

# GLOBAL TRADE SOLUTION



## VOLUME VS. VELOCITY STRUCTURING CHANGE FOR SUCCESS

## What is the Objective function for Security?

Ensure planned continuity of supply = Supply Chain Management with mitigated deviations

The success of increased “through put” will be based upon consistent security results

A Rail security Model must these 5 elements

- Predictable
- Scalable
- Effective
- Efficient
- Mitigated

# RAIL SECURITY

If there are no detectable anomalies, there is no actionable intelligence:

- 1) TCO's target Material, Finance and Information
- 2) Form Utility: Rail company gives companies ability to move product securely, these goods have value with multiple processes in supply chain, rail companies have to recuperate this cost. The rail industry has to be the reason for successful security
- 3) How do we bench mark security in the rail industry:
  - \* Freight security index
  - \* Claims ratio, Operating costs
- 4) Deny, Detect, Deter with long term prevention

Use of Omni Metrics for security asset deployment,  
Working Capital Investment & Cash Conversion

Objective Functions while combining Technology with Human Asset  
control, Filtering, Minimize Touch points

Identify Constraints and Realities with Adjudication

Predictive Analysis, challenges and potential Solutions

Rail Industry offers Form Utility: Every point in the supply chain adds  
value, PO to POD “Proof of delivery” has to be perfect, on time no  
delays, no claims

- Escalating Mechanisms/Cascading Effects
  - Mexico's Rail industry, not all rail companies are equal
  - Leadership
  - Culture
  - Innovation capability
  - Capability to create early adapters
- Operational Necessity vs. Statistical Analysis (Data Collection)
- Risk = Vulnerabilities x Threats x Consequence

# WHAT MATTERS IN RAIL SECURITY

- Product Integrity
- Loss Prevention
- Tamper Evidence
  - Actionable Intelligence requires detectable anomalies
- Custodial Control
  - Knowing where the external threats are ensures vulnerabilities are kept to a low consequence and supply chain velocity can be maintained

# SECURITY MODELS AND VELOCITY

- Sustainable throughput requires consistent velocity
- Know the constraints and create a secure corridor
- Without Velocity there is no volume
  - Corridors and Capacity depend on speed
- Without Velocity there is time, place, access and infiltration or theft
- Know where the human touch points are and why

# VANDALISM WHAT IS DIFFERENT AND WHY?

- LACK of a adaptive security model
- Tiers of crime and black markets
- This Requires a SECNET prevention model that adapts to “varying threat streams”.
- KCS a great example of proactive freight security  
99.88% index
  - Claims ratios demonstrate from an actuarial standpoint the degree of risk that KCS has and how long it has been managed at the highest level of custodial control in the industry

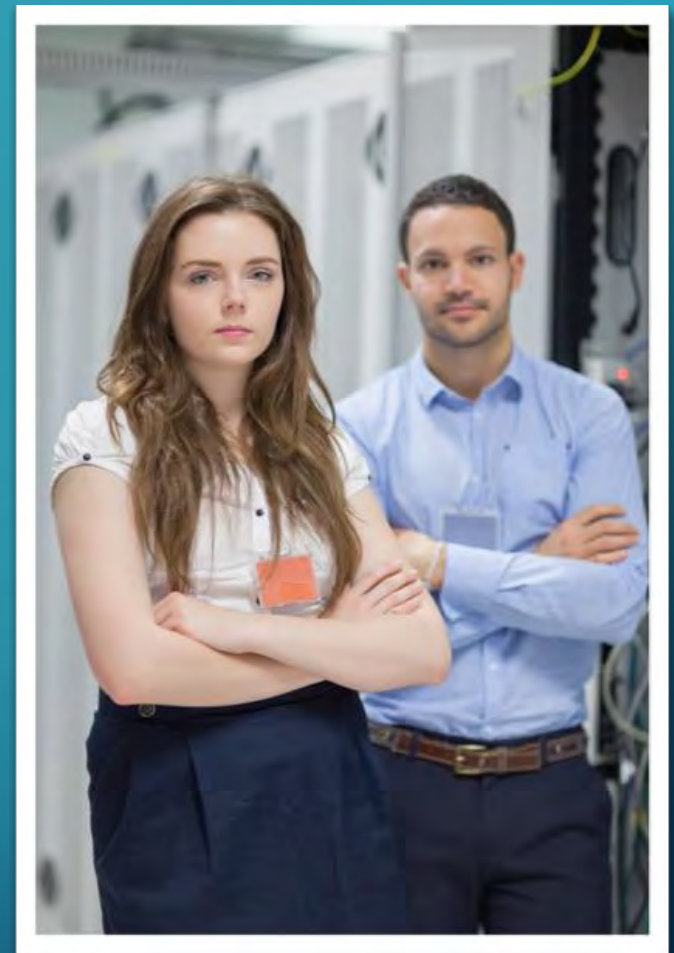


# SECUREN ET™

- TCOs will target Material, Finance and Information
- Real Time Intelligence
- Human Asset Control
- Report consolidation with analytics
- Look for deviations with Material, Finance and Information
- Low Cost high impact security operations

## REPORTING SECURITY ADVANTAGE

ON TIME INTELLIGENCE  
HUMAN ASSET CONTROL  
REPORT CONSOLIDATION  
ANALYTICS  
COST REDUCTION  
IMPROVED SECURITY



## Application Technology

Google combining virtual right of way with geo referencing, Smart Applications, XRAY, Digital Imaging, Rapid response for Vetted Units, ultimately for early detection, deterrence and prevention



# USE TAMPER EVIDENT COMPLIANT SEALS

Seals should detect incursion and increase man minutes per attempt

Seals must prevent clandestine entry

Use security filters

# RAILROAD SECURITY

- Know information requirements with a proactive clear focus on your objectives
- Protect Assets and Industry
- Accurate Intelligence
- Counter Intelligence
- Technology application for Analytics and Human Asset control
- Constant Due Diligence

# MEXICO SECURITY SITUATION

- Expect Challenges
    - Corruption
    - Cartels
    - Organized Crime 3 tiers
  - Always a solution
  - Use Protective Intelligence with your business plan and go secure.
- Questions?