

Expeditors: Automating Customs Without Automating Accountability

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A strategy case for MBA students and working professionals

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Case status: The decision assignment is hypothetical. Expeditors has discussed AI and customs tools publicly, but the case does not represent an actual vote, failure, approved rollout, budget or deployment timetable.

The choice after the reorganization

In June 2026, Expeditors reorganized Global Technology. By August, management was describing a smaller, more modern technology organization with continuing investment in AI and technology. A hypothetical strategy team is now asked to recommend how the company should scale AI and workflow automation in customs brokerage.

The question is not whether software can assist a broker. In March, management said agents were already supporting document processing and customs workflows. It also described human oversight for complex entries and expressed skepticism about AI responding directly to customers. What remains undecided for this case is where task automation should stop, how quickly a common platform should spread across countries, and what Expeditors should build itself versus obtain from outside providers.

The stakes sit at the intersection of throughput and trust. Customs work involves declarations, duties and taxes, inspections, and country-specific requirements. Expeditors presents trained or licensed professional oversight as part of the service. More automated intake or preparation could free broker capacity for exceptions and customer needs. A system that makes an incorrect classification, overlooks a rule change, or leaves a customer without accountable help could damage service and compliance. The public record does not disclose AI accuracy, error rates, customer effects or customs-specific economics.

For this teaching assignment, assume senior leaders want a policy recommendation for the next stage after the Global Technology reorganization. This is a constructed decision, not a claim that management requested or approved a rollout.

A connected platform and a local service

Expeditors says it internally designs, develops and maintains core technology while also using internal and third-party customs solutions to serve country and regional needs. Its 2025 Form 10-K describes customs and compliance as deliberate areas of technology and AI focus. The same filing describes professional oversight as part of the customs offer. This creates a make/buy question: which capabilities are strategic to own centrally, and where might local or external tools fit better? The company has not disclosed named vendors, tool comparisons or contract economics. [S1]

Management's March 2026 Q&A provides a snapshot of current practice and belief. It said agents supported document processing, customs workflow, and capacity procurement or booking; employees could also create agents. Management emphasized human expertise for complex customs entries and voiced skepticism about bots answering customers directly. Those statements describe management's reported use and posture, not independently validated performance or a permanent policy. [S2]

The operating model is international, but the public materials do not map tools or workflows by country. Differences in regulations, data, entry types and customer requirements could favor common infrastructure with local controls-or make local tailoring more important than global uniformity. The case team must decide which work is standardized enough to automate and who retains authority when a workflow is uncertain.

A restructuring is not an AI budget

The Q2 2026 Form 10-Q records \$25.428 million of workforce-reduction termination expense in the quarter; \$1.898 million had been paid in cash by June 30, leaving \$23.530 million accrued. The company expected approximately \$27 million in total plan charges, with remaining charges expected in the second half of 2026. The rounded \$25.4 million is recognized expense, not cash paid. [S3]

On August 4, CFO David Hackett said the Global Technology reorganization was expected to lower annual cost by approximately \$50 million, nearly 10% of corporate overhead. Management described modernization and skills alignment, not a restructuring driven by cost reduction, and said Expeditors would continue investing in AI and technology. These are management's stated rationale and expectation. The approximately \$50 million is not realized savings, an AI return, or a committed pool available to fund the next rollout. [S4]

The quarter also does not isolate automation performance. In its August 4 earnings release, Expeditors reported Q2 revenue of \$3.5 billion, up 32% year over year, and said customs and adjacent businesses each had double-digit revenue growth for a second consecutive quarter. Management attributed growth to a combination of geographies, sectors, new customers and additional declarations; temporary tariff-related filings also affected activity. [S4] The August 5 Form 10-Q describes "Customs Brokerage and Other" as a bundled category that includes road freight, Transcon, warehousing and distribution, order management and other services. Its revenue or margin cannot be read as customs-only results. Forwarding gross revenue also reflects purchased transportation and buy/sell rates, so gross revenue is not the same as economic value. [S1, S3]

These facts matter for context, not as proof that AI produced growth or paid for the reorganization. Demand, tariffs, route conditions, service mix and the pace of technology-customer activity offer competing explanations for operating changes. No customs-only productivity measure or AI-specific return has been disclosed.

Three policy paths

The team can recommend one of three policy directions, or propose a clear hybrid. Each assumes task-level permissions, decision rights and evidence gates will be made explicit.

1. Stage human-in-the-loop automation

Begin with document intake, extraction, draft preparation, classification support and exception routing. Brokers review or approve filings and retain judgment for ambiguous cases, exceptions and accountable customer decisions. Pilot by jurisdiction and task complexity; expand only when performance is measured against a baseline.

This path may improve throughput while preserving licensed judgment. It also requires review capacity, parallel workflows and careful design of escalation triggers. If every output receives the same manual review, the workflow may preserve cost and cycle time; if review is reduced too quickly, errors may be harder to catch.

2. Accelerate a common agent and workflow platform

Scale common agents and workflow infrastructure across more countries, with configuration for local rules and selected third-party products where useful. Central standards could improve consistency and help the company reuse engineering and controls. The trade-off is integration complexity: country-level differences, data quality, model drift and local accountability may be difficult to govern at speed.

This does not mean outsourcing core technology. In August, management said the reorganization was not a shift to outsource core technology and described retaining internal expertise while selectively using outside products when useful. The policy question is where that boundary should sit in customs workflows. [S5]

3. Offer limited customer self-service

Add self-service for selected routine intake, status or transaction steps, while keeping a live route to a broker for complex work. Faster direct service could reduce friction for customers who prefer digital interaction. But management's March comments expressed skepticism about AI customer-response bots. Customers may value the relationship and live resolution; poor handoffs could make an efficient front end feel less accountable.

This is a hypothetical alternative that students may defend or reject. No public disclosure says Expeditors has approved customer-facing AI or intends to offer it.

What evidence would change the policy?

The company has not disclosed the information needed to estimate customs automation returns: entry volumes by country and complexity, labor time by task, model accuracy, correction and compliance events, customer response, vendor cost, or capacity released and redeployed. Nor does the public record establish how restructuring savings are allocated.

A pilot scorecard could compare a defined baseline and an automated workflow using consistent denominators. Candidate measures include processing time, entries handled per broker, first-pass accuracy, correction and rework, exception and compliance rates, customer response and resolution, service or retention indicators, broker capacity released and redeployed, and cost or contribution per entry. Results would need segmentation by jurisdiction, task complexity, customer type and review intensity. A faster workflow alone would not establish better service or lower total cost.

The team must also decide who has authority at each point: product teams may define the platform; country specialists may approve local configurations; licensed brokers may retain filing responsibility; customer teams may own service recovery; and risk or compliance teams may set stop rules. Those roles are options for the case team to design, not disclosed Expeditors decision rights.

Assignment

Prepare a recommendation for the next stage of customs automation. Your policy should:

1. Define which tasks may be automated, assisted or reserved for broker judgment, and identify escalation conditions.
2. Set a deployment pace and explain how country-level rules and customer needs affect the rollout.
3. Allocate decision rights and accountability across technology, local operations, licensed brokers, customer-facing teams and risk functions.
4. Define what Expeditors should build internally and where a third-party product could be appropriate.
5. Specify evidence gates for expansion, redesign or pause. Separate efficiency, quality/compliance, customer outcomes and realized economic value.

Make the strongest case against your preferred policy. State what data the company would need to collect and what result would change your recommendation. Do not assume any option has been approved or that expected restructuring savings fund it.

Sources and cutoff

This case uses public information available by October 2, 2026, 4:00 p.m. ET. Research sources provide context on digital logistics business models and disruption capabilities, not Expeditors outcomes. Exact academic locators, reading depth and limitations appear in the research source register and evidence extraction.

Company source key

- **[S1]** Expeditors International of Washington, Inc., 2025 Form 10-K, filed February 25, 2026. “Global Logistics and Supply Chain Technology,” pp. 5-6, SEC HTML lines 243-254; “Customs Brokerage and Other Services,” pp. 8-9, lines 175-178 and 317-322; forwarding revenue context, MD&A pp. 30-34, lines 853-861 and 877-910. [SEC filing](#)
- **[S2]** Expeditors, selected Q1 2026 earnings Q&A, Form 8-K filed March 23, 2026. Item 7.01, Q&A 3-5, pp. 3-4, lines 100-118 (agent uses); Q&A 6-8, pp. 5-6, lines 125-146 (human expertise and customer-response posture). [SEC filing](#)
- **[S3]** Expeditors, Q2 2026 Form 10-Q, filed August 5, 2026. Note 9, p. 13, lines 572-582 (recognized expense, cash paid, accrued and expected plan charges); MD&A, “Overview” and Q2 summary, pp. 14-15, lines 599-652 (bundled category, reported results and revenue/cost context). [SEC filing](#)
- **[S4]** Expeditors, Q2 2026 earnings release, August 4, 2026. Operating highlights, lines 28-60 (Q2 revenue and growth); CFO comments, lines 86-92 (reorganization rationale and expected annual lower cost); customs commentary, approximately lines 143-170 (growth explanation and temporary filings). [SEC release](#)

- **[S5]** Expeditors, post-Q2 management Q&A, Form 8-K filed August 11, 2026. Item 7.01, Q&A 6-7, p. 4, lines 125-137 (internal technology expertise and selective outside products). **SEC filing**

All policy options, leadership deliberations, task permissions and evidence gates are constructed for teaching. No post-cutoff events or outcomes are included.