

Keeping in compliance

Taking a proactive part in securing the global supply chain

Ask anyone in the transportation and logistics industry and they will agree that, unless airtight security procedures are strictly maintained and enforced throughout the supply chain, freight systems are vulnerable to potential disruption by criminal and/or terrorist groups.

“This is not a revolutionary concept — transportation and logistics companies have always focused on supply chain security and loss prevention initiatives,” says Sandy Gregory, director of corporate operations for AIT Worldwide Logistics, Inc. “However, adapting to these mandates and keeping in compliance with the various government regulations intended to assist in securing the supply chain is not always easy.”

Smart Business sat down with Gregory to discuss how to efficiently secure the global supply chain without impeding commerce.

What do you consider the largest supply chain security challenge faced by the industry today?

In today’s world, terrorism is at the forefront of security concerns. Securing the nation’s transportation systems suddenly received an unprecedented heightened sense of urgency and importance after the terrorist attacks on Sept. 11, 2001. It wasn’t just the passenger side of the business that was impacted; the freight-forwarding community became subject to stringent security measures that drastically transformed the way we conducted our day-to-day business.

Prior to Sept. 11, concerns related to supply chain security focused on loss prevention, controlling theft and reducing the introduction of contraband, mainly illegal drugs. Since Sept. 11, screening cargo for IEDs, weapons of mass destruction or terrorist interference has become the pivotal focus of our industry.

Many programs have been put into place by the government, such as C-TPAT (Customs Trade Partnership Against Terrorism) and the TSA SSP (Transportation Security Administration Standard Security Program), in addition to the mandates required of our industry every day by the Department of State, Department of Commerce and more.

Embracing these initiatives is a complex



Sandy Gregory
Director of corporate operations
AIT Worldwide Logistics, Inc.

process. In a business based on time-sensitivity and customer satisfaction, you must ask yourself: How are we going to comply with all of these industry regulations and be cost-effective while still delivering the cargo on time?

How do you address, contend with and alleviate these concerns, issues and realities?

Communication is the key to maintaining compliance and eliminating potential problems before they begin. Employees must consistently be aware of the ever-changing regulations, in addition to knowing how to comply with them, so they can focus on delivering customers’ cargo efficiently, securely and on time.

By utilizing multiple tools and resources to communicate to your employees and customers on the various initiatives and changes that take place every single day, you can drastically reduce your company’s theft, loss and overhead.

IT solutions are a tremendous help in keeping your internal and external operating systems updated with programming that automates and streamlines many of the

details, processes, procedures and policies involved in these security initiatives.

And, if the automation isn’t enough, ensure that you have a team of trained and knowledgeable employees in place who are devoted to constantly reviewing the new government initiatives and regulations.

What role should freight forwarders take not only to meet all governmental mandates, but to maintain positive relationships with these agencies?

I truly believe that establishing positive working relationships with the regulatory governmental agencies is a tremendous benefit to your company. By working together on multiple issues, the government obtains a much better understanding of the transportation industry, and they can then apply this knowledge in developing future security programs of mutual benefit to you and your customers.

Taking a proactive approach in the claims and security process in order to protect not only your company but those with whom you do business is also imperative. Ensure that the facility itself is secure and you are using agents and carriers who are also part of a secure supply chain.

Can you say with a high level of confidence that it is possible to provide customers with a secure supply chain?

The only true guarantee anyone can make to customers is that nothing is ever 100 percent — there are always going to be high-level thieves and criminals or forces beyond our command and control. I am not expressing this statement as an opinion but rather as a fact — one that is virtually unavoidable in any business and certainly not exclusive to the transportation and logistics industry.

However, I can say with great optimism and confidence that with the proper resources and strategies in place, ensuring a safe and secure global supply chain for your customers is not only possible but probable. <<

SANDY GREGORY is director of corporate operations for AIT Worldwide Logistics, Inc., headquartered in Itasca, Ill. Spanning numerous nationwide locations and an ever-increasing network of international partnerships, the global transportation and logistics provider delivers tailored solutions for a wide variety of vertical markets and industries. Reach her at www.aitworldwide.com or (800) 669-4AIT.

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