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Changing of the Guards

Karen D. Schwartz, Contributing Editor

CG companies You wouldn't think a pair of stylish pumps would pose a security risk, but these confront days, you can never be too sure. The unlikeliest victims of import fraud are taking new precautions to ensure that their products, shipping methods and partnerships with import suppliers in other countries are as secure as possible.

The First Step

The first step for many has been to shore up internal security procedures, limit the number of trade partners and brokers, learn everything about foreign trade partners and shipping methods and evaluate sophisticated technology options to help secure the import process. Some even have implemented a new breed of software designed to help secure cross-border trade.

For Cole Haan, a subsidiary of Nike Inc., the process of importing has become much more complicated since September 11. The company's first step was joining the Customs Trade Partnership Against Terrorist (C-TPAT) alliance, a U.S. Customs initiative that encourages companies to join with Customs to help develop and maintain effective security processes throughout the global supply chain.

In addition, Cole Haan has tried to limit the number of brokers it uses, with the help of InfoChain Express from Avery Dennison, a supply chain management solution that connects trading partners.

It has helped us reduce our stable of logistics providers and concentrate on a few freight forwarders in three different parts of the world, explains Irene Bellfy, Cole Haan's director of production, customer service and distribution. By limiting our partners, we're limiting our risk.

InfoChain Express also generates packing plans that meet the specific shipping requirements needed to meet Customs' 24-Hour Advance Vessel Manifest Rule, which requires carriers to submit cargo declarations 24 hours before cargo is loaded aboard a vessel at a foreign port.

The packing plans have to mirror how we tell our factories to pack. It's like a process of checks and balances on what can leave the country of export. It makes it virtually impossible for something to come into this country that we don't expect, says Bellfy.

In addition, Cole Haan has chosen to partner with large, well-known logistics companies, all of which are linked not only to InfoChain Express but also to SAP, the company's Enterprise Resource Planning system. This combination of technology allows Cole Haan to use the electronic Advance Ship Notices (ASN), which further standardizes and secures the import process, says Bellfy.

Cole Haan also is biding its time before taking further steps.

We feel our best defense is the offense of becoming a low-risk importer by complying with all of the security regulations our government might put in place, says Bellfy.

Handle With Care

Other consumer goods companies also are making significant changes to the way they handle imports. Dole Food Company Inc., for example, not only increased the breadth and scope of the ambitious security program, the company has also joined C-TPAT and made numerous changes in its vessel loadings in South America due to the 24-Hour Advance Vessel Manifest Rule. In addition, Dole has adjusted its computer systems to add fields to its database that include harmonized tariff numbers so manifests can be completed once they are provided to third-party carriers. The company also employs the i2 TradeMatrix Supply Chain Execution System from i2 Technologies Inc. for supply chain planning at the SKU/warehouse level. Although the cost of compliance won't come cheaply, Diana Jansson, Dole's international transportation and compliance manager, believes the benefits outweigh the risks.

Who is going to pay for the additional costs? Jansson asks. Is it worth taking all of these additional security measures? And how does it benefit the importer to do all of this? My answer would be one final question: Can we really afford not to?

Bell Sports Corp., a leading bicycle helmet manufacturer, has yet to employ third-party tools of to meet new security requirements. But that could change once the government issues regulations, says John Doerr, vice president of supply chain for Bell Sports.

Right now we're working with the import module we wrote ourselves, Doerr says.

We've made a few minor modifications for additional fields, but we haven't yet stretched the limitations of our current tools.

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May 28, 2009 | 11 a.m. ET

Panelists:

- Simon Ellis, Practice Director, Supply Chain Strategies, **Manufacturing Insights, an IDC Company**

- Ron Gilson, CIO, **Johnsonville Sausage**

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During this Web seminar, hear how Johnsonville Sausage improved visibility and responsiveness via an integrated supply chain planning and execution platform. Learn how leveraging collaborative demand and supply planning processes gave Johnsonville visibility into raw materials requirements, contract manufacturing resources, and customer inventories.

Trade Promotion Effectiveness: Retailer Perspectives and Manufacturer Implications

Thursday, May 21, 2009 | 2 p.m. ET

Panelists:

- John Carlson, Managing Director, **Cannondale Associates**

- Armen Najarian, Senior Director, Consumer Products Industry Marketing, **DemandTec**

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Cannondale Associates recently interviewed several retail grocery executives on the timely and important subject of trade promotion effectiveness. The discussions focused on how retailers incorporate trade analytics into their own planning processes, which CP manufacturers exhibit trade planning best practices, and where opportunity areas reside for both parties. Cannondale will provide an overview of their findings and will be joined by DemandTec for a perspective on what these insights mean for CP manufacturers.

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WHITE PAPERS



Strategies for Accelerating Time to Market for Consumer Product Goods Companies

5/13/2009

Compressing the amount of time between when a marketing campaign is defined and when the product reaches store shelves is a key strategic objective. The business benefits are clear:

