CEN SCS feasibility study
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Agenda

• Study mandate and process
• Snapshot of some findings
• Main recommendation
• Future research
Supply chain security interplay

1a) Government policies and regulations – national/regional

2. Security service / solution providers

3. Manufacturers; Shippers; Cargo owners

4. Logistics companies

Focus on 3, 4 and 5

5. Trading; retail

6. Insurance companies

Several conflicts of interest exist between the various actors

7. Enforcement agencies

1b) Government policies and regulations – 3rd country driven

8a) Criminal actors

Several conflicts of interest exist between the various actors

8b) Terrorist groups

Several conflicts of interest exist between the various actors

Manufacturers;  Shippers; Cargo owners

Trading; retail

Insurance companies

Logistics companies

Security service / solution providers

Focus on 3, 4 and 5

Government policies and regulations – national/regional

Government policies and regulations – 3rd country driven
Study process, structure and flow

- Literature review (Chap. 2)
- Expert interviews (Chap. 3)
- Standard in-depth analysis (Chap. 4)
- Operator survey (Chap. 5)
- Conclusions and recommendations (Chap. 6)
Interview participants (21 in total)

- Association des Utilisateurs de Transport de Fret, FR
- Confederation of European Security Services (CoESS), BE
- EuroCommerce (the retail, wholesale and international trade representative to EU), BE
- Europe Container Terminals, NL
- European Association for Forwarding, Transport, Logistic and Customs Services (CLECAT), BE
- European Express Association (EEA), BE
- European Office of Crafts, Trades and SMEs for Standardisation (normapme), BE
- European Shippers Council (ESC), BE
- European Small Business Alliance (ESBA), BE
- Integrated Safety and Security, University of Applied Sciences Campus Vienna, AT
- International Union of Combined Road-Rail Transport Companies (UIRR), BE
- Maersk Group, DK
- Outokumpu, FI
- Road Haulage Association, UK
- Se Klaipeda State Seaport Authority, LT
- SIS, SE
- Temi Group, IT
- The Association of European Chambers of Commerce and Industry (Eurochambers), BE
- The Community of European Railway and Infrastructure Companies (CER), BE
- Transported Asset Protection Association (TAPA), UK
- World Shipping Council, BE
Survey participants (86 in total)
Can we identify high efficiency & low cost SCS standard(s)?

- **Sweet spot!**
  - HIGH
  - (Perceived) security efficiency
  - HIGH

- **Consider - case-by-case**
  - LOW
  - LOW

- **No-go!**
  - HIGH
  - Cost for supply chain operators

Consider - case-by-case
Some concerns and dilemmas identified (expert interviews)

- Multi-form of crime in supply chains
  - “Killing two birds with one stone? (or 5 or 10 or 20)”
- Secrecy of security
  - “Security through obscurity?”
- Counterproductive SCS
  - “Plata o plomo?”
- Who is guarding the guards?
  - “Quis custodiet ipsos custodes?”
- Dynamic behavior of the enemy
- False sense of security
- Lack of proper baseline crime / incident statistics
Snapshot on standards in-depth analysis

Figure - Number of requirements which can be categorized in a certain security phase
Snapshot on survey outcomes

It is likely that within next five years small and medium sized logistics companies, including "local transport companies", will get increasing amount of requests from their customers to have some kind security labels/certificates/screening in place.

Any supply chain security standard should be rather based on risk based approach, as the opposite of proposing identical set of security measures to all supply chain actors, geographical sub-regions etc.

My company would benefit from a database which could be used to verify if our business partners are who they say they are (to avoid dealing with bogus companies).

My company would benefit from a practical supply chain security implementation / good practices guidebook

My company would benefit from a crime statistics information service, indicating e.g. where the current hot spots for cargo crime in Europe are located (assuming high data quality, confidentiality, etc. is in place).

It is likely that within next five years non-manufacturing and non-logistics companies, such as cleaning service and office supply companies, will get increasing amount of requests from their customers to have some kind security labels/certificates/screen.

My company would benefit from a more standardized approach for setting up and operating secure parking lots in Europe.

My company would benefit from a more standardized approach to supply chain security training and awareness building issues.

My company would benefit of having a supply chain security label in place, which enables us to continue our supply chain/ logistics operations also
Reminder 1: what are actually ”standards”?

• A standard is a document containing a series of requirements and/or recommendations in relation to products, systems, processes or services.

• Standards can also describe a measurement or test method or to establish a common terminology within a specific sector.

• Standards are tools providing a consistent solution to recurrent problems.

• They are based on consensus reached in a dynamic process of hearing of objections until a general agreement can be observed.
Reminder2: how to group SCS benefits?

1. **Direct security benefits**: reduction in crime incidents (and possibly trials); lower security related administration costs (including investigation and claims); and lower insurance premiums (in the long run).

2. **Being part of a ”SCS / AEO club”**: satisfying customer requests; brand promotion and protection; enjoying government recognitions (also 3rd country, via mutual recognition schemes); and faster cross-border lead times (with less inspections).

3. **Any other side benefits / collateral benefits / spill-over benefits**: improved supply chain visibility; lower safety stock levels; improved job satisfaction etc.
Main recommendation coming from the study

Develop a CEN standard for crime incident reporting in Europe:

- This standard can be exploited to harmonize the interaction between business and relevant authorities throughout Europe, for reporting of crime incidents;
- and to streamline and speed up the process of collecting and sharing data on crime incidents,
- for the benefit of both supply chain operators and authorities.
Framework for SCS standard development –
and the crime incident reporting position

![Diagram showing a framework for SCS standard development with various focus areas and their positions on a scale.]

Figure 34 Final framework for SCS standards development
Next steps with the crime reporting standard

If positive ”final vote”:

– Agree the process details
  • Expert team
  • Public-private collaboration etc.

– Identify the hurdles
  • Practical, legal, technical, political...
  • Standardization process
  • Post-standardization success

– Define the details:
  • Data content
  • Processes etc.
On-going and future CBRA research work on SCS

- Conceptual models for crime, security, costs and benefits with SCS
- Roadmap for logistics security demonstration in Europe (FP7)
- Survey and case studies on Customs risk management (with WCO and SNF)
- Theoretical development for Value Chain Security (VCS)