

UNDER PRESSURE INTERNATIONAL TRADE: DATA INTEGRATION FOR DECISIONAL BUSINESS PROCESSES



Data integration plays a pivotal role in enhancing decision-making processes in worldwide trade. By consolidating data from various sources, organizations can gain comprehensive insights into global trade patterns, market trends, and operational efficiencies.

In addition, international markets are facing significant challenges that are impacting stability and growth.

Using data integration in the context of challenging international trade offers several significant advantages that can help businesses navigate complexities and enhance their decision-making processes.

Addressing current challenges impacting international trade requires coordinated efforts and policies that promote stability, cooperation, and sustainable practices in global trade.

One of the most important challenges is represented by **Geopolitical Tensions** as conflicts and political instability can disrupt trade routes and create uncertainty in global markets. Recent tensions between major economies have led to trade restrictions and tariffs. Connected to the previous point, the rise of **Protectionist policies** represented by tariffs and import quotas, can affect free trade and lead to retaliatory measures. This can reduce market access and increase costs for businesses.

Events like natural disasters, pandemics and logistical bottlenecks can severely impact supply chains. The COVID-19 pandemic highlighted vulnerabilities in global supply chains, leading to delays and increased costs with consequent risk of **Supply Chain Disruptions**.

Technological Changes mean rapid advancements that require businesses to adapt continuously. While technology can improve efficiency, it also necessitates significant investment and can create disparities between technologically advanced and developing economies

In addition, **Regulatory Compliance** requires navigating different regulatory environments with high complexity and costs. Compliance with varying standards and regulations across countries can pose significant challenges for international businesses.

Economic disparities show a gap between developed and developing economies can that lead to imbalances in trade. Developing countries may struggle with infrastructure, access to technology, and capital, limiting their participation in global trade.

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Sustainable trade practices are becoming increasingly important introducing at the same time **Environmental Concerns**. Businesses are under pressure to reduce their carbon footprint and adhere to environmental regulations, which can affect trade practices and costs.

Finally, **Market Volatility**: Fluctuations in currency exchange rates, commodity prices, and economic conditions can create an unpredictable trading environment. This volatility can impact profitability and strategic planning,

Navigating the challenges of international trade requires a strategic and proactive approach. Key strategies to help businesses address these challenges effectively. By adopting these strategies, businesses can better navigate the complexities of international trade, mitigate risks, and capitalize on opportunities.

First of all, **Stay informed and Compliant** monitoring regulation. It means being up-to-date with international trade regulations, tariffs, and compliance requirements. Utilize resources like the WTO and trade compliance software to stay informed.

The Crucial point is **Differentiate Supply Chains** having relationship with multiple suppliers. It means avoiding reliance on a single supplier or region. Diversify your supply chain to mitigate risks associated with geopolitical tensions or natural disasters. Then, where possible, source materials regionally to reduce dependency on international suppliers and minimize transportation costs

In **Risk Management**, utilize predictive analytics to anticipate potential disruptions and plan accordingly. This can help in managing risks related to supply chain bottlenecks and market volatility.

Another step consists of **Leveraging Technology** and implementing automation in supply chain management to enhance and reduce human errors, as well as using data integration to consolidate information from various sources, providing real-time insights and improving decision-making.

Data Integration is one of the crucial points in the process of leveraging technology and implementing an efficient decisional process.

Data integration is fundamental for organizations aiming to leverage their data effectively for decision-making. It ensures that data is accessible, accurate, and actionable, thereby supporting better strategic and operational decisions.

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It's necessary to start with data source identification and in the process of evaluating a business partner international information is the key.

Data Integration of business information shows several benefits in a decision-making process. Starting with improved accessibility as unified data allows for easier access and analysis, leading to more informed decisions. Similarly, enhanced accuracy as consistent and validated data reduces errors and improves the reliability of insights. The result is a streamlined process eliminating data silos and integrating information from various sources enhances workflow efficiency. In this process, integrated data provides timely and accurate insights that are crucial for strategic planning and operational decisions.

If the effectiveness of the rules for a decisional process must reflect the economic targets of the company itself, the challenge is particularly complex if the subjects to be evaluated are located everywhere in the world. In fact, different local legislation can generate discrepancies in data availability and affect the overall process in terms of timing and effectiveness in a standard and automatic process.

It's not a simple matter of identifying the tool for automatization, it's a matter of re-organizing internal flow, deciding how to face different scenarios, and understanding which ones can be standardized and which ones must be fully analyzed. If a company is acting in different countries, means also understanding the type of model to follow: centralized decision or de-centralize decisions using common rules. It's clear that is also a governance decision in which companies have companies with branches in different countries in the world. At the same time, being able to answer as quickly as possible to market requests is a key critical success factor. Then, of course, being efficient and effective must be considered a focus requirement in every organization all over the world.

The assessment of a customer or a supplier must follow the same criteria despite who and where the decision is taken. It's not an easy exercise but can be put in place if the information and tools available are homogenous. If complex structures located in different countries, and not only big businesses, are using common IT solutions to help in the management of customers or suppliers, it's very often an open point how to guarantee a similar flow in identifying and using external information to apply in decisional processes. In fact, if it's years and years companies have been using ERP to standardize the assessment process, they're facing difficulties in having a high-quality set of external evaluation information embedded in their own ERP.

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Reliable business decisions can be taken only if based on high-quality data. It's not simply a matter of having the same information for different countries that in any case an aspiration not achievable for different legislations and real data available, but the challenge is to identify the best data available. Only in these cases is possible to have the right confidence level. It means being in the position to access not only historical and internal information but also independent, external, and objective data.

Too often companies regarding a decisional flow underestimate how important the availability of best-in-class quality information related to their business partners is directly integrated into their own IT systems achieving higher efficiency.

Data integration into an international decisional process means taking into account several aspects, apparently independent ones of each other but with a better analysis strictly interconnected.

First of all, have a very clear decisional policy for both customers and suppliers. Decide when a case can be approved, when rejected, and when further analysis is required. The decisional policy must consider several aspects related to the business itself but, in any case, must be applicable to all bodies required to make a decision, despite location. A good decisional policy must have mechanisms able to alert if a revision is required. A decisional policy it's necessary for every company, but it is mandatory if the management of the decision is central but the operational side is de-centralized. And it's the only method to guarantee a homogeneous outcome.

The decisional policy is the main pillar: without it, IT solutions, even if very sophisticated, cannot drive an efficient assessment process.

Combined with the decisional process, adopt the right ERP system able to deal with customers or suppliers from the acquisition, to the management, to assessment policies, to development.

In a business partner evaluation process, ERP must combine decisional policy rules and information related to a business partner. If the customer or supplier to analyze is already in the portfolio, past history can be a good starting point for the assessment. But it's not enough: external information is crucial in making a decision based on the profile of the company. Starting from firmographic information, moving to assessment, financial indexes, company structure and management, and negative events. Described information is crucial for businesses located everywhere in the world, both for existing partners and new ones. Even if data availability is strictly linked to local availability and legislation, making a safe decision is crucial to have access to this information.

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Having a robust decisional policy process embedded in the ERP system allows taking a great part of the assessment automatically and a small part of it with further analysis.

Thanks to SkyMinder is possible to embed best-in-class business information at a worldwide level into ERP systems. SkyMinder is a CRIF platform for in-depth credit and financial data on companies all over the world. API capabilities allow access to SkyMinder solutions coming from 40 providers in the world and are able to cover every assessment need. From credit and financial risk to company structure and ownership definition, anti-bribery, corruption and financial crimes assessment, and cyber risk attacks. Solutions available via SkyMinder are:

Full Report, Quick Report and Slim Report: Information, with different levels of detail, related to all companies in the world, including firmographics, credit limit, risk indicator, management, shareholders, negative events etc.

Full Monitoring: Detailed information about changes affecting a company as soon as happen. Combined possibility to request for a free updated report.

Planned Revision: Scheduled revision with an updated report including company's changes if applicable.

Verification Report: List of shareholders to understand the company's structure,

Compliance Report and Extended Check Report: Anti-Bribery and Money Laundering lists checks related to financial crimes.

Cyber Risk Report: Assess the level of risk related to a business partner being involved in a cyber attack,

Thanks to SkyMinder API capabilities, SkyMinder solutions are available in the most popular ERP systems in place for credit and financial evaluation like SAP/4 Hana Cloud for Credit Integration, Dynamics, Salesforce and Ready4 Credit Management Integrated in SAP, Credity.

SkyMinder API is designed to support interoperable machine-to-machine interaction, where a client can access the company data in a fully integrated mode. API can be called by various programming languages and provides flexibility to get information, import, edit and represent data based on client needs.

API is available in REST JSON, which is the recommended web service technology, but also in SOAP XM. In any case, the client is free to choose who better fits with its local framework.

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API functions are designed to provide a simple and standard integration experience across countries. Normalized domains and online configurations provide the client with a full set of instructions to support the different countries' specifications with low implementation impact on the client side.

Web documentation, accessible via secure authentication, provides use cases and collection projects ready for download and use in most common web service formats (swagger, SoapUI, Postman) and speeds up the analysis and integration process.

API services allow optimizing elaboration time, supporting dedicated tasks to deliver structured data and PDF generation, with the final result of a better user experience.

