



**Australian
Institute
of Export**

Export Management Survey Report 2011

An examination of Australian export management practices, which includes: the key issues that exporters encounter in delivering orders on-time and within budget; and the business process improvements and technology innovations that exporters plan to implement to address the challenges they encounter in managing international trade.

Export Management Practices Survey Report 2011

Executive summary

TridentGLOBAL and the Australian Institute of Export's survey of 71 Australian exporters in February-March 2011 provides insight into: current export management practices; the key issues exporters encounter in delivering orders on-time and within budget; and the business process improvements and technology innovations that exporters plan to implement in order to realise improved export management practices.

The survey reveals that the majority of Australian exporters surveyed have increased export revenues over the past year. Over 60 per cent of respondents reported that revenues increased by more than 25%.

Despite the challenges presented by the increased value of the Australian dollar on foreign exchange markets and increased international trade costs, the overwhelming majority of exporters surveyed were confident about future prospects – reporting that they were intending to grow export revenues over the next year.

While it is clear that the majority of Australian exporters surveyed prefer to control and manage export functions in-house, and close to half of exporters still employ manual and paper-based processes to manage international trade; the survey also shows that the majority of export management teams do intend to implement business process improvements that will enable them to address the challenges they currently encounter in effecting international trade.

In an environment of growing global operations, the need to revamp current export management practices is cited as an imperative for many of the exporters surveyed: one third of exporters questioned stated that neither workflow processes nor procedures are documented, and a similar number employ export management practices that cannot support increased scale of production or operations without a corresponding increase in staff numbers.






- A significant percentage of exporters reported that strategic actions related to productivity increases would be among the top two strategic actions they would take to realise growth objectives.
- A third of exporters reported that they intended to re-engineer business processes and reduce operational costs.
- Over 60 per cent of respondents cited that they intended to implement business process improvements over the coming year.
- A third of exporters surveyed planned to automate, streamline and better manage export processes using information technology.

Exporter Profiles

The following questions and responses provide insight into respondents export operations and international trade objectives.

The survey shows that the typical business surveyed exported an average of 16 consignments per month, to more than 3 countries, from 2 sites, and employed in the region of 4 persons in their export management department. Forty nine per cent of exporters surveyed send full containers.


7. Has your company's export revenues increased or decreased over the past year?

7. Has your company's export revenues increased or decreased over the past year?			Response Percent	Response Count
Decreased by less than 25%%			15.5%	11
Decreased by more than 25%			9.9%	7
Neither decreased or increased			14.1%	10
Increased by up to 25%			45.1%	32
Increased more than 25%			15.5%	11
			answered question	71
			skipped question	1

The survey clearly shows that the majority of Australian exporters surveyed have increased export revenues over the past year. Over 60 per cent of respondents reported that revenues increased by more than 25%.









However, over a quarter of exporters reported that export revenues had decreased over the past year, with close to one in ten reporting that export revenues had decreased by more than a quarter.

8. Is your company intending to grow export revenues over the coming year?

8. Is your company intending to grow export revenues over the coming year?			Response Percent	Response Count
Yes			91.5%	65
No			4.2%	3
Other (please specify)			4.2%	3
			answered question	71
			skipped question	1

Evidently, the overwhelming majority of exporters surveyed reported that they were intending to grow export revenues over the next year. This implies that the exporters surveyed were confident about current and future market conditions, regardless of the impact of the increased value of the Australian dollar on foreign exchange markets is having on profit margins.

9. Which are the top two (2) strategic actions that will best enable your organisation to achieve its global growth objectives?

9. Which are the top two (2) strategic actions that will best enable your organisation to achieve its global growth objectives?			
		Response Percent	Response Count
Improve business execution		12.7%	9
Develop new strategic partnerships		36.6%	26
Re-engineer business processes		11.3%	8
Market development by entering new geographic markets		35.2%	25
Market penetration in current markets		43.7%	31
Create/ expand sales channels		38.0%	27
Take steps to reduce operational costs		19.7%	14
Focus efforts on better servicing customers, such as reducing delays in delivery or increasing order fulfillment rates.		18.3%	13
answered question			71
skipped question			1

Evidently sales and marketing related strategic actions are regarded as the most important actions companies can take to realise growth objectives. The survey shows that exporters intend to implement these strategic actions by establishing new strategic partnerships and/or growing distribution channels.

Furthermore, a significant percentage of survey respondents reported that productivity increases would be among the top two strategic actions they would take to realise growth objectives; one third of exporters reported that they intended to re-engineer business processes and reduce operational costs.

Furthermore, over a third of exporters reported that customer service related strategic actions were among the top two strategies they would employ. This would suggest that they intended to consolidate relationships with current trading partners and increase order value and/or sizes.

10. How would you rate the challenges your organisation faces in 2011 in meeting its export targets or growth objectives.




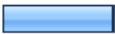


10. How would you rate the challenges your organisation faces in 2011 in meeting its export targets or growth objectives. Please answer all questions.						
	1. Minimal or no challenge	2. Presents some challenge	3. Moderately challenging	4. Challenging	5. Present great challenges	Response Count
Increasing international competition	12.7% (9)	32.4% (23)	16.9% (12)	25.4% (18)	12.7% (9)	71
Increasing value of the Aust.Dollar	5.8% (4)	11.6% (8)	15.9% (11)	34.8% (24)	31.9% (22)	69
Workforce productivity	31.3% (21)	23.9% (16)	32.8% (22)	11.9% (8)	0.0% (0)	67
Key employee retention (churn)	42.0% (29)	24.6% (17)	20.3% (14)	10.1% (7)	2.9% (2)	69
Challenge in meeting existing regulatory compliance requirements	30.0% (21)	24.3% (17)	21.4% (15)	20.0% (14)	4.3% (3)	70
Adverse economic conditions in export markets	10.0% (7)	30.0% (21)	22.9% (16)	25.7% (18)	11.4% (8)	70
Market volatility	15.9% (11)	27.5% (19)	26.1% (18)	24.6% (17)	5.8% (4)	69
Rising operational costs (wages, materials, logistics, tariffs)	11.8% (8)	35.3% (24)	25.0% (17)	20.6% (14)	7.4% (5)	68
Supply chain/ sourcing risk	27.1% (19)	32.9% (23)	20.0% (14)	14.3% (10)	5.7% (4)	70
Product obsolescence	52.2% (36)	29.0% (20)	11.6% (8)	7.2% (5)	0.0% (0)	69
Execution on strategy	18.6% (13)	41.4% (29)	21.4% (15)	15.7% (11)	4.3% (3)	70
				answered question		71
				skipped question		1

The increased value of the Australian dollar on foreign exchange markets is regarded as the most challenging issue that exporters face in meeting export targets and growth objectives. Over sixty five per cent reported that this factor was presenting a significant challenge.

Furthermore, exporters reported experiencing the following challenges:

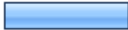







- Over fifty per cent of exporters reported that increasing international competition within the geographical markets was challenging.
- Over fifty per cent reported that they are concerned by rising operating costs
- Twenty five per cent reported that meeting regulatory compliance was challenging issue
- Over forty per cent of exporters cited workforce productivity as impacting on their ability to meet export targets and growth objectives.

11. Characterise HOW you think the economy is recovering in your export markets from the recent global economic crisis.

11. Characterise HOW you think the economy is recovering in your export markets from the recent global economic crisis.			
		Response Percent	Response Count
There has been a rapid recovery.		11.3%	8
Global markets are steadily recovering.		31.0%	22
There has been a slow but steady recovery.		32.4%	23
The economic recovery has been painfully slow.		16.9%	12
The global economy has completely changed; it will take decades to fully recover		4.2%	3
This is the new global economy		4.2%	3
	Other (please specify)		3
answered question			71
skipped question			1

The survey clearly shows that the majority of exporters surveyed are confident that markets have recovered/ or are recovering from the global financial crisis of 2009.

12. What cost saving efforts have you taken to offset the impact of the recent global economic downturn or increased strength of the Australian dollar? (Select all that apply)

12. What cost saving efforts have you taken to offset the impact of the recent global economic downturn or increased strength of the Australian dollar? (Select all that apply)			
		Response Percent	Response Count
Travel restrictions on sales staff		19.7%	14
Reductions in personnel costs		28.2%	20
Divest under-performing assests		18.3%	13
Re-negotiate supplier relationships		28.2%	20
Cut discretionary spending		49.3%	35
Invest in process automation		12.7%	9
Outsource all or part of operations		16.9%	12
No cost saving actions have been taken		25.4%	18
answered question			71
skipped question			1

Of note, a third of those surveyed reported that they have reduced personnel in response to the global economic crisis and increased strength of the Australian dollar. This implies a correlation with the responses provided to Question 7, where over twenty five per cent of companies reported reduced export revenues.






However, close to half of the companies surveyed have cut discretionary spending, preferring to cut costs in areas that will not impact current/future productivity, performance or profits.

Close to a third of exporters had re-negotiated supplier relationships in response to macro-economic pressures over the past year.

Examination of current export management practices and challenges









The following questions and responses concern current export management practices and the challenges exporters encounter in delivering orders on-time and within budget.

13. Which of the following best describes how your company manages its export functions?

13. Which of the following best describes how your company manages its export functions.			
		Response Percent	Response Count
All export management functions are outsourced		3.0%	2
All export management functions are managed in-house		61.2%	41
Shipping management functions are outsourced		22.4%	15
Documentation preparation functions are outsourced		7.5%	5
Customs clearance functions are outsourced		37.3%	25
	Other (please specify)		4
	answered question		67
	skipped question		5

Over sixty per cent of exporters managed all export functions in-house, while only three exporters outsource all export management functions. This demonstrates that Australian exporters prefer to manage and control the processes involved in executing international trade contracts.



14. How do you manage export operations?

14. How do you manage export operations?		Response Percent	Response Count
Using paper-based processes		14.9%	10
Using paper-based processes and a white-board		1.5%	1
Using a combination of paper-based processes and Excel spreadsheets		32.8%	22
Using a number of software applications		22.4%	15
Using a specialised export management system		9.0%	6
Using an enterprise system		9.0%	6
Not Applicable. We outsource export management functions		4.5%	3
Other (please specify)		6.0%	4
		answered question	67
		skipped question	5

The survey clearly shows that close to fifty per cent of exporters still manage export operations using manual or paper-based processes.

Less than ten per cent of companies use specialised export management software to manage and automate export management processes.

15. Does your current system or processes pro-actively remind you of important dates and deadlines?

15. Does your current system or processes pro-actively remind you of important dates and deadlines?			
		Response Percent	Response Count
Yes		47.8%	32
No		52.2%	35
answered question			67
skipped question			5

Evidently the majority of exporter managers do not receive system generated reminders of impending deadlines, despite operating in an environment of complex interdependent processes and continual deadlines.

16. Would you need to increase staff to support increased export operations?

16. Would you need to increase staff to support increased export operations?			Response Percent	Response Count
Yes			49.3%	33
No			50.7%	34
			answered question	67
			skipped question	5

The survey report shows that close to half of the exporters surveyed employ export management practices that cannot support increased scale of export operations, without a corresponding increase in staff numbers.

17. How many external parties do you interact with when exporting a consignment?

Average 3

18. On average how many internal and external documents do you need to complete to export a consignment?

6 documents

19. What level of visibility do you have into international order and consignment status throughout an export operation?

Responses ranged from complete to very poor visibility.





20. Do you believe that other departments within your organisation understand the challenges that the export department encounter in managing international trade?

20. Do you believe that other departments within your organisation understand the challenges that the export department encounter in managing international trade?		Response Percent	Response Count
Yes		41.8%	28
No		20.9%	14
A little		37.3%	25
Other (please specify)			6
		answered question	67
		skipped question	5

The survey demonstrates a lack of company-wide understanding of the challenges that export staff encounter in managing complex international trade processes.

This lack of company-wide understanding implies that other departments have a reduced understanding of the risks involved in export management.

21. Which of the following descriptions best characterise control of your export workflow processes, procedures and documentary requirements?

21. Which of the following descriptions best characterise control of your export workflow processes, procedures and documentary requirements.			Response Percent	Response Count
They are documented			49.3%	33
They are not documented but are understood by key export staff			32.8%	22
They are systematically organised			31.3%	21
Workflow processes and export procedures are automatated			10.4%	7
		Other (please specify)		1
			answered question	67
			skipped question	5

While over a third of exporters reported that export workflow processes, procedures and documentary requirements are systematically organised, and over ten per cent of exporters' processes are automated; one third of exporters questioned stated that neither workflow processes nor procedures are documented, demonstrating that they lack organisation control over export management processes and procedures.

22. How would you rate the following challenges in exporting goods on time and within budget?

22. How would you rate the following challenges in exporting goods on time and within budget? Please answer all questions.						
	1.Minimal or no challenge	2. Presents some challenge	3. Moderately challenging	4. Challenging	5. Present great challenges	Response Count
Data re-entry within multiple systems	50.8% (33)	23.1% (15)	18.5% (12)	4.6% (3)	3.1% (2)	65
Consignment and shipment status visibility	39.7% (25)	33.3% (21)	20.6% (13)	6.3% (4)	0.0% (0)	63
Inability to immediately locate documents relating to a shipment	57.6% (38)	19.7% (13)	15.2% (10)	6.1% (4)	1.5% (1)	66
Poorly defined workflow processes	51.5% (34)	25.8% (17)	12.1% (8)	7.6% (5)	3.0% (2)	66
Management of shipping schedules	40.3% (27)	31.3% (21)	13.4% (9)	13.4% (9)	1.5% (1)	67
Container availability	54.7% (35)	20.3% (13)	12.5% (8)	10.9% (7)	1.6% (1)	64
Administrative and documentary errors caused by manual inputs and re-keying data	43.9% (29)	30.3% (20)	12.1% (8)	9.1% (6)	4.5% (3)	66
Re-keying of the same data between regular shipments for the same customer	56.3% (36)	18.8% (12)	14.1% (9)	9.4% (6)	1.6% (1)	64
Lack of automated monitoring, prompting and exception reporting procedures and activities against shipments.	45.5% (30)	28.8% (19)	12.1% (8)	12.1% (8)	1.5% (1)	66
Communication with carriers and transport companies	36.9% (24)	30.8% (20)	23.1% (15)	7.7% (5)	1.5% (1)	65
				answered question		67
				skipped question		5

The survey shows that while half of the exporters questioned experience very few challenges in exporting goods on time and within budget; a similar number report varying degrees of difficulty in managing export processes.

**22. How would you rate the following challenges in exporting goods on time and within budget?
(cont.)**

Over 25 per cent of exporters were challenged by container or shipment visibility.

20 per cent of exporters found it difficult to immediately locate documents relating to a shipment.






20 per cent were challenged by poorly defined workflow processes.

Over 25 per cent found that administrative and documentary errors caused by manual inputs and re-keying data impacted on their ability to export goods on time and within budget.

Over 25 per cent of exporters found the lack of automated monitoring, prompting and reporting procedures and activities against shipments as a challenging issue.

A third of exporters reported that communication with carriers and transport companies was challenging. Management of shipping schedules and container availability were cited as challenging tasks by over 25 per cent of respondents.

23. Approximately what percentage of your shipments have to be sent by more costly transport methods than originally planned due to delays caused by non-compliance?

23. Approximately what percentage of your shipments have to be sent by more costly transport methods than originally planned due to delays caused by non-compliance?			Response Percent	Response Count
0%			46.3%	31
Between 2-5%			29.9%	20
Between 5-10%			14.9%	10
Between 10-15%			4.5%	3
Greater than 15%			4.5%	3
			answered question	67
			skipped question	5

While the survey shows that forty six per cent of exporters surveyed report that they generally do not have to send shipments by more costly transport methods than originally planned due to delays caused by non-compliance; a further 50 per cent reported having to send shipments by more costly transport methods than originally planned.

24. Have your international trade costs - including labour, software, fines, brokers fees, shipping - decreased or increased year-over-year (from financial year 2009 against financial year 2010)?



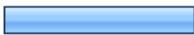



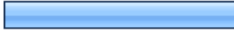
24. Have your international trade costs - including labour, software, fines, brokers fees, shipping - decreased or increased year-over-year (from financial year 2009 against financial year 2010).		Response Percent	Response Count
Decreased		14.9%	10
Increased		44.8%	30
Remained the same		40.3%	27
		answered question	67
		skipped question	5

Evidently, fifty five per cent of exporters' international trade costs increased year-over-year from FY2009 to FY2010.

Planned Process Improvements

The following questions and responses concern the business process improvements that organisations intend to implement to meet business objectives, and explore the technological capabilities required to enable and realise improved export management practices.

25. Which of the following actions does your organisation intend to take over the coming year to improve operational performance and/or support increasing global operations?

25. Which of the following actions does your organisation intend to take over the coming year to improve operational performance and/or support increasing global operations?			Response Percent	Response Count
Partner with a third party export management services provider, such as a freight forwarder or customs broker			10.0%	6
Improve export department productivity and visibility by implementing new technology			20.0%	12
Improve export management performance and efficiencies by streamlining processes			30.0%	18
Reduce delays and fines caused by compliance and documentation errors by automating workflow processes			6.7%	4
Move towards a paperless export management operation			11.7%	7
Improve interfunctional coordination			23.3%	14
Make no changes to current processes			36.7%	22
		Other (please specify)		2
		answered question		60
		skipped question		12

While over a third of respondents did not intend to take any actions to improve operational performance or to support growing global operations; over 60 per cent of respondents reported that they intended to implement business process improvements over the coming year.

26. Rate on a scale of 1-5 the importance of the following criteria when selecting enabling export management software.

26. Rate on a scale of 1-5 the importance of the following criteria when selecting enabling export management software. Please answer all questions.						
	1-Least Important	2	3	4	5-Most Important	Response Count
Re-defined best practice workflows	5.2% (3)	10.3% (6)	34.5% (20)	27.6% (16)	22.4% (13)	58
Demonstrable return on investment	5.3% (3)	5.3% (3)	24.6% (14)	38.6% (22)	28.1% (16)	57
Must be an integrated suite rather than multiple solutions	5.4% (3)	14.3% (8)	21.4% (12)	26.8% (15)	32.1% (18)	56
Deployment model (On-site)	3.6% (2)	16.4% (9)	45.5% (25)	21.8% (12)	12.7% (7)	55
Documentation templates	7.0% (4)	3.5% (2)	33.3% (19)	31.6% (18)	24.6% (14)	57
Industry specific solution	11.9% (7)	18.6% (11)	35.6% (21)	16.9% (10)	16.9% (10)	59
Functionality	0.0% (0)	5.1% (3)	16.9% (10)	40.7% (24)	39.0% (23)	59
Ease and speed of implementation	0.0% (0)	10.2% (6)	20.3% (12)	37.3% (22)	32.2% (19)	59
Quality and availability of technical support	3.4% (2)	10.3% (6)	13.8% (8)	44.8% (26)	27.6% (16)	58
Ability to tailor functionality without programming	3.4% (2)	12.1% (7)	13.8% (8)	37.9% (22)	32.8% (19)	58
Software cost	5.1% (3)	16.9% (10)	22.0% (13)	30.5% (18)	25.4% (15)	59
Integration capabilities	6.8% (4)	8.5% (5)	23.7% (14)	28.8% (17)	32.2% (19)	59
Support of internal collaboration	5.3% (3)	21.1% (12)	33.3% (19)	24.6% (14)	17.5% (10)	57
Quality of professional consultative services	8.8% (5)	15.8% (9)	22.8% (13)	24.6% (14)	28.1% (16)	57
Deployment model (Vendor hosted, On-demand, Online, SaaS)	14.0% (8)	17.5% (10)	33.3% (19)	17.5% (10)	17.5% (10)	57
Ease of use	3.5% (2)	3.5% (2)	7.0% (4)	38.6% (22)	47.4% (27)	57
				Other (please specify)		4
				answered question		60
				skipped question		12

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26. Rate on a scale of 1-5 the importance of the following criteria when selecting enabling export management software (cont.)

Considering the relative importance of export management software features, functionality and services, exporters are searching for:

- User friendly applications
- Feature rich software solutions
- Available and responsive technical support
- Stress-free implementation processes
- The ability to fashion functions to specific needs without additionally programming
- An application that consists of an integrated suite of solutions
- An application that contains export documentation templates
- Expert consultative services
- Software that can enable best practice workflows
- An application that can integrate with existing systems
- Professional services that can effectively project manage implementation processes

Deployment methods and industry specific export management software applications were ranked as being among the least important selection criteria.

27. Which of the following CAPABILITIES does your company possess, or will it develop?

27. Which of the following CAPABILITIES does your company possess, or will it develop?				
	Currently Implemented	Plan to Implement	Will not Implement	Response Count
Staff at every level has access to a shared repository of corporate policy and procedure	57.6% (34)	23.7% (14)	20.3% (12)	59
Ability to immediately access information to comply with the latest compliance regulations	48.3% (28)	31.0% (18)	20.7% (12)	58
Dedicated IT help-desk services	49.2% (29)	5.1% (3)	45.8% (27)	59
Key business processes are monitored and activity is analysed for performance optimisation opportunities	42.1% (24)	33.3% (19)	24.6% (14)	57
Workflow processes are automated	39.0% (23)	27.1% (16)	33.9% (20)	59
Online visibility into export document workflow or a readily accessible database of these documents	43.9% (25)	33.3% (19)	22.8% (13)	57
Proactive and automated monitoring/ resolution of exceptions and non-compliance issues	28.6% (16)	30.4% (17)	42.9% (24)	56
The ability to easily make mid-course changes to international shipments	33.9% (20)	15.3% (9)	50.8% (30)	59
Ability to meet all electronic external export compliance/management communication requirements	57.6% (34)	25.4% (15)	16.9% (10)	59
			answered question	59
			skipped question	13

The report shows that approximately a third of exporters surveyed planned to automate, streamline and better manage export processes using information technology.

28. Describe the INTEGRATION of your organisation's processes and technology solutions.

28. Describe the INTEGRATION of your organisation's processes and technology solutions.				
	Currently exists for all applications	Currently exists for selected applications	Applications are not integrated	Response Count
Process flows that span different applications can be completed without having to switch between multiple applications	20.7% (12)	34.5% (20)	44.8% (26)	58
Data appears to be shared across applications seamlessly and transparently	27.6% (16)	29.3% (17)	43.1% (25)	58
Data is synchronised across multiple applications in real-time	24.6% (14)	28.1% (16)	47.4% (27)	57
Ability to automatically generate emails and communications from applications	27.1% (16)	32.2% (19)	40.7% (24)	59
Ability to import data securely, applying business logic and controls	28.1% (16)	29.8% (17)	42.1% (24)	57
Enterprise applications can be launched from a desktop application	40.4% (23)	24.6% (14)	35.1% (20)	57
			answered question	59
			skipped question	13

Over 40% of respondents reported that their company's export management processes and technologies were neither integrated nor able to automate or streamline business processes.