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How to become a Best-in-Class Organization with Your Importing Processes

Respondents to a recent Aberdeen study on Global Trade Compliance Priorities had an average trade compliance error rate of 25.7% on their international orders. For an importer with 1,000 entries per year, that's 257 entries with errors. In the same report, Best-in-Class organizations had fewer errors (less than 4%) and incorrect duty payments (less than 5%) – why? Because these companies have streamlined their entire import cycle in order to eliminate these common entry errors and verify the import data at every step in the import process.

- 1. Close the loop in your import processes.** The import process begins with the creation of the purchase order (PO) and ends with post-entry validation. A Best-in-Class Organization is constantly managing each phase of this process – does the information on the PO match the classification database, does the commercial invoice match the PO and the classification database, does the broker have the correct classification information to verify the entry before filing, and finally, is the entry put through a complete post entry validation? By checking import data at every step in the process (PO to post-entry) Best-in-Class organizations have fewer errors on entries, and therefore, have a more streamlined and compliant import cycle.
- 2. Check more than just product classifications.** At the invoice level, companies should verify more than product classification data. A Best-in-Class company certifies that the quantity and value of the invoice matches the transaction value on the entry, the PO, the information stored in a global classification system, and what was paid to the trading partner.
- 3. Verify free trade agreement eligibility within organization and with brokers.** To fully close the loop in the import process requires more than just correctly flagging products in a classification database for free trade agreement eligibility. The products must also be flagged on the entry by the broker, in order for the importer to realize duty savings for all qualified products. By auditing all entries for inaccuracies as part of a post entry audit program, the importer is minimizing the possibility of lost duty savings.

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