 readers accessible by e-mail invitation. Generally each benchmarking project is based on 200-500 qualified responses to a 25-35 question survey depending on the nature and complexity of the topic.

American Shipper reports compare readers from key market segments defined by industry vertical, company size, and other variables, in an effort to call out trends and ultimate best practices. Segments created for comparisons always consist of 30 or more responses.

Library

American Shipper's complete library of research is available on our Website: AmericanShipper.com/Research.

Annual studies include:

- Global Trade Management Report
- Global Transportation Procurement Benchmark
- Global Transportation Management Benchmark
- Global Transportation Payment Benchmark
- Import Operations & Compliance Benchmark
- Export Operations & Compliance Benchmark

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