

Module 6 – Supply Chain Security

Section 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

- 1) **Reverse Logistics**
 - a) **Back Haul**
- 2) **Types/Methods**
- 3) **HAZMAT**
- 4) **General Health Issues**

D. Distribution

- 1) **The Anatomy of a Distribution Center**
 - a) **Primary Layout**
 - b) **Primary Roles within the DC**
- 2) **Transportation**
 - a) **Dedicated Fleet vs. 3rd Party**
- 3) **General Health Issues**

4) 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

G. Glossary of Terms

Section 2 – Supply Chain Management

A. Self Managed

B. Vendor Managed

C. Distribution Methods

- 1) Warehouse Delivery
- 2) Direct Delivery
 - a) Components
 - b) Performance And Value
 - c) Bottom-Line Impact
 - i. Profitability
 - ii. Productivity
 - d) In-House Vs. Outsourcing
 - i. Vendors
- 3) Reverse logistics
- 4) International

Section 3 – In-Transit Potential Opportunities for Loss & Security Measures

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

- 1) Scale of Involvement
- 2) Driver Theft
- 3) Consolidation
- 4) High Value Items (exposure)

G. Break-Ins & Robberies (not at store level)

Section 4 – 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**
- 10) Global Positioning System Tracking**

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 & Seasonal Workers**

D. Break-Ins & Robberies

E. ORC

F. Shipping

1) Trailer / Container Security

a) 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

I. Screening Processes

Section 5 – Internal & External Partnerships

A. Trade Routes & Trends

B. Cargo Theft Task Forces

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. Transportation

I. Customs

J. Regulatory Bodies

K. Retail LP to Logistics LP

L. Risk Management / Insurance

M. Human Resources

N. Legal

O. IT

P. Inventory Control

Q. Carrier Relationships

1) Modes of Transportation

R. 3rd Party Providers

Section 6 – Compliance

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**

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

Section 7 – Business Disruption

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

E. In-transit Detention of Goods

F. Communication / PR Issues

G. Perpetual Inventory

H. Accurate Identification of Product

I. Product Safety Recall Responsibilities

J. Incident Specific Response

Section 8 – Regulated Business

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