

Collaborating with Vendors to Ensure Compliant Product Descriptions

One of the world's largest specialty retailers, with over \$14 billion in annual revenues, has a global supply chain with vendors and manufacturers residing across the Europe and Asia continents. Having used Tradeflow for many years to serve as a central repository and distributor of product information to their broker, in recent years the company faced difficulty in collaborating with the many vendors spread across the world.

OPPORTUNITY

The company's issue centered on having consistent product descriptions for vendor commercial invoices, which did not always match up with the legal tariff description. When the retailer issued orders for new items, the vendor would produce the items, along with commercial documents and begin the shipment movement. The shipment and associated documents eventually arrived to their broker, Expeditors, who took the commercial invoice and the items with their descriptions to prepare customs entries. However, typically the descriptions provided by the vendor did not match what the retailer had defined as the proper description of those items, which were maintained in Tradeflow. Expeditors was using a feed from Tradeflow to pull up the HTS codes and the descriptions were checked to verify that the right classifications were used.

When the descriptions on the documents were not consistent with the HTS classification, it caused the broker to initiate communication back to the retailer, which was very extensive and wasted a lot of time between the two parties. The retailer also felt there was a big risk if Customs was to audit the commercial documents and notice discrepancies between the HTS classification used and the description listed for those items.

OUR SOLUTION

To resolve this issue, the retailer looked to Tradeflow for ideas of how to better collaborate with its vendors. Given that Tradeflow is a web-based platform, it was agreed that having vendors pull their item descriptions from Tradeflow, rather than create their own, would be a much more consistent process. The retailer's compliance team managed the process to link vendors, and the Tradeflow account management team ensured each vendor had access. Additionally, viewing rights were put into place so that each vendor could only see items to which it supplied products. To accomplish this, the vendor was linked to the product to gain visibility to the item.

RESULTS

By making a process change with Tradeflow, this company made substantial improvement to having consistent product descriptions on invoices. The retailer collaborated with Tradeflow to eventually setup over 800 different users spread across a few hundred vendors to have access to the Product Management Centre in Tradeflow. By making their product descriptions more consistent, the process' efficiency and speed was greatly improved.