



ARE WE COMPLIANT?

IMPROVED TRANSPARENCY, VISIBILITY AND COMPLIANCE FOR IMPERIAL TOBACCO GROUP BY USING MIC AS A EUROPEAN-WIDE CUSTOMS PLATFORM

Imperial Tobacco Group (ITG) is a worldwide leading tobacco company with a unique portfolio of brands and products across all tobacco categories. Traditionally ITG's business focus was on UK, only. With the acquisition of Reemtsma in 2002 and Altadis in 2008 ITG became a global player.

As a consequence of these mergers, the IT system landscape became very heterogeneous and incoherent. Changes in European and global customs regulations, as well as the fact that each national customs authority has its own IT system in place, led to a lot of different processes and new customs requirements. Olaf Huderitz, Head of Supply Chain Services, says,

"At this stage we virtually had no visibility and transparency of our European customs processes and we had to ask ourselves if we were still compliant."

WE NEED AN EU CUSTOMS PLATFORM WITH STANDARDIZED PROCESSES AND A STANDARDIZED CUSTOMS SOLUTION!

Due to the fact that tobacco products are affected by high customs duties and are therefore under special surveillance of the customs authorities, ITG started to look for possibilities to resolve the lack of transparency and visibility in their customs supply chain in order to increase compliance and reduce risks.

"Our IT department wanted to implement the functionalities and processes for EU customs filing themselves - but only over my dead body. We need an EU customs platform with standardized customs processes and a standardized customs solution provided by customs software experts!"

The starting signal for a careful customs software provider evaluation process has been given!

COSTS, BUSINESS & IT REQUIREMENTS COMBINED WITH SUPPLIER PROFILE – THE KEY DECISION FACTORS.

Olaf Huderitz explains,

"For decisions like this, we have predefined procedures that we have to go through. Four aspects should be evaluated: Costs, coverage of business and IT requirements as well as the supplier profiles."

The decision-making process was time consuming but essential to make the right choice. Five customs software providers were invited to present their capabilities and to arrange reference visits to some of their customers.

"During our reference visits we quickly realized that MIC covered by far more requirements than its competitors: its electronic communication with all requested national customs authority systems included all required customs procedures, a single global maintenance and support center as well as the availability of a SaaS (Software as a Service) model. MIC is a customs software provider with substance, that means a provider that possesses Customs & IT expertise as well as experience with international customs projects in global companies,"

states Olaf Huderitz.

Olaf Huderitz continues,

"In May 2011 we awarded MIC with the implementation of an EU customs platform for our European businesses, covering Germany, Spain, Great Britain, France, Poland and The Netherlands including the customs procedures import, bonded warehouse, inward processing relief, export and NCTS. With the provided SaaS model, MIC takes care of everything, e.g. the maintenance of the hosting environment, consideration of legal changes and provision of customer-specific support."

PROJECT MANAGEMENT PRACTICE – EXPERTS AT WORK!

Right after the decision had been made in favor of MIC, the project was launched, starting with the conception phase. During this phase, the requirements for each country were specified and a time schedule was set up. This phase and country wise approach is tightly linked to ITG's SAP and QAD rollout. Both systems interface with MIC's customs filing solution, MIC CUST®, which provides highly automated customs clearance processes.

"All the expectations we had during the decision making process have been met. MIC provides focused project management; they are in time and budget, accurate and very flexible to give us on-site support whenever needed, e.g. during the busy go-live phases. Our goal is to have all six countries implemented and live until the end of 2013,"

mentions Olaf Huderitz.

AND WHAT ABOUT THE FUTURE, THE TIME AFTER 2013?

Based on the success of the ongoing EU Customs Filing project, ITG is considering launching further projects after finalizing the first one at the end of 2013. The aim is to roll out EMCS EU-wide and to add non-EU countries like USA or Russia to the customs filing platform. Olaf Huderitz concludes,

"The customs platform provided by MIC offers the opportunity to standardize our customs processes and to stay compliant globally. This is very important to us!"

BENEFITS OF MIC'S CUSTOMS PLATFORM ACCORDING TO OLAF HUDERITZ:

- "We have increased visibility and transparency of our customs operations, which leads to increased compliance and reduced risks."
- "We meet legal requirements with reduced effort due to the maintenance model provided by MIC, which guarantees that MIC accurately implements legal changes in time, as required by the various national customs administrations."
- "Direct electronic communication with all relevant customs authority systems is provided."
- "We can reduce costs by getting rid of external customs agents. This solution is more cost-efficient than outsourcing our customs operations."
- "We have standardized interfaces and processes implemented, which can be reused or simply adjusted for rollouts into other countries, even outside the EU."

IMPERIAL TOBACCO GROUP (ITG)

ITG is a leading international tobacco company with a unique portfolio of brands and products across all tobacco categories, currently ranked number 4 among the biggest tobacco companies.

Its brands and products are available in over 160 countries worldwide, with the EU as one of its key markets. ITG's European logistics business comprises more than 40 million deliveries per year to around 300,000 points of sale.

ITG's tobacco logistics business is run on an operationally neutral basis, delivering products to sales outlets and tobacco manufacturers, including Imperial Tobacco, but also providing specialized logistics services for customers in a number of non-tobacco sectors.

www.imperial-tobacco.com

MIC CUSTOMS SOLUTIONS

MIC is a worldwide leading provider of global customs solutions and is dedicated to the development, implementation and support of global customs software solutions. MIC specializes in integrated solutions while leveraging regional and national legal requirements. MIC software helps large and small companies grow, comply and compete globally. Currently, MIC customs software is used by more than 700 customers, in 45+ countries, on five continents.

MIC provides its customers with a high-quality, user-friendly suite of software products, which undergo continuous enhancements and developments. Therefore, customers can rely on MIC's capability to efficiently enable customs processes and to meet compliance requirements, which consequently provides a payback for their investment in the MIC system.

www.mic-cust.com

