

Automating Classification Practices with Descartes CustomsInfo™

MEGGITT

Meggitt PLC, a leading international company specialising in high performance components and sub-systems for the aerospace, defence and selected energy markets, implemented Descartes CustomsInfo™, integrated with SAP Global Trade Services (GTS), to power its global trade compliance program. The user-friendly, automated solution helps accelerate cross-border supply chain processes while reducing risk, curtailing costs, and streamlining expansion into new markets.

“Descartes CustomsInfo has all the up-to-date trade and tariff content we need in one place—from HTS, ECCN and USML classification data to rules of origin and trade regulations—and it integrates seamlessly with our SAP GTS for a completely automated solution. I consider Descartes a key partner for us as we look to build out our compliance programs and expand trade to new countries.”

Jonathan Priganc

Director, Business Systems - Commercial & Corporate Affairs
Meggitt PLC

Company Profile

Meggitt PLC
World leader in aerospace, defence, and energy

Descartes Solution

Descartes CustomsInfo™

About the Client

Known for its specialized extreme environment engineering, Meggitt PLC is a world leader in aerospace, defence, and energy. Headquartered in the United Kingdom, Meggitt operates in North America, Europe, and Asia and employs more than 9,000 people at over 40 manufacturing facilities and regional offices worldwide.

Quick Overview

Challenge

Export Complexity Complicates Compliance

Solution

Enhanced Supply Chain Efficiency with Comprehensive Trade Content

Results

- Heightened Compliance
- Greater Efficiency
- Simple Integration with SAP GTS
- Compliance-related Cost Savings

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Challenge: Export Complexity Complicates Compliance

As a leading international supplier of high-performance components and subsystems for the aerospace and defence industries, Meggitt faces a unique set of export compliance challenges. Manual compliance processes are inadequate for managing complex international trade regulations and the sheer volume of import and export classification, duty, and tax content required to ensure Meggitt's global supply chain runs efficiently without compliance disruptions. The company sought an automated compliance and global trade content solution, integrated with SAP GTS, that would ensure accuracy, increase classification efficiency, and support growth into new and ever-evolving markets.

Solution: Enhanced Supply Chain Efficiency with Comprehensive Trade Content

Grappling with complex regulatory requirements impacting its trade dealings within the international aerospace, defense, and energy industries, Meggitt deployed Descartes CustomsInfo to simplify and automate compliance decisions. By powering SAP GTS with up-to-date global trade content, Descartes CustomsInfo enables Meggitt to achieve higher trade compliance rates, reduce risk, accurately calculate landed cost, and better demonstrate reasonable care.

"We spend a lot of time dealing with various import and export regulations across the U.S., Europe, United Kingdom, Australia, and Southeast Asia. To streamline our compliance practices, we use the Descartes solution's automated data feeds to pull down HTS (Harmonized Tariff Schedule), ECCN (Export Control Classification Numbers), and USML (United States Munitions List) classification updates into SAP GTS," explained Jonathan Priganc, Director of Business Systems for Commercial and Corporate Affairs at Meggitt. "When we're classifying our products for export, we're able to easily select from the list, knowing the information is accurate and valid. And, when classifications change, such as when the ECR (Export Control Reform) initiative kicked in, we don't waste time reviewing the regulations, combing our ERP systems to determine what has changed, and manually updating all of the classifications."

While government regulations and policies relating to classification, valuation, and free trade agreements change frequently, as do HS codes, duties, and tax rates, Meggitt is prepared. "Even in unique trade situations like Brexit where all new rules apply, accurate data files are automatically uploaded from the Descartes solution into SAP GTS so we don't miss a beat," noted Priganc.

Priganc added, "We also use Descartes CustomsInfo Reference to help with the classification process—including explanatory notes, previous rulings, and other regulatory research—which saves us an extraordinary amount of time and resources, while simultaneously cutting down on the risk of compliance errors, shipment delays, and possible penalties."

With an up-to-date database of more than 6 million regulatory sources covering 160+ countries, the Descartes solution provides advanced global tariff code lookup and regulatory research, accessible from a single-screen interface. Meggitt can make better classification decisions more efficiently, optimize duty spend, and support classification determinations for audit purposes.

Results:



Heightened Compliance

Authoritative and detailed global trade content from a single source enables Meggitt to reduce the risk of errors, ensure an audit trail for proof of due diligence, and establish a "standard of reasonable care."



Greater Efficiency

With centralized access to Descartes' best-in-class trade research, Meggitt avoids the time-consuming, labor-intensive process of manually pulling classification and regulatory data from multiple disparate sources.



Simple Integration with SAP GTS

The automated Descartes CustomsInfo solution fits seamlessly into Meggitt's trade management environment, easily plugging into SAP GTS to power Meggitt's classification practices and enhance the value of its SAP system.



Compliance-related Cost Savings

With access to up-to-date global trade content, such as tariff codes, duties and taxes, and free trade agreements, Meggitt can mitigate the risk of penalties and fines while minimizing its duty, tariff, and tax spend.