

## Case Study

# The Container Store

When CBP denied The Container Store's initial plan for Importer Self-Assessment, Livingston turned rejection into approval.

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When U.S. Customs and Border Protection (CBP) ran an Importer Self-Assessment (ISA) pre-certification pilot, The Container Store – which already held C-TPAT certification – jumped at the chance to lead the field. When its initial self-assessment plan fell short of approval, the company turned to Livingston to sharpen the submission.

### “The Original Storage and Organization Store”

On July 1, 1978, The Container Store opened its doors in a small, 1,600-square-foot space in Dallas, Texas – creating a whole new retail category devoted to storage and organization. Describing itself as the original storage and organization store, today The Container Store has 63 U.S. bricks-and-mortar locations and also offers an extensive inventory of products through online sales to four continents.

As with any company that does business in multiple countries, trade compliance is critical to The Container Store's success. Getting product into stores and to clients in a timely manner, while keeping global shipping costs low, requires fast, efficient, seamless cross-border transactions. As such, The Container Store continually looks for new ways to streamline and accelerate its import/export processes. When CBP announced its ISA pilot, The Container Store saw the potential advantages of the program – including reduced inspections, exemptions from comprehensive customs audits, expedited cargo release and penalty-free corrective action – and became one of the first importers to apply.

### Meeting CBP's ISA requirements

The ISA application process demonstrates to CBP that the applicant meets all the related security requirements to become ISA-certified. Importers must answer a detailed questionnaire, document their processes and procedures, create self-test plans and meet with officials for review.

The Container Store completed and submitted their application, including self-test plans; however, CBP had declined the plan after review. As Kirk Bualicex, Import Manager at The Container Store, explains, “We weren't getting a clear picture of the CBP's expectations. We'd rewritten our submission a couple of times and were getting close, but we weren't achieving ISA status.”

The Container Store determined that assistance from a third party, with expertise in CBP's exacting requirements, would help them pass the pre-certification.

### Reaching out for third-party assistance

As an alternative to CBP performing pre-certification activities, a third party can review an applicant's internal controls to ensure that compliance risks have been adequately assessed and to identify as well as prevent compliance errors. To kick off their program pilot, CBP selected nine approved service providers who could offer an alternative to the customary CBP onsite audit, and help businesses with the pre-certification process in preparation for self-assessment. Livingston International was one of the chosen nine, and was The Container Store's provider of choice for assistance with their application.

### About The Container Store

- Established in Dallas, Texas, The Container Store is a retail chain specializing in storage. The company celebrated 35 organized years in 2013.
- The Container Store ships life-simplifying solutions to countries in four continents including:
  - Australia
  - Canada
  - France
  - Germany
  - India
  - Mexico
  - Japan
  - Russian Federation
  - Switzerland
  - United Kingdom
- As one of the founding companies in the Conscious Capitalism movement, the retailer believes that creating value for and optimizing relationships between all of the stakeholders of their business – employees, customers, vendors, community and shareholders – is the right thing to do. To find out more about The Container Store's Foundation Principles and Conscious Capitalism visit its blog: [whatwestandfor.com](http://whatwestandfor.com).

## Livingston helped The Container Store improve and resubmit its ISA application, resulting in approval from CBP.



### How Livingston helped

When The Container Store brought Livingston to the table, pre-certification was well underway – with processes and procedures documented, self-test plans drawn up and the application submitted – but CBP wouldn't approve the plan.

The Livingston Consulting Group spent a week reviewing the self-test plans, identifying errors and omissions and advising on the rework required before resubmission to CBP. According to Kirk, "The Livingston team demystified the ISA process. They helped me gain the experience I needed to rework our submission. And that was important to me. I wanted to understand every step of this."

Once the compliance story and the necessary controls were in place, and the gaps were identified, the Container Store could resubmit the risk assessment. The elapsed time from rejection to resubmission? Just 25 days – a significant improvement on the average of 300-400 days under the traditional process. Things were moving at the speed of business. "This was truly an amazing turnaround," Kirk says. "Our requirements were very stringent and the Livingston team was able to turn our risk assessment around for us in a matter of hours."

### A complete pre-certification process

Less than a month after Livingston had provided guidance for the resubmission, the pilot project's first status call showcased The Container Store review and rapid approval as a successful measure of the prototype scheme. But more than this, Kirk was delighted with the huge time and money savings that partnering with Livingston has meant to The Container Store. "With Livingston's intervention, we freed up so many internal resources and countless back-and-forth hours."

With the approval complete, The Container Store was able to start realizing the benefits of ISA certification:

- With ISA certification, The Container Store has fewer cargo screenings and fewer product safety tests.
- A CBP-assigned, dedicated National Account Manager to help The Container Store address and navigate any problems. Because The Container Store is a trusted CBP partner, they've been taken out of the audit pool.
- With C-TPAT and ISA certification, The Container Store shipments go to the front of the line.
- Should something go wrong during a shipment or elsewhere in their supply chain, The Container Store has the partnership resources and good standing with Customs authorities in place to help set things right.

By working closely with The Container Store to advance this trade initiative, Livingston is perfectly positioned to

## Livingston's ISA Services

As an experienced customs broker, Livingston is able to provide a complete ISA pre-certification evaluation package, or step in to help clients focus on a particular requirement. The complete evaluation package includes the following:

- Processes and Procedures
- Self-Test Plans
- Application review meetings including interviews with staff members associated with importing, validation of internal control and self-testing processes and more.
- Development of SmartMap™ for internal client reference identifying compliance strengths, gaps and weaknesses
- Preparation of ISA Readiness Evaluation Report
- Participation in ISA Team Acceptance review meeting with representatives from the Offices of International Trade, Field Operations, Immigration and Customs Enforcement, Regulations and Rulings

The evaluation process is designed to help companies reap the benefits of self-assessment. As Rachel Kelley, Livingston U.S. account executive, explains, "We start by assessing the level of an importer's internal controls by examining processes, procedures, risk assessments and self-testing plans. By allowing Livingston to perform the pre-certification evaluation, importers have the opportunity to strengthen their internal controls and implement CBP's best practices prior to the government's final review."

While the conventional approval process, which involves CBP performing the ISA evaluation, can often last up to a year, Livingston can expedite the end-to-end evaluation in as little as 120 days.

understand the unique challenges the company faces when doing business across borders. Not only does this program increase the pool of trusted traders and allow self-governance for those importers compliant with trade laws, it also helps Livingston uncover new business opportunities for clients.

### Contact Livingston

Have questions or need help with your ISA certification?

Contact your account executive,

write to us at [solutions@livingstonintl.com](mailto:solutions@livingstonintl.com)

or give us a call at **1-800-837-1063**