



**Rhodia: Creating a New Formula  
for Confident Compliance  
with SAP® Global Trade Services**

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**Company**

Rhodia Inc.

**Industry**

Chemicals – specialty chemicals

**Products and Services**

Specialty chemicals company committed to sustainability through innovative partnerships with manufacturers of automotive, consumer, personal care, and other products

**Web Site**[www.rhodia.com](http://www.rhodia.com)**SAP® Solutions**

SAP® Global Trade Services application  
SAP ERP application

**Partner**Krypt Inc. ([www.kryptinc.com](http://www.kryptinc.com))

How does a specialty chemicals company protect its products and customers from the risks and volatility of today's global trade environment? For Rhodia Inc., it takes the SAP® Global Trade Services application. "As a chemicals company, we get a **definite competitive advantage** from SAP Global Trade Services," says Siva Narayanan, maritime, warehousing, and logistics manager at Rhodia. "Anyone who buys a Rhodia product knows it's strictly controlled."

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# The “Rhodia Way” to high performance and higher responsibility

For over a century, Rhodia Inc. and its predecessor companies have been part of the U.S. chemicals industry. Starting with a production facility in New Brunswick, New Jersey, in the early 1900s, Rhodia now operates 18 facilities across the country. Today Rhodia is also a member of the Solvay Group and is structured around 11 global business units that deliver innovative products and technologies to a diverse customer base. Customers look to Rhodia as a critical partner in their own successful product and service lines, including automotive parts, refining operations, home and personal care products, agricultural products, and much more.

For Rhodia, being a world leader in the development and production of specialty chemicals is built on the idea that high levels of performance, innovation, and quality are inexorably linked to the highest levels of corporate responsibility. It’s the driving principle behind the “Rhodia Way,” a framework of ambitious and pragmatic commitments developed by Rhodia employees and practiced by all 14,000 employees



# 14,000

Employees worldwide

worldwide. The Rhodia Way includes responsible practices toward all stakeholders – from procedures to monitor customer products through their lifecycle to building highly transparent relationships with the local communities where Rhodia operates. It’s also a principle that has helped make Rhodia the leading sulfuric acid regenerator in the United States.



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# Global compliance in a single solution

As a specialty chemicals company, Rhodia has a highly complex and global supply chain. It constantly collaborates with its affiliates around the world, and to improve that collaboration, Rhodia and its affiliates recently deployed the SAP ERP application. The software is delivering tremendous strategic and operational benefits, but it does not fully support the company's stringent compliance requirements for its imports and exports.

Rhodia also wanted to replace the separate spreadsheets, databases, and other tools used for its classifications, compliance, and NAFTA-related activities. These processes required reentry of data into duplicate systems and lacked built-in compliance controls.

Rhodia's customs filings also required reentry of import and export information, work that was outsourced. Rhodia would send export filing information to forwarding agents who reentered it into their own systems and then transmitted the filing to customs. The import security filings (ISFs) worked the same way, with brokers reentering data and transmitting the filings themselves.

Rhodia was looking for a single solution to manage all of its trade-related filing and compliance requirements. Its goals were to ensure that data once captured would not need to be reentered later and, more important, to ensure that strict controls are in place at every point in Rhodia's workflow where compliance implications arise.

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“We wanted a single solution that connects us to our affiliates worldwide and makes trade compliance an integral part of our global supply chain operation.”

Siva Narayanan; Maritime, Warehousing, and Logistics Manager; Rhodia Inc.



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## “My import is someone else’s export”

With SAP Global Trade Services, Rhodia found a single solution that can be shared by all of its global affiliates to support compliance requirements around the world. The application leverages the data and functionality of SAP ERP, so all necessary compliance data can be entered into SAP Global Trade Services by business users in the exporting country. Rhodia can avoid all of the data reentry when the product is imported because SAP ERP prefills all required supplier details.

SAP Global Trade Services can also enforce Rhodia's trade compliance at the transaction level. This means, for example, that the application can automatically

check a customer's denied-party status when Rhodia receives a PO and then recheck the status just before goods are shipped. When Rhodia places an order with a foreign manufacturer, the software can flag imports from plants that do not, or may not, have the required DEA license.

In addition to these and other tight controls built into user interfaces, the software provides Rhodia with centralized and secure control over critical company information. Data no longer must be entered in external systems, such as those of forwarding agents and brokers. In fact, Rhodia can complete its own customs filings with the software.

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“Because my import is someone else’s export, SAP Global Trade Services could help us capture all relevant data at the upstream export side to simplify the workload on the downstream import side. This has been a key goal for us.”

Siva Narayanan; Maritime, Warehousing, and Logistics Manager; Rhodia Inc.



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## Fast, phased, and first

Rhodia established an ambitious scope and timeline to implement the software, and it teamed with Krypt Inc., a partner that specializes in SAP Global Trade Services implementations. The collaboration paid off. In one year, Rhodia completed a five-phase deployment that began with complete classifications support for compliance and customs duty calculation and culminated with the company becoming the first ISF self-filer using SAP Global Trade Services in the United States.

Krypt followed a disciplined process, recognizing that each new deployment would build on previously deployed functionality. Following classifications, Krypt deployed the software's NAFTA functionality to handle supplier declarations and chemical-related

NAFTA calculations, and to create all necessary documentation. Next, it quickly deployed the functionality to automate sanctioned-party screening under the DEA, FDA, Toxic Substance Control Act (TSCA), Customs and Border Protection Agency (CBP), and Department of Commerce.

To certify Rhodia as a CBP-approved Automated Export System (AES) and ISF self-filer, Krypt worked closely with communications middleware providers and experts at the CBP to meet all required communication and data scenarios. Prior to the implementation, Krypt co-innovated with the SAP product development team to help ensure that SAP Global Trade Services had the functionality required to support Rhodia's ISF self-filer efforts.

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“The Krypt team's technical expertise, thoroughness, and speed of delivery ensured that we could get the comprehensive functionality we needed from SAP Global Trade Services in the shortest possible time.”

Siva Narayanan; Maritime, Warehousing, and Logistics Manager; Rhodia Inc.



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# Zero tolerance for subjectivity

Rhodia is exceptional in the sheer number of classification standards and compliance controls that are supported by SAP Global Trade Services. These controls go beyond government mandates and reflect Rhodia's strong internal operating standards. Suppliers and customers are checked multiple times throughout the purchase and sale process. For example, sales to customers who require DEA licenses are checked when products are ordered and again when they are shipped. The software helps ensure that the final destination of the product is DEA licensed and that a change in a customer's address will flag and stop all associated orders. Similarly, all imported products subject to TSCA are checked at the PO level, and if no TSCA filing exists, the order is flagged and stopped.

The software's integration with various components of SAP ERP makes this level of control possible. It can leverage the supply chain data in SAP ERP to automatically determine NAFTA treatment and cost calculations for applicable products. SAP Global Trade Services explodes a product's bill of materials to determine each component's origin, contribution to the final product, and production cost. In all cases, the software forces business users to enter the correct details to help ensure the right compliance outcome and move the process to the next step.

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“With SAP Global Trade Services, the level of subjectivity is zero. With automated alerts and process holds, it keeps you within a strict compliance arena and does not allow you to circumvent its rigid workflow.”



Siva Narayanan; Maritime, Warehousing, and Logistics Manager; Rhodia Inc.

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# Connected partners, controlled data, total compliance

Today, as Rhodia imports and exports products with its affiliates in Asia, Europe, and Latin America, they all rely on SAP Global Trade Services to efficiently coordinate compliance activities. Business users on the export side can enter all of the supplier information early in the process, helping ensure accuracy and speeding transaction times. On the import side, business users no longer enter 30 or 40 data fields, but only 2 or 3.

Rhodia has also eliminated the costs and complexity of relying on external resources to support its compliance activities. To process the AES filings, Rhodia's external forwarding agents now assume the role of internal business users, forgoing reentry into their own systems and logging in to SAP Global

Trade Services to complete the transactions. For its ISF filings, Rhodia has eliminated its broker-related costs altogether. Instead of brokers filing the ISF in the United States before the products are imported, Rhodia's Brazil affiliate uses the software to file the ISF before it imports, with much of the data prepopulated by SAP ERP.

In addition, Rhodia no longer relies on out-of-system processes to determine tariff status under NAFTA and to prepare the related documentation. The entire process is now streamlined through the software, and all products that qualify for favorable treatment under NAFTA are included, helping ensure that Rhodia receives all eligible tariff savings.

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“SAP Global Trade Services takes us to a new level of accuracy and timeliness. Our export partners can file all of the paperwork before the product leaves the country, reducing our compliance risk and improving our competitive profile.”

Siva Narayanan; Maritime, Warehousing, and Logistics Manager; Rhodia Inc.





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## The journey continues

Rhodia continues to optimize its worldwide compliance workflow to further streamline and harmonize exporter and importer user interfaces used by its global partners. To help everyone get there, Solvay is expanding the rollout of SAP Global Trade Services to all of its member companies throughout the world.

In the United States, Rhodia plans to upgrade to the latest version of the software to help improve its coordination with CBP, including its financial coordination. Rhodia plans to use SAP Global Trade Services to facilitate duty payments directly to CBP. It's a process that will include the electronic filing and receipt of entry summary and cargo release documents. Using the software to manage duty payments with CBP, instead of relying on outside brokers, will help Rhodia accelerate its entire supply chain.

