

Cloud Services for SAP GTS

# The One-Stop End-to-End Solution for Foreign Trade



*Global export control and efficient customs management are complex tasks that often pose significant challenges, particularly for companies that do business globally. Numerous embargoes and other restrictions must be taken into account. This is an area that adds no value, but which is critical from both a functional and technical point of view and therefore should not be neglected. To put it another way, these tasks are ideal candidates for outsourcing, as the SAP market now offers dedicated services for outsourcing global trade management. But how can companies gauge the value of such an option and tailor it to their specific purposes?*

The importance of the cloud as an option for virtual data storage is steadily rising. These days, established SAP customers looking to move to the cloud have a choice of offerings. There are public cloud scenarios (for example, in the CRM space) as well as more strictly segregated virtual private cloud scenarios that can be implemented in the SAP HANA Enterprise Cloud. As with any new technology or operating option, companies using the solution have to answer the question: "Which aspects of this will benefit us?"

## **Functionally critical variety, country-specifics, and legal compliance**

The challenges for SAP customers posed by foreign trade are considerably more complex than those involved in deploying traditional ERP software modules for core processes. What's more, the SAP Global Trade Services (GTS) application, SAP's standard software for foreign trade, must run in tandem with upstream ERP systems. When it comes to designing cross-system processes, IT departments face the additional challenge of understanding the vast specialist vocabulary of their various contacts in the fields of export control, customs, sales, and shipping,

consolidating their requirements, and translating these into country-specific, legally-compliant posting processes. The SAP GTS subservices for compliance management (export control), customs management, risk management (determination of customs tariff preference), and electronic compliance reporting (ECR) must be treated as separate fields, which interlock but follow their own rules.

At the same time, the world of foreign trade can be broken down into distinct segments, both from a functional perspective and in the system. The outcomes of these segments – such as an approved customs declaration, a correctly allocated and signed-off export license, or transparent determination of the preferential status of a final product – are "standardized" by the authorities in the specific countries involved.

## **Specifying requirements for mastering the entire customer challenge**

In light of these factors, companies have good reason to ask themselves whether it really makes sense for their staff to contribute the time and energy needed to master the formalities, including modeling these in the IT systems. Other considerations include increased complexity and its potential impact on managing formalities when the SAP GTS solution is used as a central foreign trade platform for rollout across the entire company. For example, how an EAR 600series component has to be entered in the ACE filing or what the document codes 5EVU and 2ADP mean in Austria and when they have to be specified are questions that only insiders can answer.

What's more, the fact that one's own company is legally liable to the authorities is no longer an argument against outsourcing foreign trade processes. After all, complex logistics processing is often outsourced entirely to freight forwarders with customs warehouse approval.

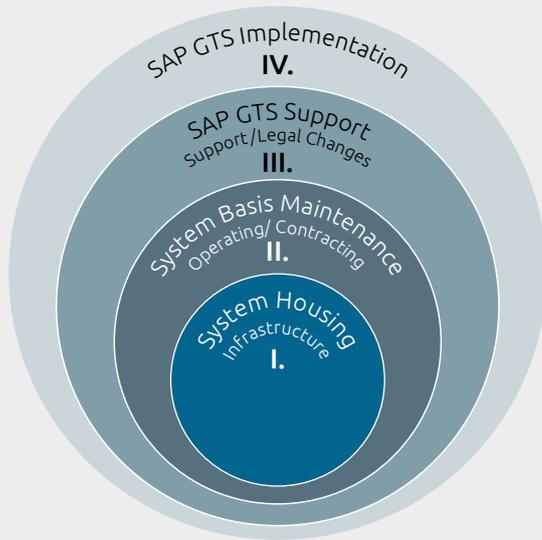
The same approach can be used every bit as successfully and with the highest levels of transparency using an IT system.

What requirements have to be met to master all the customer's challenges in the area of foreign trade? This question is key when it comes to finding a genuine end-to-end cloud solution for foreign trade. Companies have to clarify who assumes responsibility for which of the tasks required to provide data for the software-based process in accordance with their specific business needs. Providers of cloud solutions for SAP GTS should therefore be able to deliver one-stop modular services for all areas – from licensing right through to application support. The focus is not just on the individual aspects such as hosting and expert services. Rather, the aim is to provide a complete business process as a service for foreign trade.

## **Business process as a service: scalable end-to-end support**

The first item on the requirements specification for a solution partner is housing and hosting for the system server. The service provider assumes responsibility for running the server and providing (COBIT- and ISO-certified) security at its data center. This applies not only to the SAP GTS system and a secure VPN tunnel to the upstream system; this service also includes the SAP NetWeaver installation, provision of the converter solution for communication with the customs authorities, as well as the document and content servers for presenting content in line with printing requirements, plus use and connection of archive solutions.

There are two potential licensing scenarios: the traditional BYOL (bring your own license) approach or offerings such as partner managed cloud (PMC). These license agreements allow customers to benefit directly from SAP's preferential terms.



**I. System Housing**

- Housing, backup, and staging of (virtual) servers

**II. System Basis Maintenance**

- Operating system, database, and SAP Basis Support for SAP GTS

**III. SAP GTS Support**

- **Principal:** Importing updates to sanctioned party lists, performing delta screening runs, mapping new/changed country embargos
- **Application:** Incident-based application support

**IV. SAP GTS Implementation**

- Compliance management
- Customs management
- Risk management
- ECR – electronic compliance reporting

The second requirement concerns what is known as Basis maintenance, which entails monitoring the day-to-day availability and functionality of the system. For example, checks are performed to determine whether database tables are in danger of overflowing, whether SAP Notes or upgrades are required, interfaces and messaging are working, and XML data uploads are being performed. In a nutshell, basis maintenance ensures reliable operation and technically flawless use of the implemented services.

**Reliable operation plus implementation expertise**

The third component is implementation expertise: in other words, traditional SAP GTS consulting. When the SAP GTS system is migrated to the cloud, analyses based on experience and leading practices deliver quick wins in the form of process enhancements. In the further course of the partnership, previously untapped SAP GTS subservices can be exploited to the full and integrated into the existing process landscape. A team of experienced SAP GTS consultants and technology experts ensure that systems outsourced to the cloud do not remain static but are enhanced and adapted on the basis of continuous feedback. This can also

include training for the company's own user community, for example.

**Better prepared for SAP S/4HANA with SAP GTS**

The cloud package is rounded out by application management support. Whether a user has been blocked, an export accompanying document cannot be printed out, a license has not been assigned as required, or a sanctioned party list screening returns seemingly inexplicable results – the assistance of a fast, efficient support organization with a telephone hotline makes it easier to clear the technical and functional hurdles that often arise even when specifying a problem.

These four components enable companies to master the challenges of planning, operating, and functionally enhancing SAP GTS with confidence. In addition, companies that use SAP GTS are well placed for a subsequent move to SAP S/4HANA.

A cloud solution makes it easier to develop and consider actual system strategies (rollouts, national and service focus, and master data structure), as the service provider keeps a close eye on unexpected incidents, regular maintenance, data updates, and upcoming legal changes, and can use a minimally invasive approach

to handle these behind the scenes. Although the full package comprises all four services, the structure can be scaled to match specific requirements, enabling companies to adopt a step-by-step approach to implementing the solution by expanding their partnership.

As a rule, the question at the heart of the decision-making process remains whether a managed services solution offers tangible added value. Alongside the awareness that internal IT staff will be freed up again to deal with company-specific matters, it is the question of costs that seals the deal. To determine the quantitative added value, it is necessary to put a figure on cost factors that may previously have gone unnoticed. This usually entails a company-specific analysis focusing firmly on the services to be outsourced and their efficiency, as well as any potential for savings. Experience shows that potential savings from deploying a cloud model for SAP GTS are very likely to be around 35% compared to on-premise operation.

With potential savings of this magnitude, the cloud is also a good solution for foreign trade in scenarios where business units are carved out of a corporate group to become independent entities. In practice, for-

Foreign-trade processes are sometimes neglected or overlooked entirely when systems are redesigned. In large-scale projects, errors of this kind can be prevented by deploying experienced consultants and SAP GTS system administrators.

### **cbs SAP GTS Cloud: the certified solution**

When companies select a service provider, qualitative aspects such as implementation experience, team size, interdisciplinary skills, clearly defined roles and responsibilities, and the absence of additional subcontractors (nearshoring/offshoring) play a key role. cbs has more than a decade's experience in processing foreign trade with SAP GTS in more than 50 successful implementations.

The cbs GTS Cloud is currently the only end-to-end solution for global export control and efficient customs management with partner managed cloud (PMC) certification from SAP. Because cbs is a subsidiary of Materna GmbH, the cbs consultants know exactly what it takes to design cross-border processes. Since the solution is hosted at the TÜV- and ISO27001-certified data center run by Materna, it also meets the highest standards of data protection and security. This experience was leveraged to develop the cbs GTS Cloud, as foreign-trade processes offer an ideal point of entry for companies wishing to take a step-by-step approach to deploying cloud solutions.



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