



Parker Hannifin Corporation – Transportation and Logistics

STREAMLINING IMPORT DOCUMENTATION

Parker Hannifin improves efficiency and compliance through automation of their import documentation.

CHALLENGE:

To manage international import documents more efficiently.

SOLUTION:

Leverage Iron Mountain Digital Record Center® for Images as a central repository for electronic shipping information from third-party brokers.

RESULTS:

An accessible, online central repository of all international shipping information – proving greater efficiencies, improving compliance and enabling better visibility throughout the process.

“In the past it could be days before we got our hands on the documents that we needed to supply to customs, and now that transpires in a matter of minutes.”

– CRAIG SCHAU, MANAGER,
INTERNATIONAL TRADE
COMPLIANCE, PARKER
HANNIFIN

PARKER HANNIFIN: A DIVERSIFIED GLOBAL MANUFACTURER

Parker Hannifin is the world’s leading manufacturer of motion and control technologies and systems, providing precision-engineered solutions for a wide variety of mobile, industrial and aerospace markets. The company operates in 54 countries on six continents and prides itself on offering the maximum flexibility and autonomy for its business units worldwide.

MANAGING INFORMATION FOR IMPORT COMPLIANCE

For any company that ships a significant volume of product internationally, the ability to effectively manage customs documentation for each of the countries in which it does business is essential to a smooth operation.

For example, all the paperwork necessary to enter the United States must be auditable and readily produced to meet customs requirements. Failure to comply can result in hefty statutory and regulatory fines, which greatly increase cost.

Parker Hannifin has business field offices in over 50 countries, making the task of managing import compliance documents challenging – especially considering the company utilizes multiple third-party brokers (FedEx, UPS, etc.) to handle all of its international shipping. Complying with regulations, therefore, depended on each broker sending a CD to corporate headquarters with details of the numerous shipping transactions from the previous month.

This structure limited the shipping validation process to a monthly activity and made that information available to only one person at a time. Moreover, the process exposed Parker Hannifin to the risk of unannounced audits by U.S. customs and border protection – which requires documentation be presented within 30 days or be subject to regulatory penalties of up to \$5,000 per transaction.

FIRST-OF-ITS-KIND SOLUTION

To help find a solution to streamline its import documentation process, Parker Hannifin turned to Iron Mountain. Since 1987, Iron Mountain has managed the company's data protection and was familiar with its decentralized structure and many of the concerns related to its import practices.

The Iron Mountain team leveraged its Digital Record Center for Images solution to act as Parker Hannifin's central repository for all of its import documentation – replacing the need for brokers to send a monthly CD. The solution provides the Transportation department – and others within the organization – online access to documents for indexing, storing and auditing purposes.

With the repository in place, Iron Mountain then turned its attention to automating the flow of information from Parker Hannifin's third-party brokers. The Iron Mountain team worked directly with the brokers to develop a first-of-its-kind solution that electronically feeds and uploads all shipment documentation from the brokers' systems into the Digital Record Center for Images repository.

The benefits of the solution include:

– Improving compliance with customs requirements.

Automating the shipment information directly from the brokers improved the speed at which shipping information was made available, enabling Parker to respond quickly and efficiently to customs inquiries.

– **Increasing visibility across the process.** Online access to the Digital Record Center for Images solution enables any authorized user – in the Transportation department and beyond – to gain instant access to the appropriate documentation.

– **Enhancing inter-departmental efficiencies.** With the Digital Record Center for Images solution deployed, the Accounting and Tax department developed a similar solution for its national purchasing card (P-Card) program.

RESULTS

- Improved the speed that international shipping information was made available from monthly to daily
- Increased the access to information from one person to any user with online access
- Increased compliance by enabling faster response to custom's requests
- Reduced the risk of unnecessary regulatory penalties for insufficient documentation during audits, which can be as significant as \$5,000 per transaction

EXTENDING EFFICIENCIES IN NEW AREAS OF THE ENTERPRISE

Parker Hannifin's import documentation solution has completely modernized the company's customs audit and reporting practices. Its partnership with Iron Mountain has creatively brought efficiency and visibility to the operation, while streamlining its ability to meet compliance at the border. Most importantly, the company anticipates increased efficiencies as it shares the solution with other areas of the enterprise, much like the P-Card program solution deployed in its Accounting and Tax department. To learn more about this solution, refer to the Parker Hannifin Corporation Accounting Department case study.



ABOUT IRON MOUNTAIN. Iron Mountain Incorporated (NYSE: IRM) provides information management services that help organizations lower the costs, risks and inefficiencies of managing their physical and digital data. Founded in 1951, Iron Mountain manages billions of information assets, including backup and archival data, electronic records, document imaging, business records, secure shredding, and more, for organizations around the world. Visit the company Web site at www.ironmountain.com for more information.