



SAP® GLOBAL TRADE SERVICES

SOLUTION OVERVIEW

INTEGRATED GLOBAL TRADE PROCESSES



SAP® GLOBAL TRADE SERVICES: SECURE AND STREAMLINE CROSS-BORDER TRANSACTIONS

The SAP® Global Trade Services (SAP GTS) application helps companies master the manifold challenges of international trade. Built on the latest SAP technologies, and drawing on more than 30 years of industry experience, SAP GTS enables enterprises to automate and streamline complex import and export processes, to ensure full regulatory compliance, expedite customs clearance, mitigate the financial risk of global transactions, and take full advantage of international trade agreements.

Powered by SAP NetWeaver®

SAP GTS is powered by the SAP NetWeaver® platform. SAP NetWeaver unifies technology components into a single platform, allowing organizations to reduce IT complexity and obtain more business value from their IT investments. It provides the best way to integrate all systems running SAP or non-SAP software.

SAP NetWeaver also helps organizations align IT with their business. With SAP NetWeaver, organizations can compose and enhance business solutions rapidly using enterprise services. As the foundation for enterprise services architecture, SAP NetWeaver allows organizations to evolve their current IT landscapes into a strategic environment that drives business change.

“Companies making strategic investments in global systems to better manage and synchronize logistics, compliance, and trade finance as an integrated process are making great headway, often decreasing total landed costs and delayed shipments by 10%–40%.”

Beth Enslow, Vice President of Enterprise Research, Aberdeen Group,
“New Strategies for Global Trade Management,” *Aberdeen Report* (March 2005)

TRADE IS GOING GLOBAL – CAN YOUR PROCESSES KEEP PACE?

Markets are going global – in a big way. Today’s enterprises increasingly buy, sell, and outsource around the world. The opportunities are immense. But without effective IT, leveraging them is far from easy.

Cross-border transactions are becoming ever more complex, involving a large number of partners and authorities, and corresponding volumes of data and documentation. At the same time,

you need them. And to keep your international customers happy, you need to ensure outbound goods reach their destination on schedule. Meeting these demands, however, involves clearing a number of hurdles.



pressure is growing to accelerate inbound and outbound deliveries. And the need for accurate, up-to-date information has never been greater.

Add to this the challenge of reducing supply chain costs while increasing cash flow, and you have a recipe for major headaches – particularly if you’re struggling with outmoded manual processes or disparate software solutions.

Expediting Imports and Exports

To reduce costly buffer stock and implement just-in-time inventory management, you want products sourced from abroad to arrive when

Complying with Regulatory Requirements

With the spread of global terrorism, export and import processes are under closer scrutiny than ever before. If you do business with partners overseas, it’s essential to ensure you’re dealing with the right people, countries, and products. To avoid hefty fines and untold damage to your organization’s reputation, you must be able to quickly and reliably determine whether transactions are within the rules and act accordingly.

Streamlining Collaboration with Government Authorities

Governments across the globe are upgrading and standardizing their IT systems and introducing new, simplified procedures for interaction with businesses. This not only makes for tighter export and import controls; it also enables expedited customs clearance. However, to reap the benefits, you must be able to provide authorities with complete, accurate information at the right time via the appropriate electronic channels.

Mitigating the Financial Risk of International Trade

Whether exporting or importing, you need to be sure your partners meet their contractual obligations. To minimize financial risk, a significant percentage of international transactions are secured by letters of credit. But manually processing these guarantees of payment brings inherent risks. Ensuring that documents contain precisely the information required becomes a time-consuming, error-prone chore, making it difficult to meet deadlines. By automating the creation and maintenance of letters of credit, you can avoid these problems, ensuring effective risk mitigation.

Maximizing the Benefits of International Trade Agreements

Utilizing preferential trade programs, such as the North American Free Trade Agreement (NAFTA) and those of the European Union (EU), is key to gaining and maintaining a competitive edge. However, demonstrating the eligibility of products for reduced or zero tariffs is often a daunting task. Incorrect declarations can also bring heavy penalties. To make the most of

these agreements, you need to automate and streamline processes, from management of supplier documentation to accurate determination of the origin of complex, configurable products.

The Way Forward

A powerful, flexible IT solution is required to master these challenges. You need an adaptable solution that can integrate the many partners and systems involved in your global trade activities – supporting all your global trade processes – for greater accuracy

“Globalization is not an emerging trend; it’s a business reality. What’s changed is the increased level of complexity and risk associated with moving goods across borders, especially after the 9/11 terrorist attacks. Technology is the key enabler of any global trade management strategy, and companies must take a broader perspective and view their entire enterprise software platform as a global trade management solution.”

Adrian Gonzalez, Director, Logistics Executive Council, ARC Advisory Group

and efficiency. And you want a solution that provides the timely, accurate, and complete information you need to make sound business decisions. SAP Global Trade Services delivers all of this – and more.

COMPREHENSIVE SUPPORT FOR YOUR GLOBAL TRADE ACTIVITIES

To survive and thrive in today’s highly competitive global marketplace, enterprises require an adaptable, integrated solution that supports all their international trade processes. SAP Global Trade Services gives you full control of your global trade activities for greater productivity and enhanced operational efficiency.

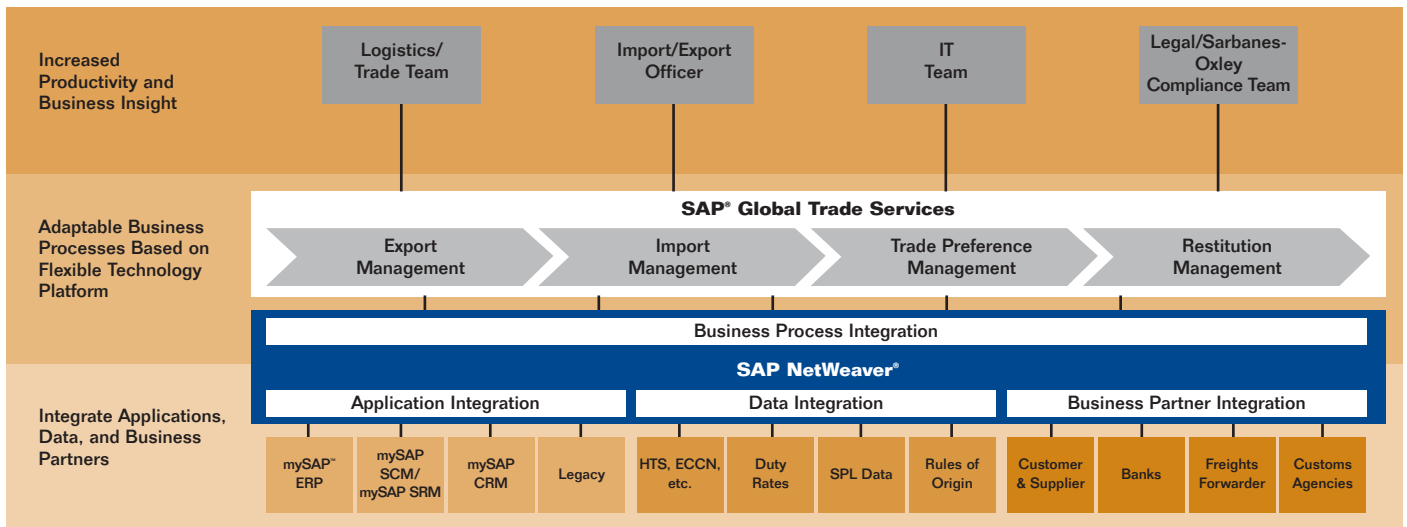


Figure 1: The SAP Global Trade Services Application – Powered by the SAP NetWeaver Platform

Built on the SAP NetWeaver platform, SAP GTS allows you to integrate applications, data, and business partner information across the entire global trade process, enabling you to leverage existing IT investments and eliminating the need for costly interfaces.

SAP GTS provides a single, central solution for all your global trade requirements – no matter where you do business. The Unicode-enabled software is designed for deployment around the world and is available in 23 languages.

With SAP GTS, you can efficiently manage exports and imports, preferential trade agreements, and specific export subsidies (also known as restitution management).

Streamlined, Compliant Import and Export Processes

Whether you are importing or exporting goods, SAP GTS lets you take charge of all associated processes. The result is expedited customs clearance for inbound and outbound shipments, lower financial risk, and less likelihood of stiff penalties for noncompliance.

Regulatory Compliance

With SAP Global Trade Services, you can be sure your imports and exports are in line with relevant regulations. The software helps you perform the following key tasks:

. . . FOR PROACTIVE REGULATORY COMPLIANCE AND FASTER CUSTOMS CLEARANCE

Sanctioned-party-list screening –

You can screen business partners and documents automatically against official sanctioned-party lists, eliminating time-consuming, error-prone manual checks. Lists from external data providers can be automatically uploaded to the software, helping ensure that your database is complete and accurate at all times. In addition, comprehensive audit trails enable you to provide the authorities with full details of all compliance checks.

Embargo checks – You can monitor inbound and outbound shipments to determine whether there are restrictions on the country or countries involved. If the software identifies a problem, it automatically blocks the relevant documents and logs the reasons – enforcing iron-clad compliance.

Export and import license management –

You can manage your all-important export and import licenses. The software enables you to allocate licenses for specific products, determine if a license is required for a particular transaction, and perform the appropriate assignment. Integrated monitoring also helps you track remaining quantities, values, and validity periods.

Customs Processes

Rapid customs clearance is essential if your incoming and outgoing shipments are to arrive on schedule. The software supports import- and export-related customs processes, saving you valuable time and helping eliminate avoidable delays at borders in the following ways:

Product classification – Assigning official material numbers to goods for import or export can be complex, laborious, and unreliable. And failing to pinpoint the optimum classification can be costly – increasing duties and taxes unnecessarily. With SAP GTS, you can bring this key task in-house, speeding up the process and eliminating expensive, third-party brokers. Classification data can be automatically uploaded from authorized providers.

Duty calculation – Utilizing data from external providers, the software takes the strain out of calculating a wide range of fees, including third-country, antidumping, and preferential duties. This ensures that you transfer the correct funds to the authorities, which helps you develop a solid reputation for compliance, while expediting customs clearance.

Electronic communications with government authorities –

You can communicate with customs authorities via various platforms, including the Automated Commercial Environment (ACE) in the United States and the Australian Integrated Cargo System (ICS). The software also supports communications within the scope of the eCustoms initiative in Europe, including the New Computerized Transit System (NCTS) and the Automated Export System (AES).

Paper-based documentation – While digital communications are rapidly gaining ground, paperwork remains a fact of life. From entry summaries to certificates of origin to packing lists, you can quickly and easily determine and create the right documentation for specific transactions. Moreover, you can print out all documents to coincide with shipment dates and other deadlines as well. With the help of Adobe technology, the software also enables you to create and modify forms as required.

Handling of customs procedures with economic impact –

You can manage the complex tasks associated with customs warehousing and inward processing. The software automates tracking of the status of goods in inventory (duty paid or duty unpaid), helping you minimize and defer payment of import duties.

“By linking with a centralized information source like FedEx Trade Networks, SAP Global Trade Services users can lower the cost and improve the timeliness of trade compliance.”

“SAP and Federal Express Link Up to Ease Global Trade Requirements,”
AMR Research (April 2004)



Payment guarantees – SAP GTS enables you to efficiently mitigate the financial risk of international transactions. For example, the application automatically identifies export orders requiring letters of credit. If none is available, the transaction is automatically blocked. The software ensures that the documents demanded by the issuing bank contain the right information, helping you avoid delayed payments. As an importer, you can open letters of credit with your bank, specifying the paperwork your suppliers have to provide.

“Implementing ISAPI GTS for us and our many different divisions was a quantum leap in both compliance and consistency.”

Paul Wilde
Group Program Manager
Microsoft

Preferential Trade Agreements

The software lets you tap into the opportunities available through trade agreements such as NAFTA and those of the EU. For example, you can efficiently manage declarations of origin from your suppliers via portal-based self-services. Complex official rules of origin can be automatically uploaded from third-party providers. And you can rapidly and

reliably determine the origin of even highly complex, configurable products and print all the required documentation. Comprehensive audit trails ensure that you can always show the authorities exactly how you arrived at particular results.

Restitution Management

Common Agricultural Policy export subsidies are vital to the competitiveness of European Union companies in price-sensitive global markets. However, the complexity of export funds procedures (also known as restitution) can be daunting. SAP GTS automates and streamlines all aspects of restitution handling. This enables greater visibility, more efficient refund processing, and less risk of forfeiting securities.

Expert Support – Worldwide

Deploying SAP GTS enables you to reap the benefits of powerful, state-of-the-art software, while enjoying the support of SAP’s worldwide partner ecosystem, comprising trusted data providers and system integrators, as well as technology partners and global trade experts. And that means you can be sure of getting the very best from your software installation – no matter where you are in the world.

. . . WHILE TRADING ON A GLOBAL BASIS



These Are Some of the Ways That the Software Benefits Your Business:

Reduced Risk of Regulatory Noncompliance

- Check proactively to ensure there are no restrictions on specific people, countries, or products involved in transactions
- Standardize compliance processes throughout your organization
- Reduce risk of costly fines and penalties
- Maintain complete and accurate audit trail
- Implement effective internal controls for cross-border transactions in line with Sarbanes-Oxley requirements

Accelerated Cross-Border Transactions

- Reduce cycle times through expedited customs clearance of inbound shipments
- Ensure faster delivery to customers by minimizing delays at national borders
- Automate and standardize processes that help you increase productivity
- Enhance process efficiency thanks to seamless integration with logistics processes

Lower Total Cost of Ownership

- Implement one, central global-trade solution instead of multiple, stand-alone applications that reduce software and hardware investments
- Deploy single, open technical platform – delivering tight integration with SAP and non-SAP software and eliminating costly interfaces

THE SAP GTS SOLUTION MAP – GAIN THE MOST FROM YOUR IT INVESTMENTS

SAP Global Trade Services delivers end-to-end support for your international trade processes and provides tools to help you understand how these processes work. One of these tools is the solution map shown on this page.

Built on input from customers and industry analysts, plus expertise gained through SAP’s years of hands-on experience and research, SAP solution maps are multilevel process blueprints.

They help you visualize, plan, and implement a coherent, integrated, and comprehensive IT solution. They also show how various processes are covered, including the processes that SAP and its partners support. Solution maps help you to rapidly understand solutions and their potential business value. The solution map for SAP Global Trade Services is available at www.sap.com/solutions/gts/businessmaps.epx.

Export Management	Export Classification	Export Compliance	Outbound Customs Services	Outbound Trade Finance Services	SAP NetWeaver®
Import Management	Import Classification	Import Compliance	Inbound Customs Services	Inbound Trade Finance Services	
Trade Preference Management	Vendor Declaration Handling		Preference Determination	Customer Declaration Handling	
Restitution Management	Securities and Licenses Handling		Restitution Recipes Handling	Restitution Calculation	

Figure 2: The SAP® Global Trade Services Application Solution Map

**SAP Global Trade Services
Helps You Perform These
Key Business Activities**

Export/Import Management

- Classify products on the basis of official schema, such as the Harmonized Tariff System (HTS), Export Control Classification Number (ECCN), and Schedule B
- Ensure regulatory compliance through sanctioned-party-list screening, embargo checks, and effective export/import license management
- Accurately calculate duties
- Efficiently create, change, and print all necessary export/import documentation (using Adobe technology) – including Shipper’s Export Declaration, Single Administrative Document, and entry summaries
- Handle customs warehousing procedures and track inventory status (duty paid/unpaid)
- Streamline electronic communications with customs authorities via a variety of official platforms
- Effectively manage letters of credit and all related documentation



Trade Preference Management

- Maintain and request vendor declarations in a variety of formats (paper- and Web-based, automatic electronic exchange)
- Determine eligibility of products for preferential treatment – including calculations of origin across multiple plants and for complex, configurable products
- Issue certificate of origin to your customers

Restitution Management

- Handle export licenses, securities, and restitution recipes
- Calculate restitution amount on the basis of official rules
- Gain quick-and-easy insight into a wide range of restitution-related activities via a user-friendly cockpit

OPERATE, ANALYZE, OPTIMIZE

SAP GTS integrates and streamlines import and export processes throughout the extended enterprise. By delivering complete, accurate, and up-to-the-minute business intelligence across all your global trade activities, the application enables you to make more

informed strategic decisions. The solution provides complete optimization by enabling you to select the best places to source materials, locate new manufacturing plants, and establish distribution centers.

PLAY BY THE RULES, IDENTIFY OPPORTUNITIES, ENHANCE COMPETITIVE EDGE

ACTIVITY	BENEFIT
EXPORT/IMPORT MANAGEMENT	<ul style="list-style-type: none">▪ Accelerate outbound deliveries through automated trade compliance for greater customer satisfaction and improved cash flow▪ Reduce buffer stock by making import processes more predictable▪ Enhance process efficiency through tight integration with other inbound and outbound processes▪ Avoid costly fines and penalties, and help ensure tighter national security▪ Minimize import duties through optimized product classification▪ Reduce or defer payment of import duties by managing customs warehouses▪ Ensure correct payment to the authorities through accurate tariff calculation▪ Meet complex documentation requirements through use of integrated, customizable forms▪ Streamline electronic communications with customs authorities▪ Mitigate financial risk of global trade through automated handling of payment guarantees▪ Make better sourcing decisions by determining the scenarios with the lowest import duties▪ Be prepared for audits by maintaining complete and accurate documentation of all export- and import-related activities
TRADE PREFERENCE MANAGEMENT	<ul style="list-style-type: none">▪ Maximize the opportunities offered by trade preference agreements▪ Save time and increase efficiency through supplier self-service, automation, and streamlined processes▪ Be prepared for audits by maintaining complete and accurate documentation of all preference-related activities
RESTITUTION MANAGEMENT	<ul style="list-style-type: none">▪ Enhance competitiveness by taking advantage of export refunds▪ Ensure compliance with all requirements for restitution, from initial application through receipt of payments▪ Be prepared for audits by maintaining complete and accurate documentation of all restitution-related activities

. . . AND PAVE THE WAY FOR SUCCESS



A SOLID FOUNDATION FOR GLOBAL GROWTH

SAP Global Trade Services is the right choice for your business. A large number of customers in a wide variety of industries – including some of the world’s best-known brands – are already reaping the benefits of this state-of-the-art solution.

Whether your company is large or small, you’ll gain a wealth of advantages, including scalable, one-stop centralized support for all global trade activities, tight integration with heterogeneous systems, and enhanced insight into all aspects of your international operations.

What’s more, through enterprise services architecture, you can deploy specialized business processes that operate seamlessly with your existing systems and software.

To find out more about how SAP Global Trade Services can help you streamline exports and imports, and get ahead in global markets, visit www.sap.com/gts.





Customer References

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- ABB, Germany
- Adaptec, U.S.
- Airbus, Germany
- Arvato services, Germany
- ASML, Netherlands
- Bayer, Germany
- Cognis, Germany
- Degussa, Germany
- Entegris, U.S.
- Ericsson, Sweden
- FAG Kugelfischer, Germany
- Heckler & Koch, Germany
- HP, U.S.
- KLA Tencor, U.S.
- Medtronic, U.S.
- Merckle, Germany
- Microsoft, U.S.
- Nvidia, U.S.
- Rohm and Haas, U.S.
- Schott, Germany
- Sigma Aldrich, Germany
- StorageTech, U.S.
- Symbol Technologies, U.S.
- Teekanne, Germany
- Valio Oy, Finland
- West Pharmaceutical Services, Germany



THE BEST-RUN BUSINESSES RUN SAP™



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