

## CASE STUDY



# NAVIGATING CUSTOMS COMPLIANCE RISK, CONTROL AND EFFICIENCY

**BASSETT MIRROR COMPANY ACHIEVES ‘SMOOTH SAILING’ WITH COMPLIANCE MANAGEMENT FROM GES**

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## ABOUT BASSETT MIRROR COMPANY

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Bassett Mirror Company (BMC) is a producer of decorative furniture and accessories ranging from mirrors and lamps to tables, chairs and other artistic home accents. Their dedication to crafting and delivering products with sleek, contemporary designs and timeless appeal has made them a leading brand in furniture and department stores across America. Everyone from Neiman Marcus and Macy's to independent designers to regional chains and local furniture stores depend on Bassett Mirror Company to stock their shelves and furnish the rooms of American homes.

The majority of Bassett Mirror Company's manufacturing takes place in China and Vietnam. With orders of various quantity and frequency requiring delivery to be on time, every time, Bassett relies on a wide range of flexible delivery options to fulfill each order as needed. Many shipments are made directly from the manufacturer in Asia to BMC's customers' distribution centers (DC). For other orders, Bassett Mirror Company ships to their own DC in Bassett, VA.

## BMC'S CHALLENGE

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Bassett Mirror Company increases its value proposition to customers by utilizing a mixed container option, which allows for pick-up from multiple factories in Asia. This logistics program, known as a "milk run," consolidates orders from multiple vendors in China and puts them into one shipping container, then delivers directly to BMC's retail customer.

The merchandising benefit for the retailer is they are able to place one purchase order with BMC, who can then deliver a broader selection of goods in one delivery. The total time for order fulfillment is reduced considerably, since BMC does not need to warehouse and distribute the goods sourced from multiple suppliers.

The challenge for BMC is that they have to synchronize production and logistics operations, while remaining in compliance with U.S. Customs. Details of such milk run operations must be explicitly stated and accurately recorded on Customs documentation. It is important to note that U.S. Customs recently starting assessing strict financial penalties on shippers that did not follow correct Import Security Filing (ISF) procedures. The penalties for non-compliance are significant at \$5,000 per occurrence.

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Brad Russell, Bassett Mirror Company's Vice President of Global Sourcing, recalls that in order to maximize the efficiency of their mixed container program and to mitigate the risk of non-compliance, they sought to outsource to an experienced customs broker.

## THE GES SOLUTION

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In 2013, Bassett Mirror Company was sourcing each aspect of their mixed container program from separate logistics service providers and Customs brokers. However, they were actively seeking opportunities to increase efficiency and better manage the vacillating waters of international regulations. So when their ocean freight services provider, Globe Express Services (GES), made themselves available as an integrated, end to end solution, the timing was perfect.

Bassett Mirror Company made an impactful shift in operations by outsourcing every aspect of their shipping, customs clearance, and delivery process to Globe Express Services. Everything from their mixed



container consolidations to customs brokerage, ocean freight, and tracking was now covered under a single umbrella of services offered by GES.

Bill Smith, GES Vice President of Sales, says, “[Bassett Mirror Company] streamlined their Customs Compliance procedure by outsourcing it to GES, who was able to provide a very high level of expertise, control and efficiency. They trusted GES to provide a deep understanding of compliance management, which was important considering Custom’s greater scrutiny of ISF and anti-dumping cases in the furniture industry.”

In Russell’s own words, BMC’s decision to hand off customs compliance to GES was due to “[GES’s] obvious expertise in the area of compliance management, professionalism, and competitive rates. What’s more, BMC is now assured that 100% of their Customs entries undergo an internal review by GES. We sleep better at night knowing that.”

Another benefit of working with Globe Express Services, he says, is that GES goes above and beyond the call of duty during the on-boarding process - becoming instrumental in executing a smooth transition of services.

“They have a lot of different branches around the globe, but they always provide a personal touch with us,” says Russell. “I feel like I could pick up the phone and call a manager at any moment. And if they don’t have an immediate answer, they find it. I enjoy the single point of contact benefit of their service.”

Now, a year into their compliance solution with GES, Russell says that “BMC and GES have maintained a great relationship because GES brings a high level

of Customs expertise. They’re always working to improve their systems & processes and they have very knowledgeable people. I know they’re prepared for whatever comes along in the future. Things like free trade zones, duty drawback and other specialized compliance concerns are opportunities on the horizon, so it’s important to align with a partner that can help our business evolve.”

## BIG RESULTS

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Russell cites greater control over the supply chain, increased efficiency through outsourcing, and reduced compliance risk as the top benefits of GES’s end-to-end solution. He adds that everyone in his organization now knows whom to call if they encounter an issue. This is a big improvement, especially during moments of stress. No longer do employees and managers spend hours tracking down the right person to resolve a logistics emergency. Now, one call to GES starts the ball rolling for timely resolution.

The GES approach to supply chain management also eliminates many of the standard phone calls and emails surrounding a normal shipment. Everything from coordinating the suppliers and carriers in Asia for pick-up, to shipping, to Customs clearance and delivery are covered.

Russell says, “It eliminates a trucking phone call, a customs phone call, and a tracking phone call - just to name a few.” Another benefit Russell notes is that GES also offers regular guidance and consultation about customs regulations, in addition to their ongoing compliance management process.

Finally, the administrative ease of receiving a single invoice for the entire supply chain process is invaluable.



Not only does it reduce the amount of time needed for invoice processing, it also reduces tangible costs. Since every invoice costs Bassett Mirror Company a certain amount of dollars to process - getting executive sign off, moving through Accounts Payable, etc. - a single bill that covers all aspects of the delivery process is key to eliminating unnecessary effort.

In Russell's words, "It's one phone call. One freight bill. One effective outsourced channel for global logistics & Customs compliance. We experience ease of mind knowing that all of our bases are covered."

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#### **ABOUT GLOBE EXPRESS SERVICES (GES)**

**Globe Express Services® is a 3PL that offers a robust, well-rounded suite of international logistics services to companies doing business in Asia, Europe, the Middle East, the Americas and around the world. With a focus on putting people first, a constantly expanding worldwide network, and an investment in cutting edge technology, GES is able to help any organization effortlessly navigate the volatile waters of shipping logistics.**

**Working with a 3PL expert to help you take control of your supply chain can give you better visibility, ease, and profit on your exports, while helping you provide better rates and service to your clients.**

**We invite you to leverage our extensive International Transportation knowledge base and experience, powered by people who care.**