

Business Intelligence Application Helps Improve Global Competitiveness

By Matt Gersper

Implementing a strategic roadmap for global competitiveness can inject trillions of dollars into the U.S. economy this decade. That would mean billions of dollars for our states and millions of dollars for the businesses in our communities across the nation. This can only be possible if government and business leaders work collaboratively, work together strategically, and use data and technology effectively to guide our way to prosperity.



The Prospect Targeting Analysis™ (PTA) application is a web-based system that helps government and business leaders attract businesses, create jobs and increase the global competitiveness of a region. The PTA provides a better way to quickly gather information, quantify potential savings and economic opportunity available within a geographic region, target opportunities for specialization and scale, and identify U.S. and foreign companies that would be top prospects to implement a strategic plan within the region—increasing its ability to compete globally.

Global Trade “Stimulus”

According to a study of 233 enterprises by the AberdeenGroup¹, “A \$1 billion company that imports a third of its goods can *free between \$10 million and \$40 million in cash* by better controlling its basic global trade processes.” A separate study by Purdue

University² estimates each day saved in supply chain shipping time is worth between 0.5 and 0.8 percent of the cost of goods. In this example, just a one day improvement would be worth an additional \$1.6 to 2.6 million.

Applying the Aberdeen metrics to the \$1.9 trillion in U.S. imports³ would create an annual cash infusion into U.S. businesses of between \$67 billion and \$247 billion if every U.S. business improved its global trade processes and supply chain speed. Imagine the impact this would have on U.S. jobs and in strengthening our economy.

Do you realize the total funds for the American Recovery and Reinvestment Act of 2009⁴ awarded from February 17, 2009 through December 31, 2009 was only \$183 billion? And only \$54 billion have actually been received. I call on government and business executives to work together strategically, to provide collaboration and leadership in their region, and create their own “stimulus” plan.

Specialization & Scale

The PTA is used to effectively sift through mountains of data to identify trends, fact patterns and comparative advantages that may become strategic assets for global competitiveness.

The PTA helps organize data to create a roadmap for global competitiveness that highlights regional assets such as cultural specialization, transportation and logistics infrastructure, foreign trade zones or other global trade advantages, industry, educational or language expertise, regional tax laws or any other advantage that reduces costs and facilitates global trade. The PTA helps community and business leaders create a strategic plan to compete their way out of this recession, one business and one community at a time.



¹ AberdeenGroup, The CFO’s Agenda for Global Trade Benchmark Report, *How Companies Control Global Sourcing and Selling to Improve Cash Flow and Profitability*, September 2005

² Purdue University, *Time as a Trade Barrier*, July, 2001

³ http://useconomy.about.com/od/tradepolicy/p/Trade_Deficit.htm

⁴ <http://www.recovery.gov/Pages/home.aspx>

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Two Data Sources

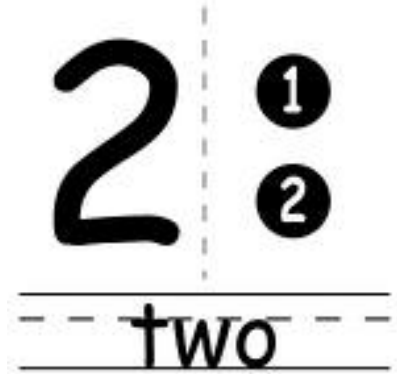
The PTA consists of two very different sets of data brought together for the first time to help community and business leaders save time and money in their economic and business development targeting efforts.

The first data source includes all U.S. imports including ocean, air, rail and truck.

This data is a good source for measuring the scope of global trade in a state or region, the **“what”** and **“how much”** of your importing activities.

“What” and “How much”

- What products are being imported into your state or region?
- How much import activity (in U.S. dollars) is being imported into your state or region?
- How much duty and taxes are being paid to import these products?
- What foreign countries are exporting to your state or region?



The second data source contains only U.S. ocean imports. This data is a good source for identifying the **“who”** and the **“where”** of your global trade activities:

- Who are the companies in your state or region buying these foreign products?
- Where in your state or region are these companies located?
- Who are the foreign companies exporting to your state or region?
- Where are these foreign companies located?

Instant Summary

You may select the size of geographic area that best suits your analytical requirements: the entire United States, an entire state or group of states, or smaller regions within a state such as Zip Code, Area code, County, etc. For this paper, I am going to analyze the state of Arizona.

Just look at the data that is instantly available to define the scope of global trade activity in the state of Arizona:

What & How Much		Who & Where			
IMPORT ANALYSIS	AREA SUMMARY	ALL IMPORTERS	ALL EXPORTERS	ZIP CODE BREAKDOWN	
Import Analysis					State: Arizona
Total Duty into State: Arizona: \$23,301,805					
Country Sources	Entries	Value	Avg. Value	Duty	Avg. Duty
CHINA	1828	\$492,056,356	\$269,177	\$9,924,813	\$5,429
MEXICO	2000	\$11,692,637,045	\$5,846,319	\$5,979,407	\$2,990
JAPAN	512	\$118,951,298	\$232,327	\$1,021,569	\$1,995
INDIA	374	\$24,231,642	\$64,790	\$1,012,493	\$2,707
FEDERAL REPUBLIC OF GERMANY	950	\$136,176,320	\$143,343	\$748,296	\$788
UNITED KINGDOM	569	\$264,348,022	\$464,584	\$710,248	\$1,248
TAIWAN	600	\$76,084,128	\$126,807	\$559,668	\$933
ITALY	362	\$40,896,845	\$112,975	\$552,439	\$1,526
FRANCE	449	\$125,324,539	\$279,119	\$361,197	\$804
CANADA	524	\$175,627,067	\$335,166	\$213,801	\$408
View ALL					
Products	Entries	Value	Avg. Value	Duty	Avg. Duty
830110 - Padlocks Of Base Metal	31	\$96,059,593	\$3,098,697	\$1,447,168	\$46,683
854420 - Insulated Coaxial Cable & Oth Coaxial Elect Conduct	17	\$70,125,278	\$4,125,016	\$1,431,026	\$84,178
850940 - Electromech Food Grinder Processor Mixer Extractor	10	\$34,140,890	\$3,414,089	\$1,430,755	\$143,076
853890 - Parts for Electric Distribution Panels	81	\$88,044,736	\$1,086,972	\$981,393	\$12,116
851632 - Electrothermic Hairdressing Apparatus Nesso	4	\$21,161,781	\$5,290,445	\$825,309	\$206,327
851671 - Electric Coffee Or Tea Makers	8	\$19,725,995	\$2,465,749	\$672,467	\$84,058
830140 - Locks Except Motor Vehicle Or Furniture, Base Metl	20	\$18,736,530	\$936,827	\$596,316	\$29,816
851631 - Electric Hair Dryers	3	\$13,596,379	\$4,532,126	\$530,266	\$176,755
853710 - Electric Distribution Panels < 1000 v	58	\$77,381,856	\$1,334,170	\$461,010	\$7,948
851679 - Other Electrothermic Appliances, Domestic	3	\$38,387,544	\$12,795,848	\$440,037	\$146,679
View ALL					

- Annual value being imported: \$14 billion
- Annual customs entries: over 11,000
- Annual duties paid: \$23 million
- Total Source (foreign) Countries: 129
- Top 5 Source Countries: Mexico, China, UK, Canada, and Germany: 91% of total volume
- Total Product types: 1,984
- Top 5 product types: Automobiles, Tomatoes, Frozen Shrimp, Pimentos, and Wiring Sets
- Top 5 Source Countries for duties paid: China, Mexico, Japan, India, and Germany: 80% of all duties
- Top 5 product types for duties paid: Padlocks, Insulated Coaxial Cable, Food Grinders and Mixers, Parts for Electric Distribution Panels, and Hairdressing Apparatus: 26% of all duties
- Companies importing into Arizona: 2,608
- Companies exporting from Arizona: 625

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The list of *Foreign Sellers* presents the same *Company Detail Profile* described above with the four tabs for each foreign seller: Overview, Products & Shipping, Management & Employees, and Company Tree.

Building Scale

When a foreign company is considering an investment in a U.S. site, critical questions often asked are, "What other buyers of our product are in the region? Where are they located? And how much are they buying?" The PTA helps answer these questions by providing information about U.S. buyers outside your region. This data can be compiled to build the business case or justification for your FDI prospects to invest in your region. The data helps you quantify the "total market opportunity" for your prospect and helps them target many more potential customers with their investment. This may be a deciding factor in their decision to invest with you.

The PTA reveals \$170,113,519 in total padlocks being imported throughout the United States. Imagine the competitive advantage to be gained by consolidating the number of supply chains for padlocks into the U.S. Imagine the opportunity for an Arizona company to specialize in padlocks for the U.S. market or the North American market. Imagine the cost advantages of bringing foreign suppliers of padlocks into a foreign trade zone in Arizona and offering 24x7 delivery to the 91 buyers identified in the *Other U.S. Buyers tab*.

Roadmap for Global Competitiveness

If you are responsible for business development or regional economic development, the PTA can help you identify trends, fact patterns and comparative advantages that can be developed into strategic assets for global competitiveness. It can help you target those domestic and foreign companies best suited to take advantage of your regional assets. The Prospect Targeting Analysis™ will help increase your closure rate by providing targeted information for each of your top prospects to build a comprehensive and compelling business case for investment in your region, and more importantly, for investing with you.

Most importantly, the PTA will help you build and implement a strategic roadmap for global competitiveness that can strengthen your region's ability to compete for billions of dollars available through global trade optimization.

If you have an interest in a demonstration of the Prospect Targeting Analysis™ application or in any of these articles, just let us know via email.

Please send questions or comments to mattgersper@gdmlc.com.

Matt Gersper, founder and president of Global Data Mining (www.gdmlc.com) and co-owner of CUSTOMS Info (www.customsinfo.com), has over 20 years of experience optimizing processes and helping customers turn unorganized data into information that managers and executives can leverage to improve performance.