

Supply Chain Management:

Risk & Compliance



Managing Risk in Your Supply Chain

Your supply chain must be efficient, reliable, and in compliance with all rules and regulations to run smoothly and get your goods where they need to be in a timely manner. How can you manage risk, compliance and efficiency in your supply chain to run a successful business? As experienced global supply chain experts, we have created this guide to give you the tools you need to run a productive supply chain that adds value to your business' bottom line.

Think of shipping cargo like a financial portfolio: It's important to diversify. That's because there are inherent risks when shipping via air and ocean: Delays, damaged cargo, weather events, etc. Cargo insurance, though critical, isn't always enough to protect you and your business.



Predictable Risks

▀ Peak Season:

Two to three months before Thanksgiving is peak season for U.S. imports. Everyone is trying to get their goods shipped out so they are in stores before Black Friday and Christmas, which means air and ocean freight space becomes very scarce, and very, very valuable. Steamship lines often have a peak season surcharge (PSS) that can cost hundreds of dollars more per container.

Planning enables you to make the supply chain adjustments that best fit your business. Even businesses that don't follow this typical retail shipping pattern, such as industrial manufacturers, still must recognize its impact. Sometimes a single company can have a noticeable impact on the market. For example, air freight demand and rates typically spike in September to correspond with Apple's highly anticipated iPhone releases.

▀ Holidays:

In East Asia, the Chinese New Year (Lunar New Year) holiday shuts down manufacturing for a week or more. This event severely impacts shipping from Mainland China, Hong Kong, Taiwan, Vietnam, Malaysia, Singapore, and beyond. The start of Chinese New Year varies annually from late-January to mid-February. It's important to know the major holidays and customs in your sourcing countries. So, keep a calendar of major holidays that could impact your cargo.

▀ Labor Unions:

The workers of the International Longshore and Warehouse Union (ILWU) and International Longshoremen's Association (ILA) are a critical part of the shipping process in the U.S. and it's important to be aware of their contract negotiations. When union contracts are close to expiring, and if a new contract hasn't been negotiated, there could be delays in getting your goods off the vessel. Keep up-to-date with what's going on in the unions, so if there is a delay in negotiations or a contract dispute, your goods aren't stuck in port.



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You need a plan that covers all the predictable and unpredictable risks, so any issues that can disrupt your supply chain are limited and infrequent.

Unpredictable Risks

■ Labor Strikes/Protests:

Some things you can see coming, but sometimes strikes can be completely unpredictable. If a union in a different industry is protesting, other unions may join in support. They can also join non-union related protests.

■ Natural disasters:

Hurricanes, cyclones, and typhoons are different names for the same weather phenomena, collectively known as tropical cyclones. The names vary depending on where the storm originates. For South East Asia, the season runs from May through November, for the U.S. East Coast and Caribbean it's June to November, and East Asia, the South Pacific and Australia are on watch from November to April.

■ Unpredictable Industry Events:

When Hanjin Shipping Co. of South Korea filed for bankruptcy in 2016, nearly \$14 billion in goods were left in limbo out in the sea. Owners were left in the lurch, unable to get their inventory until Hanjin had enough money to pay port and landing fees. While the ultimate bankruptcy of Hanjin wasn't predicted, their financial struggles combined with historically low ocean freight rates were well known. Shippers with Hanjin contracts that relied heavily on the Korean carrier felt the biggest impact after their collapse.

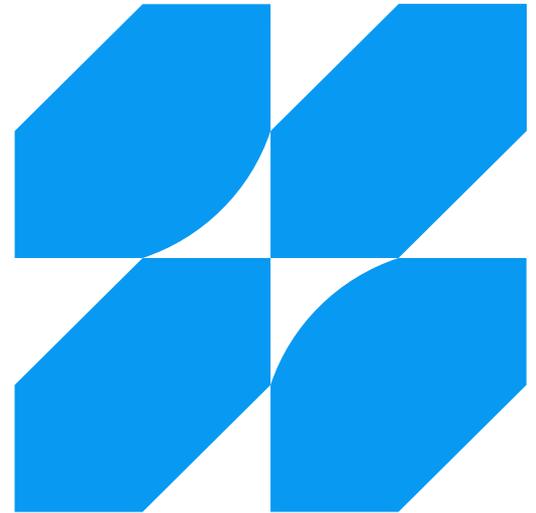
How to Plan Ahead for Both Types of Risks

When it comes to shipping your goods, knowing the risks can help you plan accordingly. It's important to have contingency plans in place. There are a number of ways that you can plan ahead for all these predictable and unpredictable risks. However, it can be difficult to keep up with industry news, holidays, union contract negotiations and the weather when you have a business to run. Your logistics partner can help as they keep current on events and inform you when something may affect your shipments. Also, in the event of a delay, they'll work with you to keep your supply lines flowing.

Status Quo

as a Risk in Your Supply Chain

When it comes to your business' supply chain, you might find it difficult to implement changes or change the status quo. There may be a collective feeling of “this is how we have always done things.” You may not even know what can be changed and if those changes would actually help your business succeed. How do you know if you need to take a few risks and make changes in your logistics management?



Ask yourself these 3 questions:

- Is your tracking system working for you?
- Why are you using your current vendors?
- Is your tracking system and freight forwarder giving you a competitive advantage?

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What your answers are telling you

If tracking takes hours, depends on calls and emails, or leaves you unsure what's in each shipment, it's costing you time and clarity—and it's likely time for an upgrade. A modern system should deliver real-time visibility down to PO and SKU level, so you can get answers instantly and share accurate updates with sales and clients. Your freight forwarder should also do more than move freight: the right partner anticipates market shifts, flags risks early, and recommends improvements that keep you ahead. Change is hard, but staying with the status quo can cost you a competitive edge.

Supply Chain Compliance: The Essentials

Key terms every importer should know to reduce delays and avoid surprises. The simplest way to stay compliant across your supply chain is to work with the right logistics partner—one that knows the rules, flags issues early, and keeps your imports moving. Still, having a working knowledge of common compliance terms helps you spot risk before it turns into a delay.

■ CBP

U.S. Customs and Border Protection (“Customs”), the agency that enforces trade rules, releases goods, and collects duties and taxes.

■ Customs Broker

A licensed expert who helps importers meet federal requirements, files entries, submits payments, and supports HTS classification.

■ Customs Bonds

A financial guarantee that duties and taxes will be paid. Most importers use either a single-entry bond or a continuous bond.

■ ISF (10+2)

Importer Security Filing required for ocean freight; you (or your designated filer) must submit it 24 hours before cargo loads on a vessel bound for the U.S.

What this means for your team

When your filings, classifications, and bond strategy stay organized, you lower the chance of holds, exams, and last-minute scrambles—freeing your team to focus on the work that drives the business forward.

Supply Chain Compliance: Beyond Customs

Agencies, security rules, and documentation that can impact clearance. Compliance doesn't stop with CBP. Depending on what you import—and what it's made from—you may need additional paperwork, approvals, or screenings to enter the U.S. smoothly.

Other Government Agencies

■ FDA

Regulates foods, beverages, pharmaceuticals, cosmetics, medical devices, and related items.

■ EPA

Regulates products that affect the environment (e.g., pesticides, motors, hazardous waste).

■ DOT

Regulates transportation-related products (e.g., motor vehicles, helmets).

■ CPSC

Regulates consumer product safety (e.g., lead limits in toys) and may coordinate with CBP.

■ FWS

Regulates wildlife, animal products, fish, plants, and plant-based goods (e.g., wood furniture, instruments).

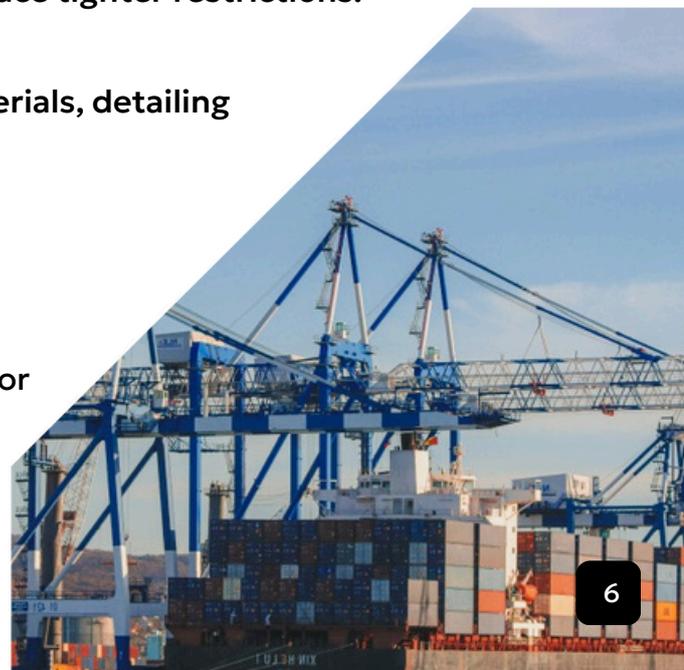
■ TSA (Air Freight)

Screens cargo moving by air; “unknown shippers” face tighter restrictions.

■ MSDS/SDSv

Safety documentation required for hazardous materials, detailing handling, storage, and spill procedures.

These terms are only a starting point, but each one can affect cost, timing, and risk. An experienced freight forwarder and customs broker help ensure accurate classification and on-time filings. Looking for a partner to manage compliance and reduce risk? Contact Dedola Global Logistics at dedola.com.



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