A Paradigm Shift

Submitted by: US
A Paradigm Shift

- Tragic events of 9/11 changed forever the relationship between the public and private sector
- Legacy US Customs Service moved to DHS and renamed to CBP
- Departure from the “gotcha mentality”
- Altering the status quo and ingrained mindsets – new era of cooperation

New Words in the Customs Vocabulary

- Supply Chain
- Partnership
- Trust

Target Metrics

- Large US retailer
- $50 billion in sales – 2010 stores in 2010
- 300,000 forty foot containers annually
- 80 countries
- Imports US$12 billion at first cost
- 260,000 customs entries
- One of the Magnificent Seven Charter Members of C-TPAT

Customs-Trade Partnership Against Terrorism (C-TPAT)

- A voluntary program designed to separate the “known” from the “unknown”
- Most successful US private-public partnership ever created
- Participants pledge to use their own assets to protect their supply chain from unlawful incursions
All Supply Chains were not Created Equally

• What is it and how does it work?
• Who are the stakeholders?
• What are the mechanics and touch points?
• One size will not fit all
  – Auto, petroleum, perishable, etc.
• No silver bullet or single solution

Building a C-TPAT Program

• Senior management support
• Be innovative
• Leverage all assets at your disposal
• Cover all aspects of the C-TPAT Program
  – Physical security
  – Personnel security
  – Procedural security
  – Information technology security
  – Training and awareness
• Know your vendors and suppliers
• Risk based – intelligence led

Look at Your Supply Chain End-to-End

• Vulnerability assessment
• Harden it
• Increase velocity (cargo at rest is cargo at risk) and enhance visibility
• Opportunity to reduce costs
• Layered security is a strong force multiplier

Other Considerations

• Business continuity or disaster recovery and contingency planning
• ROI
  – Theft reduction
  – Brand protection
  – Lower insurance premiums
• Post Seizure Analysis (PSA)

C-TPAT Lessons Learned

• If you build it they will come
• Big learning curve
• Training and good communication is vital
• Trust but verify
• Validation or vacation?
• No bright line of distinction between the "haves and have not's"

C-TPAT Lessons Earned

• Conduct a comprehensive analysis of your supply chain and a vulnerability assessment
• Recruit strong internal and external partners
• Data – Gather, score, analyze, report and store
• Build the program in layers
• Training and good communication is vital
• Plan for supply chain disruptions
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