



# C.H. ROBINSON



## Manufacturing Solutions

### CASE STUDY

How one company developed and executed a U.S. import/export compliance program



#### CHALLENGE

With continually changing trade regulations, Acme needed to ensure that people throughout the organization understood their import and export responsibilities.

#### SOLUTION

Acme has a long relationship with C.H. Robinson's global forwarding and domestic transportation teams. The company collaborated with C.H. Robinson's trade policy team to develop a comprehensive strategy for imports and exports.

#### RESULT

C.H. Robinson trained Acme employees, conducted mock audits, developed process manuals, and helped develop and roll out a comprehensive import and export compliance program. Acme's new compliance manager champions and manages the program and continually implements improvements.

*"If you think compliance is expensive, you should try noncompliance."*

*—Former U.S. Deputy Attorney General Paul McNulty*

Acme Industries<sup>1</sup> has a long history of conducting business with the utmost integrity. That made it all the more sobering to company officials the day they sat down with C.H. Robinson's trade policy team to review the results of a compliance audit. The audit showed that serious import and export violations had occurred that were poised to cause serious harm to the business if they weren't corrected.

That day, the company and the trade policy team put their heads together to develop an integrated and comprehensive compliance program that would set things right again. Working together, Acme would strengthen its compliance practices for imports and exports and reduce the risk of fines and penalties.

Acme's situation is not unusual. Many companies don't realize that without solid import and export programs and dedicated staff to enforce the required processes, they could be putting their business at significant risk.

<sup>1</sup>A pseudonym; actual company and customer names have been changed to protect confidentiality.

**“[C.H. Robinson watches] trends in our industry and our markets, and they offer proactive ideas to challenge us and help us improve. They want us to succeed.”**

DONNA SMITH  
VICE PRESIDENT OF LOGISTICS  
ACME INDUSTRIES

## **CHOOSING TRUSTED ADVISOR® EXPERTS**

As a large U.S. importer/exporter of common consumer goods that are not controlled for export, Acme manages a robust, complex supply chain that distributes products to more than 150 countries. Their products move from China, Mexico, Australia, Vietnam, or Singapore to the United States, and from the United States to Central and South America, Eurasia, Africa, the Pacific region, and the Middle East.

Long before the audit occurred, Acme already entrusted C.H. Robinson with global forwarding services worldwide and full truckload, LTL and intermodal services in the United States. The company’s receiving, purchasing, and transportation departments used C.H. Robinson’s technology to preset delivery appointments online, obtain detailed reports on transportation costs, and monitor on time pickup and delivery against benchmarks. The two companies worked closely together and shared the same goal: developing an efficient, compliant global supply chain.

Over the years, Acme’s vice president of logistics, Donna Smith, appreciated the stability of the C.H. Robinson team. “Their value to us goes well beyond having such a deep understanding of our business,” Smith said. “They watch trends in our industry and our markets, and they offer proactive ideas to challenge us and help us improve. They want us to succeed. They have our best interests in mind.”

The two companies had discussed some compliance opportunities over the years. But it wasn’t until Smith attended one of C.H. Robinson’s trade compliance and policy seminars that she heard something she hadn’t previously: when it comes to imports and exports, companies often don’t appreciate the true extent of their responsibilities. Many times, companies think they are safe when they work with a reputable freight forwarder and customs broker on imports and exports. In fact, if either the forwarder or broker makes errors, the ultimate responsibility—and the resulting fines—fall squarely on the company.

Smith returned to Acme and reviewed some of the things she had learned at the seminar. She decided it was time to bring in one of C.H. Robinson’s Trusted Advisor® experts to talk to senior executives in the company to explain their responsibilities. As part of this, the expert did a mini-audit and presented those findings to senior leaders, along with recommendations for what the company could do to turn the situation around.

**“They stress tested our compliance systems and capabilities... Even beyond imports and exports, we uncovered issues and discovered opportunities to save money in the the overall supply chain.”**

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## **TRAINING AND CREATING A COMPLIANCE STRATEGY**

It takes close attention to correctly declare imports and exports and avoid penalties. People in many roles within an organization must follow detailed, centralized procedures and processes for imports, and perhaps pay even greater attention to detail when exporting goods from the United States. Key individuals who understand import and export requirements must direct and coordinate these activities so the company can meet its obligations. And, since import and export regulations continually change, it’s an ongoing challenge to keep everyone’s knowledge of responsibilities current.

Acme hosted members of the C.H. Robinson’s trade policy team onsite at the organization’s office. The team conducted multiple one-day training seminars at several facilities. More than 250 employees from multiple offices and various departments across the company attended. Sessions covered general import and export regulations, Incoterms®, how to declare the proper valuation of goods imported into the United States, and which Federal agencies control U.S. exports. The training also explained deemed exports, Harmonized Tariff classifications, antidumping laws, anti-boycott laws, free trade agreements, and other complex concepts.

“The trade policy team included real life stories and examples from their past roles and various industries, including ones similar to ours. Their anecdotes made the subject interesting and kept everyone engaged,” says Smith. “Our people became excited about compliance and more aware of how they, too, play an important role in the greater import and export compliance program. Compliance is an issue that goes beyond transportation and supply chain. It belongs to all of us.”

Next, C.H. Robinson conducted a comprehensive audit of Acme’s import and export operations, policies, procedures, and overall compliance program. The team interviewed Acme employees from all areas of the business, examined current processes, evaluated critical documents, and reviewed historical import and export records.

“They stress tested our compliance systems and capabilities. It was a hard exercise for everyone, but so well worth it. Even beyond imports and exports, we uncovered issues and discovered opportunities to save money in the overall supply chain.”

At the same time, however, the audit revealed a number of serious violations of federal regulations, including:

- Shipping to destinations without the proper authorization from the U.S. government
- Incorrectly valuing their goods for U.S. import, as well as export
- Not claiming “assists” on imported merchandise
- Not screening business partners to verify they were not on the denied parties lists
- Improperly classifying products in the Harmonized Tariff Schedule
- Lack of internal and external controls for import/export activities
- Lack of reasonable care or due diligence in their import/export activities
- Lack of awareness that a previous broker had used their tax ID number to clear goods for another company

If these errors remained uncorrected, Acme risked millions of dollars in fines and penalties, potential loss of export privileges, and even possible jail time for individuals at the company.

Acme worked with C.H. Robinson’s trade policy team to correct these issues. Smith acknowledges there was a lot of work involved. However, members of the trade policy team had formerly worked in import/export positions for private and publicly held companies. In addition, they were extremely familiar with Acme’s order management and IT systems.

“C.H. Robinson’s team sat down with us, helping us leverage our existing systems to support the compliance activities. That saved us time and most importantly, money,” Smith said. Fortunately, the issues uncovered by the audit were caught, stopped, and corrected before any major damage was done.

### **READY FOR WHAT THE FUTURE MAY BRING**

Today, Acme officials and C.H. Robinson’s trade policy team continue to discuss ways to strengthen the compliance program and identify potential opportunities for cost savings. In addition, Acme has hired an import/

export compliance manager for the company, who will implement the trade policy team's recommendations and lead compliance activities across the organization.

Smith says, "We're pleased with how quickly C.H. Robinson helped us correct mistakes and implement the compliance recommendations. The team even sat in the room when we conducted interviews for the compliance manager's position, knowing we are still developing our knowledge of compliance. We took the team's opinions and recommendations into consideration when it came time to make a selection. They really were part of our team."

Acme has also revisited their evaluation procedures. The company renewed its focus on internal communications about trade policy and compliance—especially with departments outside of logistics. It's important that the entire company is supportive, not just the logistics department. C.H. Robinson's trade policy team provides ongoing support as questions arise.

As the Acme team worked through this project, they discovered how integrated C.H. Robinson's solutions can be. Smith says, "Our C.H. Robinson account representatives never hold us to a standard menu of service options when we hit a snag. They are skilled at working alongside us on challenges and supplying the ideas that not only answer our questions, but are built specifically to fit our business, our goals, and our corporate vision. We appreciate the way they go the extra mile and we truly feel like they are a part of Acme."

Now, people throughout Acme are more aware of and committed to compliance than ever. They've gained a new level of confidence in their own compliance processes and have set their sights on learning about and improving other areas of the supply chain. As always, C.H. Robinson is there to help them.

To learn more about C.H. Robinson, watch [our video](#), visit [our website](#), call 800-323-7587, or email [solutions@chrobinson.com](mailto:solutions@chrobinson.com).



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