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Supply Chain Security:

How Being Engaged Can Benefit Your Company

by Monica Isbell ©

Starboard Alliance Company, LLC
Delivering Executable Excellence



Three Years After 9/11: The Good News

Strengthened U.S. borders through heightened federal government activity

- Increased congressional funding for national security
- Automated Targeting System for cargo and passengers
- Increased cargo inspections at origin and destination
- Operation Safe Commerce (OSC)
- DHS National Response Plan
- Homeland Security Information Network (HSIN)
- National Targeting Center (NTC)
- 24-hour Homeland Security Operations Center (HSOC)
- 450,000 First Responders trained
- Citizens Corps Councils
- Bio-Shield Act of 2004
- BioWatch



The Good News

No subsequent terrorist event,
but lots of orange alerts



The Bad News

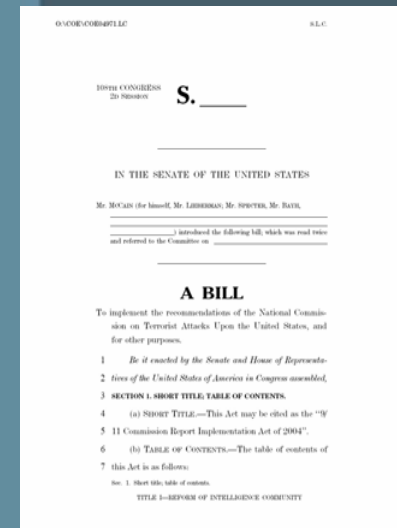
A sense of normalcy and complacency pervades



Regulatory Environment

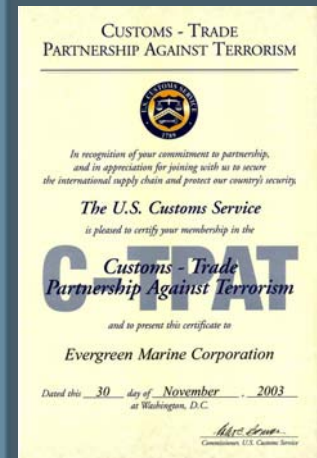
Proliferation of new government transportation-related security initiatives and regulations to protect America

- Advanced Manifest/24 hour rule
- Container Security Initiative (CSI)
- Customs-Trade Partnership Against Terrorism (C-TPAT)
- International Ship and Port Facility Security Code (ISPS)
- Port security assessment plans and Coast Guard inspections
- Random Non-Intrusive Inspections (NII), Vehicle and Cargo Inspection Systems (VACIS), and fixed radiation portal monitors at ports



Importers' Response

- Reality:
 - Live with the inconveniences and costs associated with new regulations
- Two choices:
 - Accept the challenge to improve supply chain security to obtain “green lane” benefits
 - Take a wait and see attitude



We're Still Vulnerable

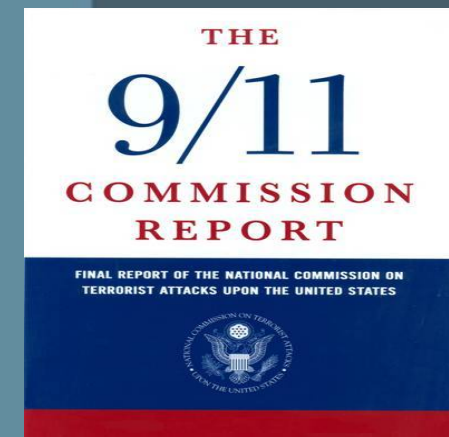
Despite government and private sector efforts, America remains highly vulnerable.



Rules Will Get Tougher

- Pushing the envelope in Congress
 - 50+ pending transportation-related security bills
- DHS and CBP goals:
 - Imposition of minimum Security Standards (C-TPAT becomes mandatory)
 - More detailed cargo data for risk assessment purposes
 - Smart Container Initiative
 - Global security standards
 - CSI all over the globe
- Carrier and port security fees
- 9/11 Commission Report Implementation Act of 2004

Origin: USA (11482.00)	Destination: SLOVENSKA TELEVISIONA SP
Weight: 101.00 kg	Value: 11482.00 SKK
Total: 11482.00 SKK	



What America Needs

- Simple, cost-effective smart technology solutions
- Process improvements
- Active engagement of importers

“I want a policeable system, which means it must be an efficient system. If I want a secure system of cargo movement, I want to speed it up. I want to reduce the opportunities.”

Stephen Flynn

Standing on the Sidelines?

Isn't your brand worth protecting?



Get Involved!

- Move from the sidelines to the field of play
- An engaged shipper makes the investment in energy, time and funds to:
 - Make sure good legislation is passed
 - Provide input on new security fees to ensure they're appropriate
 - Develop viable contingency plans that can be deployed after another attack occurs
 - Protect its employees, community and nation



Ten Key Action Steps for Securing Your Supply Chain

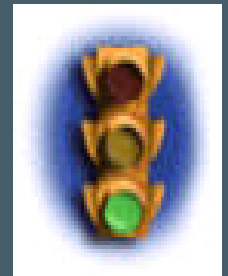
1. Make a convincing case to your C-level executive team.
2. Establish a cross-functional security team.
3. Develop a corporate security plan.
4. Become a C-TPAT member.
5. Establish a contingency plan.

Ten Key Action Steps for Securing Your Supply Chain

6. Establish security performance metrics.
7. Diversify port and airport usage.
8. Increase your knowledge.
9. Make your voice heard.
10. Become involved.

Benefits for Taking Action

- ✓ Brand protection
- ✓ Competitive advantage
- ✓ Expedited “Fast Lane” treatment
- ✓ First in line for customs clearance after another terrorist attack
- ✓ Protection of employees and communities
- ✓ Increased nimbleness and ability to react to unforeseen circumstances
- ✓ Ability to assure customers you are a reliable supplier
- ✓ Potential to trim inventory levels held as a hedge against supply chain disruptions
- ✓ Potential for lower marine insurance premiums
- ✓ Identification of process gaps and redundant, non-value added steps



Become Engaged!

Your hands are not tied.
You can take action.

It's a matter of choice.

Choose wisely.
For all of us.

