

## 2010 JOC EXECUTIVE COMMENTARY

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2010 portends to be a challenging, but exciting, year for firms engaging in global trade and their software vendors.

The Importer Security Filing initiative, known as 10+2, goes into full effect this month and will influence business activities during the first quarter. U.S. importers that fully participated in the implementation phase will benefit from familiarity with its provisions and the opportunity it provided to refine processes. Still, the moratorium on penalties may have convinced some to postpone process corrections; definitive action must be taken quickly. Prominent ongoing concerns will be compliance among supply chain partners and the flexibility of reporting models and software in accommodating regulatory change.

The Bioterrorism Act and Automated Commercial Environment will introduce new provisions in 2010, requiring some firms to make minor software modifications. For many, the probable mandate to file CF 214s electronically (Foreign Trade Zone admission document) will create major systems requirements. Luckily, some software vendors anticipated this change and can accommodate the growing numbers of companies expected to use the FTZ as a 2010 business strategy to enhance marketplace competitiveness and save money.

Economic considerations will continue to drive companies to try to do more with less, especially personnel. Later in 2010, when global economies improve and import-export transactions increase, accommodating the business upswing with fewer resources will be difficult. Because inefficiency and noncompliance carry substantial price tags in the global trade management arena, automation will hold the only viable solution. Ironically, many global corporations have frozen software acquisitions out of economic concerns and will have to react quickly. Software vendors will need to adjust their business plans to accommodate corporate budgets; they can anticipate greater numbers of sales but less revenue per sale in this new economic reality.

GTM software vendors will continue to look overseas for new revenue sources. New customs initiatives in foreign countries, such as the Excise Movement and Control System, will make the transition easier and more transparent.

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