

GLOBAL TRADE INTELLIGENCE

PAUL RASMUSSEN, *Zepol Corporation*



The explosive growth of globalization during the past decade has drastically increased the importance of global trade intelligence. Whether a company is a savvy veteran of international trade or a new comer, they all have the common desire to better understand their environments.

The sheer speed at which global trade moves today adds an additional level of complexity when compiling and analyzing trade intelligence. CI professionals need to be prepared to move just as quickly as global trade itself to help satisfy their customers needs in this highly competitive and fast moving environment.

THE ROLE OF TRADE INTELLIGENCE

Increasingly, companies are infusing trade data into their intelligence gathering cycle. Understanding the market and competitive landscapes are critical when it comes to making sound business decisions, crafting strategic and tactical plans, and obtaining operational efficiencies.

But what is trade intelligence? Trade intelligence provides information on the movement of physical goods (raw materials and finished products) from one country to another, including exports or imports. This information can come in the form of high-level statistical data (outlining total trade volumes between countries or for a given commodity code) or very detailed shipment reports (outlining actual companies and products). Trade intelligence provides companies with empirically backed data that in turn answers questions pertaining to competitive analysis, global suppliers,

global distribution, and business development.

TRADE INTELLIGENCE QUESTIONS

Regardless of an organization's role within the international trade arena (manufacturer, distributor, retailer, law firm, transportation company, etc.), they have questions that need to be answered:

- Who is providing my US competitors with their products or raw materials?
- What does a particular company in China produce and what relationships do they have in place to get their product to market?
- Are our products being counterfeited?
- What country produces the most honey and who are the largest US distributors?
- How do the current and future agricultural value-added companies keep an eye on the impending explosion in Brazil's Mato Grosso region?
- Which shipping company transports the most refrigerated cargo?

The answers to these types of questions may come in aggregate form (statistical data) or be incredibly detailed (actual shipment records). They are the questions that companies want and need answered. Trade intelligence ensures that organizations are aware of their surroundings, including their competitors, producers, distributors, and partners.

USING TRADE DATA

International trade data provides much of the fundamental information global organizations need to effectively and efficiently complete their intelligence cycles. One of the first steps in starting, expanding, or realigning international operations (export or import) is to clearly:

- understand what ones competitors are doing
- identify new or growing market opportunities
- identify new or potentially lower cost suppliers

For example, a company looking to build a relationship with a new supplier might find significant value in knowing what other companies the supplier currently does business with. Do they also supply their competitor? Are the supplier's exports increasing or decreasing? Why are their exports increasing or decreasing (product quality, pricing, etc.)?

Without accurate and timely trade data, companies may face an uneven playing field and potentially make decisions without complete information. After the implementation and execution of strategic and tactical decisions, the intelligence cycle and the need for trade intelligence continues. Companies should compare results to original objectives, industry averages, or specific competitors. This information can then be used in modifying existing objectives or creating new ones.

As more companies become full time players in the international trade arena, more scrutiny is placed on trade intelligence and global CI. Beyond the initial tactical and strategic

planning processes, CI professionals are being asked to provide timely updates and continued customization. This customization might include historical views and recent trends versus a single snap shot in time.

GATHERING AND USING THE DATA

Customer requests for global trade data can run the gamut from basic to highly detailed. A distributor in the US, new to international trade, may simply want to find out what companies are producing the goods they look to distribute. But a global organization will want to know who is purchasing a very specific product from a very specific list of suppliers.

The answers to these questions are found in many of the traditional information sources – the internet, directories, reports, and research (primary and secondary) – but there is no silver bullet. Secondary data pertaining to international trade abounds, as government and private sources can provide a wealth of data.

Like many CI initiatives, finding relevant data pertaining to your specific customer needs is a real challenge in providing trade intelligence. If your customer wants detailed information, do not expect a warm response if you simply provide high-level statistics. The gold is in the details and the details may very well require local knowledge or partners.

FAST AND FASTER

Providing timely data to customers is a huge challenge, since in the customer's eyes it carries significant value. Additionally, the pace of global trade is forcing public and private trade data providers to change their delivery methods to include online services and near real-time data. In an effort to support tomorrow's global leaders, CI professionals should also be looking to change the way they create and deliver competitive intelligence to global organizations.

If a report is based on last year's or last quarter's data, and it takes several months to create, that report is almost instantaneously outdated when it is published. Data must be timely and the delivery of a project should be equally quick. If not, there is a high probability that it will lessen the value of the CI analysis. At the end of the day, recent detail and trending helps companies validate their business decisions.

The internet provides a reliable and timely medium for gathering and delivering international trade information. Trade data providers can now provide information from last quarter, last month, and even last week! Whether this information is at an aggregate or detailed level, global organizations of all sizes need the intelligence and technology is placing it at their fingertips.

ACT NOW, ACT FAST

Given the torrid advances in international trade over the past decade, one could be led to believe that the biggest changes are behind us. Not so. While technology has advanced considerably over the same period of time, the biggest changes are yet to come.

A significant amount of global trade is still done via paper. The long-

held promise of a paperless world is going to accelerate over the next several years and as that happens project timelines will get shorter and analysis expectations will get higher. If you think the last 10 years moved quickly wait until you see the next 10. The opportunities, and challenges, are just beginning!

Today's international business novice may be tomorrow's shining star. Talk to your existing customer base and begin to determine the role trade intelligence can play toward their success. Find your data sources and create your alliances for interpreting the local data. Where technology and solid analysis come together, all parties win and the view into the intricacies of global trade becomes a little clearer.

Paul Rasmussen is CEO and president at Zepol Corporation, a leading provider of real-time global trade data. Global organizations use Zepol's products to compile competitive and market intelligence, identify and evaluate global suppliers, and improve business development activities. Paul can be contacted at paul.rasmussen@zepol.com.



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