

A Workshop on: “Achieving Preparedness through Standards Implementation: Challenges and Opportunities for Small Businesses”

ANSI Homeland Security Standards Panel (ANSI-HSSP)

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Applying Standards and Assessments in the Supply Chain

by Reg Blake, BSI

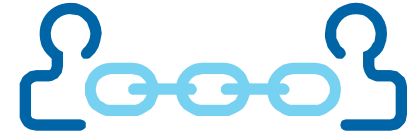
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Presentation Objectives

- How have standards and conformity assessments been applied in the past to supply chains?
- How will PS-Prep likely be applied in the supply chain and why?



Supply Chain Overview

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BCI Survey – Key Findings

- *“Supply chain is the area in most BCM programmes with greatest levels of dissatisfaction.”*
- *“The professional services sector felt that supply chain considerations in BCM programmes were much less relevant to them than other sectors.”*

Business Continuity Institute (BCI) “The Business Case for BCM” – 2010.

<http://www.thebci.org/case/businesscaseforbcm.pdf>

BCI Survey – Key Findings

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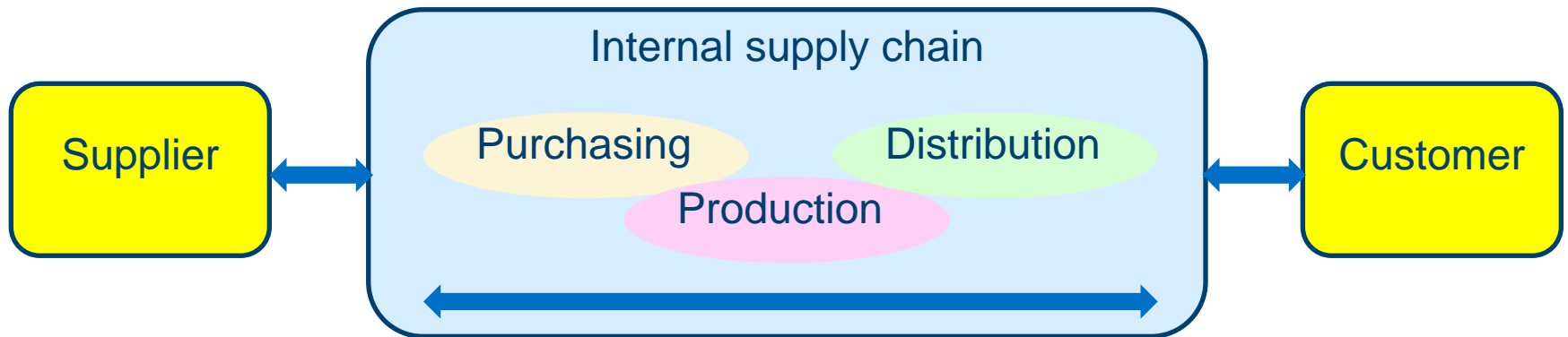
<http://www.thebci.org/case/businesscaseforbcm.pdf>

Are we simply ignoring
Supply chain risks because
it's too difficult?

What is a Supply Chain?

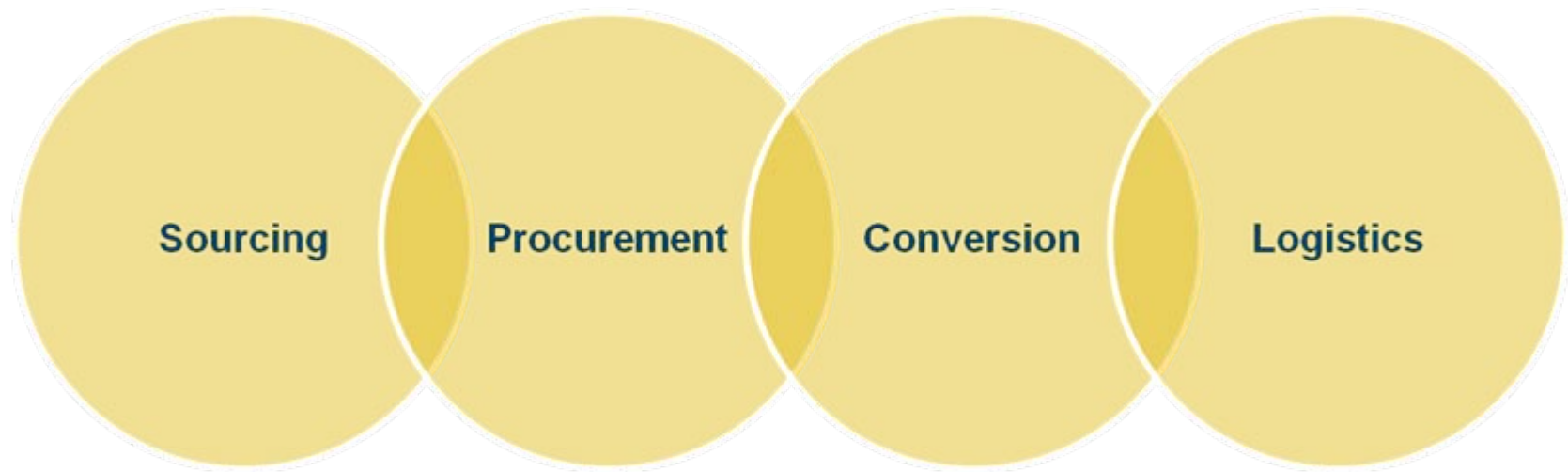
- “A **supply chain** is a system of organizations, people, technology, activities, information and resources involved in moving a product or service from supplier to customer. Supply chain activities transform natural resources, raw materials and components into a finished product that is delivered to the end customer. In sophisticated supply chain systems, used products may re-enter the supply chain at any point where residual value is recyclable. Supply chains link value chains.”

Simple Supply Chain

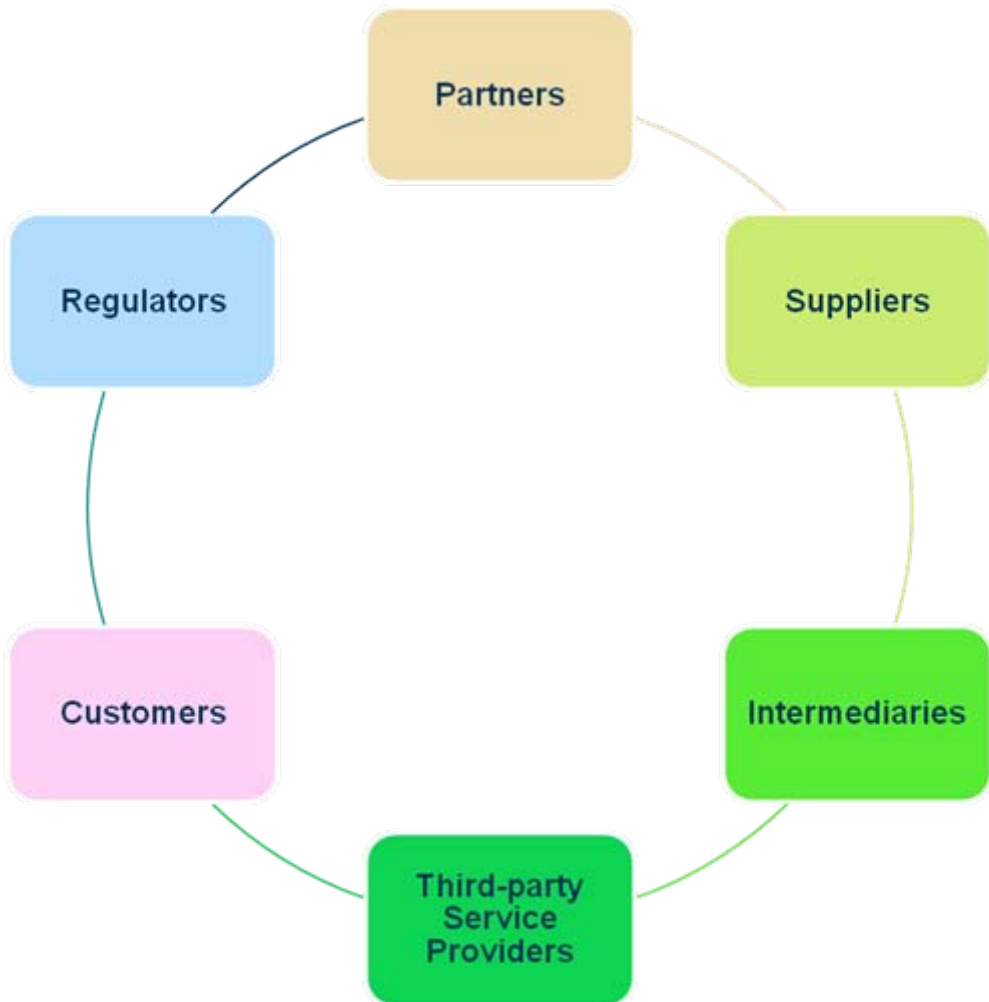


Supply Chain Management

Management and Planning:

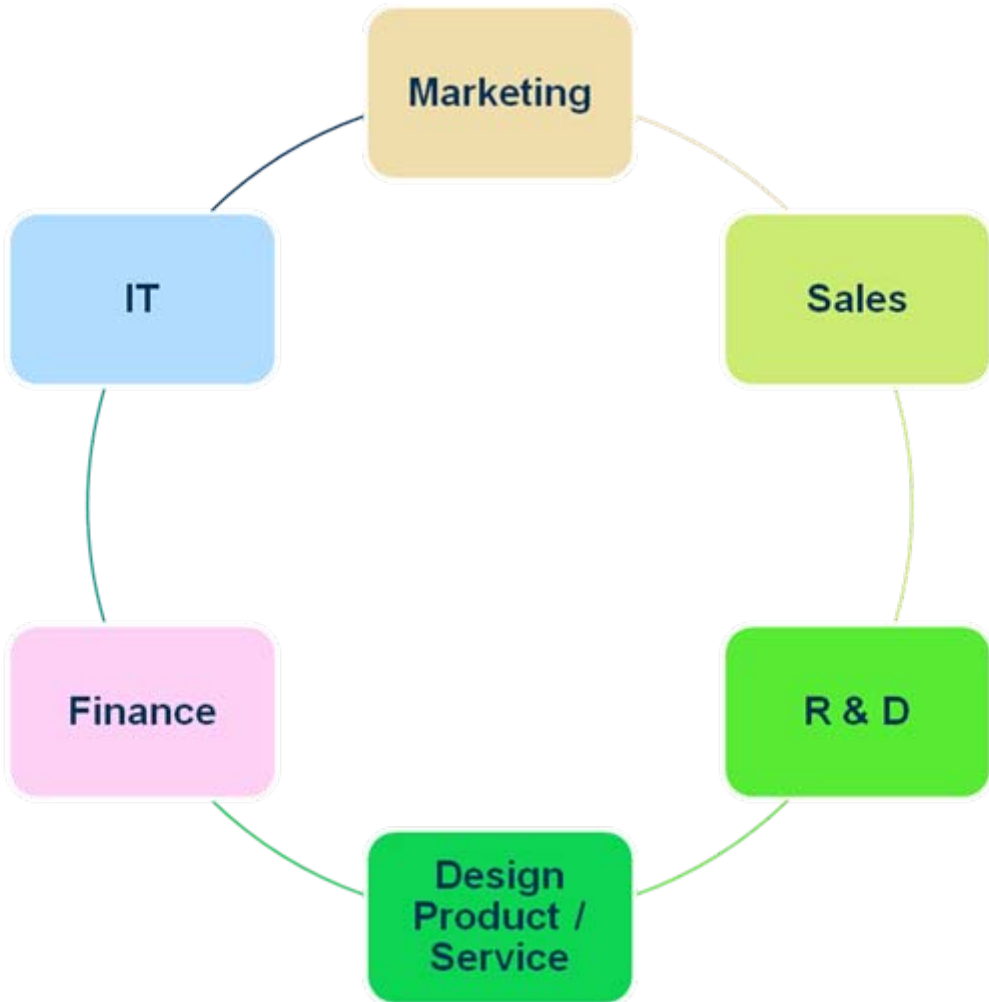


Supply Chain Management – Coordination and Collaboration - External



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Supply Chain Management – Coordination and Collaboration - Internal



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Supply Chain Issues

- Organization Size – Chain Length – Chain Complexity
- Local versus Global
- Risk
- Resilience – Organization and Supply Chain
- Continuity - Supplying Key Products/Services
- Consequences – Far Reaching
- Outcomes Matter – Effective BCM Programme
- High-performing Business Model

Standards – Supply Chain Examples

- Military Standards
- Automotive – QS-9000 and TS 16949
- Telecommunications – TL 9000
- Aviation, Space and Defense - AS9100 /AS9110 /AS9120

ASD – AS9100:2009 Rev C

FOREWORD

- *To assure customer satisfaction, aviation, space and defense organizations must produce, and continually improve, safe, reliable products that meet or exceed customer and applicable statutory and regulatory requirements. The globalization of the industry and the resulting diversity of regional and national requirements and expectations have complicated this objective. Organizations have the challenge of purchasing products from suppliers throughout the world and at all levels of the supply chain. Suppliers have the challenge of delivering products to multiple customers having varying quality requirements and expectations.*
- *Industry has established the International Aerospace Quality Group (IAQG), with representatives from companies in the Americas, Asia/Pacific and Europe, to implement initiatives that make significant improvements in quality and reductions in cost throughout the value stream. This standard has been prepared by the IAQG.*
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ASD – AS9100:2009 Rev C (Cont'd)

FOREWORD

- This document standardizes quality management system requirements to the greatest extent possible and can be used at all levels of the supply chain by organizations around the world.
Its use should result in improved quality, schedule and cost performance by the reduction or elimination of organization-unique requirements and wider application of good practice. While primarily developed for the aviation, space and defense industry, this standard can also be used in other industry sectors where a quality management system with additional requirements over an ISO 9001 system is needed.

Business Continuity Management and PS-Prep

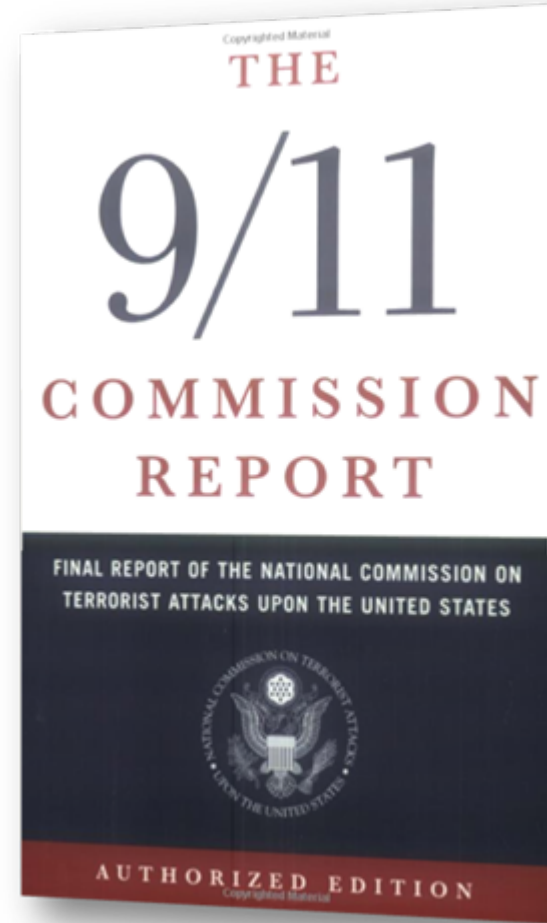
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PS- Prep

- How will PS – Prep likely be applied in the supply chain and why?

Where did PS-Prep start?

- The mandate of DHS also includes working with the private sector to ensure preparedness.
- “Private sector controls 85% of the critical infrastructure in the nation.”
- “The “first” first responders will almost certainly be civilians.”



Where did PS-Prep start?

- The mandate for DHS and includes working with private sector preparedness
- **“Homeland security and national preparedness therefore often begins with the private sector.”**
- “The first responders will almost certainly be civilians.”



PS-Prep

- Is this addressing a Business Continuity issue?
- A supply chain issue?
- **Both?**

What is Business Continuity Management?

Business continuity management is a “holistic management process that identifies potential threats to an organization and the impacts to business operations that those threats, if realized, might cause, and which provides a framework for building organizational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities”

Source: BS 25999-1

Why have Formal Standard(s)?

- Provides a common framework, based on internationally accepted best practices for implementing and managing business continuity
- Provides a framework for organizations of any type, size and location
- Improve operational effectiveness of an organization
- Allows for the proactive management of business risks
- Help demonstrate applicable laws, regulations and contractual requirements are being observed
- Brings a common understanding to the marketplace

Can Standards Help?

- It's not just about the standards, it's about standardization!
 - Proactive framework for managing and improving operations
 - Quality of products
 - Security of products, services, information, technology
 - Delivery methods (IT service management, logistics)
 - Protect employee welfare; corporate stewardship
 - Incident management and recovery

The Drivers for Business Continuity



Business Continuity Management Systems and Certification Systems

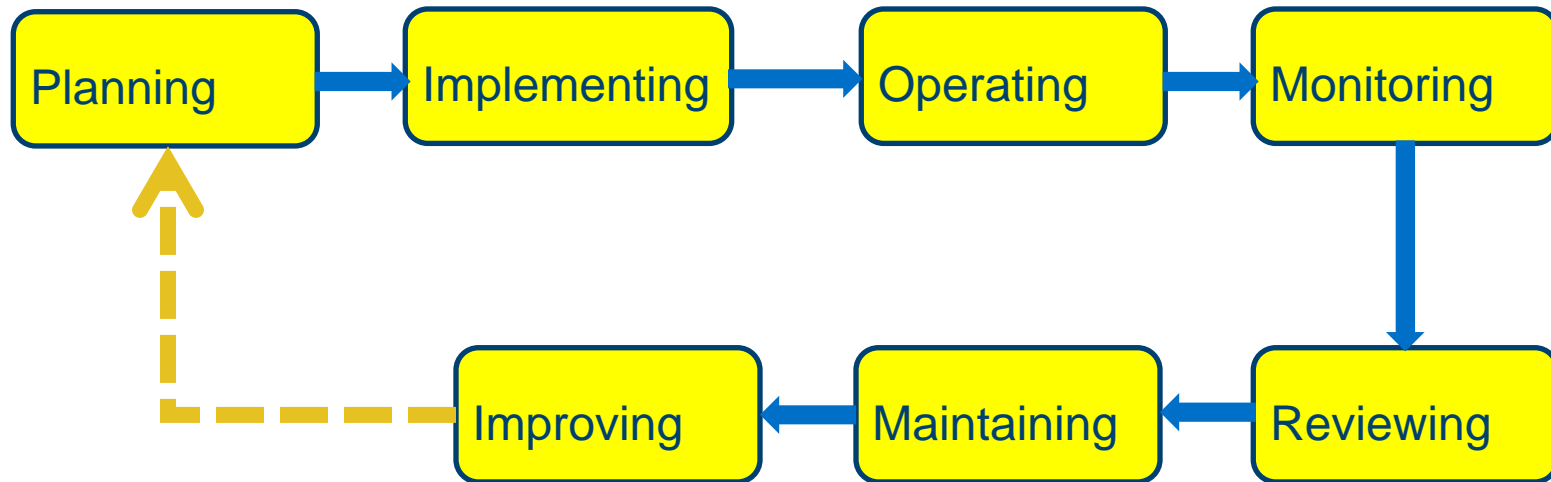
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Common Elements of a Management System Standard

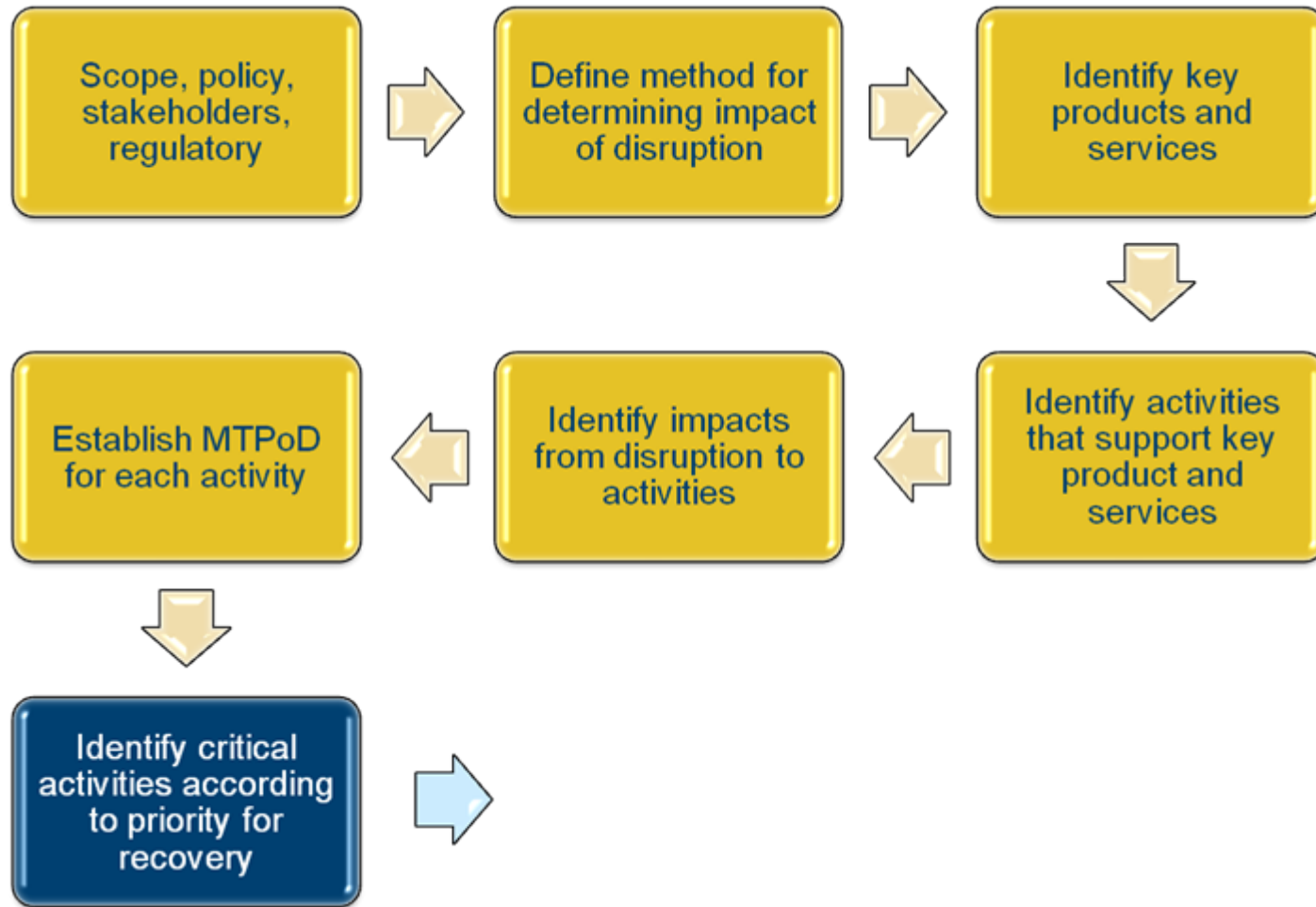


Reference: ISO Guide 72:2001 - Annex B

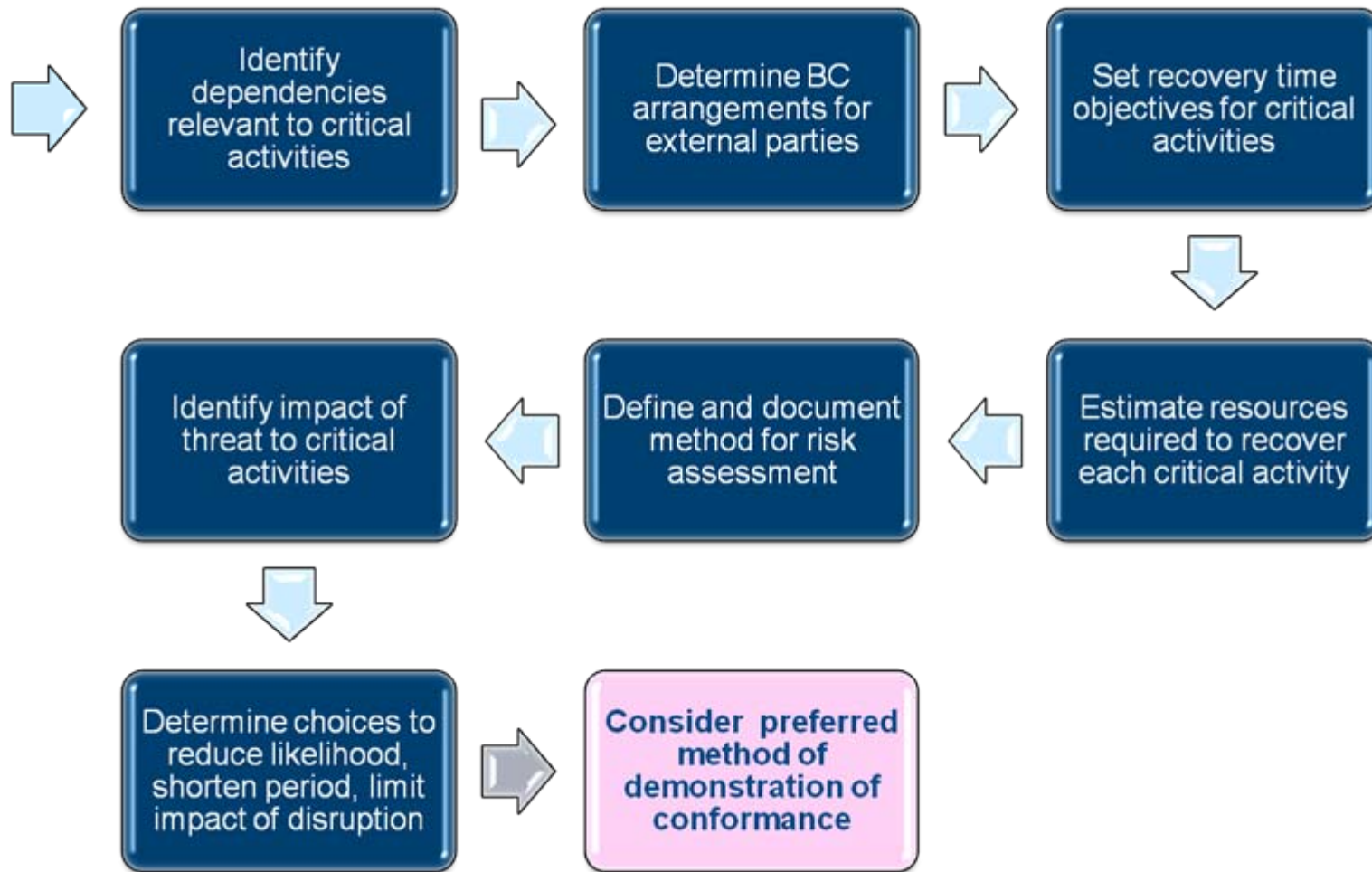
Implementing a BCM System (BCMS)



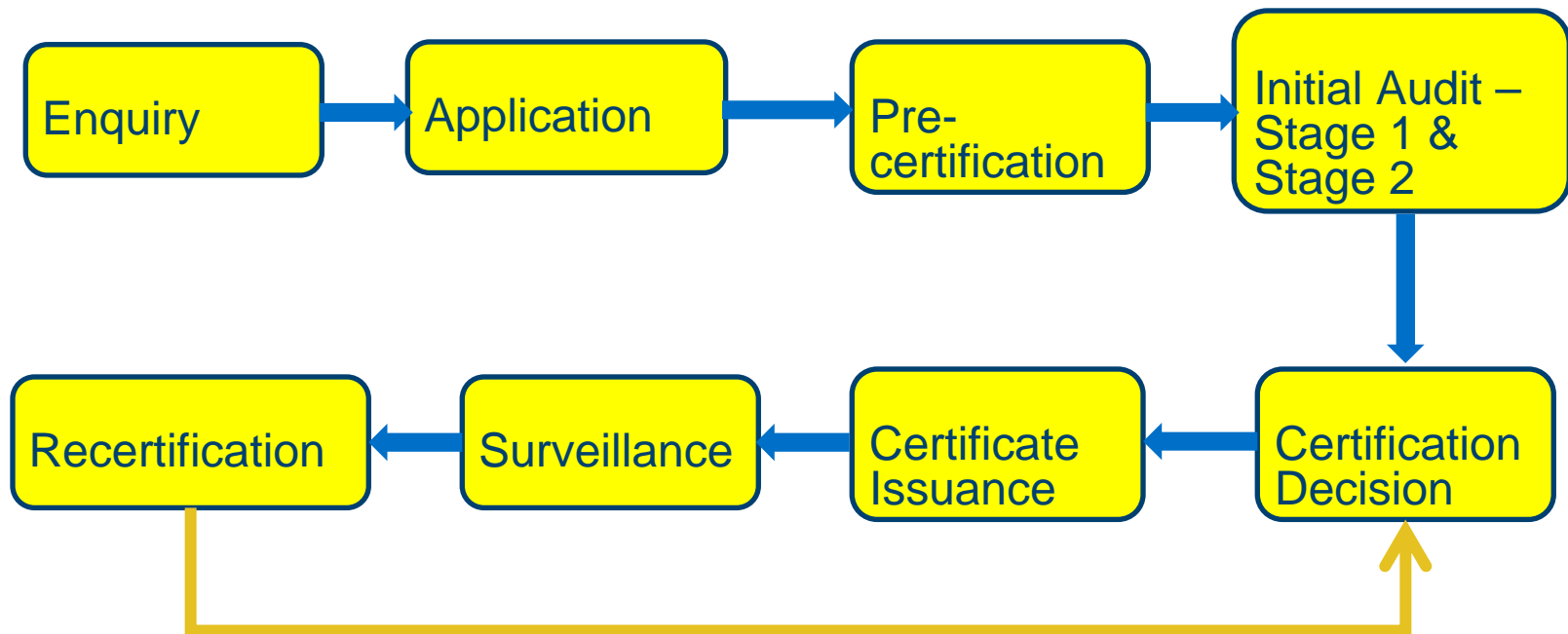
Understanding the Organization



Understanding the Organization (cont.)



Basic Certification Process



Conclusions and Summary

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Conclusions

- Don't ignore the risks in the supply chain
- Take account of cultural differences
- Use consistent terms and definitions (language)
- Use standards to bring consistency in approach
- Consider certification to evaluate the implementation and ensure uniformity
- Know where your risks are
- Supply chain management is a collaborative effort

Summary (1)

- Understanding your supply chain and its relationship to PS-Prep is essential to implementing and managing an effective Business Continuity Culture and System
- PS-Prep will instill confidence in all stakeholders.
- Opportunity to:
 - reduce risk
 - meet most important and time-sensitive business objectives
 - Increase resilience
- Be prepared!

Summary – Small Businesses Conformity Options

- Standard(s) and method are voluntary
- Three typical options:
 - Best practice approach
 - Self Declaration of Conformity (SDoC)
 - Third Party Certification
- Organization's free to choose preferred option

Thank you for listening



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