In light of continued global economic and political uncertainty, companies involved in international trade must now contend with an unprecedented amount of risk as the ‘new normal’. From the cost of air freight to the complexity of international returns plus the need for full disclosure of import tariffs at checkout – all whilst contending with ever increasing customer expectations and Brexit uncertainties – being able to achieve end-to-end supply chain visibility is key.

Within this context, the smallest delay passing through customs at UK ports can have a significant business impact. As such, the value of not just tracking goods through every stage of the process, from customs to port health, but also sharing that information with traders in real-time to improve the overall customer experience has arguably never been greater.

**CUSTOMER EXPECTATIONS**
The demands on international supply chains continue to become ever more complex. Not only is there an urgent need for logistics and supply chain professionals to have a more comprehensive understanding of current and potential international trade developments due to the likely impact on global sourcing, infrastructure and operations, the pressure on retailers from the end consumer isn’t letting up either.

Many demand same-day or next-day delivery; 62% of respondents to the recent IPC survey confirmed they had received free shipping for their most recent cross-border ecommerce purchase; while 93% of shoppers won’t make an online purchase without visibility of the full cost of estimated import duties plus delivery. The already thin margins of the logistics sector are being stretched to their limits, and global logistics processes must become more efficient.

Combining this with the task of succinct order management between the manufacturer, 3PL and retailer, transportation between store and distribution centre, the rise of multi-channel and the increasing need to manage returns – potentially also cross-border – back through the supply chain; more than ever before, retailers need to get it right or face lost sales.

**SMART PORTS**
Using smart technology, many organisations are now achieving visibility over many key aspects of a product journey, including the last delivery mile through smart routing and telematics systems, but there are still aspects of the import/export model that remain opaque - and passing through customs at UK ports is a key area of concern.

While the overall customs process is reasonably slick these days, delays can still occur - from HMRC document checks to ascertain the accuracy of goods value or incorrect commodity codes, to intervention by Trading Standards or Port Health. A lack of visibility of where goods may be in that...
process may have a significant knock on effect on collection, distribution and end customer delivery.

Whether it is a two hour delay checking documentation or a week long physical examination, there will be an impact on the end customer experience. How can an importer update customers on the actual delivery date of goods without up to date information regarding the arrival on shore and the stage of the customs clearance process? How can a retailer confidently embark upon a promotional campaign with a three month lead time without the ability to track those goods every step of the way, from manufacture to the shop floor? The risk and cost associated with any glitch in the port clearance process can have vast ramifications.

To support businesses and supply chain managers, it now crucial that ports similarly look to achieve higher degrees of efficiency and automation, and adapt to layer smart technology across all the systems that can provide important information to internationally trading retailers. After all, the issue is not necessarily the delay itself, but rather the lack of information regarding the potential duration of the delay. Giving traders and customers alike the complete, real-time visibility of goods passing through customs, offers clear value and competitive differentiation. Freight forwarders, for example, know whether or not goods have arrived on shore, where they are in the clearance process and when they will be released, enabling smarter, more informed decisions that can streamline operations.

This complete end-to-end visibility of the supply chain is powerful. Of course, delays will still occur – but armed with that insight, a company has the confidence and ability to respond proactively, to contact customers and provide realistic updates regarding delivery. With visibility of every single stage of the supply chain, organisations can improve the customer experience and achieve far greater financial control to maximise operational efficiency and profitability.

CONCLUSION

The real time sharing of customs status information and references between all parties involved from retailers to customs, is now crucial to facilitate efficient operational activity through ports. By utilising tracking and visibility technology across global supply chains with automated customs declaration services that marry up with port requirements, businesses can maintain precious timescales and remove barriers to international trade to provide consumers with the best service possible.

As the transition from CHIEF to CDS continues and draws closer to completion, with the additional information and compliance demands it places on traders, this automation is all the more valuable, providing port authorities with the tools and operability they need to play their part in steering flexible and functional global trade.

Global trade uncertainty is no reason for domestic businesses to shy away from international expansion. Nor is it a reason for ecommerce retailers operating internationally to consider battening down the hatches. Smart ports allow retailers to embrace a more dynamic and optimised approach, so they can not only deliver the experience customers demand, but also make the essential efficiency gains required to expand into new territories both profitably and competitively - from transparency of checkout, to speed and efficiency of delivery and an effective returns process that doesn’t adversely impact the bottom line.

ABOUT THE AUTHOR

Andrew has over twenty years’ senior marketing management experience with high technology solutions (hardware, software and services) in complex business-to-business markets that includes logistics and transport with organisations such as Intel, Securicor, Unipart Technology Logistics and Orange.

ABOUT THE ORGANIZATION

Descartes Systems Group is a global leader in providing on-demand, Software as a Service solutions for logistics-intensive businesses that drive operational efficiency and regulatory compliance in the supply chain. Solutions in the UK include Transport Management, Routing and Scheduling, Mobile Applications, eCommerce Warehouse Management, e-Customs, Denied Party Screening and CustomsInfo.

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