

— Invisible address screening for secure supply chains

The Compliance Engine from Stuttgart software developer AEB guarantees the security of goods shipments at Avnet Logistics. Up to 10,000 addresses are checked daily without any interruption of the business workflows.

AEB PROJECTS, SYSTEMS & SOLUTIONS || HIGHLIGHTS

- Secure background screening
- Easy connectivity to ERP systems
- User-friendly interface
- Automatic data updates
- Stable performance



Customized system for effortless sanctions list screening

Avnet Logistics relies on security. In 2004, the provider of comprehensive logistics services was looking for software that would screen delivery addresses against sanctions lists. The key features that Avnet demanded from a system were quick response times, easy interaction with its in-house warehouse management system and user-friendliness for its export personnel. Martin Reichert, head of software development and project director at Avnet Logistics: "We also wanted to avoid duplicating any customer master data in the new system. The Compliance Engine met all these demands out of the box. AEB was very cooperative in making a few small enhancements to the Engine, so we now have a customized system."

Compliance carries obligations

As of February 2005, Avnet's warehouse in Poing near Munich screens all consignee addresses against so-called "anti-terrorism" lists prior to goods issue.

Regulations issued by the European Community prohibit any business contact with persons or organizations listed in the annexes. The anti-terrorism lists—which include the EC's so-called Terrorism and Taliban Regulations and the official US sanctions lists—are regularly updated and encompass some 40,000 entries overall. Automated synchronization with the anti-terrorism lists is therefore essential.

Automatic protection—stable and unnoticed

"The key benefit of the Compliance Engine is that it works so smoothly and discreetly, you forget it's even there," says Martin Reichert.

Four thousand packages leave the warehouse every day. Since both ship-to addresses and bill-to addresses are screened, this means that about 8,000 addresses are screened daily. Project director Reichert adds: "At peak times, we have as many as 10,000 checks per day." All of this happens without obstructing the work of the export department. The AEB

Compliance Engine works fully automatically in the background, ensuring secure but unnoticed synchronization with the official sanctions lists.

Project director Reichert is especially pleased with the Engine's stable performance: "The Compliance Engine and its interface to our system has not had a minute of downtime since its debut in February."

User-friendliness is popular

Other points that speak for the AEB Compliance Engine are its user-friendly interface and the clear layout in which results are displayed. "That makes it very easy to administer and process address matches," Reichert confirms. Three employees in the export department of Avnet Logistics share the responsibility of checking and maintaining address matches. All it took was a brief orientation for them to become proficient in the use of the Compliance Engine.

System-supported risk management

The background process only becomes visible if there is a match. The Compliance Engine blocks any further processing of the order. No delivery note can be written and no goods issue can be posted. But what happens after a match is reported? Attorney and AEB project director Marcus Puschke also served as a technical consultant for risk management and organizational



The global logistics leader supplies semiconductors and passive and electromechanical components to customers throughout the world from its warehouse in southern Germany.

implementation of the compliance regulations based on his legal expertise and experience with key clients.

Good Guy or Bad Guy?

Martin Reichert describes the rest of the workflow at Avnet as follows: "The Compliance Engine reports every match through e-mails to the export control managers and export department personnel. The address matches undergo a thorough check. The manager or a designated representative confirms and signs the check. If an address turns out to be clean, it is added to the so-called Good Guy list. The export control department gets a message that the relevant delivery can now be dispatched. If an address does turn out to be prohibited, the relevant order is canceled. This has not yet been the case, however."

Quick and easy to connect

The warehouse in Poing operated by global logistics specialist Avnet is the largest product packaging and distribution center in Europe. Avnet Logistics administers some 120,000 different product variations with its own custom-developed warehouse management system.

"The Compliance Engine is designed to connect easily to a host system, which can then automatically process the results files," explains AEB project director Marcus Puschke. Martin Reichert confirms that it only took a few days to connect the two systems: "We used a simple TCP/IP socket connection, addressing the SOAP XML interface. Thanks to AEB's documentation, it was very easy to combine the XML character string with the data of the addresses to be checked."

Project director Reichert was very satisfied overall with AEB's support, including the fact that the Avnet team was able to contact the product developers at AEB at any time. "The project went smoothly and all our customer-specific adaptations were completed on schedule," says Reichert, praising the successful collaboration between AEB and Avnet Logistics.

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