
Contents

Prologue xiii

Acknowledgments xv

Author xvii

Chapter 1 Understanding the Business Model for Growth
and Expansion on a Global Basis 1

 The Case for Going Global 1

 Domestic vs. International 2

 Political 3

 Economic 9

 Demographic 9

 Physical 9

 Cultural and Language 10

 Legal 10

 Compliance 10

 Margins 11

 Meeting Aggressive Growth Targets 12

 Protection from Competition 12

 Diversification 13

 Security 13

 Access to Local Market Benefits and Value Added 16

 Creating a “Panache” 16

 Going Public 16

 Selling Strategy 17

Chapter 2 Unique Challenges of Supply-Chain,
Transportation, and Logistics Companies in Merger
and Acquisition and Growth Strategies 19

 Define the Global Supply Chain 19

 Domestic Supply-Chain Parties 20

 International Supply-Chain Parties 20

 Landed Cost Modeling 20

Why Do Landed Cost Modeling?	21
Creates the Financial Argument for Overseas	
Sourcing as a Strategic Option in Choosing	
Suppliers and Vendors outside the Country	
of Destination	21
Summary of Conclusions.....	23
Determines the Margins of Opportunity	24
Provides Information Flow and Intelligence That	
Allows Better Decision Making in the Various	
Options We Have in How the Global Supply	
Chain Operates and Ultimately Performs.....	25
 Chapter 3 Organic Growth versus Merger and Acquisition.....	27
Organic Growth.....	27
Lower Costs	28
Relationship Driven.....	28
Unique Services.....	28
Controlled or Protected Capabilities	29
Hiring Key Personnel.....	30
Forming Strategic Partnerships.....	30
Aligning with Key Relationships.....	30
What the Corporate Icons Have to Say	31
As Reported by Pricewaterhousecoopers in August 2014.....	32
Plan Early, Plan Realistically.....	32
Supply-Chain Checklist for M&A Success.....	34
 Chapter 4 Strategic Planning	35
The Strategic Planning Process.....	35
Identifying Stakeholders and Leadership.....	36
Setting Deliverables	37
Have Reasonable Expectations.....	38
Reach Far and Beyond.....	39
Tap into Creative Talents	41
Maximize Use of Resources and Capabilities.....	42
Be Both Short and Long Term.....	50
Be Comprehensive	51

Alignment of Goals and Expectations.....	53
Managing a Strengths, Weakness, Opportunities, and Threats Analysis	53
Establishment of Timelines and Action Plans.....	56
Cost and Return-on-Investment Analyses.....	56
Senior Management Buy-In	56
Initial Salvos	57
Implementation.....	58
Problem Anticipation and Proactive Mitigation	58
Tweaking Period	59
Closure.....	59
Chapter 5 Management Assessment Tools.....	61
Overview	61
Tools and Resource Options	61
Industry Trade Publications.....	62
Centers of Influence.....	63
Consultants.....	64
Merger and Acquisition Leading Companies.....	64
Financial Reports.....	65
Industry Associations.....	65
Particular Conferences	65
Networking.....	66
Chapter 6 Anticipated Merger and Acquisition Problems.....	67
Merger and Acquisition's Likely Sources of Problems	67
Unrealistic Expectations.....	67
Not Engaging All Key Personnel	68
No Specific Transition Strategy	70
The Financial Side Not Holding Up	71
Chapter 7 Problem Resolution Strategies.....	73
The Ten-Step Process for Problem Resolution.....	73
Quick Assessment.....	73
Stopping the Bleeding	75
Establishing the Stakeholders	76
Better Assessment.....	77

Responsible and Timely Communications	77
Creating Strategy, Tactics, and Action Plan.....	78
Strategy.....	78
Tactics.....	78
Action Plan	79
Updates and Status Reports	80
Tweaking.....	80
Summary and Closure	81
Follow-Up.....	81
 Chapter 8 Transition Management.....	85
The Importance of a Well-Thought-Out Transition Plan	85
No Transition Plan Exists.....	86
The Plan That Existed Was neither Robust nor Comprehensive.....	87
Transition Issues Were Handled with Poor Timing.....	88
The Transition Process Lacked Leadership and/or Ownership	89
The Transition Plan Did Not Create Enough Anticipation and/or Expectation of Potential Problems.....	90
Resistance from Staff	90
Technology Interface	91
Human Resource Differences.....	91
Clients' Reactions.....	92
Vendors' and Suppliers' Reactions.....	93
Financials Not Working.....	94
The Transition Management Process.....	107
 Chapter 9 Legal and Regulatory Considerations.....	109
Overview.....	109
The 9/11 Event.....	110
U.S. Statutes and Regulations Governing Export Shipping and Trade	113
Introduction	113

The International Shipping Laws of the United States ...	115
The Carriage of Goods by Sea Act	115
The Warsaw and Montreal Conventions	121
U.S. Export Trade Controls	126

Chapter 10 Trade-Compliance Issues in Global Expansion

and Mergers and Acquisitions Activities	139
Trade Compliance	139
Export Trade Compliance Basics	140
Export Management Compliance Program.....	141
Senior Management Commitment.....	142
Identification of Risks in the Current Export Program.....	142
Training and Awareness	143
Screening of Business Partners, Customers, Financial Institutions, and Supply-Chain Partners ...	143
Record-Keeping Requirements	144
Periodic Auditing and Monitoring.....	144
System for Reporting Violations and Handling Compliance Issues	145
System for Implementing Corrective Actions.....	145
Partnering with Knowledgeable and Compliant Service Providers.....	146
Additional Note for Those Companies Engaged in Exports under the International Traffic in Arms	146
Successor Liability and Export Violations	146
Import Trade Compliance Basics.....	148
Import Compliance Management Program	148
Corporate Structure.....	149
Invoices.....	149
Valuation	150
Harmonized Tariff Classification	151
Country of Origin.....	151
Record Keeping	152
Internal Controls and Supervision	153

Successor Liability and Import Violations.....	154
Core Elements of an Effective Export Management and Compliance Program	154
Focused Assessment Pre-Assessment Survey Questionnaire.....	155
Chapter 11 Best Practices in Global Expansion	169
Overview	169

APPENDICES

Appendix A: Customs-Trade Partnership against Terrorism Overview	181
Appendix B: Harmonized Tariff Schedule of the United States.....	187
Appendix C: Export Management and Compliance Program. Audit Module: Self-Assessment Tool.....	197
Appendix D: The Post-9/11 Global Framework for Cargo Security...	223
Appendix E: Trade Facilitation Principles under the World Trade Organization	231
Appendix F: Cargo Security Provisions under the International Maritime Organization	233
Appendix G: United States–Based Cargo Security Policies.....	237
Appendix H: North American Free Trade Agreement	257
Appendix I: Terms of Trade	261
Appendix J: Finding Qualified Buyers and Expanding into Overseas Markets.....	265
Appendix K: Example of Landed-Cost Modeling Standard Operating Procedure	277
Appendix L: Example of International Marketing Plan Workbook	287
Index.....	319