

Building a truly secure supply chain

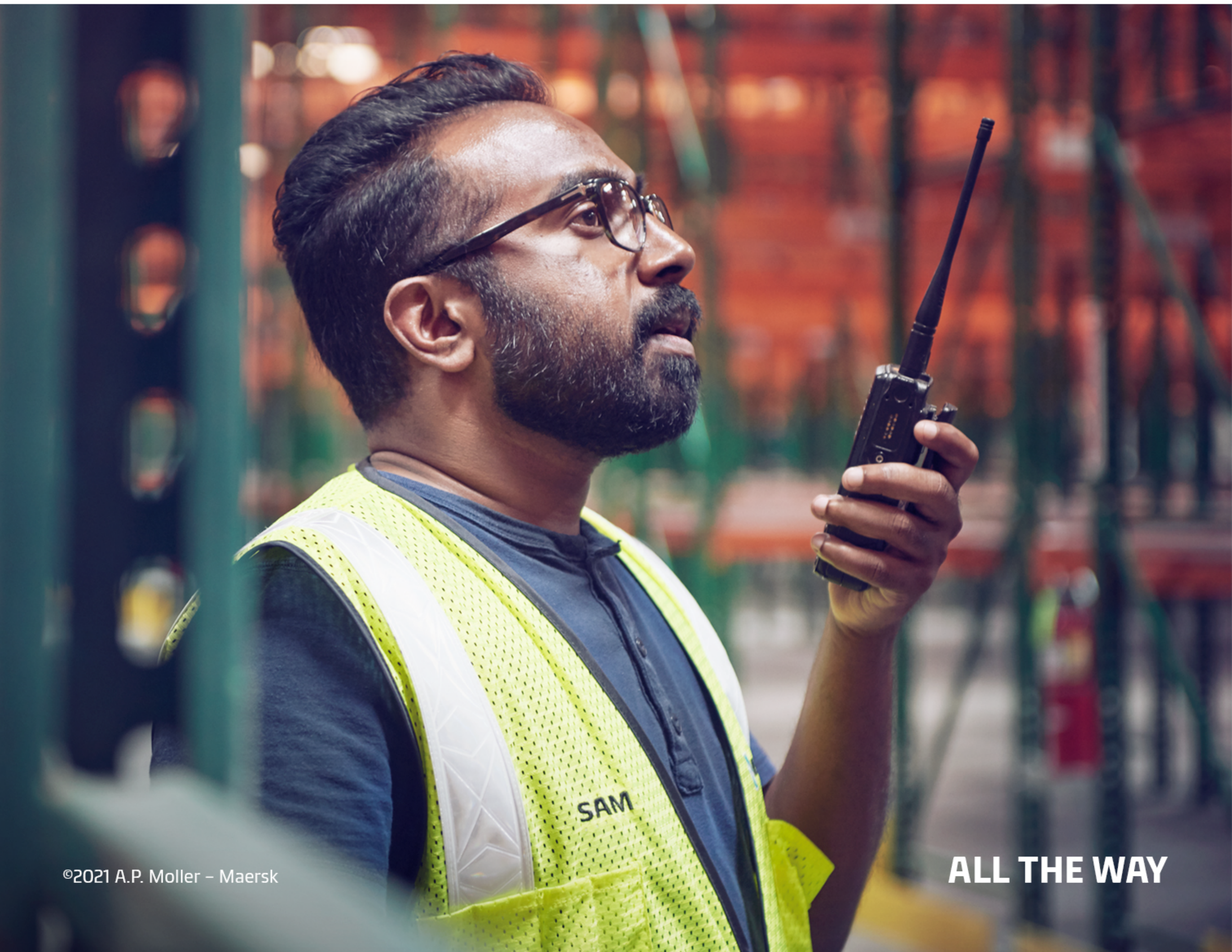


Table of Contents

- Making your supply-chain secure
- An apt solution

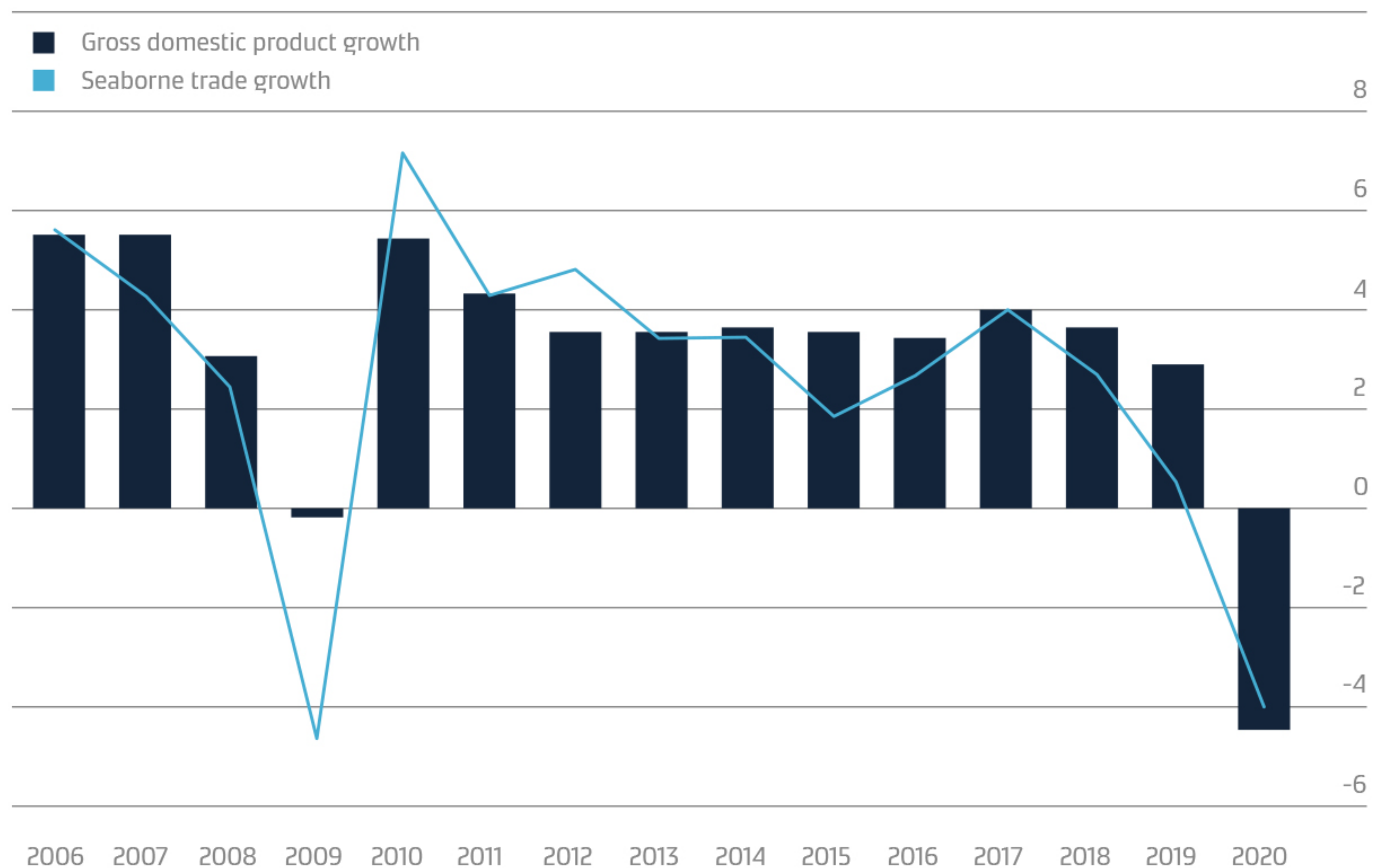


3. Streamline supply chain complexity with Maersk

As an importer, there may have been times when you received your consignment to find one batch of goods missing. Pilferage of goods while in transit or while awaiting clearance at the docks isn't new, but this is a huge risk to importers who base their entire production cycle and inventory management on the delivery of goods. According to data from CargoNet - a theft prevention and recovery network, the pandemic provided an opportunity for cargo thieves, with third-quarter thefts increasing each month year-over-year. India, in particular, is very vulnerable to cargo theft, according to reports.

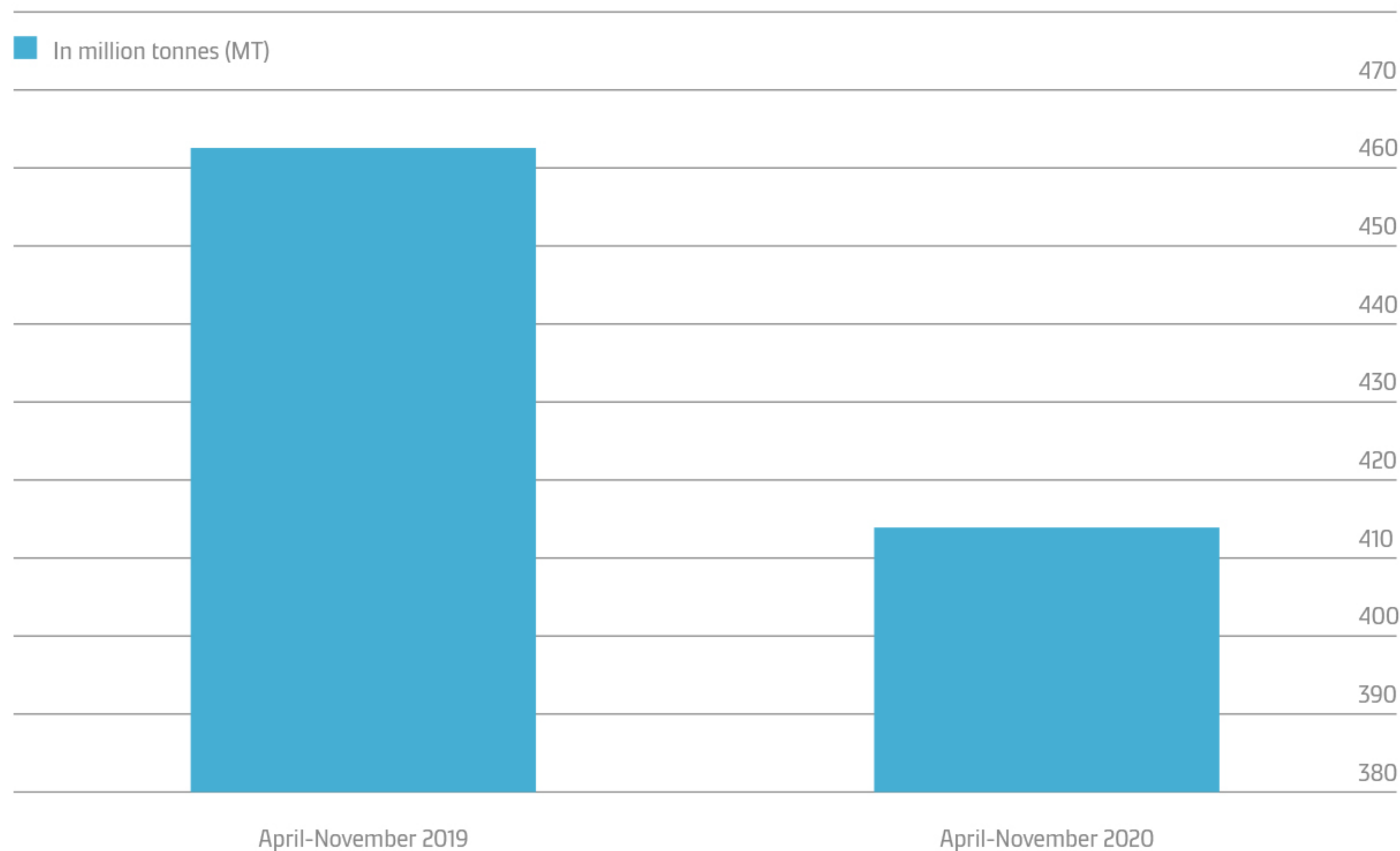
Not only cargo pilferage, but cybersecurity is also another area that has come under sharp focus in recent times. As manufacturing and inventory get decentralised with globally spread supply chains, importers are having to contend with varied risks, including natural disasters, terrorism, piracy and sabotage. A Deloitte study showed that 4 in 10 manufacturers said their operations were impacted by cyber incidents during 2019.

According to the FBI, business e-mail compromise (BEC) attacks cost organisations about \$1.77 billion in losses in 2019. Why should BEC even matter to an importer or to global supply chains? Because in a supply chain, every single entity in the link, from the importer to the supplier, freight forwarder to logistics partner, and even multiple entities within the organisation, all communicate through e-mails.



4. Streamline supply chain complexity with Maersk

Cargo traffic in India's top 12 ports



Source: Business Standard

It is no different in India where cargo traffic in the top 12 Indian ports fell 10.53% to 414.30 million tonnes (MT) during April-November 2020 vis-à-vis 463.05 MT during the corresponding period last year, according to the IPA data.

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Making your supply-chain secure

According to the BSS and TT Cargo Theft 2020 report, the proportion of incidents involving trucks was 71%, followed by warehouses at 25%, ocean carriers at less than 1%, and other modes including air freight at 4% (from 2%). As importers order goods from multiple countries, their consignments are prone to risks of thefts, piracy, information security, business disruption, compliance, and more. For instance, shipment delays may affect business continuity. They may occur due to various reasons, including overbooking, vessel omissions, vessel weight issues, mechanical glitches, customs issues or documentation inadequacies. All these security concerns underpin the need to partner with an integrated logistics company that is technology-driven and carrier-agnostic. An importer must also ensure that its supply chain operator follows certain best practices to maintain supply chain security and minimise risks.

Here's our 5-point check to ensure you secure your supply chain.

Enlist (and validate) the cargo contents

Listing out all contents of a cargo brings transparency and asset-level compliance to the supply chain operation. For example, every chemical product shipped needs to comply with the REACH Regulations as mandated by the European Union. Listing and validation helps ascertain that every object shipped reaches its destination safely.



Advance stakeholder intimations

Informing stakeholders about the cargo's accurate ETA is essential from the security standpoint. While it's a must for all industries, it can be a matter of life and death in industries like pharmaceuticals. Drug manufacturers, packaging and distribution companies, government agencies, chemists and druggists, and the vast population of needy patients stand affected if a life-saving drug doesn't reach on time.

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Check each entity involved

Keeping a tab on the performance of every supply chain participant is essential for risk mitigation. This includes regular checks of loading (and unloading) agencies, vessel operators, airliners, and surface transporters in the (origin and) destination country. This ensures that every entity complies with rules such as consignment handling precautions for employees during the time of the pandemic.



Physical security

Although businesses are largely professional, some bad apples still exist. Your cargo needs protection against human error (damages) or malicious intentions (theft, vandalism, etc.). These aspects, for instance, may be extremely important in the case of perishable commodities such as foods and beverages. The service provider should therefore follow safety SOPs such as access authorizations, round-the-clock monitoring, automated alarms on inappropriate handling, and tamperproof sealing—during transit, last mile, and/or at warehouse(s).

Stage-wise inspections

Shipment safety can be guaranteed only when checking happens at every stage. This involves meticulous screening of the contents to validate whether they follow the relevant compliance rules laid down by law enforcing bodies at every stage—from the source point to destination.



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An apt solution

Partnering with a top supply chain service provider with global standing is the right risk mitigation strategy. With its 116 years of global supply chain experience, Maersk comes across as the best option for Indian importers today. Leveraging its extensive domain experience, Maersk can envisage, account for, and tackle all the possible security risks successfully.

With its globally acclaimed Destination Supply Chain Management (DSCM) services, Maersk assures safe end-to-end cargo transportation. With its emphasis on the global best practices, Maersk DSCM helps customer organizations build a highly resilient and secure supply chain.

Let's explore a few advantages of Maersk's DSCM service.

Methodical validations

A pharmaceutical manufacturer may be importing a range of products on different dates to be delivered at more than one plant location. This may include active pharmaceutical ingredients (APIs), excipients, and/or packaging materials sourced from dozens of suppliers from multiple countries. How does the manufacturer know that its products are in sound condition? Maersk carries out thorough validations to achieve this. It checks with all suppliers whether they have placed the booking on time and that the cargo is shipped in the correct quantity and suitable, sea-worthy condition.



Multi-stage checks

Checking of the shipment at every stage is another measure that Maersk takes to make sure the imports reach their final destination safely. This includes following up with supplier factories about cargo's ready-status, scheduling and booking carrier(s) on time, tracking inventory across supply chain, and ensuring flawless documentation..

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SKU-level checks and authentications

Leaving nothing to fate, Maersk enlists and monitors cargo contents right up to the SKU level. This ensures that the goods ordered are as per specifications, access-sealed, and packaged to meet the compliance guidelines. It ascertains that every material shipped is in the right condition with tamperproof packaging. The SKU-level asset monitoring throughout the supply chain protects shipments from threats such as theft, piracy, etc.



Compliance audits

Governance, Risk, and Compliance (GRC) are the major considerations for any Indian importer. Starting with tax laws in the country of origin to various jurisdictions at the source and destination ports, right up to the last mile—supply chain is ridden with GRC challenges. Cargo contents must therefore comply with every rule, quality standard, or legal obligations at every stage. Through thorough auditing and compliance assessments, Maersk ensures that your import operation is without any legal, taxation, or compliance hassles—at any stage.

Volume optimization

A toy manufacturer may frequently be importing FAD certified food grade silicone rubber, linear low-density polyethylene (LLDPE), or plastic granules, as separate LCL shipments—such as of 5 to 7 CBM each. However, multiple LCL shipments may result in capacity underutilization and prove expensive in the long run. Maersk, however, helps combine multiple LCL shipments into one to achieve optimal capacity utilization. These savings when passed on to the customer bring down an importer's per product cost, thereby improving its operating profits.



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Thus, with Maersk's DSCM service on your side, your supply chain operations become reliable and efficient in no time. With its stress on digitalization, Maersk delivers watertight security and predictability to your supply chain operations. The end-to-end supply chain visibility assures that customer knows everything about the consignment—from source to destination.

Discover how you can minimize your supply chain risks and accrue real business advantages with Maersk's DSCM. Fill up the short form below. Our representative will revert to you within 48 hours.

Give us a [call today](#) to discover how **Maersk can transform your import flows.**



