

Success story

arvato SCM Solutions – Consumer Products

— Save time and space: delivering fashion and managing returns with AEB software



Software, consultancy and services for global trade and supply chain management

AEB ■■■■



— Optimized processes with AEB software

AEB's customs management solution helps e-commerce and retail logistics full service provider arvato SCM solutions accelerate the management of its returns and properly clear Swiss fashion articles through customs.

Consumers who buy goods online from C&A, Tommy Hilfiger, Triumph, Esprit, Tom Tailor, or MARC O'POLO place their goods and data in the hands of arvato SCM Solution, a successful provider of e-commerce and retail logistics solutions for 15 years. arvato SCM Solutions not only manages the online shop, it also organizes the shipments – from the initial order to the final delivery. When the transaction includes a non-EU country, arvato SCM Solutions' in-house customs department gets involved. arvato SCM Solutions freed up both time and space by turning to AEB's ASSIST4 as a hosted data center solution. Clearing returns through customs used to take up to one week. Today, returned goods can be restocked on the very same day. The space used for temporary storage of uncleared returns is now available for other purposes.

Mission: automation

“For the provider of our previous customs solution, automating returns from non-EU countries such as Switzerland was simply not on the horizon,” remarks Lars Peter, Director Carrier & Transport Management at Consumer Products – arvato SCM Solutions. “We need a solution to handle imports/exports and NCTS (New Computerized Transit System), each with a simplified procedure. We'd also like an automated solution for clearing returns through customs.” Dirk Reinhardt, who heads AEB's Soest office, responded immediately with a visit to arvato SCM Solutions' customs department, then located in Garbsen outside Hanover. Today the department is situated at the new location close to Hanover Fair. An initial workshop yielded a detailed plan to manage fashion imports and exports with Switzerland.

The software was gradually introduced after the 2011 Christmas season. The AEB Customs Management software went live at arvato SCM Solutions on May 31, 2012.

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Proper customs processes save time

Using the ASSIST4 software suite quickly produced time savings when it comes to customs clearance with Switzerland. “With exports, we now save on average an hour of processing each day. But the biggest advantage comes from returned goods, especially imports from Switzerland. Here we measure our time savings not in hours but in days,” says an employee of the customs department. arvato SCM Solutions used to hire several temporary workers and student interns to help manage seasonal returns. “During peak loads, it required a lot of extra effort to comply with the turnaround times we negotiated with our clients,” confesses Lars Peter, “but that is now a thing of the past.” Now the data is transmitted from the ERP system through an interface to ASSIST4, where it is converted and automatically consolidated into inbound consignments. But it’s not as simple as that, since some transactions can greatly exceed the 99 line items that the customs office permits in the electronic ATLAS procedure. Such transactions must be split before they can be correctly submitted to the customs office through the ATLAS IT procedure. The same is true of the customs documents. The commodity code from the shipping transaction is critical to decrementing properly. Now, only when the same commodity code appears more than once is a manual check required. The virtual ASSISTant alerts you when this occurs, however.

Year-round service from AEB takes the stress out of Christmas

“The days right after Christmas are traditionally the most hectic as people exercise their right to return or

exchange gifts. Someone who buys seven brand-name t-shirts online and returns three of them will not normally give much thought to how much work this creates for online retailers,” remarks project head Dirk Reinhard from Soest. But the arvato SCM Solutions' customs department can now face even the holiday crunch in good cheer. Full automation was already in place for the 2012 Christmas season. Employees appreciate the year-round support from the ASSIST4 software’s virtual ASSISTant, whose tips help ensure that customs declarations are complete and accurate. “The ASSISTant is a huge help in our day-to-day work,” acknowledges the employee from the customs department. He praises the year-round support by the project and support team: “When you spend years fighting for automatic data import and then see it come alive before your very eyes, it’s impressive.” He also appreciates the quick service: “I can read on my own. That’s what the manual is for. But when I have a question that the manual doesn’t cover, I can call AEB. Or submit a ticket online.” That’s a good option for someone who runs e-commerce services.

Opting for AEB data center hosting

Top data security and failsafe mechanisms are an absolute must for arvato SCM Solutions. The idea of an on-site customs management solution was rejected, since this would have required in-house installation and service personnel. arvato SCM Solutions did not want outside personnel on the premises – not even from AEB Support. When you look at the total cost of ownership of such an

on-site solution, a hosting solution often makes more sense. Billing is strictly volume-based by the number of transactions. All the employees need is a workstation with Internet access. All data is stored in AEB’s ISO 27001–certified data center, which also handles data interchange with the customs office. With the highest level of failsafe protections.

Fast clearance saves time

ASSIST4 Customs Management has dramatically reduced the time and cost associated with customs management. Today, the core team of five employees alone makes quick work of clearing all returns through customs. “The time I save using ASSIST4 can be used to work more closely supporting my team,” concludes Lars Peter with satisfaction. There’s also more time for ambitious projects.

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At a glance

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| Customer | <ul style="list-style-type: none"> ■ Name: arvato SCM Solutions – Consumer Products ■ Industry: Fashion, beauty, and FMCG ■ Employees: 14,000 worldwide ■ Services: Full service e-commerce & retail logistics |
| Background | <ul style="list-style-type: none"> ■ Looking for import/export solution ■ Solution needed for NCTS (New Computerized Transit System) ■ Clearing of returns through customs largely manual ■ No automated process for clearing imports from Switzerland ■ Returns took up to a week to clear customs |
| Solution | <ul style="list-style-type: none"> ■ ASSIST4 Customs Management introduced ■ ASSIST4 hosted in AEB data center |
| Result | <ul style="list-style-type: none"> ■ Significant time savings ■ No further need of temporary storage space ■ Clearing of returns through customs automated ■ High level of service |