



# Singapore company enhances supply chain security with ISO 28000

*Leading Singaporean supply chain management company YCH Group, recently certified to ISO 28000:2007, is already seeing benefits in greater security awareness, better alignment to customs processes, and an enhanced reputation among clients, governments, regulators and other stakeholders.*

by Tien Yushan



*Tien Yushan is Head of Corporate Communications of the YCH Group.*

E-mail [yushan.tien@ych.com](mailto:yushan.tien@ych.com)



(Photos: YCH)

*A biometric fingerprint identification system operates at the entrance to a YCH bonded warehouse containing high-value goods.*

The YCH Group, a leading Singapore-based logistics and supply chain management (SCM) company, recently became what we believe to be the first end-to-end SCM provider to be certified to ISO 28000:2007, *Specification for security management systems for the supply chain*, to ensure the overall safety of our customers' goods.

As an SCM provider, accountability to customers' cargo and ensuring a safe and secure shipment flow is of utmost importance – hence security has always been a YCH priority. However, the company decided to implement ISO 28000:2007 to endorse its commitment to security excellence, and as a logical progression after

receiving the Secure Trade Partnership Certification by Singapore Customs, and the Transported Asset Protection Association's (TAPA) certification for freight security.

**The terminology is very similar to ISO 14001 and ISO 9001**

## INTERNATIONAL

Since ISO 28000:2007 is an internationally recognized security management system (SMS) standard, we knew it would also provide a platform for governmental and customs security initiatives, and facilitate validation for customers requiring compliance to the US Government's C-TPAT (Customs-Trade Partnership against Terrorism) initiative in dealing with the US Customs.

adjustment to bring it into line with the standard's requirements.

We focused mainly on a thorough review of the documentation, procedures and physical security measures currently in place. Interviews were conducted with senior management of all departments that had an interface with supply chain security.



A YCH employee uses the latest state-of-the-art RFID (Radio Frequency Identification) equipment to scan goods.

### Certification stages

YCH adopted a two-stage ISO 28000:2007 implementation and certification process involving:

- site assessment
- independent audit.

#### Site assessment

The purpose of this first stage was to provide evidence that our SMS was in conformity with ISO 28000:2007, and identify any gaps requiring

Security is now **everyone's** business



Corporate headquarters of ISO 28000:2007-certified supply chain management company YCH Group in Singapore.



A pallet of goods being transferred by crane to conveyor belt in the YCH ASRS facility.

The key benefit of the assessment was that it provided a very clear road map of the enhancements required to achieve certification, facilitated a more defined plan for implementation and minimized the risk of project cost over-runs. At the same time, the probability of successful certification increased dramatically.

#### Independent audit

Following our own site assessment, we appointed international certification body Lloyd's Register Quality Assurance to conduct an independent audit which culminated in ISO 28000:2007 certification in May 2008 with the scope of "a security management system for the sup-



From left to right - *John Stansfeld, Director and President of Lloyd's Register Asia and Dr. Robert Yap, Chairman & CEO of the YCH Group, at the ISO 28000:2007 certification award ceremony.*

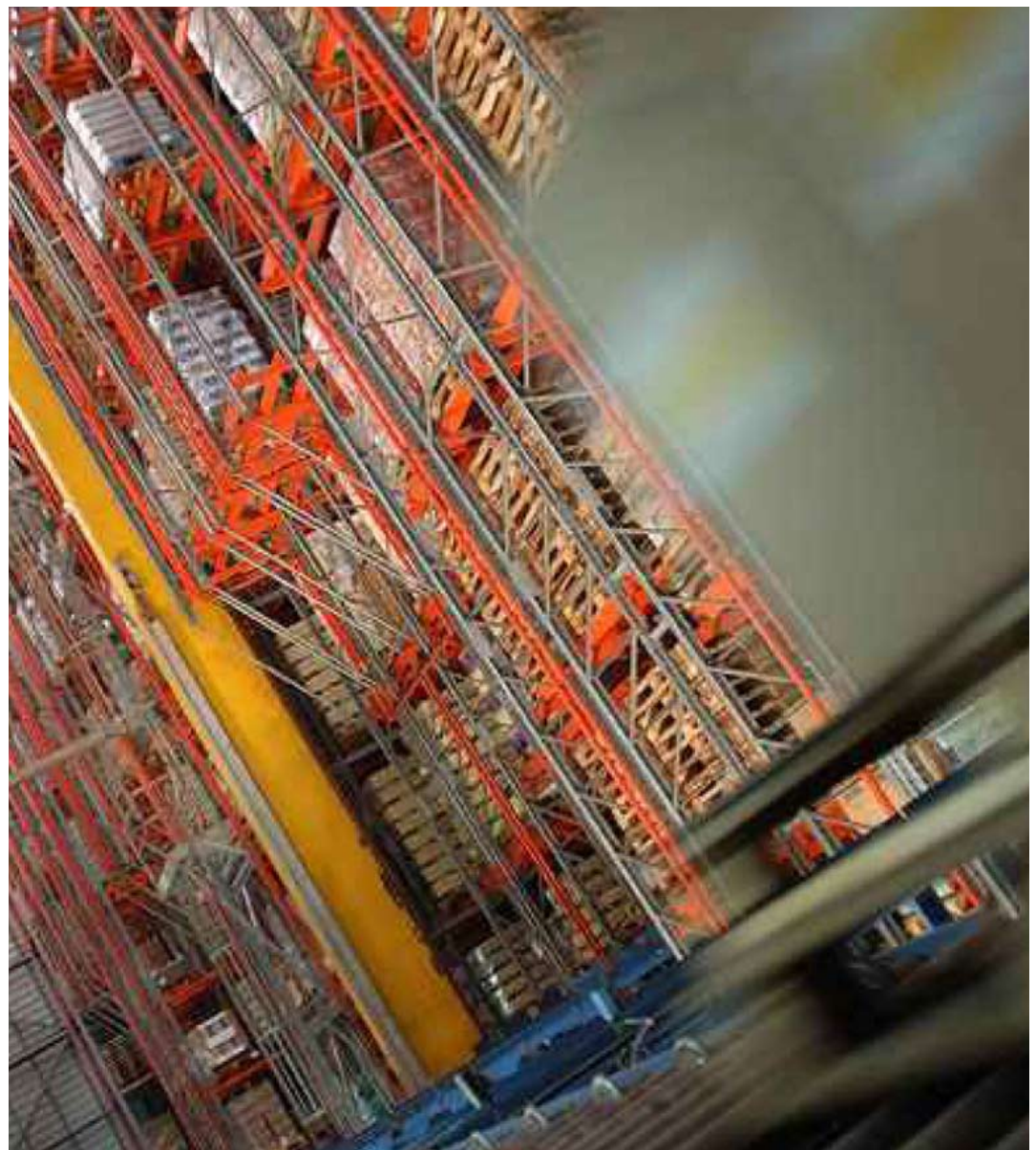
ply chain applicable to provision of warehousing and logistics services”.

### Implementing at all levels

Security programmes used to be focused mainly on physical security. Now we look at it through a different lens, one that encompasses a more proactive risk based system approach towards security management. And where security was once just a matter for the security department, it is now everyone's business.

Improvements to supply chain security processes used to be cyclical and based on scheduled reviews, but now it is a continual process requiring commitment from all departments within YCH. More importantly, YCH CEO, Dr Robert Yap took the lead in driving ISO 28000:2007 implementation across all levels at YCH.

Where supply chain security was a customer-driven requirement, we now leverage on security excellence as a



*YCH's ISO 28000:2007-certified ASRS (Automated Storage Retrieval System) in operation at one of the company's central distribution hubs.*

competitive advantage and market differentiator. This was the key driver that underscored the change management process we put in place to manage the transition.

### Benefits

Although ISO 28000:2007 certification was only recently awarded, we anticipate the following benefits:

- enhanced image and credibility through decreased smuggling, theft and damages;
- better monitoring of freight flow;
- improved supply chain performance;
- fast, stable and more predictable border crossing processes;
- faster recovery from unforeseen disasters;
- better customs regulations and process compliance.

While it will take time to see tangible evidence of these benefits, we have already achieved greater security awareness throughout the organization, with better alignment to customs processes in the countries in which YCH operates.

## INTERNATIONAL

Other concrete benefits experienced to date include enhanced reputation for YCH within the SCM industry, and among its clients, governments, regulators and other stakeholders. In addition, we see greater access to new business opportunities through improved competitiveness.

### Interface with other standards

ISO 28000:2007 is the only truly global supply chain security management system. However, while it differs from other system standards because of its SMS specialization, the good news is that the terminology is very similar to ISO 14001 and ISO 9001, and it can be easily cross referenced to both. It also uses the same risk-based approach to identifying security threats and assessing their respective risks as ISO 14001.

### International benchmark

ISO 28000:2007 provides a systematic approach to security management for global supply chains. It has also given the YCH Group a foundation for other international security initiatives, including C-TPAT and the Authorized Economic Operator programmes already adopted by many leading multinationals.

The standard offers a pragmatic and business-centred approach to risk management as a critical component of effective security manage-



*The control system/sensor board of YCH's ASRS system.*

ment. It also ensures that key business decisions are based on a process of proactive and effective risk assessment.

Implementing ISO 28000:2007 has enabled YCH to scale up its security management system to manage all of the company's security needs in a realistic, sustainable and cost-effective manner across its network of facilities in Asia-Pacific.

While YCH is happy to have received the endorsement for its ongoing efforts to enhance supply chain security, the certification is not an end in itself. Rather, we see it as one of the milestones of our continuous security excellence journey which began when

the company was founded in 1955, and will continue to be a top priority in the YCH way of doing business.

We believe that over time ISO 28000:2007 will become the global benchmark and the single most important International Standard for supply chain security. As a prerequisite for vendor selection and tendering processes it will likely become the common language among organizations operating within the supply chain industry. ●

### About the YCH Group

Founded in 1955, the Singapore-based YCH Group is the leading integrated end-to-end supply chain management and logistics partner to some of the world's largest companies including Canon, Dell, Moët-Hennessy and Motorola.

YCH is recognized for its innovative and seamless approach to integrating supply chain strategy with execution, employing cutting edge Web technologies to streamline the supply chains of clients in the electronics, chemical/healthcare and consumer goods industries.

The company employs some 4 000 people and currently operates throughout Asia-Pacific, including Singapore, Malaysia, Thailand, Indonesia, Philippines, Hong Kong, Australia, China, India, Korea, Japan and Vietnam.

Last year, YCH handled more than USD 50 billion worth of goods for its customers in the region along the secured supply chain. As a forerunner in worldwide supply chain security, YCH is the first SCM recipient of ISO 28000: 2007, *Specification for security management systems for the supply chain*.

E-mail [corporate@ych.com](mailto:corporate@ych.com)  
Web [www.ych.com](http://www.ych.com)