

Module 5 – Supply Chain Security

1. The Flow of Merchandise

- A. Point Of Origination
 - 1) When Do You Take Ownership
- B. Customs
 - 1) C-TPAT Programs (define)
 - 2) Remaining CPB Programs (list / awareness)
 - 3) Consolidation
 - 4) Deconsolidation
- C. Transportation (visual of flow)
 - 1) Reverse Logistics
 - a) Back Haul
 - 2) Types/Methods
 - 3) HAZMAT
 - 4) General Health Issues
- D. Distribution
 - 1) Transportation
 - a) Reverse Logistics
 - b) Dedicated Fleet vs. 3rd Party Logistics
 - 2) General Health Issues
 - 3) HAZMAT
- E. Paperwork & Documentation
 - 1) Container/Trailer Seals
 - 2) New Receipts / Transfers, etc.
 - 3) Exception Reports / Analysis
- F. Store Receipt
 - 1) Direct Store Delivery
 - 2) Drop Shipments
 - a) United Parcel Service (common carrier)
 - b) Etc.
 - 3) Live Unloads
 - 4) Unattended
 - 5) LTL / Truckload
 - 6) Drop Trailer / Container
 - 7) Store Receiving
 - a) Assumed Receipt
 - b) Detailed Receipt

**Glossary of Terms (to be included)*

2. In-Transit Potential Opportunities for Loss & Security Measures

** Applies to domestic & foreign*

- A. Organized Retail Crime
 - 1) Container / Trailer / Rail
 - a) Theft
 - b) Tampering
 - c) Leakage
 - 2) Organized Internal Groups
- B. Customs
 - 1) C-TPAT Basic Awareness
- C. Product Integrity
 - 1) *FMI will provide some content*
 - 2) Pharmaceutical
 - 3) Other Regulated Products
- D. Terrorism Aspects
 - 1) Contamination of product
 - 2) Contamination of shipments
 - a) Accidental
 - b) Intentional
- E. Brand Protection
 - 1) Intellectual Property
 - 2) Trademark
 - 3) Counterfeiting
 - 4) Diversion of Legitimate Product
 - 5) Reverse Logistics
- F. Opportunistic Theft (not at store level)
 - 1) Scale of Involvement
 - 2) Driver Theft
 - 3) Consolidation
 - 4) High Value Items (exposure)
- G. Break-Ins & Robberies (not at store level)

** Investigative mindset*

3. DC Potential Opportunities for Loss & Security Measures

- A. Physical Security
 - 1) Access Controls
 - 2) CCTV
 - 3) Fire Systems
 - 4) Alarms
 - 5) Guard Services
 - 6) In-House LP
 - 7) Perimeter
 - 8) Technology Integration
 - 9) Sensitive Product / High Value Item Protection Process

- B. Receiving
 - 1) Vendor Compliance
 - 2) Trailer / Container Opening
 - 3) Seal Controls
- C. Opportunistic Theft
 - 1) Scale of Involvement
 - 2) Driver / Associate Theft
 - 3) Consolidation
 - 4) High Value Items (exposure)
 - 5) Temporary Workers
 - 6) Seasonal Workers
- D. Break-Ins & Robberies
- E. ORC
- F. Shipping
 - 1) Trailer / Container Closing
 - a) Physical vs. Documents
 - 2) Seal Controls
 - 3) Drop Shipments
 - 4) Internal
 - 5) 3PL
 - a) Transfer of Ownership
- G. Inventory Control
- H. Training & Awareness
 - 1) Shrink Reduction
 - 2) Safety
 - 3) "Track of a Thief"
- I. Screening Process (*different requirements that typical employee screening*)

4. Internal & External Partnerships

- A. Trade Routes & Trends
- B. Cargo Theft Task Forces (various)
- C. Law Enforcement Education
- D. Operational / Facilities Management
- E. Non-Profit Organization Resources
- F. Industry Partners
 - 1) Benchmarking
- G. Internal Sourcing
 - 1) Buyer
 - 2) Merchant
- H. Procurement
- I. Transportation
- J. Customs
- K. Regulatory Bodies (refer to section 5 – not all inclusive)
- L. Retail LP to Logistics LP

- M. Risk Management / Insurance (carrier claims)
- N. Human Resources
- O. Legal
- P. IT
- Q. Inventory
- R. Carrier Relationships
 - 1) Modes of Transportation
- S. 3rd Party Providers

5. Compliance (high level awareness)

- A. Carrier Claims (laws)
- B. Other Claims
 - 1) Workers Compensation
 - 2) Customer (General Liability)
 - 3) 3rd Party Logistics
- C. Regulatory Agencies
 - 1) Federal
 - 2) State
 - 3) Mention Local Types (general)
 - 4) Occupational Safety and Health Administration
 - a) Internal OSHA Partners (Point of Contact)
 - 5) Environmental Protection Agency
 - 6) Food and Drug Administration
 - 7) United States Department of Agriculture
 - 8) Department of Transportation
 - 9) National Food Processors Association
- D. 3rd Party Providers (deals with compliance issues)
- E. Internal Audits
 - 1) Organization
 - 2) Loss Prevention
 - a) Process Audits
 - b) Shipping / Receiving Audits
- F. Fuel & Chemical
 - 1) Transportation
 - a) Use
 - b) Storage
 - 2) Sale
 - 3) Battery Disposal
 - 4) Refrigeration / Cold Storage / Ammonia
- G. Waste Disposal
 - 1) Hazardous
 - 2) Storage
 - 3) Spill Prevention Plan

6. Business Disruption (impact of loss/detention on supply chain)

- A. Understanding the Impact on Stores
 - 1) Store Sales
 - 2) Workforce Planning / Management
 - 3) Inventory
- B. Understanding the Impact on Distribution Centers
 - 1) Workforce Planning / Management
 - 2) Production
- C. Margin Based Expense vs. Inventory Shrink
 - 1) Financial Impact of Overages
- D. Replenishment
 - 1) Investment of capital
- E. In-transit Detention of Goods
- F. Communication / PR Issues
 - 1) When Disruptions Occur
- G. Perpetual Inventory
- H. Accurate Identification of Product
- I. Product Safety Recall Responsibilities
- J. Incident Specific Response
 - 1) Impact on Movement of Goods
 - 2) (get examples) *assumed receipt to detailed receiving*

7. Regulated Business (high level awareness)

- A. Food Marketing Institute
 - B. National Association of Chain Drug Stores
 - 1) Pharmacy
 - 2) Over The Counter
 - C. Tobacco
 - D. Alcohol
 - E. Fire Arms
 - F. Food Service
 - G. Convenience Stores
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