

BDP gateway

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Helping Global Shippers Navigate The Value Chain

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Lessons learned from a costly chain of events?

Sometimes commonly used business terms can mislead. Take, for instance, the much used phrase "supply chain" to describe in general context the relationships between suppliers and consumers.

The initial word is straightforward enough, but consider associations linked with the term "chain." It suggests not only sequence but also substance, conjuring up images of ships safely at anchor or prisoners consigned to eternity in a dank dungeon.

What a shock for many that flimsy paper agreements to safeguard 830 clerical jobs could cost the U.S. economy, by some estimates, millions of jobs and billions in lost business and personal income. While precise numbers are open to debate, no doubt remains that the West Coast port operators' contract dispute with union dockworkers has shredded many assumptions.

A survey of shippers by BDP International found that nearly two-thirds of respondents expected less self-interest and more timely settlement by all parties involved. Unfortunately, (Continued on page 2)


In the *Lessons learned* sidebar topic on this page, we explore the vulnerabilities of the supply chain and how a single action can have a devastating effect on the overall process. The components that make up the supply chain process are, after all, predominantly individual steps that companies seek to join together. They are events and events can change at a moment's notice. And sometimes, we feel that all we can do is watch.

However, sitting back and watching how each event plays out is not an option. As companies increasingly search for ways to track both product and data throughout the supply chain, the process grows even more complex, thanks to reduced inventories—resulting from tighter manufacturing and just-in-time delivery strategies—and the global nature of today's supply chains. Supply chains have been squeezed so much that even one day over schedule can halt a production line.

Fortunately, there are tools that can put shippers and their resources in the driver's seat, as long as the right decisions are made. Penalties for supply chain

malfunctions can be daunting: consider the recent inventory glut of 2000-2001, or the horror stories surrounding poorly implemented supply chain management (SCM) systems. According to analysts, one very highly regarded retailer even went into bankruptcy due to its supply chain problems.

The key is not to look at the problem-solution as one of technology but instead to see the issue as one of operational excellence. Successful process management requires solid supply chain analyses and planning, enhanced visibility of information, as well as adaptive event management capabilities. Increased flow of information means getting more information, and getting it more often and more accurately.

These challenges are further compounded by a volatile business climate, rife with unknowns, and clinical attention to budgets that has pared down information technology spending at what appears to be the wrong time. 

(See related supply chain articles on pages 4-6.)

PROPOSED DEPARTMENT *of* HOMELAND SECURITY

The following is a White House list (subject to change) of over 20 agencies and programs that are planned to be integrated to comprise the Department of Homeland Security. It is one of the most extensive reorganizations of the federal government since the 1940s and the biggest change management challenge of all time.

Chemical, Biological, Radiological and Nuclear Countermeasures

- Civilian Biodefense Research Programs (HHS)
- Lawrence Livermore National Laboratory (DoE)
- National Biowarfare Defense Analysis Center (new)
- Plum Island Animal Disease Center (USDA)

Informational Analysis and Infrastructure Protection

- Critical Infrastructure Assurance Office (Commerce)
- Federal Computer Incident Response Center (GSA)
- National Communications System (DoD)
- National Infrastructure Protection Center (FBI)
- National Infrastructure Simulation and Analysis Center (DoE)

Border and Transportation Security

- Immigration and Naturalization Service (DoJ)
- Customs Service (Treasury)
- Animal and Plant Health Inspection Service (USDA)
- Coast Guard (DoT)
- Federal Protective Services (GSA)
- Transportation Security Agency (DoT)

Emergency Preparedness and Response

- Federal Emergency Management Agency
- Chemical, Biological, Radiological and Nuclear Response Assets (HHS)
- Domestic Emergency Support Team
- Nuclear Incident Response (DoE)
- Office of Domestic Preparedness (DoJ)
- National Domestic Preparedness Office (FBI)

Lessons learned

(Continued from page 1)

more than one-half of respondents had made no prior provisions to handle a protracted shutdown of port operations. Even those who had made contingency plans were less than satisfied with the outcome—not surprising given shortages that emerged in everything from rail cars and freight containers to timely information about cargo.

The domino effect on U.S. transportation infrastructure probably deserves a closer look, now that West Coast port operators and the union have settled on an agreement extending over the next six years. Threats by angry shippers to favor other ports, uttered in heat, likely will be forgotten when alternatives are re-calculated in cold cash. As memories fade, long-standing issues of price and service will re-emerge as market drivers.

The terrorist threat remains, however, and those examining the logistics of Homeland and Supply Chain security in the newly created federal department would do well to learn one lesson: the cost of delay.

Many problems resulting from the port shutdown might have been contained had the federal government intervened immediately once both parties to negotiations deadlocked. Instead, politicians were paralyzed over expending political capital with labor, all at the expense of a fragile economy.

Delays here mirrored the spitefulness of political interests desperate to hold onto power and relevance, which mired decision-makers at every stage since September 11, 2001. In contrast, shippers and logistics professionals are proving themselves willing to work toward a common good, as U.S. Customs enlists partners in a program to increase border security, one of the new realities of doing business with the U.S. in a changed post-September 11 world to assure the uninterrupted flow of commerce.

Under the Customs-Trade Partnership Against Terrorism (C-TPAT), shippers have pledged to meet an ambitious set of certification requirements covering supply chain security. The logic was persuasive: risk can be managed more effectively through faster, better, broader information from the point of origin. In many cases, this effectively expands the perimeter of security to make U.S. ports of entry a final barrier against terrorism.

Make no mistake, U.S. trade partners in both the public and private sectors would be misguided to underestimate the seriousness

of our government and business sectors to assure the security of supply chains and cargo that reach inside this nation's borders. Supply chain security may not be a panacea but it is a deterrent.

Compliance will not come cheap. Yet savvy international shippers recognize benefits in C-TPAT beyond the narrow terms of cost—not least that non-compliance with new procedures to meet federal standards promises only higher costs from delays and increased uncertainty. Supply chain security is not inconsistent with strategic business planning for the long term. If implemented properly, integration models promote synergies that guarantee a more efficient and competitive supply chain.

Supply chain security may not be a panacea but it is a deterrent.

Cost remains a sticking point. Neither the public nor private sector has emerged to lead the sweeping mandates essential to foster meaningful trade security in a democratic society.

Compromise on the broad structure for a Department of Homeland Security took almost a year. As the constituent agencies now struggle for turf, top strategists cannot ignore the disproportionate damage that resulted from supply disruptions during the past few months. The nation's supply chain needs no additional stress from a department intended to increase our security.

Can responsible policy-makers shift from self-serving priorities, moving beyond partisan backbiting, to attainable consensus and constructive action? Can the private sector step up and do the right thing? Where is the new leadership, as security and freedom seem to pull in opposite directions? Have we forgotten what matters most?

September 11, 2001, goes the talk, marked a turning point when “everything changed.” But actions speak louder.

It is time for strong leadership, decisive management, and movement from talk to action in both the public and private sectors. 🌐

*Richard J. Bolte, Jr., President
BDP International*

Customs Modernization update

A look at the new ACE web portal



Beginning February 2003, U.S. Customs will begin to work with 40 selected importers in the first rollout of


ACE (Automated Commercial Environment). Earlier in 2002 Customs had requested importers to sign up for the new web portal and assist in the development of the ACE program, which will enable Customs to adopt modern business practices for managing transactions as well as revenue.

The portal will allow Customs to work with importers on an “account-management” level instead of the transactional level that exists today. Participating importers will be able to enter the portal and view all of their transactions, regardless of the port of entry. Requests for information can be made through this paperless environment. The bottom line of this new approach to information sharing is savings in time, costs, and effort—for importers and Customs.

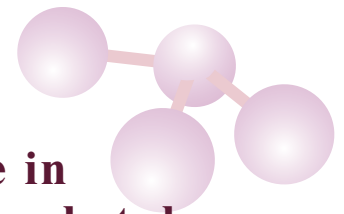
Importers can set up the web profiles they prefer. The profile contains the users and the level of information that is available to them. Multiple users under each company, as well as their brokers, can conveniently sign in and view all of their available information.

To apply for access to the ACE Portal, importers should complete their Memorandum of Understanding for C-TPAT (Customs-Trade Partnership Against Terrorism) and then send an e-mail to eisenhower@customs.ustreas.gov. While you will not be a part of the first phase of the program, Customs will be setting up additional clients and your information should be available on the portal in September/October 2003.

Note: Exports will be the focus of the next phase of ACE portal development. The initial development steps for this phase will begin at the U.S. Customs TSN (Trade Support Network) Export Committee.

For more information on ACE and the Trade Support Network, contact Michael Ford, Vice President-BDP Regulatory Compliance at 215-629-8924, or mford@bdpnet.com. 

IT enhances performance in Chemicals marketplace



- Chemical companies continue to expand private exchanges and one-to-one links to automate transactions with suppliers and customers.
- Online exchanges are finding their place, even though a number of them have gone the way of snake oil.
- Some companies are beginning to replace a variety of legacy systems to help standardize internal processes, reduce costs, and improve customer service.

MARKET BUZZ



Portal power

By getting information or executing transactions through a portal instead of by phone or fax, or accessing a legacy system, employees and customers can get work done more quickly, which translates into added sales and bottom-line savings. It's a fairly inexpensive way to get information for people more quickly.

A portal can improve internal operating efficiencies, expand new business opportunities, manage data and applications centrally. Customers can place orders, view order status, inventory and logistics information, as well as share online design collaboration tools.

Although spending on e-business projects was expected to fall in 2002, more than one third of executives surveyed by **Forrester Research** said they still plan to buy portal software. Separately, **Gartner Dataquest** forecast that portal sales would grow an average of 24 percent a year between now and 2006.

Overseas outsourcing of higher-level processes to countries such as India is becoming more common says **InformationWeek**. Indian firms have mastered tactical IT projects and has begun to do payroll and transaction processing.

U.S. businesses can trim 30-40 percent of a task's labor costs by contracting overseas says **Forrester Research**. Many Indian firms adhere to strict process controls that can be more stringent than U.S. standards. Interestingly, U.S. outsourcers are also moving operations overseas, including setting up subsidiaries at those locations.

COLLABORATION

Whether the term collaboration gives you the “warm-and-fuzzies” or the “willies” is entirely up to you. Whatever reservations businesses and individuals may have, if implemented well, big gains in efficiency can be achieved by optimizing relationships with business partners and other resources. The virtual organization of interconnected partners—suppliers, customers, and other entities that have a stake in satisfying the value chain’s customers—is clearly one of the best approaches for companies to differentiate themselves and build successful value chains.

Until recently, successful companies focused on strategy instead of operational excellence. That changed when CEOs learned how both market share and business growth could be achieved by making their supply chain the most efficient it could be. They realized that investing in their supply chain could result significantly more in cost savings.

Pluses go far beyond basic communications and data transfers associated with earlier stages of relationship management. When companies truly collaborate with their trading partners and other external parties, positive results occur: business processes are aligned, best practices are shared, and in a number of cases each company has access to the other’s planning and forecast data. Benefits include reduction of both information and process bottlenecks throughout the supply chain, which creates more satisfied customers and a healthier bottom line.

Serious external collaboration also puts the pressure on companies to address increased concerns over security and administration issues. Successful business-to-business (B2B) collaboration is a full-time effort. It requires open relationships and non-stop cooperation.

Sharing increases

According to a recent study by *InformationWeek*, more than three-quarters of 500 companies surveyed share data electronically with customers as a standard practice, while 17 percent do so occasionally. Two-thirds share data with business partners as a standard practice, and one-quarter do so occasionally. Sixty percent regularly share data with suppliers, while one-quarter do so occasionally.

However, there is a wide discrepancy in how much data companies will share with suppliers. The most commonly shared information is order management (58 percent of companies), inventory levels (46 percent), accounting updates (37 percent), product development specs (36 percent), and production schedules (36 percent). Most companies are protective of sales forecasts and results (shared by 20 percent of companies), marketing plans (18 percent), customer demographics (17 percent), customer loyalty or satisfaction metrics (17 percent), and cost structure data (13 percent).

How do you collaborate?

Business-to-business collaboration has three primary levels that companies can call upon to improve the efficiency and visibility of their procurement and supply chain processes: Project, Transaction, and Process. Each relies on effective information sharing.

Project collaboration

Includes cooperative ventures that enable companies to pool resources and share agreed-upon information on a project-related basis.


Transaction collaboration

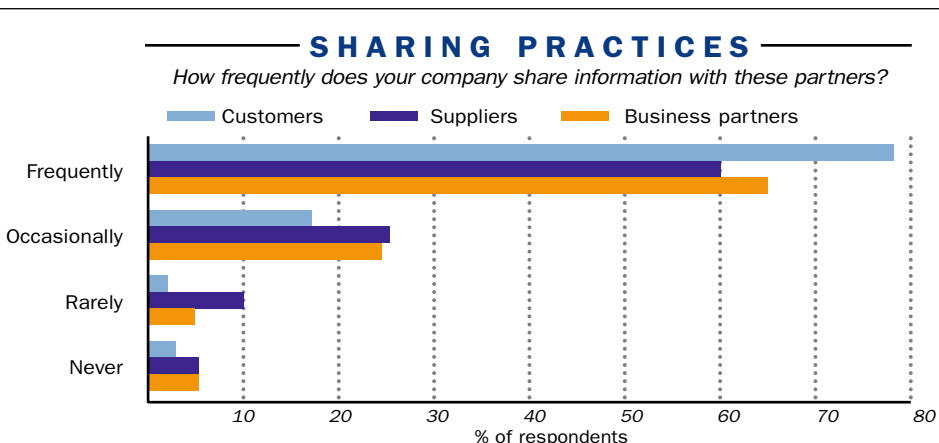
Supports specific transactional activities and enhances cooperation between trading partners, generally in vertical industries. Based on real-time access to and sharing of information.

Process collaboration

Geared to production cycles, this most advanced form of collaboration strengthens and improves connectivity between partners through activities such as process integration, which enables joint planning for the longer term.

What’s next for supply chain collaboration?

Supply chain technology is moving toward an open-standards process called the Global Commerce Initiative (GCI) that will foster supply chain communications across multiple suppliers and retailers on a worldwide basis, rather than as a private supply chain network. The goal is worldwide open standards for data flow around bar codes and other product information. Companies are working for the initiative with UCCNet, a subsidiary of the Uniform Code council, a global standards organization. 



Source: *InformationWeek* Research Study of *InformationWeek* 500 IT executives 2000-2002.

supply chain may be the price of survival... let alone success



Velocity + Responsiveness = Performance


You won't get a ticket for speeding on the supply chain highway, but you could receive a citation for poor judgment. Life in the fast lane, speed for the sake of speed, may not be the answer. That's why running at peak efficiency can make a major difference.

Maximizing your rate of response

Global companies face multiple challenges:

- Extended lead times embedded in the supply chain (history)
- Extended process as business demand grows
- Unreliable suppliers in the supply chain
- Extended and unreliable transit times
- Multiple consolidation points
- Multiple cost modes as well as options
- Governmental requirements

Velocity is speed, quickness of motion. For shippers to maintain the velocity of their supply chain, especially as pressures increase to produce, it's important to constantly revisit performance metrics and become even more responsive to the customer by focusing on providing service—good service—throughout the entire supply chain.

A critical component of superior service is the rate of responsiveness. In other words, understanding the rate of speed that is required for material and data flow within your/your customers' entire supply chain. By doing so, you optimize your service activities from start to finish. 

CONSISTENT, WELL-EXECUTED BASICS

In the headlong pursuit of supply chain excellence, companies frequently look to high-flying, high-tech, high-profile solutions. Just as important are those services that often go unnoticed. They slip under the radar because they are generally taken for granted.


While those services may be vanilla, they are anything but plain. The need for good, solid basics in your supply chain cannot be underestimated. Even high-level capabilities must be grounded in lower-level basics that are consistently well executed. Peter Huels, Managing Director of BDP Asia Pacific (BDP-AP), explains his company's services on behalf of a well-known international retailer: "Unless you can demonstrate a firm grasp of the basics and the unique needs of any specialized market, especially the retail trade, you are not going to go very far."

Thanks to the personal attention of BDP-AP staff and the success of a strategic U.K partnership, the freight forwarding basics are working very well for the retailer. In a very competitive marketplace, BDP-AP handles international transportation, and has implemented a program that has reduced costs and improved door-to-door service through one-stop shopping via one system, one accountability, and dedicated staff, while offering value-added solutions.

It's not magic. BDP-AP's lean organization in the Asia Pacific region gives the company a degree of agility and personalized service that larger competitors cannot provide. This enables BDP-AP staff to make decisions quicker and respond faster to customers' needs. Ashwin D'Costa, BDP-AP Regional Manager, based in Singapore, says, "It really is that simple. Address the customers' needs, personalize your service, get down to basics, and do a good job. We really take care of our customers; we're not complacent. Customers and partners can call us at any time, day and night and we will take care of their needs."

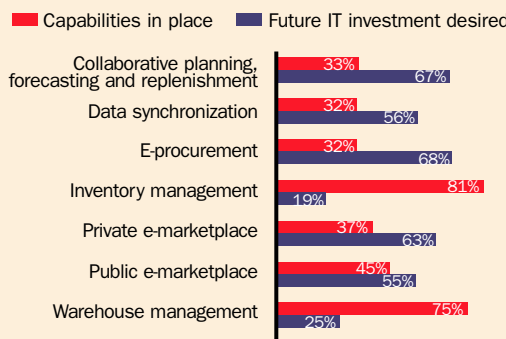
"Address the customers' needs, personalize your service, get down to basics, and do a good job."

*Ashwin D'Costa, BDP-AP
Regional Manager - Singapore*


When companies are looking for the right resource to complement their supply chain resources, they should look for a provider that does the basics well. Chances are, that same company can also help with higher-level needs. 

Retail realities of logistics and supply chain management

As supply chain issues become standardization issues for those on the consumer packaged goods chain, retail executives are looking to increase investments in collaborative and procurement technologies.



Source: CAP GEMINI ERNST & YOUNG (INFOWORLD magazine)



Faulty towers of data

It's very simple: If you don't turn data into information, you have failed. And you can't make good business decisions with bad data. One of the biggest challenges for companies regarding data quality issues is deciding exactly how rich or poor is their data. That's why data management—in particular how to deal with poor data—must be treated as a major business issue.

Firms with the most unpredictable supply chains, such as those that make consumer goods and clothing products, must eliminate redundancy of stock and obtain information quickly about what is selling, so that they can replenish products more quickly. To be successful, they must maximize operational efficiencies, and get the right goods on the right shelf at the right time.

A rich vein, or fool's gold?

Frankly, the size of a database is less an issue in implementing a data warehouse than is the quality of the data you intend to use. Bad data can cause a wide range of problems for enterprise resource planning (ERP), supply chain and customer resource management (CRM) systems. The sources of bad data are many, including errors in data entry, poor data received across the Internet, purchased data, or combining good data with outdated or incorrect information.

Mistakes and miscalculations in data warehousing development and implementation have resulted in reports of 70%-90% failure rates during efforts to control data in enterprise resource planning, says Gartner Research earlier this year. Gartner further estimates that more than half of all implementation efforts over the next four years will overspend an estimated \$40 billion because of lack of

coordination between and within business intelligence efforts. In addition, the firm estimates that almost two-thirds of enterprises implementing data warehouses over the next four years will not have an effective model, which will hamper vendor negotiations and increase costs.

Living with IT cuts

If the first cut really is the deepest, then a lot of information technology managers at many companies are feeling the pain. Looking for greater efficiencies, cost-reduction actions at most companies have resulted in IT budgets that are flat or even reduced. That has made sharing business data on a regular basis with suppliers and customers even more important. According to a recent study by *InformationWeek* of 500 companies with at least \$1 billion in annual revenue, the companies in the study were planning to spend an average of \$7.9 million on R&D in 2002, down from nearly \$22 million in 2001.

Data management—in particular how to deal with poor data—must be treated as a major business issue.

However, not surprisingly, technology initiatives are still major areas for growth at most companies. The companies in the *InformationWeek* study reported that 24 percent of their U.S. revenue in 2002 would come from sales generated through the Web, EDI systems, and other e-business channels, compared with 20 percent in 2001. The report indicated that nearly 60 percent of companies say their e-business operations are profitable, up from 47 percent for companies in 2001.

Some companies that implemented large, enterprise-wide supply chain software cannot just walk away from their investment. For many, the results have been disappointing and they are now looking to smaller, more tactical solutions focused around a particular issue. In the *InformationWeek* study, three-quarters of respondents said they use XML for EDI for transactions with customers or suppliers, compared with 67 percent in 2001 and 59 percent in 2000. Nearly 70

percent of respondents said they widely deploy XML-based applications. (XML is a standard way of tagging data so that it can be read and interpreted by a variety of web browsers, servers, and clients, regardless of how the data was created.)


Although SCM can occasionally jump through hoops, experienced managers know that many projects will fail if technology alone is seen as the answer, and if process and people issues are ignored. They know that IT can be a fast on-ramp to business success, as long as it is understood to be part of a larger picture. Also, there are no "silver bullets" to rely on, as precise metrics vary according to industry and customer preference.

Event management: managers trust human expertise over technology

Seeing cargo in the supply chain isn't enough...managers must be able to respond to problems. Just-in-case inventory processes can often contribute to supply chain disruptions. Fortunately, there are systems that can alert companies to identify and correct bottlenecks and failures in the supply chain. Known as agent technologies, they can help make supply chains more reliable, an even greater concern since September 11, 2001.

Because supply chains are, in fact, adaptive networks, event technologies can rapidly respond to a situation and reroute the network around the problem. Event management technologies can make supply chains more responsive to the volatility of everyday shipping problems. At a higher level, for example, what if a container ship is "missing," or an entire port shuts down because of an earthquake or a terrorist threat? Cargo can be rerouted in seconds, instead of manually searching for time-wasting and costly alternatives.

The goal is to develop a set of rules that are reliable enough to make the system work, but flexible enough to meet every user's requirements. They can monitor key events, without users being overwhelmed by useless data.

However, when it comes to taking corrective action during an event, reports *CIO* magazine, companies demonstrate that their managers still trust human instinct and expertise over technology. 

REGULATORY WATCH

PERIODIC UPDATES ON U. S. CUSTOMS POLICIES AND OTHER REGULATORY ISSUES

New high standard for cargo data

*Don't be slowed down by the 24-hour
Customs security rule for imports*

Depending on whom you ask, the new 24-hour U.S. Customs manifest rule for imported goods will mean cost savings and greater efficiencies for shippers, or an expensive drag on your supply chain.

While the regulation affects the ocean transportation carriers that move your goods, the new standard will have a direct impact on shippers. The measure, introduced by the Homeland Security Agency, requires that Customs monitor cargo for illegal weapons and dangerous chemicals. Inspectors at foreign ports hope to identify suspicious shipments before they arrive in the U.S. by reviewing manifests prior to ships' departures from their ports of origin. That means import data must be reported to Customs no later than 24 hours before the goods are loaded on any ship bound for the United States.

The key is to maximize security without adversely affecting business by avoiding holding up shipments that are not suspicious. A tall order, when you consider that nearly half of the \$1.2 trillion worth of goods U.S. companies import annually arrive by ship. It is estimated that a one-day delay on the docks for any reason costs the U.S. approximately one percent of the value of goods shipped, or roughly \$8,000 for every \$1 million of goods.

Faster, accurate data

The new rule also means shippers and others in the supply chain must share more information online, in order to comply, which is easier said than done because the majority of cargo data is still received on paper. Unless the manifest shows up when the ship does, the shipment will be delayed until Customs gives the approval to unload. This mandates accurate and timely information flow throughout the supply chain, forcing all parties involved in international


shipping to examine their data to ensure that the speed of information is as fast as it can be, without increasing any costs throughout the process.

According to Customs, while three-quarters of the 20 largest container ports that export to the U.S. have agreed to participate in the Container Security Initiative (CSI), carriers must file the cargo data for any shipment regardless of whether it is loaded at a CSI port. Customs states that the 24-hour rule will take advantage of the time containers wait on foreign docks before they are loaded aboard U.S.-bound ships. They also expect minor disruptions in compliance from overseas partners as they adapt to the new regulation.

Know your carrier

Non-vessel-operating common carriers, in addition to current vessel operators, are now permitted to file manifests electronically through Customs' Automated Manifest System (AMS). This enables NVOCC's to maintain the confidentiality of their shipments' advance data. For shippers, it highlights the importance of carriers that can file manifests using AMS, further pressuring those currently that do not.

Customs requirement of a "precise" description of cargo, however, does not mean that shippers must list shipments by their tariff number. While "freight of all kinds" descriptors are no more, still-broad descriptions, such as "foodstuffs," are also not permitted.

Whether it's an advantage or not, the 24-hour rule is here—a reality with which we must live and one that has "transformed the Customs Service since Sept. 11, 2001, into a front-line combatant in the war on terror." We are on that front line, too. 

Removing supply chain inefficiencies.

Errors and misinformation cost retailers and their consumer-goods suppliers an estimated \$40 billion a year, prompting retailers to digitize more of the information they share along the supply chain – **A.T. Kearney** management consulting.

The **Grocery Manufacturers of America** estimate that 31,000 U.S. stores lose \$6 billion in retail sales each year when consumers fail to find items on the shelves.

China to lower tariffs

China lowers its general tariff level by one percentage point to 11 percent, effective January 1, 2003, which could affect more than 3,000 products, according to **Xinhua**, the country's official news agency.

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BDP named ACC Responsible Care Partner



The American Chemistry Council has accepted BDP International into the prestigious and widely recognized Responsible Care Partnership Program. BDP was sponsored by ACC members DuPont and Rohm & Haas.

Responsible Care is the chemical industry's health, safety and environmental performance improvement initiative. The program enables participating companies and associations to work more closely with others involved in the chemical industry chain of commerce on environmental, health, safety and security issues. Participation is open to companies who are responsible for chemical transportation, distribution, storage, or treatment and disposal. Companies participating in the Partnership Program must fully implement Responsible Care and commit to continuous performance improvement. Since its launch, Responsible Care has been recognized as one of the most successful environmental, health and safety initiatives advanced by industry.

E-Business

*Not surprisingly, the United States has created the best environment for e-business to flourish. However, Britain and Canada rival the U.S. in e-business, according to a recent study by **Booz Allen**, which credits state-of-the-art communications infrastructures and political leadership in the three nations.*

CFO Global Confidence Survey Results

In a fourth quarter 2002 survey of CFOs, thirty percent of U.S. respondents say their attitude toward the domestic economy in the next year is either "confident" or "very optimistic," up from 24 percent the previous quarter. But worries about the economy persist. Nearly 44 percent of U.S. respondents are "concerned" about the economy in 2003. Still, those numbers are down from last quarter, when 58 percent of respondents held negative outlooks.

CFOs are also increasingly upbeat about the state of the economy over the long haul: 88 percent hold positive views about the U.S. economy in the next five years, up from 77 percent for the previous quarter. Fewer are pessimistic: only three percent said they had a negative view, down from 12 percent

for the previous quarter.

Views of the global economy by CFOs around the world are more mixed. Half of the respondents, including finance chiefs in Europe and Asia, say they are concerned about the global economy over the next year. However, only six percent of CFOs in those regions report negative views of the global economy over the next five years. Sixty-five percent were "concerned" about the European economy.

Regarding improvements in conditions in the U.S.: 40 percent don't expect a broad economic recovery to begin until the second half of 2003, while 30 percent are looking for a rebound in the first half of the year.

Source: CFO magazine survey of 214 CFOs in the U.S., Europe, and Asia.

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