



Awards

Premio Nacional de Innovación
 Gubernamental (Government
 National Innovation Award)
 2012

Inter-American
 Development Bank
 (IDB) Award for
 innovation and
 productivity
 2013

ELECTRONIC COMMERCIAL MOVEMENT DECLARATION SYSTEM

"The deployment of CrimsonLogic's Trade Facilitation system has greatly helped in the advancement and growth of the Colon Free Zone. With the adoption of technology, the Colon Free Zone has been able to better itself and remain as the premier free trade zone in the Americas and the world."

Mr Marcelio Smith,
 Chief Information Officer,
 Colon Free Zone Administration

SUMMARY

- Client:** Colon Free Zone Administration
- Challenge:** To digitise the Colon Free Zone's administrative system and increase efficiency to meet the needs of its users and customers.
- Solution:** CrimsonLogic's Electronic Commercial Movement Declaration System (DMCE) enables users to submit declarations and documentation electronically to the Colon Free Zone Administration and Panama Customs, enabling interfacing with other stakeholders such as the Chamber of Commerce and banks.
- Benefits:** The fully-customised system provided users a 360-degree view of the movement of goods within the free zone, improved operational efficiency, and enhanced Panama's position as an international trade and logistics hub.

BACKGROUND

The Colon Free Zone (CFZ) is the largest free trade zone in the Americas and also the second largest in the world. Located in Colon, Panama, the commercial hub services offered by the CFZ include importing, storage, reassembling and re-exporting of products for global customers. The Colon Free Zone generates USD \$14 billion in imports and re-exports each year.

Due to its strategic geographic location and access to five major ports, over 3,200 companies operate within the zone and more than 250,000 visitors pass through it annually.

To take the hub to the next level of growth and competitiveness, CFZ Administration saw the critical need to leverage technology and deploy a system to provide better service. This would increase productivity and allow more efficient processing and approval of documents.

In 2007, CFZ partnered with CrimsonLogic to tailor an electronic documentation system (Electronic Commercial Movement Declaration System – DMCE) to improve its trade facilitation and distribution facility services.

Prior to the deployment of DMCE, the submission of import and export information was a time-intensive and manual process with close to 2,000 - 3,000 transactions daily. CFZ Administration constantly experienced documentation backlog, which went as far back as 6 to 12 months as document processing took up to 4 hours for each transaction, creating long queues at service counters. This had an impact on its business and operational growth.

Given its extensive and expanding operations, CFZ Administration's existing manual system was unable to keep up with growth demands or achieve optimal efficiency. CFZ Administration needed an end-to-end solution that was quick to launch, time-efficient and intuitive to use.

SOLUTION

Following the evaluation of several global vendors by the CFZ Administration, CrimsonLogic was selected as the partner of choice with the most relevant solution and sound track record. CrimsonLogic's DMCE system is a customised electronic documentation platform that allows the CFZ Administration to provide an efficient document filing system to their users, enabling a faster turn-around across the entire CFZ ecosystem.

Freight forwarders, customs brokers, importers and exporters, can now file all their documentation electronically to the CFZ Administration and the Panama customs anytime in the day, instead of being restricted to the official working hours.

The system also allows for the interface with other stakeholders such as the banks and the Chamber of Commerce for the approval of documents and data sharing.

With information in real-time, the data and statistics that are generated from the CFZ is now more readily available and this allows for the analysis and decision making at the Administration and National Policy level.

CrimsonLogic worked closely with the CFZ Administration throughout the entire implementation stage to ensure that the Administration had the right software, hardware and database configuration. The software development of the system was completed in 6 months and to facilitate greater user adoption, users of the system were involved in the design phase.

In another step to improve user acceptance and adoption of the system, CrimsonLogic undertook a phased training approach of CFZ Administration's staff where 80 percent of users were first trained to ensure that they would be able to effectively utilise the system for their daily work.

Since 2007, the CFZ has seen a business growth of 12.7 percent per year. To date, there is an estimated 10,000 to 15,000 users from the 3,200 companies which use the CFZ.



BENEFITS

Since implementing the DMCE system in 2007, the CFZ has seen these benefits:

- **Improved operational efficiency**

As an automated system, document processing which used to take up to 4 hours for each transaction is now reduced to 3 - 10 minutes, allowing for the administration to process more transactions and help reduce backlog.

- **24/7 connectivity for users**

Previously, documents could only be submitted to the CFZ Administration from 9am - 6pm on weekdays. Only 2,000-3,000 transactions could be processed daily. With the DMCE system in place, documents can now be submitted anytime, providing 24/7 service to users.

- **Data storage and security**

Prior to the implementation of the DMCE system, the CFZ Administration generated more than 5 million documents monthly and these paper trails had to be stored and managed. The implementation of the DMCE system allowed CFZ Administration to move from a manual, paper-based process to a digital one. With regular system back-ups, this ensures that there is no issue of misplaced physical records or duplicates, thus increasing data accuracies.

- **Employee productivity and skill**

With the implementation of the DMCE system, employees are now more productive and their skill levels have also increased significantly, becoming more IT-oriented.

- **Real time access to data**

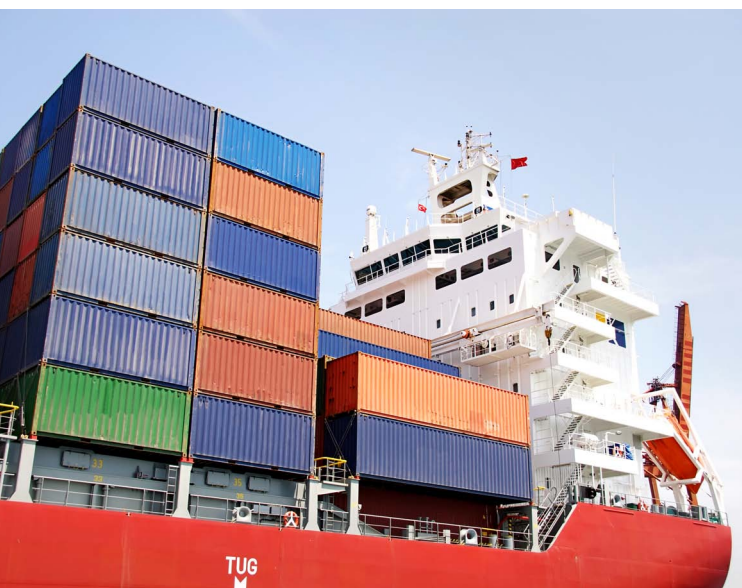
As the CFZ experiences growth on a year-on-year basis, the Administration needs to closely monitor the growth trends. Easy access to accurate real time information helps the CFZ Administration in its decision-making process to better plan future capacity. This data also helps the national statistical authorities conduct analysis and make accurate economic decisions.

- **Easy integration with other government agencies**

The system can be easily enhanced and integrated with other government agencies such as the IRS, Customs and Government Financial Controllers for the streamlining of services for the users.

- **Increased customer satisfaction**

The implementation of DMCE system has seen faster turnaround time and minimising transaction errors for all parties. Documents are processed within 4 to 10 minutes.



For more information on this case study, please contact us at sales@crimsonlogic.com

Copyright 2009 crimsonLogic Pte Ltd [Regn No: 198800784N]. All rights reserved. "CrimsonLogic" and the CrimsonLogic Shell Device are trade marks of CrimsonLogic Pte Ltd. Permission for reproduction of the contents in whole or in part should be sought from CrimsonLogic. While efforts have been made to ensure the accuracy of information at the time of production, CrimsonLogic accepts no liability for the accuracy of any reliance on any statement made herein.

