

BSI CASE STUDY:
**Husky Injection Molding
Systems and C-TPAT**



Husky Injection Molding Systems is the world's largest supplier of injection molding equipment and services to the plastics industry. Husky equipment is used to manufacture a wide range of plastic products, and the company supports customers in more than 100 countries from its facilities in Canada, the United States, Luxembourg, Austria, and China.

Husky has been a member of the U.S. Customs and Border Protection (CBP) Customs-Trade Partnership Against Terrorism (C-TPAT) program since March 2003, and had a goal of achieving Tier 3 status.

C-TPAT tiers include the following benefits¹:

- **Tier 1 certified:** Targeting score for Customs examination is lowered, Tier 1 members have fewer exams than non-C-TPAT members, and gain access to FAST lanes on the land borders.
- **Tier 2 certified and validated:** Targeting score for Customs examination is further lowered, resulting in even fewer exams, and when a shipment is selected for examination, Tier 2 members' containers will receive priority review.
- **Tier 3 certified and validated, exceeding the minimum security standards and adopting best practices regarding supply chain security:** Fewer scheduled and random inspections, plus when selected for inspection, containers receive top priority.

¹ For further details and a comprehensive list of benefits, visit the CBP's C-TPAT web site at http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/

C-TPAT Needs

Originally, the C-TPAT program did not require members to do a risk assessment of their supply chain on a yearly basis. In order to stay compliant with the C-TPAT Risk Assessment requirement, Husky managed their Supplier Assessments manually through an internal compliance team. “Our supply chain was mostly Canadian and U.S. suppliers,” said Patricia Cerisano, Global Customs Compliance Manager. “We hadn’t expanded into China or India at that time.”

The manual assessment process was very time-consuming for Husky, despite having approximately 200 Canadian and U.S. suppliers at the time.

As the requirements of the C-TPAT program evolved, Husky needed to implement new methods to monitor their supply chain on a more frequent basis. During the C-TPAT validation in March 2006, Husky was awarded Tier 2 privileges, but their management team aspired to achieve Tier 3.

By 2009, when Husky was up for re-validation, they realized they needed support to earn Tier 3 status. “Our biggest weakness was that we hadn’t been managing our supply chain well enough,” said Cerisano.

Husky needed a risk management partner that could provide:

- Ongoing supplier assessments of Husky’s approximately 500 world-wide suppliers, including intelligence-based risk assessments
- On-site audits of manufacturing facilities, with recommendations for improved security
- Real-time threat awareness data and Security and Threat Awareness Training
- Consulting advice during C-TPAT re-validations
- Support for Husky to achieve Tier 3 C-TPAT privileges

Choosing BSI

One of Husky’s security managers at the time was working with the Supply Chain Security division of First Advantage, which was acquired by BSI that same year.

Husky found that BSI’s Supplier Compliance Manager® (SCM) tool provided a unique online solution for monitoring compliance and risks for their supply chain. SCM facilitates and automates supplier assessments, and presents risk analysis with a patented risk algorithm, allowing supply chain managers to identify, assess and mitigate supplier risks from the desktop.

Husky liked that SCM helped companies achieve/maintain compliance with C-TPAT, PIP, and AEO, and that SCM included BSI’s proprietary supply-chain terrorism and cargo disruption data. With SCM, for example, as the level of risk changes within a supplier’s host country, Husky suppliers could be automatically re-assessed to determine if further risk management was needed.

BSI also has strong connections with CBP and has trained many of the CBP’s C-TPAT officers. “No other providers we evaluated could deliver the whole package of tools, data, and consulting,” said Sheila Hutchinson, Customs Compliance Team Leader at Husky.

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Iterative Implementations

When Husky first issued its supplier surveys as part of the first C-TPAT implementation attempt in 2009, only 60 out of the then 280 global suppliers responded adequately to meet certifications standards. This obviously would not do. "With a lot of turnover in our supply chain, many vendors didn't immediately understand Husky's goals with C-TPAT," said Cerisano.

To improve the response rate, Husky and BSI agreed to focus on two areas: training and communications. For the second implementation in January 2011, BSI formed a project team to work with Husky on:

- Soliciting and managing the supplier assessments
- Consulting on preparations for C-TPAT re-validation
- Informally auditing Husky facilities in advance of C-TPAT re-validation

Key elements of that second implementation included:

- **Internal Security Training and Threat Awareness sessions** included Husky's direct C-TPAT team and any Husky employee that was directly or indirectly involved in the C-TPAT program. This included buyers, commodity managers, and sourcing managers from Husky's supply chain, as well as representatives from the Shipping, HR and Security teams.
- For supplier training, BSI developed **e-learning modules and training videos** under Husky's guidance that included background information on the C-TPAT program, details on Husky's goals for the program, and how to use BSI's SCM tool for supplier assessments — including step-by-step instruction on how to complete the assessments.
"BSI's mini-tutorial on how to do an assessment was very helpful," said Hutchinson. "The tutorial is an important pre-planning step for vendors prior to completing the Supplier Assessments."
- To improve communications, an **internal email** from Husky's General Manager of Supply Chain was sent to all Husky GSC personnel to support the initiative.
- **External emails** were sent to all Husky suppliers to notify them that they would be receiving a request from BSI on behalf of Husky to complete the supplier assessments.

The BSI project team also provided recommendations on improving Husky's C-TPAT program, by engaging in bi-monthly progress meetings with the core Husky team, in addition to weekly follow-ups with suppliers and other best practices to win Tier 3 status.

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Results

Following the second implementation, the response rate rose significantly, with more than 50% of Husky's growing list of high-volume, high-dollar suppliers completing their supplier assessments to the C-TPAT standard.

In addition, supply chain risks that were identified in North America and Europe through the surveys were quickly addressed using the SCM corrective action tool, with an additional focus on Asia-based suppliers underway now.

As a result of BSI's programs and support, Husky was successfully awarded Tier 3 C-TPAT status in November 2012. In addition, the company now needs fewer resources to assess a growing number of global suppliers, allowing them to focus

on improving security and internal processes at the Husky manufacturing locations worldwide.

This strategic upgrade can be directly attributed to the hard work of the C-TPAT project team, BSI's partnership, and the SCM tool that helps Husky to continuously monitor its supply chain for risks.

"BSI has become an extension of Husky's security program," said Cerisano. "It has been a great partnership, and we would have had a difficult time if we still had to manage our supplier assessments alone. BSI is a very professional organization and they were instrumental to Husky winning our Tier 3 C-TPAT status."

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