



U. S. Customs



Customs - Trade Partnership Against Terrorism

C-TPAT Certification Process



Strategic Solutions Partners, LLC



Strategic Solutions Partners is has developed a simplified process to assist clients in establishing C-TPAT Certification.

A **Our Understanding of the Situation**

B **Project Scope & Opportunity Areas**

C **Project Methodology & Staffing**

D **Investment Considerations**

E **SSP Resumes & Credentials**



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What is C-TPAT (Customs Trade Partnership Against Terrorism)?

- C-TPAT is a joint government-business initiative to build cooperative relationships that strengthen overall supply chain and border security.
- C-TPAT recognizes that Customs can provide the highest level of security only through close cooperation with the ultimate owners of the supply chain, importers, carriers, brokers, warehouse operators, and manufacturers.
- Through this initiative, Customs is asking businesses to ensure the integrity of their security practices and communicate their security guidelines to their business partners within the supply chain.



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The core elements of C-TPAT include:

- A unique partnership between U.S. Customs and the trade community.
- Companies agree to voluntarily improve security of their shipments and their supply chain, and provide Customs with evidence of this effort.
- To date, well over 3000 companies are currently participating in C-TPAT.
- There will soon be a glut of companies seeking certification which will stress the infrastructure of Customs. Consequently, the companies that provide their data earlier will be processed earliest.
- The program will eventually expand to overseas manufacturers.



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**Businesses must apply to participate in C-TPAT.
Participants will sign an agreement that commits them to
the following actions:**

- Conduct a comprehensive self-assessment of supply chain security using the C-TPAT security guidelines jointly developed by Customs and the trade community.
- Submit a supply-chain, security profile questionnaire to Customs.
- Develop and implement a program to enhance security throughout the supply chain in accordance with C-TPAT guidelines.



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Some of the benefits of C-TPAT are:

- Faster processing time at the border, including dedicated commercial lanes (e.g. FAST program, a paperless clearance process) at land border crossings with Canada (Mexico is now under development).
- An assigned U. S. Customs point of contact and eligibility for account-based processes (bimonthly/monthly payments).
- Reduced inspections.
- Access to C-TPAT membership list.
- C-TPAT participation is a requirement for the Importer Self-Assessment program
 - Removes the company from Customs' comprehensive audit pools (including Focused Assessments)
 - Preserve the ability of a participating company to submit prior disclosure (if there is a violation of 19 U.S.C. 1552 or 1593)
 - Receipt of entry summary data.



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SSP will work with clients to expeditiously and diligently develop all U.S. Customs requirements to obtain C-TPAT certification, as well as to prepare for maximizing client's and partners supply chain security.

C-TPAT Certification Project Outcomes

Internal Security Requirements to be updated/changed

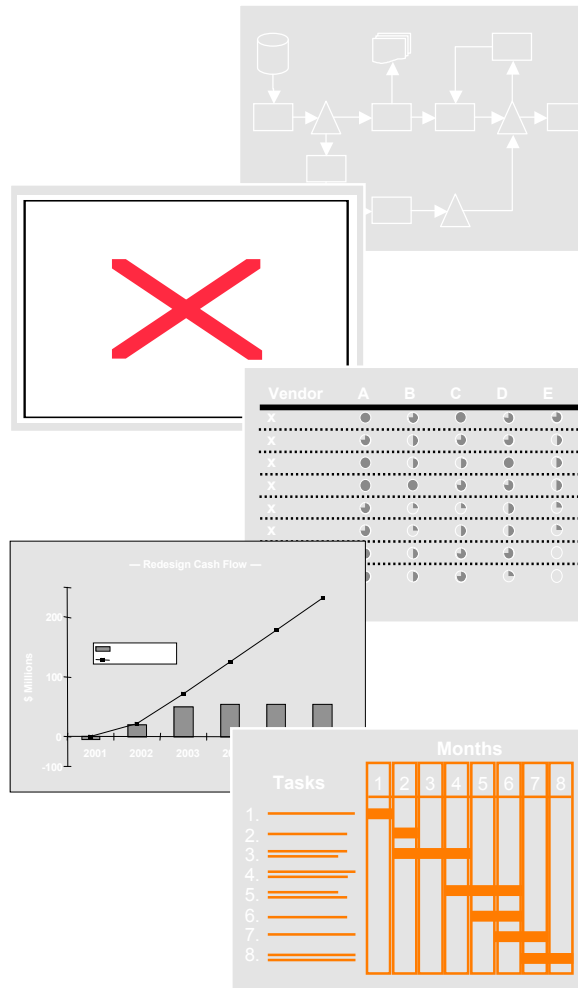
Security Review and Design

- Gap analysis between current capabilities and future internal Security requirements
- To-be process definitions critical for C-TPAT certification
- Organizational recommendations for internal requirements
- Identification of "Quick Hit" internal security improvement opportunities

Fulfill U.S. Customs documentation requirements

Questionnaire and Security Program

- Submit a supply chain security questionnaire to U.S. Customs
- Develop and submit to U.S. Customs a program to enhance security throughout the supply chain in accordance with C-TPAT guidelines



External Security Requirements to be updated/changed

Security Review and Design

- Gap analysis between vendor's and partners' current security capabilities and future requirements
- Process, technology and organizational recommendations for external partners
- Identification of "Quick Hit" external security improvement opportunities

Implementation approach and road map

Supply Chain Security Roadmap

- Implementation plan to build, implement and operationalize the Supply Chain Security Program
- Implementation resource requirements and timing



The C-TPAT validation process and implementation of the required security processes highlighted in the Supply Chain Security Roadmap are next steps and not part of this project.

Supply Chain Security Implementation Next Steps

- Manage the C-TPAT validation process.
- Define, design, select and implement technology requirements.
- Evaluate and perform due diligence of supply chain partners.
- Interact with the U.S. Bureau of Customs and Border Protection during the C-TPAT certification process.
- Implement security recommendations to comply with C-TPAT requirements.
- Implement the Importer Self-Assessment Program



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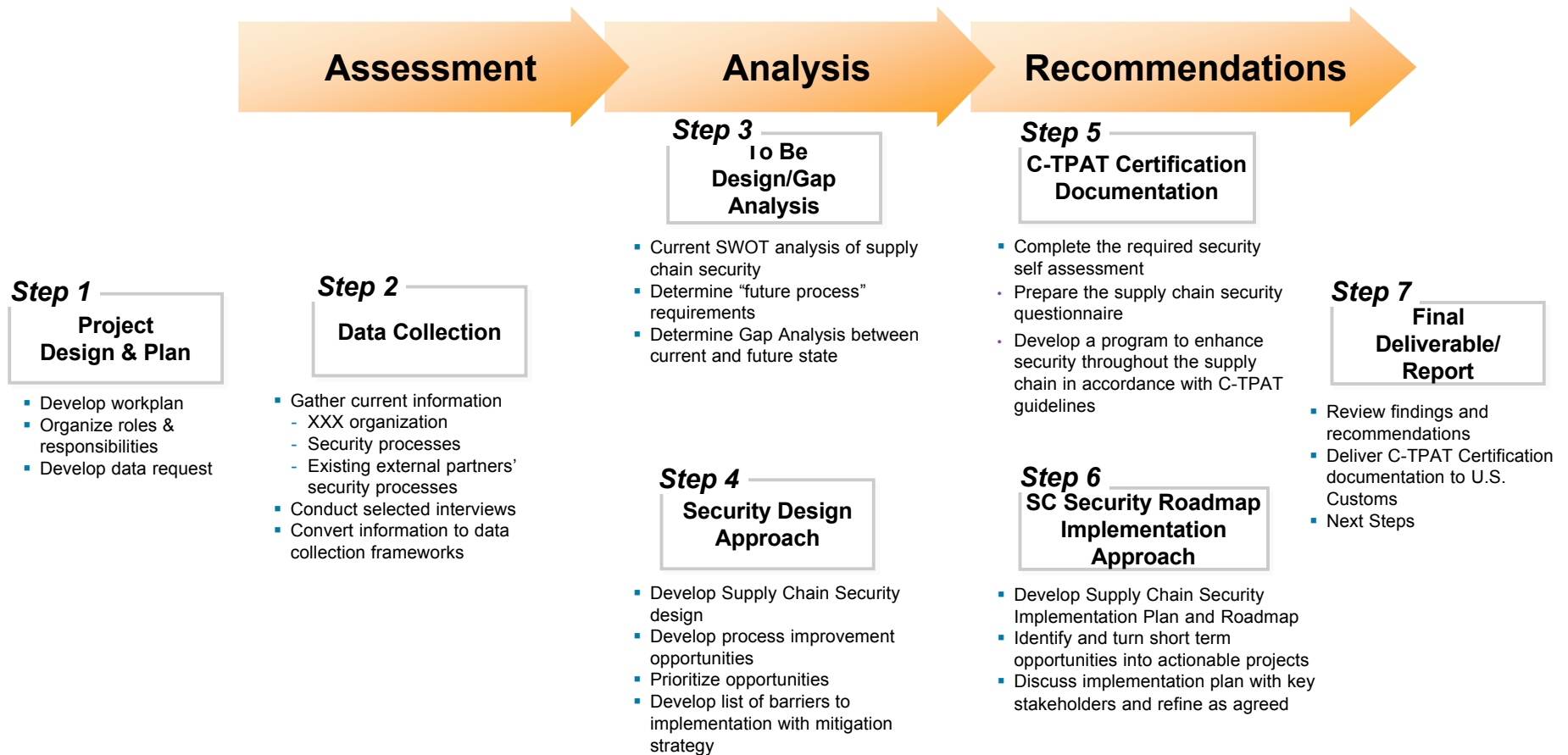
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C-TPAT Certification is comprised of the necessary assessment, analysis, recommendation, and planning tasks.

Project Approach – C-TPAT Certification





The first step confirms the project scope and ensures that expectations are understood.

Step 1: Project Design & Plan

Activities

- Finalize and communicate client and SSP roles and responsibilities
- Create detail project work plan
- Review and confirm major milestones
- Develop weekly status format
- Develop data request and interview guides
- Determine site visit schedule as required
- Schedule meetings with key stakeholders and executives
 - Internal: Security, Transportation, Manufacturing, International Logistics, Import/Export Compliance etc.
 - External: Forwarders, Carriers, 3PL Providers, etc.

Deliverables

- Defined roles and responsibilities
- Project scope
- Project workplan
- Scheduled project review dates
- Data requirements and collection framework
- Interview guides



The second step is to collect data on existing Supply Chain Security internal and external processes.

Step 2: Data Collection

Activities

- Conduct selected interviews
- Perform data collection on client's:
 - Procedural security
 - Physical security
 - Access controls
 - Personnel security
 - Security education and awareness
 - Manifest procedures
 - Conveyance security
- Determine security arrangements at client's external supply chain partners
- Cleanse and validate data
- Identify current client's process and technology capabilities
- Review current supply chain security and assess risks/implications for the project
- Conduct site visits

Deliverables

- Supply chain security self assessment at client and its partners



In the third step, the future-state security process capabilities will be matched against current-state to determine existing capability gaps.

Step 3: “To Be” Security Design/Gap Analysis

Activities

- Conduct a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of client’s supply chain security
- Identify U.S. Customs supply chain security recommendations
- Organize/analyze collected data to assess client’s position
- Determine gap between client’s current capabilities and desired future-state security requirements
- Assess prioritization of gaps

Deliverables

- Future security process requirements
- Prioritization of requirements
- Client gap analysis



During the fourth step, specific capabilities will be defined to address Supply Chain Security requirements.

Step 4: Design Approach

Activities

- Identify capabilities currently unavailable to implement security requirements
- Identify modifications to current security capabilities to meet U.S. Customs recommendations
- Document change components for each modification and new process, including:
 - Activities, roles, responsibilities, performance metrics
- Determine technology components required to support Supply Chain Security program design
- Prioritize process changes based on estimate of amount of effort versus benefits realized

Deliverables

- Supply Chain Security capability design and definition



The fifth step entails a review of all required C-TPAT documentation.

Step 5: C-TPAT Certification Documentation

Activities

- Prepare the supply chain security questionnaire
- Develop a program to enhance security throughout the supply chain in accordance with C-TPAT guidelines

Deliverables

- Supply chain security questionnaire
- Security enhancement program



The sixth step develops an implementation plan to meet the U.S. Customs supply chain security recommendations.

Step 6: Supply Chain Security Roadmap Implementation Approach

Activities

- Prepare implementation plans
- Determine timing and task duration
- Document resource requirements Supply Chain Roadmap implementation
- “Socialize” implementation plan with client stakeholders
- Based on gaps, determine critical process, organizational and technology requirements for immediate implementation

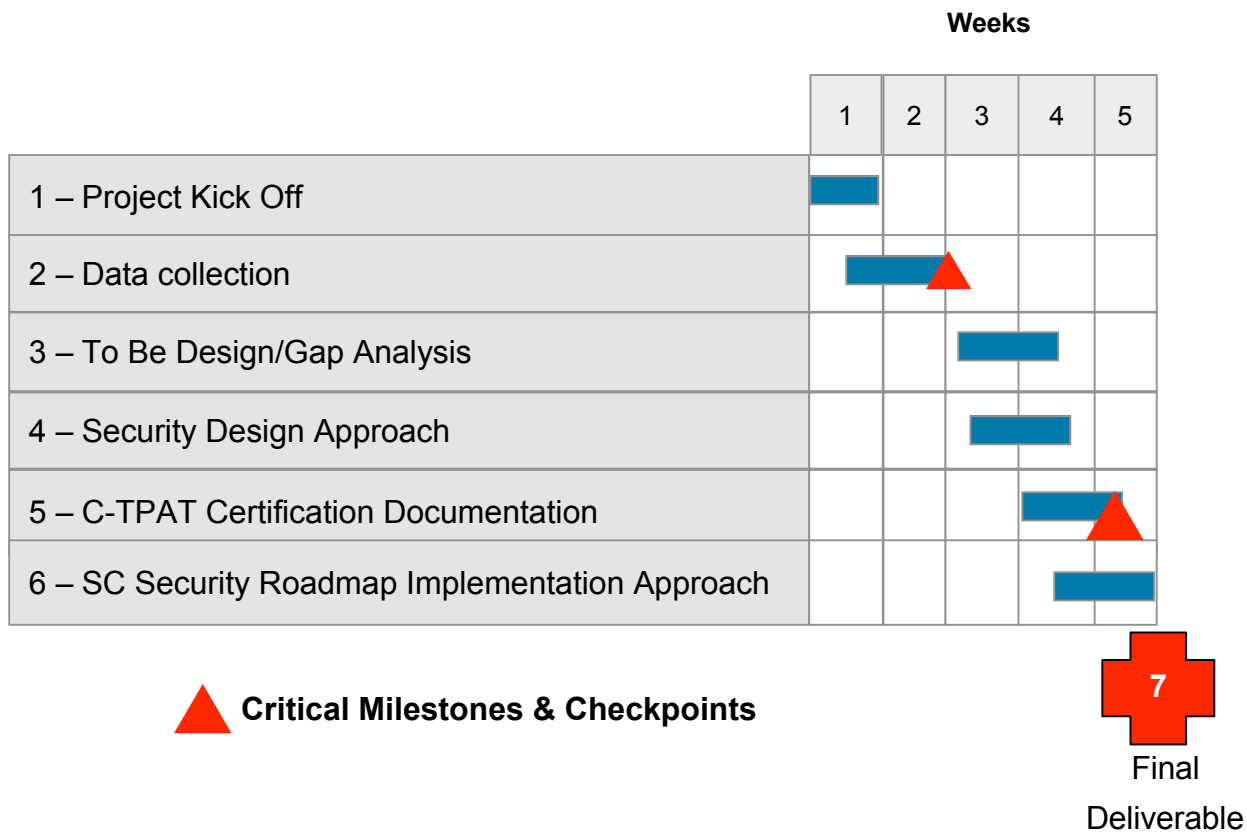
Deliverables

- Implementation plan for next phase
- Roll-out schedule
- “Quick Hit” action plan



Based on our approach, and client's requirements, we have developed a 5 week timeline to complete the C-TPAT Certification project.

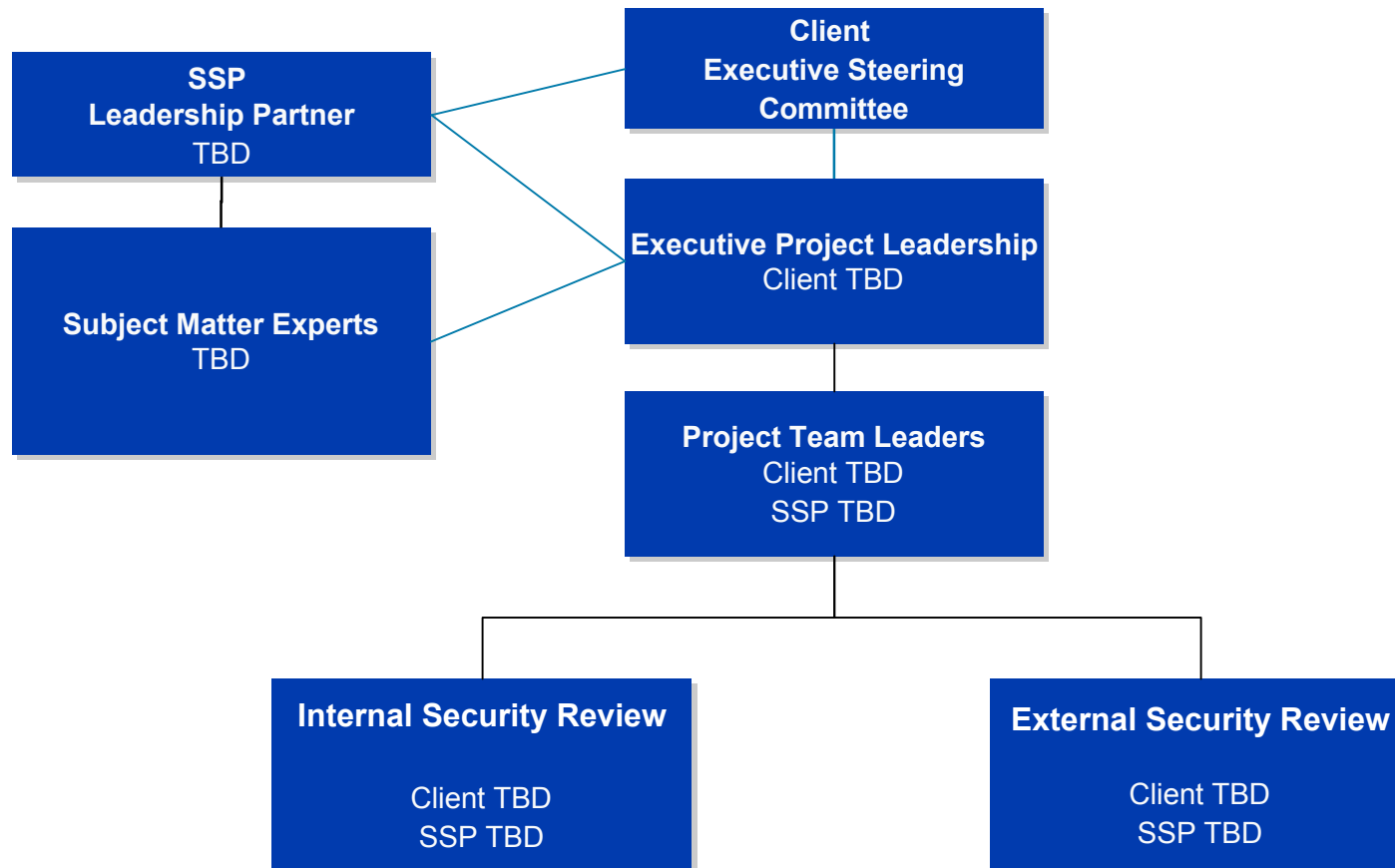
C-TPAT Certification SSP Approach





An integrated team of client and SSP resources will complete C-TPAT Certification. SSP subject matter experts will be relied upon to provide new capabilities and incorporate industry best practices.

Suggested C-TPAT Certification Organization¹



¹ The project organization will be refined as project scope and client resources are finalized



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We have the key leadership team to lead the C-TPAT Certification project at client.

SSP Team

Team Members

Leadership Partner
TBD

Executive Project Lead
TBD

Executive Project Lead
TBD

Relevant Experience

• XXX

• XXX

• XXX



Our team will be led by individuals with deep expertise and a holistic point of view of how to secure existing and potential gaps in your supply chain.

SSP Team's Roles & Responsibilities

Team Members

**SSP Leadership
Partner
TBD**

**Project Team Lead
TBD**

**Security and Business
Analyst
TBD**

Roles and Responsibilities

- Provide overall project direction and remove 'roadblocks'
 - Demonstrate change advocacy
 - Challenge client against existing paradigms and biases
 - Bring SSP resources, thought leadership, experience, and assets to bear
-
- Provide overall project direction
 - Coordinate senior management communications and conduct key stakeholder meetings
 - Ensure the quality of the overall deliverables and overall recommendations
 - Provide content expertise
-
- Lead data collection effort
 - Identify gaps in future state capabilities
 - Create key deliverables and recommendations



During C-TPAT Certification we will need to work jointly with client resources.

Client Roles & Responsibilities

Team Roles

Project Team Lead

- Ensure project work plan, milestones and content are delivered as expected
 - Help to break down barriers and resolve issues
 - Become official point of contact for U.S. Customs
 - Facilitate communications within the client environment and with outside stakeholders
-

Internal Security Review Team Lead

- Contribute knowledge of critical business processes and capabilities
 - Review and approve data and information used in analysis and design
 - Participate in developing future state designs
 - Facilitate collaboration with other internal stakeholders
-

External Security Review Team Lead

- Contribute knowledge of critical business processes and capabilities
- Review and approve data and information used in analysis and design
- Participate in developing future state designs
- Facilitate collaboration with external stakeholders



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The proposed fees are for the currently scoped work on a ‘free standing’ or project basis but SSP is willing to discuss investment alternatives with client.

	C-TPAT Certification: C-TPAT Certification	C-TPAT Certification: Supply Chain Security Roadmap Implementation
Total Project Fees (000s):	\$15,000	\$xxx - \$xxx
Commercial Terms:	Time & Materials	Fixed Fee/ TBD
Out-of-Pocket Expenses:	Estimated at 15% of fees for both phases	

Potential Investment Alternatives

1. SSP could arrange payment of fees based on acceptance of the defined and agreed upon deliverables or reaching milestones within each project phase and stage.
2. SSP would provide a rebate or credit towards the implementation C-TPAT Certification if client chooses to engage SSP as their implementation partner in subsequent phases. Arrangements would be subject to the degree of SSP’s involvement in the ongoing phases.
3. Develop a gain sharing arrangement based on successful implementation and delivery of benefits.



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