

# BDP gateway

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Helping Global Shippers Navigate The Value Chain

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## COMMENTARY

### Fear Factor

#### Are we safer, more secure?

**Boo!** Fear has always been part of humankind. It is a built-in protection device, geared to give us a second chance to save our skins in times of distress. Interestingly, the majority of statements have centered around telling us that we should not be afraid and to look fear in the eye. Franklin Delano Roosevelt, during his first Inaugural Address in 1933, said, "The only thing we have to fear is fear itself."

#### What is security in a global economy?

Unfortunately, the fine line between protection for safety purposes and a knee-jerk response to outright fear often gets blurred. In some cases it appears to cross into the realm of the latter. To many, the avalanche of security and compliance initiatives and regulations in response to the 9/11 tragedy has already crossed that line.

While the majority of carriers, importers and exporters, and port operators support improved security (and have invested in their own security initiatives), "overwhelming, ludicrous, excessive" are some of the comments heard lately from the shipping industry—both inside and outside the  
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## Turbulent times

**N**ew security regulations from the U.S. government have hit the ground, air and ocean modes hard in recent months and promise to move to an even higher level later this year, if additional rules courtesy of the Trade Act of 2002 go into effect. Potential General Rate Increases (GRI) of as much as fifty percent for imports from Asia this year, and other ocean container freight rate increases in several U.S. trade lanes only add to the challenge for shippers and their resources. Mix in a struggling global economy and world health concerns, and the downpour could become a deluge.

A light in the regulatory tunnel is the development and faster flow of better information, bringing world traders ever closer together and providing enhanced supply chain intelligence. The hard-cost benefits of a secure supply chain could extend far beyond the risk of financial penalties and transportation disruptions, IF regulations are balanced with trade requirements. A recent BDP-Centrx survey of the new 24-hour manifest rule revealed how shippers were extending their supply chains to cope with a more rigorous security environment. Uncertainty over how

compliance costs will be paid for and how to recover those costs were key concerns. In their current form, broader "strawman" proposals could overwhelm supply chains, forcing manufacturers to hold more inventory and driving up costs to producers, transportation companies and consumers. However, the U.S. government and private sector organizations are working to help mitigate the impact of the new regulations.

#### Prepare with confidence

The best way not to be overwhelmed is to be prepared (see "Balancing Act" story on page 3 of this issue). Even a minor documentation error can now pose a serious problem. It is important that you and your company confidently handle the increased Customs regulations and additional security measures, while building efficiency into your supply chain. Each member of your company's staff involved in international trade must gain a thorough understanding of all import transaction rules and regulations. It means ensuring your customers and resources understand the requirements and their impact if procedures are not followed.  
(Continued on page 2)



# Turbulent times

(Continued from page 1)

Companies also should prepare for disruptions in overseas shipments by increasing inventory safety stocks—Just-in-Case rather than Just-in-Time management. That includes looking for alternative sources of goods, budgeting for catastrophic events and fuel surcharges, and planning for freight diversions to alternative ports.

In addition to what exporters need to know about the proposed Advanced Cargo Information proposals from Customs (the Trade Act of 2002), other issues on a must-know list include:

- How to strike a balance between trade compliance regulations and expanded security measures without jeopardizing your supply chain
- What the Customs-Trade Partnership Against Terrorism (C-TPAT) initiative means to your company's business strategy. It's more than a compliance issue
- Revisions to the U.S. Census Export Trade and Security Compliance
- Managing entries: HTSUS classification
- Enforcement of NAFTA rules for exporting to Canada and Mexico. What's next for Singapore and Chile? 

These and other key issues were covered at the BDP International/Centrx 14th Annual Import/Export Trade Compliance Seminar a few weeks ago in Philadelphia. (For more information on any of these topics, and how these can affect your company, contact Michael Ford, BDP Vice President of Regulatory Compliance and Quality at [mford@bdpnet.com](mailto:mford@bdpnet.com)/215-629-8924.)

## Fear Factor

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U.S.—to describe the new regulations. Perhaps the most telling comment is the belief by many that the swell of regs and initiatives, which are supposed to protect us, will, in fact, create long-term problems and cause serious damage to international trade, especially to U.S.-based companies. Recently, business executives asked for “real security” from regulators. The hope is that as we get more air between 9/11 and present day, things may change. While it will depend on the mindset of the country going forward, in the end it is really up to the U.S. government.

At the moment, fear and risk-averse would be a good description of the personal, business and governmental environment in the U.S. A recent Wall Street Journal article that dealt with the issue of “risk” stated: “Today, thanks to research labs, tort law and media hype, danger seems to lurk in every corner of life... Faced with a barrage of warnings—including the color-coded caveats of the new Homeland Security Department—it's not surprising that in contemporary America, the safest society in recorded history, many people feel as though they have never been more at risk. Everyone's nerves are on edge. “No matter where we turn, we're reading about something killing us prematurely.”


### Trade talk

Response to terrorism has unleashed a range of security measures that have affected the lives of individuals and businesses just about everywhere. But are we more secure? Are we safer? Nearly two years following 9/11, barely two percent of the cargo arriving at U.S. ports is checked. Called the country's “weak link” for terrorism, so far the ports have received little in the way

of funds to help pay for and implement additional security actions. Implementation of the extra security measures is also due to a lack of coordination and common standards among government agencies, a shortage of trained staff, not to mention sharing of sufficient intelligence from federal agencies. Instead, round after round of regulations hit the business industry headlines every two months, or so it seems. The Journal also indicates that two years of “color alerts” from Homeland Security have had everyone on edge, with yellow, “significant” risk, or higher as the order of each day. Lower levels, green and blue, have yet to be used, and the safest level, green, warns that the risk is “low,” not zero!

Over the past one hundred years, laws were set down to protect the U.S. borders, which made a lot of sense. Then, in the 1980s, as we became a more global country, the light bulb went on in the corridors of the U.S. government: trade facilitation suddenly became important. There were changes, reforms, and automation. Industry and government worked together. There were outreach programs with companies that worked with government agencies on a range of issues to help them to become more of a trade facilitation entity, which businesses frequently pointed out was and is an important part of being a global power.

Post 9/11, trade facilitation took a side seat, and 20 years of progress suddenly became a lower priority. Now we're back to border security, plus supply chain security, pushing the borders out, and implementing regulations that are supposed to make each of us feel better but actually don't make anyone much safer. Which brings us back to the perception that increased regulations and initiatives will make it more difficult to trade with the U.S. What if some businesses just stop and say, “Why should I put up with that—I'll source from Europe.” International shippers could become mired down in the regulations that are passed along by Customs and the other authorities, as well as the other prevailing domestic authorities.

Each year, companies in the U.S. see their production bases move to Asia, the Middle East, and to other places. If you couple that with the current and future tougher standards to move cargo in and out of the country, something has to give. 



## MARKET BUZZ

### Transportation security card being tested

The U.S. government's Transportation Security Administration (TSA) is beginning testing Transportation Worker Identity Cards (TWICS) at the ports of L.A.-Long Beach and Philadelphia-Wilmington. The cards are to be carried by everyone in the transportation industry—from airport ramp workers to truckers and longshoremen. These were developed in response to complaints that the various IDs that ports currently use are too easy to steal or fake. If all goes well with the tests, the card could be implemented nationwide next year. Source: TIME magazine.

# BALANCING ACT



## Meeting expanding trade regulations while securing your supply chain

Add professional juggler to the list of skills shippers and their resources need to possess as they struggle to cope with a more rigorous security environment.

The question of how to manage for a company's bottom line in a changing world of trade and security rules was one of the top issues on every attendee's mind at the recent BDP International/Centrx 14th Annual Import/Export Trade Compliance Seminar in Philadelphia.

The basic goal of keeping trade flowing, while regulations increase and security measures tighten, has become a greater challenge for all players. Managers now must evaluate the performance of their supply chains and make decisions based on several criteria: financial and economic, length and complexity, flexibility, and risks or gaps within the framework. In a changed world, security of a company's assets, information and supply chain has bred the need for an "automated custody chain," a supply chain designed to electronically link shipment information at the point(s) of need, as well as control the flow of goods from source point to final destination point. It should:

- Provide participation between new and expanding trade programs
- Invest in the expansion of the world market
- Control the flow of goods, information and services, whenever and wherever possible
- Partner with the "best" in order to be the "best"

### Covering all the bases

To provide greater information visibility and more stringent compliance, an organization's global security measures must cover four major areas:

1. Process - Information security
2. Physical assets – Plant and vehicle security
3. Employees – Human security

4. Suppliers – Supply chain security
  - Material and component suppliers
  - Third party process/information, facility, and transportation suppliers—information, building, employee, and supplier security

Effective implementation of an automated custody chain in any company requires bringing the right skill sets to bear in the major security areas. "Owners" of supply chain security include managers of logistics, security and regulatory compliance, who are answerable to the following questions:

- What elements of security does a multinational corporation focus on—and when—to manage risks driven by the threat of global terrorism?
- How does a corporation manage prevention while maintaining smooth facilitation of trade?
- How does a corporation maintain its present cost structure in the supply chain without adding to the time element?

Security is not just a U.S.-centric issue. A company's strategy must be applied worldwide, driven by a systematic approach to risk assessment. Today, that means reducing supply chain risk by selecting proper market strategies for delivering goods to markets and/or clients

### Information security

As each company's framework of systems, websites and portals grows globally, protecting data assets becomes a tremendous challenge:

- Who has access to product information?
- Is part or all of the system's components managed or executed offsite or outside the U.S.?
- How is information storage handled, including history of orders and products, and procurement patterns?

### Asset security

Maintaining a lean and mean infrastructure means fully understanding

asset costs and developing for future expansion. Companies must evaluate not only their U.S. networks, but also all "connecting" parties owned and operated under the corporate umbrella. It requires:

- Building access, including restrictions
- Expanded monitoring and controlling of all assets
- Procedures for breaks or interruptions
- Defined areas within a space for handling important or specialized needs
- Increased maintenance and cost controls

### Human security

One of the new realities when handling global goods and services is employee security. "Responsible control" of all personnel who manage, touch, and distribute goods and services throughout the supply chain, including:

- Background checks—prior work history
- Maintaining checks as employees work within the chain
- Understanding legal issues:
  - Civil rights and privacy
  - Consistent, legally tested standards

### Supply chain security

This covers material and component suppliers, third party process/information, facility, and transportation suppliers—information, building, employee, and supplier security. Knowing who and how goods are provided or distributed in your supply chain is critical, as well as conducting audits of all processes and physical locations:

- Understanding the importance of delivering goods and information in a timely and accurate fashion
- Knowing suppliers' roles: Are they manufacturers, or another link? Do they add value?
- Awareness of security—physical and information
- High risk shipments, including hazardous and high-value cargo, create special conditions

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# Thinking *outside of* the box

## ***Trade lane analysis for multinational company***

A major petroleum corporation, about to expand its production facility for liquefied natural gas in Qatar, which has the world's third largest known reserves of natural gas, asked just five industrial gas companies how much they would be willing to pay for Helium sourced from Qatar? One of the companies, BOC Gases, wanted to develop a plan for bidding on helium from Qatar. Before it could do that, it had to find a resource that could do the math, quantifying the transportation in and out of Qatar, specifically as it compares with BOC Gases' current portfolio of sources around the world. Enter Centrx, a new supply chain consulting venture and wholly owned subsidiary of BDP International.

## ***"The shipping industry is looking for more sophisticated supply chain solutions."***

*Yone Dewbery, Centrx Managing Director*

Centrx staff pointed out to the client contact, a former consultant, the associated costs in relation to the value of what Centrx could deliver, emphasizing that the consultancy could do it with a group that would be independent (Centrx is independent within BDP). Two conference calls later Centrx was awarded the business.

## **Understanding the industry**

The project encompassed evaluating the potential to ship liquid helium from Qatar to markets in Asia, Australia and South Africa. Shipments were to be made in 20-foot and 40-foot ISO tank containers. The Qatar source point would supplement or replace

shipments that currently move from the United States. The primary objective was to help the client evaluate the financial and non-financial impacts of the new sourcing arrangement, to develop its bid on the new source. Key factors to customer service included frequency of sailings, availability of suitable space, and hazardous material handling capability of the carriers.

"We took a look at different costs—freight forwarding, Customshouse brokerage, duties, etc—today versus tomorrow, plus where they are shipping to, and how much they need to ship," explains Yone Dewbery, Centrx Managing Director. "We performed a net differential analysis, ranking the various markets: which ones had the highest differential, or the most negative, etc. We did this by contacting the carriers and requesting pricing for those lanes. Even though the physical deployment is still three years out, due to the length of time for construction of the facility, we said you can't compare an estimate that the carriers gave us today versus your current rates because current rates are based on past market conditions, not current."

Centrx provided a proposal as well as a model that the client can continue to update. The model has rates and other factors built in, which can be adjusted.

## **Better business solutions**

"The shipping industry is looking for more sophisticated supply chain solutions," Dewbery points out. "Companies want to know 'What can you do for me?' And 'What is it worth to me?' Then they are going to ask about price. In fact, during this particular project, the client said to us, 'OK, I think you


can do this. Let me know what it is going to cost—just don't rake me over the coals.' What he was saying was that he knew we had the expertise, and all he wanted was a fair price. He received both."

## ***"Centrx's help was critical to our success...they helped BOC Gases strengthen its leadership in the helium industry."***

*Carlos Nulman, Director, International Helium - BOC Gases*

Independence was another reason the client chose Centrx. "For confidentiality reasons we guaranteed them that we would not tell anyone else, within BDP or outside, who the client was," says Dewbery, "except those very few who had to know, like the Centrx Board and BDP President Rich Bolte. We have lived up to this because in the consulting business reputation is everything."

## **The end result**

Dewbery adds, "By the way, BOC Gases' bid was successful. It's gratifying to know that our work contributed to a very significant win for our client." Carlos Nulman, Director, International Helium for BOC Gases, points out, "Centrx's help was critical to our success. They provided and analyzed the data within a very tight schedule with impressive professionalism and, more important, they helped BOC Gases strengthen its leadership in the helium industry." 

# Security and efficiency of supply chains in the chemical sector

## Managing the logistics of uncertainty

A single, standardized process for international logistics management is becoming the engine of ROI in chemical supply chains. Chemical manufacturers are realizing measurable value by overlaying a single international logistics management strategy atop of tactical day-to-day execution of international purchase orders.

For multi-national chemical companies, the decision to take the path of global process management is not made overnight, and the implementation requires discipline, organizational savvy, a good understanding of the time necessary to transition, and buy-in by all parties. Global visibility of relevant data, enabling front-line personnel to interpret impact and make better decisions: that is where process cost reduction and supply chain improvement begins.

The same logic can be applied to supply chain security. The international logistics supplier that wants to help its customers grow must also be equipped to address the unprecedented challenge of how best to manage the logistics of fear and uncertainty, not just managing it but finding ways to protect and build upon competitive advantage for the customer's supply chain.

## Security and Responsible Care

Supply chain security and supply chain efficiency are not mutually exclusive. The same

techniques that provide an effective supply chain are also the best practices of a secure supply chain. And chemical manufacturers don't have to look very far. For example, most U.S. chemical companies have met the stringent standards to be certified as a Responsible Care company by the American Chemistry Council (ACC). Look at the requirements for certification under the new U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) program, and you will see lots of synergy with the ACC codes:

- ACC guidelines suggest a top-down commitment from leadership, and that's what it takes to get the buy-in to perform the C-TPAT security survey
- Both ACC and C-TPAT call for assessment, analysis and implementation
- ACC suggests a documentation training process; and C-TPAT calls for a documentation process with education
- ACC calls for audits and third party verification, and C-TPAT suggests conducting internal self-assessments
- ACC refers to change management and continuous improvement as does C-TPAT.

## Assessing your risk

Assessment is another common denominator of supply chain efficiency and security under C-TPAT. If supply chain improvement is a corporate objective, assessing your company's current capability is the baseline against which progress is measured. The same holds true for supply chain security. To minimize the *(Continued on back page)*

## Chemical Site Security

Overview of one chemical company's Site Security Management practices.

### Summary points to consider when developing a detailed security plan

- Formal security plan
- Physical site security
- Employee, contractor, visitor ID/access
- Travel security
- Security personnel training, screening
- Employee security evaluations
- Employee security training
- Practice drills
- Interface with local safety/security agencies
- Security assessments
- Asset control systems

### Security teams

- Site security
- Chemical
- Risk/vulnerability assessment
- ACC Security Code implementation (C-TPAT review)

### Heighten site security

- Increase patrols
- Increase delivery monitoring
- Improve perimeter fencing
- Increase camera surveillance and taping
- Increase visibility of security patrols
- Close gates to reduce access

### Increase security communications

- Employee alerts
- Management updates
- Monitor intelligence sources
- Issue Responsible Care progress reports

### Increase training of security and mail personnel

### Increase interaction with local law enforcement

### No specific details on security program given

### No set patterns—avoid predictability

### Security survey of major facilities

- Focus on physical security and internal controls (access, package/material control, pre-employment screening)

### Implement transportation measures

- Request carriers to implement company photo ID for drivers
- Restrict access for carriers within facility
- Secure delivery/pick-up procedures
- Preferred carrier evaluation process

### Other considerations

- Remove certain classes of product/technical information from company website
- New customer review process
- Verification process for customer carriers
- Stricter inventory control of certain raw materials/intermediates
- Restrict access to certain site locations



# Upping the ante in 2003

**The Trade Act of 2002 requires U.S. Customs and Border Protection (CBP) to develop new rules for electronic advance cargo data collection for exports and imports covering all modes of transportation. Finalized rules are due October 1, 2003.**

The Customs Treasury Advisory Committee on Commercial Operations (COAC) has developed proposals for each major mode of transportation. Members of the private sector, working under the COAC banner, have already rejected Customs original “strawman” proposals that called for data to be submitted before cargo is loaded, opting instead to recommend that data should be submitted before arrival. The plan is for CBP to issue a “proposed” ruling on June 1, 2003. One ruling will be issued for all modes of transportation, as well as import and export cargo, and will be followed by a 30-day period for

comments. After the October 1 final ruling date, a mandatory date for implementation will be set.

Shippers and their resources must be aware that while the rules focus on manifest data, they will also affect supply chain information, requiring additional data. Currently, it is not known if CBP will make exceptions to the requested timing and data elements, or if updates or corrections will be permitted. It is possible that penalties could be assessed for “late” data, in addition to incorrect data. There are a number of key issues to be resolved:

- Electronic information of cargo does not always equal manifest data
- Manifest data is transportation data with some commodity details
- Manifest data is not “entry” information or “AES” export information
- Not all manifest data can be filed directly to Customs by the carrier (i.e. truck manifest will be live in 2004)
- The time element of transmissions—imposed on carrier for some modes but then on the forwarder/exporter for other modes
- Customs must adjust commodity data in certain filings
- To accommodate air shipments, additional data must be filed with commodity details (air exports) via the AES record, since not all air carrier manifests are filed electronically with Customs
- For truck shipments to Canada and Mexico, will time of crossing and truckers Bill of Lading numbers have to be filed as key data elements? What about shipments into Canada that currently do not require a SED for the order?
- Currently, not all carriers file manifest information electronically with Customs for ocean exports because the system is not set up to receive this data

Among other issues, the COAC ocean transportation subcommittee proposed that Customs collect cargo data from multiple sources, including importers, agents, brokers or third-party logistics providers.

It is expected that one ruling will cover all transportation modes. Customs will retain the 24-hour manifest rule.

## **Excerpts of COAC proposals by transportation mode**

### **Air**

- Bureau of Customs and Border Protection's rules should not conflict with security measures already established by the Transportation Security Administration, foreign governments or international trade associations
- Airfreight companies should use the existing Air AMS system, or an approved data system such as those used by express couriers. Forwarders would present cargo data by hand or electronically to carriers, or have access to Air AMS


### **Truck**

- Carriers would report cargo data before a truck arrives at a border crossing
- Carriers' existing proprietary systems would be used until Customs' ACE truck manifest system is ready in 2004
- Development of expedited reporting systems, such as the Free and Secure Trade program with Canada, should continue

### **Rail**

- Use of Rail AMS system should continue
- Carriers would report data four hours before arrival at the border for carload and intermodal shipments. For “truck-competitive” traffic, the reporting period would match what is required for trucks

### **Ocean**

- Imports - continuing development of data collection
- Exports - further proposals due from Customs and Census
- Customs should provide a way to amend manifest data after it has been filed through AMS 

Source: COAC

# REGULATORY WATCH

PERIODIC UPDATES ON U.S. CUSTOMS POLICIES AND OTHER REGULATORY ISSUES

## 24-Hour Rule update

- Violators face \$5,000 fines, if the data is not sent 24 hours before loading. Containers described as "freight all kinds" or "said to contain" will receive "do not load" orders.
- No-load orders will be sent for manifests that do not list the consignee name and address.
- Freight Remaining On Board (FROB) cargo also will be subject to fines for description and timeliness violations. FROB is cargo consigned to another country, and remains on board a ship after its last U.S. port call. Customs ruled that the 24-hour rule applies to FROB, even if it is not a U.S. import.

Source: *Journal of Commerce*

## New definition for USPPI

The U.S. Census Bureau has redefined the address used as the U.S. Principal Party in Interest (USPPI) in order to more accurately reflect the point of origin in the U.S. of exported goods. Companies with multiple locations have generally listed their corporate headquarters address, which has resulted in misleading substate (and metropolitan area) export series data. Going forward, the full "origin of goods" local address will be required, including zip code, and will replace the current exporter location series.

The primary users of the substate export data are the International Trade Administration and the local area governments, which are interested in the impact of various trade development programs.

For more information, contact Michael Ford, BDP Vice President of Regulatory Compliance and Quality at [mford@bdpnet.com](mailto:mford@bdpnet.com)/215-629-8924.

## New start date for E-Drawback

Note: U.S. Customs have announced June 18, 2003 as the "go" date for e-filing.

## EU moves ahead on U.S. trade sanctions

According to the *Financial Times*, the European Union (EU) moved a step closer to imposing sanctions of \$4 billion in a long-running trade dispute over U.S. corporate tax breaks, after EU member states gave their blessing to a list of U.S. products that would be subjected to punitive import duties. The list was sent to the World Trade Organization (WTO) in Geneva for approval early May and the European Commission expects approval shortly thereafter. This would allow member states to activate the sanctions at any time.

The EU would only activate the sanctions if it became clear that Washington is not prepared to abolish the regime, which benefits large exporters. Pascal Lamy, EU trade commissioner, noted that Congress was making progress towards scrapping the system of tax breaks, known as the Foreign Sales Corporation (FSC) provision. The WTO ruled in 2001 that FSC tax breaks represented a prohibited export subsidy. The list of products targeted by the EU contains about 1,800 goods, and includes agricultural products, textiles, machinery, footwear, paper and iron and steel products. 

## Travel security guidelines

Here are some websites to visit if you are considering overseas travel (courtesy of *The Wall Street Journal*).

**travel.state.gov** - U.S. Department of State. Alphabetized list of foreign countries with info on entry requirements, safety, security, and crime.

**cdc.gov/travel** - National Center for Infectious Diseases Travelers' Health. Latest disease outbreaks by country. Lists preventative measures, too.

**fco.gov.uk** - U.K. Foreign & Commonwealth Office. Well organized array of travel advice.

**voyage.gc.ca and dfat.gov.au** - Canadian and Australian government sites. Loads of info. from volcano warnings (Canada) to "Piracy at Sea" (Australia).

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# BALANCING ACT

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## How to get results

Key considerations:

- Identify and empower “ownership of security” within your company
- Identify breaks or security gaps and be positioned to immediately react
- Share findings and data with designated parties in the security circle
- Implement a self-assessment program to “police” your company’s activities
- Identify and know all parties involved in the supply chain: suppliers, carriers, brokers, logistics resources, customer services
- Utilize the right tools—seals, containers, training programs
- Secure your company’s information framework
- Conduct an ongoing reassessment program, automated, if possible
- Revisit and re-energize your security program—adjust, as necessary
- Automate a “Secured Chain of Security”

For more information, contact Michael Ford, BDP Vice President of Regulatory Compliance and Quality at [mford@bdpnet.com](mailto:mford@bdpnet.com)/215-629-8924.

## Security and efficiency of supply chains in the chemical sector

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impact to your company, a systematic approach to evaluate the timing and value of your participation in C-TPAT is recommended. For example, a supply chain risk profile that assesses your current process and determines where the highest levels of risk reside within your supply chain could be prepared. From there, the profile would be reviewed against the seven risk categories established by Customs for the C-TPAT program, including procedure, physical security, access controls, personnel security, education and training, manifest procedures, and conveyance.

Centrx, a BDP consulting unit that handles such assessments, has noted security gaps tend to be more common in the area of documentation, not because companies are negligent but because the bar has been raised.

### The cost of doing business

In a changed, post-9/11 world, asset-security, data-security, and process-

security are no longer to be taken lightly. Presumably they never were, especially in the chemical sector. However, these new regulatory initiatives have placed added pressure to improve Just-in-Time supply chains—as well as that other model driven by the realities of global terrorism: Just-in-Case. Going forward, for global companies that want to compete, trade compliance has become another factor in the cost-of-doing-business, just as manufacturing, marketing, capital investment, supply chain management, corporate governance and the creation of shareholder value drive the strategy of companies.

In an uncertain world, one thing is certain: Protecting your company’s supply chain is not a matter of if. It is a matter of when and at what cost to the enterprise. Supply chain excellence and supply chain security are not mutually exclusive; they are intimately linked. 

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