

# Customs broker



**ASSIGN  
BUSTER**

A BUSINESS PLAN AND ROLE OF A U. S. CUSTOMS BROKER TABLE OF CONTENTS PART I – BUSINESS PLAN: Executive Summary General Company Description Services Market Analysis Summary Management and Organization Financial Plan PART II – U. S. CUSTOMS BROKER ROLE: Role and Purpose of a Customs Broker Preparing for the Customs Broker License Exam Harmonized Tariff Schedule Customs-Trade Partnership Against Terrorism (C-TPAT) Importer Security Filing/10+2 Entry Process Automated Brokerage Interface Automated Commercial System Sample Import/Export Frequently Used Documents EXECUTIVE SUMMARY

Customs Broker Experts, LLC is a certified woman-owned customs broker firm located in Chicago, IL. The company has been set up as an LLC company by the owner and licensed customs broker, A. The company's goal is to become the preferred customs broker in the Chicagoland area, increasing profitability upward of 15% annually. Customs Broker Experts will process entry clearance of merchandise being imported through all major U. S. ports and comply with U. S. Customs clearance procedures, laws and regulations. The company will provide the services and filing procedures to customers so they spend less time pouring over paperwork, and more time concentrating on their business. A, an experienced Supply Chain professional, will manage and operate the company as the licensed broker and general manager. With over ten years of import experience managing substantial volume from Mexico, Germany, China, and more recently Canada, A has the knowledge, commitment, and experience to lead a successful customs brokerage organization. GENERAL COMPANY DESCRIPTION: Customs Broker Experts,

LLC offers customs clearance expertise to those in the business of importing goods from all over the world.

The organization offers importers its thorough understanding of the rules and regulations of the United States Customs Border Patrol to ensure goods are in compliance and abide by government regulations. The company will process all customs-required documentation, declare the value of the merchandise, classify the merchandise, rate and pay all applicable duties on behalf of the importer prior to releasing the goods to the customer. The company has secured a two-year contract with ABC Imports, LLC and will act as the customs broker for the company for said period of time. Contract renewal will take place 18 months into the contract.

ABC Imports handles merchandise shipping from Mexico, Germany, and China. Based on forecasted projections, Customs Broker Experts will generate a profit by the end of the first year with a 15% increase the second year. The projected imports are expected to vary throughout the year with May through September serving as peak season. During peak season, the company projects to import about 800 trucks and railcars a month from Mexico through the port of Laredo, Texas; Eagle Pass, Texas; and Nogales, AZ. During off season, the company projects to clear approximately 575 shipments. SERVICES:

Customs Broker Experts will provide prompt personalized service acting as an agent between the shipper and US Customs and other government agencies. It will be our job to be sure that the importer of record is in compliance with all Federal and State laws. All customs brokerage firms are required to have a Power of Attorney on file prior to transacting any Customs

business on the behalf of the importer of record. This instrument allows the broker to transact Customs business only. The document indicates the US tax reporting number, and specifies if the importer is a corporation, partnership, sole proprietor or an individual.

The following is a list of commodities the company will manage, to name a few: • Artifacts • Furniture • Household Goods • Manufactured Goods • Perishables There is virtually no commodity Customs Broker Experts cannot clear. Customs Broker Experts' fully automated processes will allow for error-free entry presentations as well as electronic payment of duties to U. S. Customs. The company will be certified by U. S. Customs to process entries nationwide acting as liaisons with the U. S. Government preparing and processing the required documentation and paying applicable duties.

**MARKET ANALYSIS SUMMARY** During the first year, Customs Broker Experts will concentrate on clearing shipments originating in Mexico on behalf of ABC Imports, LLC. Customs Broker Exports will concentrate on importing from Mexico during its first year because: 1. Customs Broker Experts has extensive experience importing from this NAFTA partner. 2. This industry continues to grow as the Latino population increases in the United States. 3. Customs Brokers' extensive experience and knowledge of the importing process adds value to its clientele.

Classifying merchandise to identify a product for importing can be quite complex. This type of complexity requires collaboration and coordination between a credible and experienced customs broker, the importer of record, and U. S. Customs. Customs Broker Experts will be marketing the business in a number of ways. First and foremost will be the company's website. The

<https://assignbuster.com/customs-broker/>

website will allow for potential customers to request a rate quote online. It will also serve as tool for existing customers by providing links to relevant government websites as well as status of their merchandise during the importation process.

Customs Broker Experts will advertise in supply chain and transportation journals. The ads in these journals will provide visibility of Customs Broker Experts to manufacturers and buyers as well as importers and exporters. The company will extend their services to other importers in the following years by bidding in Request for Proposals (RFP's) starting in the third quarter of the first year. **MANAGEMENT AND ORGANIZATION** The founder of the company, A, has 10+ years of experience in the Supply Chain industry importing goods from Mexico, Germany, and China.

More than eight of those years were in the area of Purchasing & Inventory Management with the last two years focused in Logistics and Distribution. Having conducted business with a wide array of brokers, both foreign and domestic, over the last ten years has given Gina Gonzalez the opportunity to understand the importation process. Gina Gonzalez will lead the company as President and licensed broker. Two part-time employees and two part-time interns will be focused on the administrative process of entering and clearing entries with U. S. Customs.

The part-time employees will be junior and senior-level college students while the interns are in their freshman or sophomore year. Both the employees' and interns' area of study will be in International Business, Operations Management, or Supply Chain Management. A third full-time employee and part owner, C, will handle the IT operations of the business

maintaining the company's website, EDI (electronic data transmission), and ABI (Automated Broker Interface) service up to date. A fourth full-time employee will manage the account payables and receivables.

Gina Gonzalez will oversee and be very much involved in the day-to-day operations with primary focus in marketing the company. As the company prepares to expand their services into the second year, an additional part-time employee will be added as well as an additional licensed individual. Although the company can operate with one sole licensed broker, the additional licensed professional will add value to the company and act as assistant manager in the absence of A. The company will also offer current employees the opportunity to take the customs broker exam with all exam fees sponsored by the company upon successful completion of the exam.

This fringe benefit will be extended to employees who have been with the company for a minimum of 12 months. In the event of termination of employment within 12 months after reimbursement, the employee will be responsible for reimbursing the company. FINANCIAL PLAN The company will charge a per entry fee. In order to streamline charges, each entry will have a flat fee regardless of the mode of transportation—rail, truck, or intermodal. The average industry charge ranges between \$30 to \$60 depending on length and volume stipulated within the contract.

By securing a two-year contract with ABC Imports, LLC, the company is able to offer a highly competitive rate of \$45 per entry. Considering the projected entries for the first year, the company expects to generate a net profit by the end of the calendar year. A portion of the profit will be allocated to bring on additional staff as new contracts are acquired. The start-up funds will be

drawn from a personal investment from A, \$30, 000, an investor and co-owner B, \$15, 000, and second investor and co-owner C, \$5, 000. A owns 75% of the company, with B owning 20%, and C 5%. [pic] [pic] [pic] [pic] [pic]