



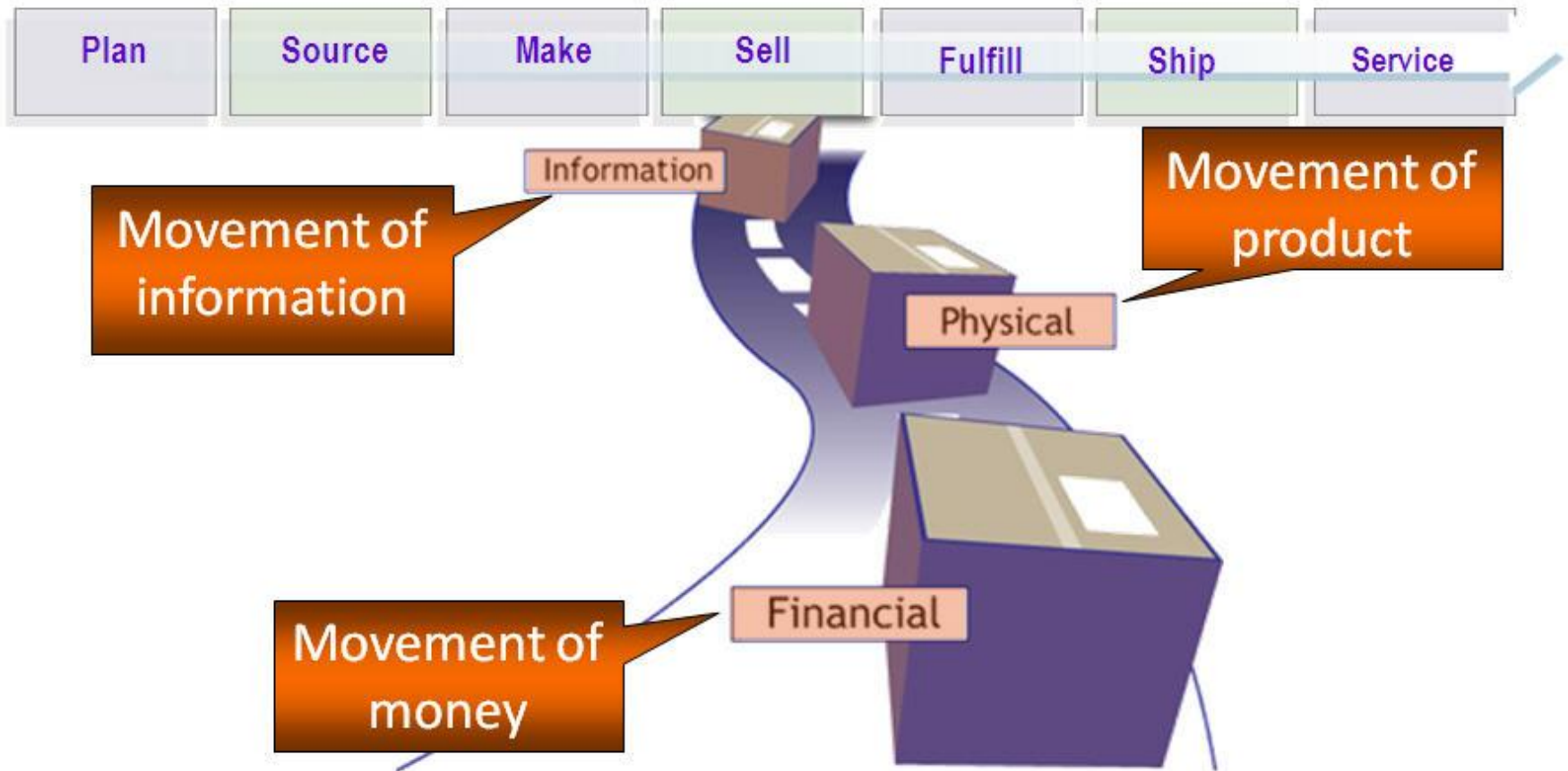
Logistics Considerations for Export Business Planning

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Title: International Marketing Advisor



The Movement of Information, Money, Goods



The Basic Supply Chain

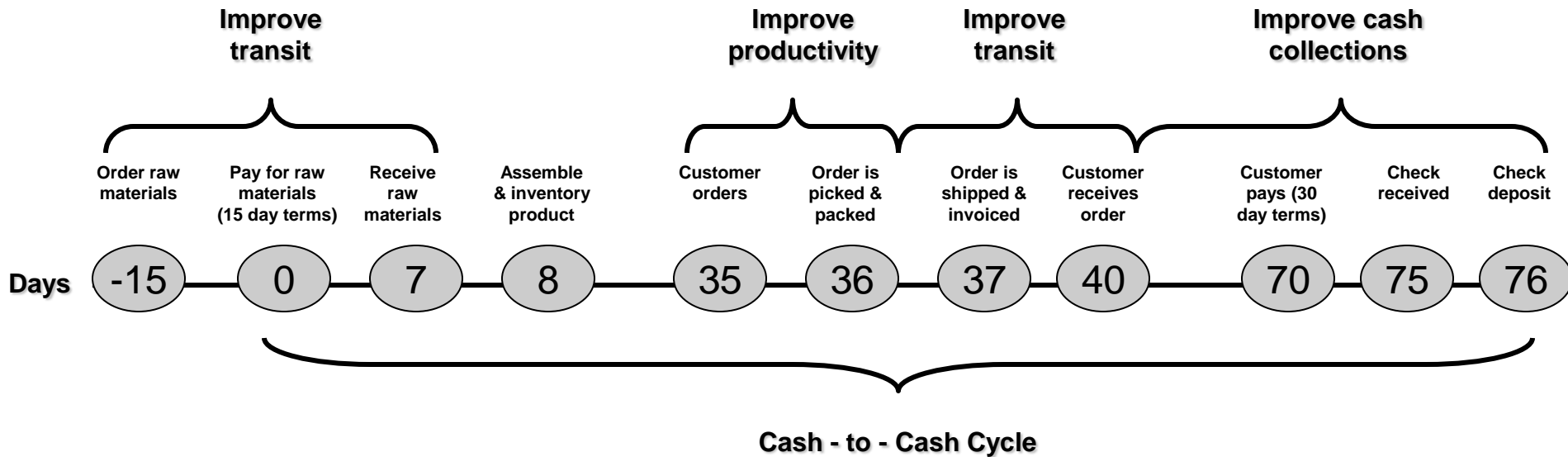


Getting Started

Logistics choices incorporated into the international expansion plans affect landed costs and profit margins.

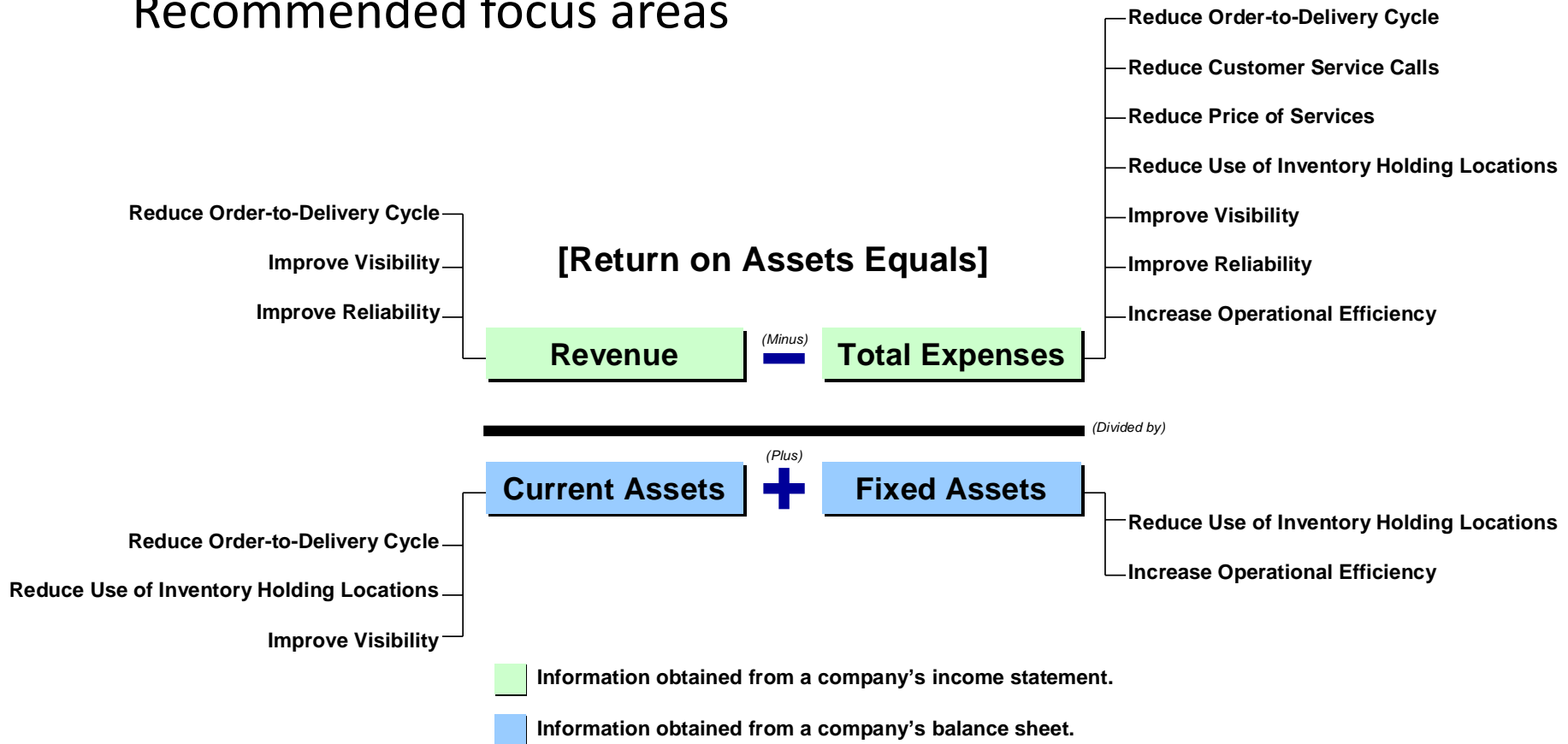
- **Define the logistics program that fits your business need**
 - Movement to owned entity or joint venture with in-country fulfillment
 - Movement to distributors using your fulfillment program
 - Movement to distributors as final sale (no visibility to in-country fulfillment)
 - Movement to end users
- **Define the INCOTERMS to be used – multiple programs may be needed based upon your buyer**
- **Determine if the skill level of your resources will support in-house tasks**
 - What training will be required to support in-house tasks
 - Which tasks can brokers perform for you? Ensure you have visibility/reports included in your agreement.

Supply Chain Areas of Focus for Money



Areas to Improve the Value Received by Vendors

Recommended focus areas



Impacting the Business Plan

The 'Make' and 'Operate' sections of a basic plan will be impacted by logistics and transportation choices.

Revenue Impact & Cost of Good Sold

Inbound transportation for materials/parts
Making the product
Manufacturing labor
Utilities

SGA – Sales, General, Admin.

Packaging costs
Transportation to warehouse
Transportation costs for outbound shipping
Duty/Tax
Broker costs/Documentation
Customer service calls
Tracking shipments
Tracking payments

Make

revenue	
– cost of goods sold	
<hr/>	
gross profit	
	gross profit margin

Operate

SG&A expenses	
– depreciation & amortization	
<hr/>	
operating income	
	operating margin

Non Operate

interest expense	
– taxes	
<hr/>	
extraordinary gain or loss	
<hr/>	
net income	
	net margin

Own

current assets	
cash	
accounts receivable	
inventories	
<hr/>	
+ fixed assets	
PP&E	
<hr/>	
+ other assets	
<hr/>	
total assets	

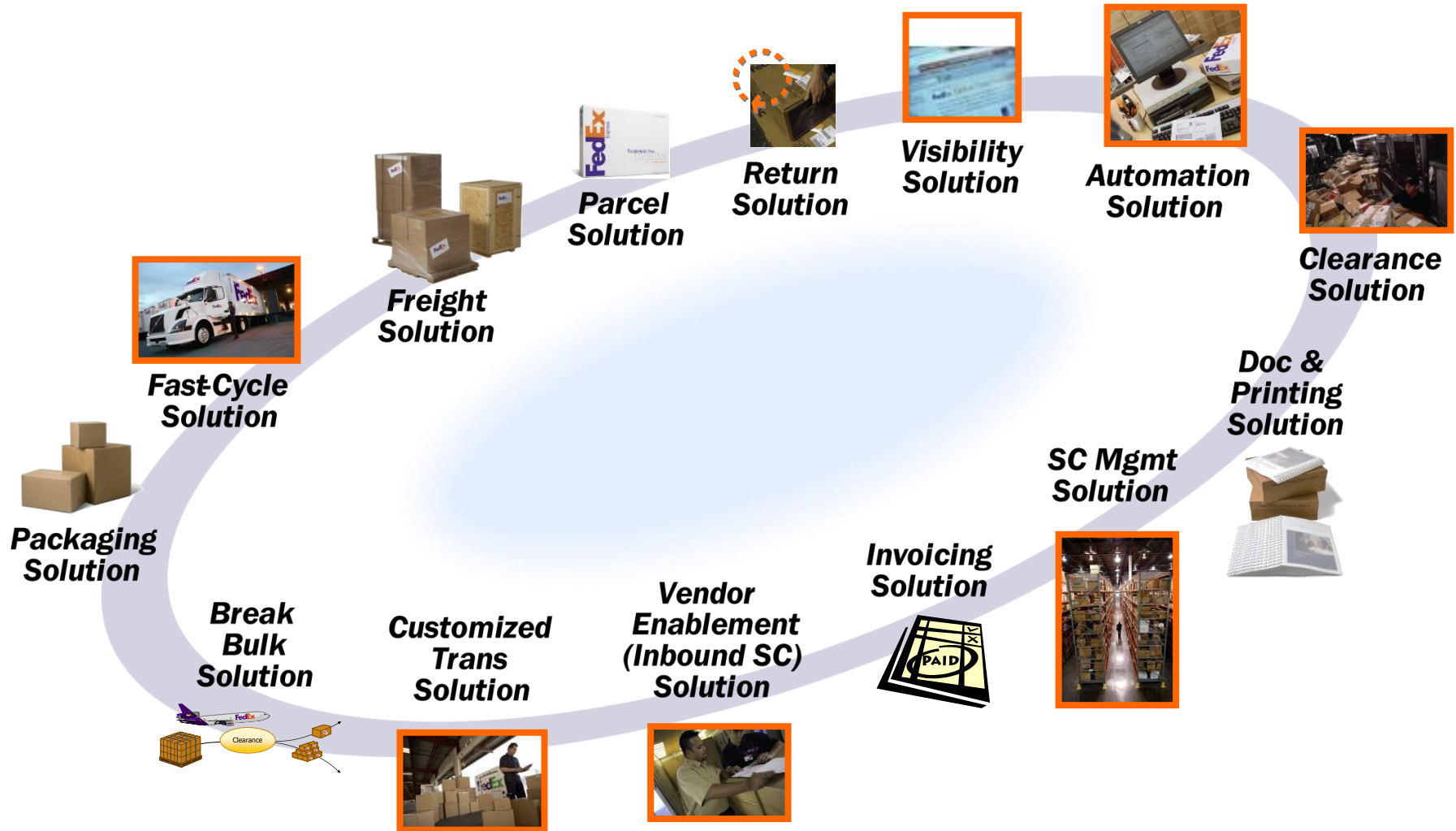
Owe

current liabilities	
accounts payable	
notes payable	
taxes	
<hr/>	
+ long-term liabilities	
<hr/>	
total liabilities	

Equity

<hr/>	
+ owner's equity	
<hr/>	
total liabilities & equity	

Solutions Available



International Documentation

There are specific details required on the international shipment documentation

■ International requires additional details

- Importer of record if different than consignee. 'Ship To' and 'Sold To' person
- Full commodity description with value of the goods
- Harmonized Tariff Code
- Package Marks
- Certifications
- Payer for Duty/Tax's when assessed
- Destination Control Statement – When applicable

■ Most commonly used/required documentation types

- International Air Waybill/Bill of Lading
- Commercial Invoice
- Shippers Export Declaration
- Export License
- Certificate of Origin/NAFTA Certificate of Origin
- Shipper's Letter of Instructions
- Packing Slip
- Insurance Certificate

Common Question - *Why does the shipment information need to be repeated on a commercial invoice if it's already included on the Air Waybill?*

Note: Required shipment details not included on the documentation is the #1 reason for shipment delays experienced during the customs clearance process.

Online Tools and Resources Assist Exporters

- Online document samples with instructions
- Find the appropriate tariff code that fits your commodity
- Check the governments denied parties list
- Determine which documents are required for your shipment
- Estimate your duties and taxes
- Process your international shipment label
- Online data warehouse to store your consignee info and previously used shipment documents
- Electronically send required documents – eliminate paper
- Schedule periodic shipment alerts for pro-active shipment status and alerts for you and your consignee

The above noted functionalities represent today's basic tools to assist exporters with ease of processing, efficiencies, landed cost estimates

Locate the Required Documentation

FedEx International Tools

- SED/Electronic Export Information
- FedEx Trade Networks
- FDA Regulation changes
- International Resource Center
- Product Profiles

FedEx Global Trade Manager

? Help

Select the tool you need or check more than one to combine several tools then press "Go".

[All Tools](#)

- ☒ **Find International Documents**
Get help finding the necessary documents for your international shipment.
- ☐ **Estimate Duties and Taxes**
Estimate the duties and taxes that will be levied against your international shipment.
- ☐ **Country Profiles**
Get a snapshot of country information including demographics, business information and statistics.

- ☐ **Shipping Advisories**
Get important regulatory information specific to your shipment.
- ☐ **Denied Party Screening**
Identify individuals, companies, and other parties that have been denied international business transactions.

Go

FedEx Document Preparation Center

Work the way you want with our new full featured [document preparation center](#). You can save the documents you use most so you have them available anytime. You can even take a break then pick up where you left off.

Prepare Documents	My Document Profiles	Pending Documents	Document Archive	Upload Documents
Select a Document for Online Completion				
Check the box next to each form you would like to complete online or upload your own trade document(s) :				
<input type="checkbox"/> Commercial Invoice for FedEx Express	<input type="checkbox"/> Commercial Invoice for FedEx Ground			
<input type="checkbox"/> Pro Forma Invoice	<input type="checkbox"/> Packing List			
<input type="checkbox"/> Certificate of Origin	<input type="checkbox"/> NAFTA Certificate of Origin (Canada-bound shipments only)			

Print and Store Documents

Today's tools allow for document storage to assist with locating them quickly for the next shipment

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FedEx

Package/Envelope Freight Expedited Office/Print Services

Ship ▶ Track ▶ Manage ▶ Business Solutions ▶

International Tools: FedEx Global Trade Manager
FedEx Document Preparation Center

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Profile Name

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Value Exercise #1

Understand Your Needs	Identify Solution	Quantify Value for Your Company (Dollars and Cents)
<p>1. Improve Operational Efficiency The inventory and shipping personnel are looking for ways to add more time to their day. Managers are trying to balance productivity and labor costs</p>	<p>1. FedEx Electronic Trade Documents will reduce the time spent to process international shipments, reduce the number of shipments that get delayed in customs as well as the internal costs to rectify them, and reduce overtime costs that occur with last minute international orders .</p>	<p>1. Annualized labor cost savings For 3 int'l shipments/day with 3 minutes saved per int'l shipment: \$861 / year Eliminate 3 hours of overtime costs / month: \$840 / year Eliminate 8 hrs / year of time spent resolving customs delays: \$186 / year Total Labor savings: \$1,887 / yr</p>
<p>2. Improve Reliability The company has experienced explosive 200% growth this past year. They need to get as many orders as possible processed on a daily basis and maintain their leadership position in their industry</p>	<p>2. FedEx Electronic Trade Documents will free up time to generate more orders on a daily basis and help them expand their global sales.</p>	<p>2. Three additional orders can be processed daily. Average sale value is \$324. Estimated profit margin is 5% Total net gain in sales: \$11,955 / yr</p>
<p>3. Reduce Price of Services Every department is being asked to exercise cost controls and meetings are held monthly where cost saving ideas are exchanged and charted</p>	<p>3. FedEx Electronic Trade Documents will reduce paper and printing costs</p>	<p>3. The company will eliminate over 2,600 printed copies of commercial documentation and the need for over 4 printer cartridges per year Total cost reduction: \$129 / yr</p>

Value Exercise #2

Understand Your Need	Identify Solution	Quantify Value for Your Company
<p>1. Improve Operational Efficiency The inventory and shipping personnel are looking for help in reducing the time spent processing international shipments.</p> <p>2. Reduce Price of Services The company is trying to cut unnecessary expenses in every department. As their business is growing they are spending more on casual labor. They want to control this as much as possible. Also, every department is being asked to monitor their supply costs and cut spending.</p>	<p>1. FedEx Electronic Trade Documents will reduce the time spent to process international shipments. In a trial the customer acknowledged that ETD saved them 20 seconds of processing time per international shipment.</p> <p>2) FedEx Electronic Trade Documents will help you manage your labor pool planning as well as eliminate hidden costs related to the shipping process</p>	<p>1. Annualized labor cost savings 4,000 ETD shipments / year = 22 processing hours saved @ \$24.96 labor cost / hr = \$549 saved / year Total Operational Efficiency impact: \$549 / year</p> <p>2. Annualized casual labor costs reduction and supply savings <ul style="list-style-type: none"> • 1.5 casual labor expense hours / day are eliminated = 375 hours / year @ \$15 / hr = \$5,625 saved / year • 48,000 sheets of paper saved per year = 96 reams of copy paper @ \$4 / ream = \$384 / year saved • 80 printing cartridges saved / year at \$30 / cartridge = \$2,400 / year saved. Total reduction of labor and supply costs: \$2,784 / year </p> <p>Total ETD impact: \$8,958 / year</p>

International Export Expansion is Manageable

- Additional information can be found online at fedex.com/international
- Recommended Resource:
 - A Basic Guide to Exporting – 10th Edition
 - Available online at www.amazon.com – Approx \$14.00
 - Dictionary of International Trade
 - Available online at http://www.worldtradeexpress.com/Dictionary_of_International_Trade.html
Approx \$65.00
 - Department of Commerce website
 - www.Export.gov – Free

Thank You For Learning.

The Global Marketplace Is Open For Business

1-800-247-4747 FedEx International Customer Service