

# Consolidated Market Analysis: Export License Determination & Sanctions Screening Software

Target Audience: Product Leadership & Strategy Team | Focus: SMEs & Mid-Market Exporters (Revenue \$10M–\$500M)

## 1. Executive Summary & Key Insights (TL;DR)

This section consolidates findings from all three reports (2023–2025), offering a forward-looking view.

### Top 3 User Pain Points:

- AI Trust Gap & False Positives:** AI has reduced false positives from 90–95% (2023) to ~30% (2025), but poor explainability keeps compliance teams manually validating alerts, consuming 20–30 hours weekly.
- Workflow & Integration Friction:** Companies demand deep, bi-directional integrations with ERP/OMS (SAP B1, NetSuite, Shopify) to auto-release holds and prevent manual rework.
- Onboarding & AI Calibration:** Technical setup is quick, but calibration of AI models to historical data delays ROI by weeks.

**Market Gap:** No single vendor provides a SME-first, affordable, cloud-native compliance orchestrator with explainable AI and predictive audit capabilities.

**Market Opportunity:** SMEs (<500 employees) represent the fastest-growing segment with adoption rates climbing from 35% (2023) to 40–50% (2025). Targeting global micro-multinationals with <\$10k entry pricing can capture 15–20% share in North America & Europe.

## **2. Deep Dive into User Pain Points & Needs Analysis**

### **A) Onboarding & Setup**

Earlier reports highlight 4–8 weeks of onboarding for SMEs, with 40% configuration errors. By 2025, the challenge has shifted to AI model calibration—users need calibration wizards and sandbox data to achieve day-one accuracy. Without it, firms run parallel manual checks, delaying go-live by a month and doubling compliance workload.

### **B) System Integration**

Integration failures persist with 30–50% initial sync errors. Permissions mapping, ID mismatches, and rate limits lead to stalled or duplicate screenings. Users request native, embedded integrations for NetSuite, D365, Shopify, and SAP B1 that can return 'approved' status directly into OMS workflows without human intervention.

### **C) False Positives & AI Explainability**

False positives dropped with ML adoption but explainability remains the #1 barrier to trust. Compliance officers require 'Reason Cards' with name match %, geo risk, and news context before approving shipments. This reduces investigation time by 40–50% and satisfies EU AI Act transparency requirements.

### **D) Pricing & Affordability**

Enterprise-level pricing (>USD 20–30k/year) alienates SMEs. Preferred models include transparent volume tiers and hybrid approaches with AI credits so companies pay only for complex determinations. Flat-rate per-user pricing under USD 10k/year improves adoption by 25%.

### **E) Reporting & Audits**

Users demand continuous self-audit features, one-click evidence packs, and narrative AI decision logs for external audits. Current solutions require manual Excel macros, adding 10–15 hours per audit cycle.

### **F) Support & Training**

Expectations now include AI-literate support. SMEs want data scientists or specialists to help interpret model outputs, tune thresholds, and retrain models. Role-based training portals and contextual tooltips improve time-to-proficiency by 30–40%.

### 3. Competitor Landscape Analysis

Competitor	Strengths	Weaknesses
Descartes Visual Compliance	Comprehensive watchlists, robust batch screening engine.	Expensive (USD 20k+), dated UI, slow innovation, high implementation cost.
SAP GTS	Seamless SAP ERP integration, deep compliance expertise.	Overly complex, unsuitable for non-SAP users, high cost.
Thomson Reuters ONESTOP	Strong regulatory content, AI-assisted classification.	Premium pricing, UX not SME-friendly.
E2open / Amber Road	Cloud scalability, multi-party visibility.	Integration lags, high SME setup cost.
Shipping Solutions	Low entry cost, basic SME coverage.	Weak sanctions coverage, poor AI & automation.
Aspects (Emerging)	4.6/5 G2 rating, strong explainability, transparent pricing.	Limited integration library (early stage).

## 4. Market Sizing, Growth & Regulatory Drivers

The global sanctions screening market is projected to grow from USD 2.05B (2023) to USD 5.92B by 2031 (CAGR 12.7%). Trade compliance software overall grows at 10.5% CAGR (2025–2030). Large enterprises (~90% adoption) are near saturation, but SMEs (40–50% adoption) remain the primary growth engine. Regulatory drivers include EU AI Act (AI transparency), OFAC/BIS sanctions updates, and forced labor/ESG due diligence laws that mandate AI-powered compliance solutions.

## 5. Actionable Recommendations & Best Practices

- **UX & AI Explainability:** Build explainability into every alert with clear 'Reason Cards'. Add Calibration Wizard for onboarding and real-time threshold tuning.
- **Integration Standards:** Ship native connectors for SAP B1, NetSuite, Shopify, D365 with bi-directional sync.
- **Pricing & Packaging:** Adopt tiered pricing (Essentials <USD 10k/year, AI credits bundle for advanced users). Tie premium pricing to measurable ROI (e.g., hours saved, auto-allow %).