

# The PwC experience of Elesta GmbH

*PwC designs tailor-made global trade and customs IT solutions for small and medium-sized enterprises: electronic customs clearance, preferential origin determination, international sanctions and embargoes screening... Compliance does not look at the size of your company!*



## Executive summary

### Client's challenge:

To ensure compliance in all areas relating to customs and global trade with the help of an IT solution. Also, to make the most out of opportunities offered by new regulations (e.g. Free-trade Agreements) and technologies (e.g. e-customs).

### PwC's solution:

The SAP GTS solutions for preferential origin, electronic customs clearance and compliance management. Build a clear vision and strategy with our client and design a tailor-made apparatus that fits the size and business requirements of the company.

### Impact on client's business:

Enhanced transparency over the supply chain, costs savings regarding third parties and forwarding agents, solid compliance in the area of customs and trade, regain control over operations, better internal and external auditability...

## Facts & Figures

- Industry sector: relays, optical encoders and sensors
- Headquarters: Bad Ragaz
- Established in 1952
- Number of employees: 265
- Exporting in 60 countries worldwide
- Website: [www.elesta-gmbh.com](http://www.elesta-gmbh.com)

*PwC International Customs and Trade Solutions ICATS*

*Tax and Legal Services*

*2016*

*"Thanks to the collaboration with PwC, we could implement the different modules of SAP GTS step by step. It allowed us to limit our risks and save resources. We value a lot the constant support and specific skills of PwC in all matters pertaining to supply chain management."*

*Jacqueline Hobi, Supervisor Customs and Export, Teamleader Inside Sales*

## ***Our client: a medium-sized Swiss company***

Elesta GmbH is a medium-sized enterprise located in Bad Ragaz, at the border between the cantons of St-Gall and Graubünden. It employs 265 persons and, it is part of the PILZ GmbH & Co. KG Group of companies, which gives them a worldwide outreach.

Elesta has been manufacturing relays with forcibly guided contacts, optical encoders and sensors in Switzerland for nearly 20 years. The roots of Elesta dates back into the 50s of the last century. Such products require state-of-the art technology and a high level of engineering skills. They stand for a symbol of the Swiss technical know-how and are exported all around the globe.

## ***The challenges***

Having to dispatch their production in various markets, particularly in the EU and in emerging countries, Elesta faced numerous issues pertaining to global trade regulations. On the one hand, Elesta was firmly decided to benefit from the opportunities offered by technological progresses and trade liberalization. Automated customs clearance (e-customs) and duties savings granted by Free-trade Agreements are among the main advantages that Swiss companies can expect when engaging in international trade. On the other hand, such benefits have a price: high-levels of compliance with numerous regulations, increasing vigilance from the authorities with regard to breaches regarding international sanctions or mishandling of origin declarations. Medium-sized enterprises are not treated differently when it comes to compliance and good governance...

Elesta was thus looking for a partner in order to implement an integrated IT solution that would guarantee their compliance with Swiss and international trade regulations, notably for preferential origin determination, sanctions and embargoes, as well as electronic customs clearance.

## ***Our solution***

Elesta opted for one of the best-known solutions on the market, SAP GTS (Global Trade Services). It should be noted that GTS has the reputation of being an expensive and rigid solution, not well-adapted for a SME like Elesta. In fact, it proved to be quite the contrary!

Elesta found out that the SAP-standard GTS solutions provided a maximum amount of flexibility in their IT environment, with minimum specific programming. Notably, GTS covered each and every requirements identified by our client in order to set up a solution that would allow them to ensure compliance in the area of global trade, without overflowing into unnecessary functionalities. Since 2012, PwC and Elesta have been teaming up to implement the following SAP GTS modules:

- Electronic Customs Clearance for export, in order to automate the communication with e-dec (the Swiss e-customs system) and maintain full control of their outbound processes;
- Preferential origin management, e.g. in order to request and archive proofs of origin, as well as determine preferential origin based on the provisions of Free-trade Agreements;
- Automated screening of business partners and transactions, in order to ensure compliance with international sanctions, boycotts and embargoes.
- Electronic archiving of import taxation decisions (“elektronische Veranlagungsverfügung“) in view of the pending obligation to dematerialize import records.

Furthermore, PwC regularly provides Elesta with legal customs advice pertaining to supply chain management issues.

## ***Accompanying the transformation***

A substantial part of our work consisted in working on business requirements and providing the GTS users with appropriate training. An IT solution is only as good as the organization it supports! Indeed, before designing the solution, PwC and Elesta started out by discussing within the framework of workshops both GTS standard functionalities and the underpinning legal requirements it determined. Elesta captured the functioning and potential of SAP GTS to efficiently fit their dedication to compliance and willingness to make the most out of today's global trade environment.

A challenging part of this journey was to put in place a SAP-standard solution built upon the existing structure of Elesta's mother-company, Pilz GmbH & Co. KG. In some cases, the Swiss and the EU legal framework pertaining to customs differ slightly. This situation necessitated precise solution-design and creativity, as well as good communication with the various stakeholders involved in the projects.

During the implementations phases of the various projects, PwC configured Elesta's GTS environment, advised on development specifications, piloted the replication of both master and transactional data from ERP to GTS, as well as supported various levels of tests. Finally, Elesta went live autonomously on the basis of a cut-over plan jointly designed with PwC, with PwC further ensuring post go-live support.

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## ***The added value***

Of course, a journey towards excellence is not all milk and honey. Unexpected snags popped up along the way. For instance in the form of specific data filters set up between the SAP ERP and GTS. All stumbling blocks were overcome by working as one team, sharing expertise and information. Clearly, working on-site helped to maintain a transparent and clear communication between the many persons involved at Elesta and Pilz, as well as with the PwC specialists.

PwC not only demonstrated their in-depth knowledge of SAP GTS, but also provided legal advice on global trade and customs topics. Building on our client's clear vision and strategy in the area of customs and logistics, we were able to deliver the expected results on time.

The successful implementation of these SAP GTS modules today allows Elesta to enhance its control and visibility throughout its supply chain, as well as ensure that compliance is safeguarded in all areas pertaining to global trade and customs. Elesta found in GTS a solution that could be easily and efficiently adapted to its business requirements and that fitted its size and business model.

## ***The PwC experience – International Customs and Trade Solutions ICATS***

PwC's experienced teams specialize in customs, international trade issues and technology solutions to provide end-to-end answers to your challenges, independent of your industry or business size. We offer complete GTS implementation services for both integrated SAP platforms and standalone platforms with non-SAP systems, bringing together experts from different areas and with complementary experience such as customs specialists, former customs officers and government negotiators, SAP Global Trade Services specialists, and developers coming from the 120 countries where PwC firms are present. From strategy through to execution, PwC is ready to help you meet your trade compliance goals.

***For more information, please visit  
[www.pwc.ch/customs](http://www.pwc.ch/customs)***

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