

Digitizing & Integrating Product Classification Workflows to Save Time & Money

SONY

Sony Electronics, a global leader in electronics for consumer and professional markets, ships large volumes of goods internationally across multiple, rapidly-changing regulatory jurisdictions. The company replaced its third-party compliance system with Descartes' cloud-based classification and compliance solution. By automating and streamlining its import classification process, Sony reduced costs, saved time and labor, and enhanced compliance and accuracy.

“As a global company operating across different regulatory jurisdictions, accurate product classification is an essential element of our overall trade compliance program. Descartes helped us reduce the costs associated with product classification, while delivering a customized solution aligned with our desired process to drive efficiency, increase visibility, and consistently achieve high compliance rates.”

Marilyn Batzel, Director of Trade Finance and Compliance
Sony Electronics

Company Profile

Sony Electronics

Descartes Solutions

Classification and Compliance

About the Client

Sony Electronics, a subsidiary of Sony Corporation of America and an affiliate of Sony Group Corporation, is a leader in electronics for the consumer and professional markets. Headquartered in San Diego, CA, Sony Electronics' operations include research and development, engineering, sales, marketing, distribution, and customer service.

Quick Overview

Challenge

Inefficient Manual Import Process

Solution

Automated Classification Workflows

Results

- Cost Savings
- High Compliance Rates
- Tailored Classification Workflows
- Efficiency & Productivity Boost

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Challenge: Inefficient, Costly Manual Import Classification Process

Sony Electronics operates in a highly-dynamic global marketplace, sourcing components, finished products from various regions worldwide. Given that Harmonized Tariff Schedule (HTS) codes, duties and tax rates change frequently—as do government regulations and policies related to classification, valuation, special trade programs and free trade agreements—relying on a prior third-party system to manually classify goods was hindering Sony’s operational efficiency and impacting its bottom line. Recognizing the potential challenges of this approach, Sony sought a modern automated solution to digitize and expedite its classification and compliance workflows.

Solution: Stable Platform + Value-added Integrations Facilitate Expansion

Sony Electronics produces and ships technology including Smart TVs, home projectors, and over-the-counter hearing aids, cameras and headphones to customers around the globe. Given the critical role of ensuring compliance amid complex and regularly changing HTS codes, duties, and tax rates, the company implemented the cloud-based Descartes product classification and compliance solution to create more efficient, accurate, and cost-effective import classification processes.

With an up-to-date database of more than 6 million regulatory sources covering 160-plus countries, the Descartes platform enables Sony to determine and unify product classification and compliance data for both import and export shipments, configure the classification workflow based on specific model requirements, and update product classification en masse or reclassify products as countries’ tariff schedules are updated.

“Before deploying the Descartes solution, we used an HTS classification system supplemented by various manually maintained spreadsheets. By moving the process to Descartes’ automated cloud-based solution, we’ve been able to create a repository of item product classification codes integrated directly with our various business systems (e.g., SAP GTS) for use in customs transactions as required,” said Marilyn Batzel, Director of Trade Finance and Compliance at Sony Electronics. “As a result, we’ve improved the accuracy of our HTS code determination to enhance compliance while reducing the time and effort spent on classification to cut costs and boost productivity.”

Results:



Cost Savings

By leveraging Descartes’ automated technology, Sony eliminated manual classification processes, reducing operational expenses. Plus, up-to-date global trade content minimizes duty, tariff, and tax spend while mitigating the risk of fines and penalties.



High Compliance Rates

Up-to-date, comprehensive global trade content from a single source improves data classification accuracy, optimizing trade compliance automatically. Increased visibility and an electronic audit trail provide recordkeeping for every step in the classification workflow, enhancing compliance, and ensuring a standard of reasonable care.



Tailored Classification Workflows

Given the complex nature of the components and finished goods Sony imports and exports, the classification process must be configured to precise specifications to ensure efficient and effective workflows. Descartes’ solution engineers worked closely with Sony to deliver a unique solution that aligned with Sony’s requirements.



Efficiency & Productivity Boost

By replacing its manual product classification system with Descartes’ automated solution, Sony saves time and labor. Seamlessly integrated with Sony’s existing business systems, the Descartes solution accelerates the classification process while ensuring data consistency, accuracy, and workflow continuity.