



ARE YOU PREPARED?

Aligning Your International Shipping Strategy for Your Global E-Commerce Business | **By Bob Fischer**

You've launched your e-commerce site and the orders are starting to roll in — from all over the world. How prepared is your company to ship products overseas?

Getting your shipping operations export-ready makes good business sense. According to the U.S. Chamber of Commerce, 95% of the world's consumers live outside the United States.

However, if you want to build a sustainable international customer base, preparation is critical. As many businesses are discovering, launching an e-commerce site can result in a sudden explosion of overseas orders. It doesn't take many additional orders to cause a bottleneck in shipping and potentially unhappy customers. Following are some practical tips to consider in ramping up your export shipping operations.

Evaluate Your Systems' International Readiness

If your goal is to attract international customers, it's important to audit your existing systems to determine if they are capable of capturing and managing international data. This may sound like a given, but many US-based companies are still managing their operations on older business systems designed to handle largely US-based orders.

Assessing your systems' export readiness will require input from every department that deals with the processing of a sales order — sales, finance, operations, logistics and customer service.

- ▶ Do your financial and order entry systems accommodate multiple curren-



cies and international address formats?

- ▶ Are you able to store additional product information such as Harmonized Tariff Schedule numbers?
- ▶ Does your shipping system allow you to load all your international carrier rates and services?
- ▶ Can your systems produce the necessary export documents required for each country you plan to ship to?

These are just a few of the questions that need to be addressed.

In addition to your internal team, you'll want to also invite your systems vendors to participate in this process. They will be able to provide the additional details regarding your system's current capabilities to handle international data requirements. Ideally, they should have experience in dealing with international orders and shipments, and provide you with technical resources who have actually worked on implementations that include international elements.

Create an Export Order Workflow

Another best practice is to map out your most common export order scenarios and walk them all the way through the order placement, picking, packing and shipping process, including all the necessary documents that will be needed for that order.

We've seen companies make the greatest gains when they document their order scenarios in this way. It enables them to identify information or processing gaps,

resolve them and then create an integrated order-to-shipping solution in which country-specific and customer-specific business rules are embedded into their systems. This means sitting down with the team and determining all of the order handling, shipping decisions and document requirements that could be automated. This approach not only accelerates order throughput by eliminating many manual processes typically found in export shipping operations, but it also guarantees that orders are handled correctly, efficiently and consistently.

Time and labor savings can be tremendous. A medical products company, for example, was able to reduce international shipment processing time by 80% by automating their workflow in this manner.

Meanwhile, an electronics manufacturer created a specific order workflow for each of their top customers and countries — a total of 30 different shipping scenarios in which they had to comply with country-specific and customer-specific requirements. With these workflows serving as a blueprint, each scenario's business rules were embedded into the order and shipping systems. Now, carrier selection, rating, routing and document generation are all handled by their systems. Their international shipments are processed on the same line as their domestic shipment — and in a matter of seconds.

A Multi-Carrier Shipping System for Greater Cost Control

If you're using multiple carriers, you'll gain the greatest financial benefit by implementing a carrier-agnostic, multi-carrier system that will allow you to automatically compare international carriers' shipping rates, services and times in transit. The most robust systems will also enable you to generate all carrier-compliant documents as well as additional export documents,

eliminating the need for staff to move between multiple systems and manual processes to complete an order.

Other savings can be gained implementing a solution that includes options such as:

- ▶ Freight consolidation — Some solutions also offer the capability to auto-detect shipment consolidation opportunities by customer and by country.
- ▶ Easy addition of carriers — The most robust multi-carrier solutions will have a full library of carriers that can be easily added to your system. You may find international carriers who meet your service requirements for a much lower rate.
- ▶ AESDirect Filing — You can dramatically reduce the time your staff spends on AESDirect filing if your shipping system can be configured to automatically initiate the process.

Bottom line: You can't afford not to develop an international shipping solution

Once your e-commerce presence is established, order volume can grow rapidly with little warning. Equally important: today's e-commerce customers are growing more sophisticated all the time. As Frank Cebello, Executive Director of the U.S. Postal Service's Global Management Group noted, "As the e-commerce market has gotten exponentially more sophisticated, customers are demanding faster service, more visibility and tracking, and more delivery options for less cost." How well you are able to respond to new international customers will have a direct impact on the sustained growth of your international business.

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