

# **Security in the Supply Chain**

## **The EU Perspective**

Organisations can derive significant business advantage by reviewing and maintaining a secure supply chain. Further the EU together with HM Revenue and Customs are supporting a voluntary code of practice that will give organisations secure operator status and beneficial treatment.

### **Excerpt from HM Customs positioning paper**

Supply chain security is a key element in meeting our commitment to ministers to “Strengthen frontier protection against threats to the security, social and economic integrity and environment of the UK in a way that balances the need to maintain the UK as a competitive location in which to do business.”

### **The recent history**

In 2004 the EU council called for the strengthening of transport systems, an issue that is high on the political agenda. It is important to improve and standardise preventative mechanisms. This EU focus will have a global impact as this is no longer a crime issue but an anti terror strategy that will ultimately be prescribed.

### **A consistent approach is essential**

Uniform measures are essential for raising resilience within the supply chain, despite being perceived to be a ‘grudge purchase’ or ‘tick box’ compliance. Independent organisations endorsing differing levels of protection will compromise the viability of the entire supply chain. A consistent approach is therefore necessary and will lead to ‘approved’ status.

### **The unique selling point**

These security measures will support the business process and no longer be seen as cost but as a means of revenue protection. Administrative and financial impact on the firm must be supported by an agreed Return on Investment. It should be understood that higher security standards must facilitate the logistic process not hamper it and always be cognisant of the fact that security measures will only minimise the risk never eliminate the threat.

### **Agreed minimum standards**

Minimum standards will be agreed by the member states. These standards should not be cost oriented and should be graded for risk rating of sites. Specifications will be based on agreed criteria. These standards will form the basis of Business to Business co-operation. Also approved status will enhance the firms Unique Selling Point (USP).

## **An evolving framework**

The EU is aware that 'big bang' implementation of standards will not work, neither will highly proscriptive measures nor standards. It is key that there are a consistently increasing number of organisations using established Supply Chain Security (SCS) as a USP. Thus it is important that implementation of a risk oriented standard of performance is supported by Standard Operating Procedures manual underpinning the EU policy.

## **What's required?**

A framework approach is essential to ensure involvement and commitment of key stake holders to agree security goals supported by minimum standards of performance and key performance indicators. Measures should be clear and designed to enhance co-operation and support relationships between business and public administrations. It will be important to challenge business partners to integrate and support the process.

## **To conclude, why get involved?**

The EU has issued a proposal for regulation to increase the effectiveness of SCS; a 'secure operator' quality label will be introduced so that a voluntary scheme will be in place that rewards performance with incentive. Secure operators will be rewarded with 'fast track' treatment at frontiers this will also stimulate inter business relations.