

Viewpoint: High-tech World Brings Growing Compliance Changes To Air Cargo Industry

We live today in a high-tech world gone global. Sit down with any seasoned industry veteran and he or she will tell you that the last decade has seen the most dramatic changes in memory as it relates to how the air cargo industry conducts global business and complies with post-9/11 regulations. This fact, combined with the recent financial crisis and gradually improving, but unpredictable economic outlook, prompted one of my colleagues to say recently: "That's it; I'm too old for this; I'm retiring."

However, if you're not too old to adapt to a more technological world, the changing global compliance mandates can permit valid opportunities.





The Broader the Global Footprint of the Organization, the Greater the Multiplier of Compliance Related Matters

It is no small task to meet compliance mandates correctly, and the manual process is simply too overwhelming to do so.

Gene Gander
Vice President, Business Development

Proliferating high-tech compliance issues help separate the true transportation professionals from the marginal.

Just as the Commercial Driving License (CDL) Hours of Service Rule combined with tougher equipment requirements, made it more difficult for less savory transport companies to offer rock bottom pricing and service; the same will be true for the new air cargo compliance mandates. Also, new compliance mandates offer possible new revenue streams if the methods implemented are semi- or fully automated and integrated into a company's existing business processes with the proper execution of a robust software enterprise system.

Earlier this year, the Import Security Filing (ISF) Secure Freight Initiative, also known as 10+2, was implemented by the U.S. Customs and Border Protection (CBP) agency to aggregate and streamline customs filings for importers and customs brokers through the automation of supply chain filings. Overseas forwarders were required to enter data sooner and in more detail. Aggregating this data in a timely manner was a burden, but it was an opportunity for a chargeable service.

All of these recent mandates are further evidence that new technologically-oriented compliance trends are developing rapidly in our global economy with vastly extended supply chains and security concerns. As an industry and association we must ensure that the compliance mandates make logical business sense and that lawmakers are educated. Companies must execute the procedures as professionally and cost effectively as possible.

Additionally, the more compliance solutions a company offers, the more a customer's business is integrated with the

forwarder, which makes them more likely to meet full compliance standards. Denied Party Screening is an example of not meeting compliance standards. The fines and burden levied fall on the exporters; but very few of these companies have a good understanding of the intricate compliance processes. Forwarders, on the other hand, have built proven processes into their export job processing to screen against various denied party listings and develop logic to find likely matches without "false positives". As an automated process, the compliance process is seamless for operations users; and the value is immense as forwarders market and charge for this service.

Globalization makes it virtually impossible for one company to remain current with changing governmental regulations without a software partner to assist them with an automated platform. Implementing an automated compliance process can help ensure a flawless operation for the users while creating added value at nominal cost. The costs and associated risks of trying to manually meet compliance standards are much too high and this method ties up and taxes operational staff. And, quite frankly, when you calculate the amount of human error that can be involved by trying to meet compliance standards manually, the risk of error increases exponentially.

The best solution for logistics service providers to ensure proper compliance with changing, high-tech requirements is to work closely with a software partner to ensure that required mandated procedures are automated into a single system to meet the numerous daily compliance data demands. This enables them to continually improve product offerings securely under mandated global regulations.

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