

PRESS RELEASE

Companies move forward in digitizing their customs processes: AEB releases new study

- This year's Global Trade Management research study by AEB and DHBW focuses on customs
- The overwhelming majority of businesses consider themselves well equipped for digitization
- But: A lack of expertise, financial resources, and support from management delays relevant projects
- Also revealed: There is great digitization potential in working with customs service providers



November 8, 2018 – A majority of companies are planning to digitize their customs processes or have already taken the first steps to implement this. That is conclusion of the new study “Clear the track for Digital Customs Management” published by software company AEB in cooperation with the DHBW University in Stuttgart, Germany. Based on a survey that took place during this summer, more than 35 percent of the 435 respondents report that their company had already implemented at least one project to digitize customs

operations. Nearly the same number already have such a project in the planning or implementation phase. The complete study is available online at www.aeb.com/gtm-study.

Trade conflicts increase the need for efficient standard processes

One third of respondents report that the digitization of customs has high priority in their company. This is an impressive figure considering that customs departments are usually rather small and have to compete for scarce resources against other areas such as procurement, sales, or production.

“We assume that the public debate about the growing number of trade conflicts boosts the interest of management in digitizing customs processes. Companies need efficient standard processes to free up time for the experts in their customs departments to solve problems and work on strategically important tasks”, says Dr. Dirk Hartel, Professor for Logistics and Supply Chain Management at the DHBW University and co-author of the study.

Digitization effects in customs processes

Survey respondents see the centralization of customs management as the key effect of digitization (61 percent), followed by centralized archiving (49 percent), and improved IT communication with customs authorities (43 percent). Respondents attribute particular urgency to digitization projects in the areas of “Export customs management”, “Export controls”, and “Origin and preferences”.

Digitization to lessen the impact of shortage of skilled labor

A majority of respondents expect lower personnel expenses in customs management to be a result of digitization. Some 73 percent of survey respondents expect personnel costs to decline by more than 10 percent. But only 7 percent of companies actually plan to cut personnel in their customs departments in the coming three years. The reason for this low figure is the shortage of qualified personnel.

“The aim is more to handle the workload with the existing personnel rather than actually downsize. A company’s performance is only scalable with a digital strategy. If customs processes are not digitized, the customs department will become a critical bottleneck,” explains Dr. Ulrich Lison, member of the Executive Board at AEB and the study’s other co-author.

Optimism prevails, but companies lament many obstacles

Digitization projects in customs management frequently encounter obstacles. Some 36 percent of respondents deplore their company’s lack of expertise in digitization, 35 percent a lack of support from management, and 33 percent a lack of resources. Despite all this, optimism prevails: Some 7 percent of respondents consider their companies very well prepared for the future challenges of digitization, with another 62 percent feeling fairly well prepared.

Progress in digitization as calculated in the study is much less positive. Only some 10 percent of companies fall into the category of digitization experts. Another 33 percent ranked as advanced. Nearly 36 percent have at least gained initial experience (“beginners”), but 21 percent are mere observers until now.

Still too few IT interfaces for data exchange with customs service providers

“Companies should get started quickly and easily to gain experience. They should initially focus on simple, small projects that deliver a quick return – such as automating export management or creating a dashboard of global trade data,” advises Dr. Ulrich Lison.

One of these projects could be better IT integration of customs service providers. Nearly 27 percent of companies rely on customs service providers primarily or completely for their customs operations. Some 63 percent of these companies communicate with their customs providers mostly by email or phone, and only 26 percent have an IT interface for structured data exchange.

“Integrated communications between IT systems is a basic prerequisite. Otherwise, outsourcing only creates more work as a result of redundant actions and potential communication errors that ultimately result in higher total costs of ownership,” Dr. Dirk Hartel warns.

About the study

The study [“Clear the track for Digital Customs Management”](#) draws upon a survey of 435 experts working in the fields of logistics, global trade, and IT across various industries. The respondents are employed by companies of various sizes and one in twenty is a member of the executive management or board, while over half of respondents hold a mid-level management position as head of a business unit or department. The international survey is carried out annually by software company AEB and DHBW since 2015.

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About AEB (www.aeb.com)

Software for global trade and logistics

AEB software supports the global trade and logistics processes of businesses in the industrial, commercial, and service sectors. More than 5,000 customers from over 35 countries use AEB solutions for shipping, transport and warehouse management, customs clearance, import and export management, sanctions list screening, and export controls. AEB's portfolio extends from ready-to-go software products from the cloud to a tailored but highly adaptive logistics platform.

With the automation of customs declarations, embargo checks, shipping and billing processes and the IT integration of partners in the supply chain, AEB brings greater transparency, efficiency, cost reductions, and legal protection to supply chain management as a whole. AEB solutions also make companies more flexible and increase their capabilities to react.

AEB has more than 450 employees worldwide. The software company has its head office and on-site data centers in Germany and international offices in the United Kingdom, Singapore, Switzerland, Sweden, the Netherlands, the Czech Republic, France, and the United States.

About DHBW Stuttgart (www.dhbw-stuttgart.de)

Baden-Württemberg Cooperative State University (DHBW), with some 8,300 bachelor students, is among the largest institutions of higher education in the Stuttgart and Upper Neckar regions in Germany. The Schools of Business, Engineering, and Social Work collaborate with some 2,000 carefully selected companies and social institutions to offer more than 40 nationally and internationally recognized bachelor work-study programs. According to the cooperative concept of the university, research at DHBW Stuttgart is application-oriented. The three departments therefore have their own training and research centers and focus on various research topics.