Intelligence in Context! **September 2006**

The global economy now depends on interconnected supply chains. These are tightly syncronised and flow through a small number of key nodes and, as a result, very vulnerable. The disruption or removal of one of the top 20 ports around the world would have a knock on effect in a matter of days. *The capacity and capability to reroute and reschedule the interconnected supply chains and the physical assets supporting them is now at a level where it would be almost impossible.*

Governments have implemented a number of initiatives in an attempt to identify potential threats. However the scale of the problem is considerable and the existing efforts may only have limited success.

A more promising approach might be to leverage commercial and industry trends towards greater transparency in corporate operations. The move towards 'Build to Order' manufacturing has resulted in the need for improved collaboration and communication with the global supply base. Reduced inventory levels driven by the need to release capital from operations, has forced corporations to improve the information flow through their supply chains. In truth this has been patchy so far, but the very best exponents of this have shown that this is the way to go.

The introduction of Sarbanes-Oxley legislation in the US is forcing the senior management of corporations to demand detailed information about the activities of their companies across the globe. They have to sign annual declarations personally warranting the accuracy of the data supporting their financial accounts.

The convergence of demand for operational transparency and supply chain collaboration provides the ideal landscape for improving intelligence gathering relating to potential threats.

In the United States, certain sections of the Government have been quietly exploring this potential. This is primarily because such information would provide the context to understand that items of interest on a manifest may indeed be 'interesting' or, merely part of an innocent master order that indicate shipments moving to a regular schedule.

The technology they are using to do this comes from a UK company that has been working in this area since 2001. It employs a variant of a commercial platform to show supply chain activity 'in context'.

The value of this context should not be underestimated as it enables the discovery of items within a supply chain and their meaning to each party in the chain. It provides clarity of identification across the many tiers of supply within the most complex, global chains. This challenge cannot be addressed by forcing each party in the chain to agree to a standard item reference or description. Across a supply base of many thousands this is completely unrealistic.

As more data is put into the platform the picture becomes clearer and the ability to query for connections and context improves considerably.

The combination of this kind of capability and other appropriate data sources significantly enhances the opportunity to identify anomalies or shipments of interest at the point at which they are being assembled. (i.e. As the Bill.Of.Material. is being put together)

In Summary:

Leveraging commercial imperatives focused on greater supply chain efficiency and collaboration and combining these activities with information systems that reveal the context of activities will enhance intelligence.

With the potential to identify the components of any threat as they are either assembled or transported is clearly of value.

The magnitude of the problem is huge and the time horizon is significant. But by exploiting commercial technologies and industry knowledge the cost to do this is reasonable (as the US Government has discovered).

As we understand it, the real value of any intelligence is being able to position it ‘in context’ and as a result, derive its true meaning. This is also the goal of supply chain managers who are seeking to improve efficiency and reduce operational cost. And they are playing with significant amounts of real money!