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**How will you deal with the
assassination of Calderón?**

**A working example of all-source
risk analysis**

All-source vs. piece part risk

- All-source: Geopolitical, Operational, Financial, Technology and Reputational.
- Supply chain specific:
 - Commercial
 - Environmental
 - Intellectual Property (IP)
 - IT
 - Criminal
 - Terrorist
 - Cyberterrorist

We also start with commercial; We just go further

- Understanding supply chain structure is important precursor to managing the chain:
 - Streamline supply base.
 - Supplier selection process improvement.
 - Make/buy decision support.
 - Align purchasing strategies.
 - More responsive and flexible supply chains.
 - Understand cost buildup.
- Sample views from our *SUPPLYtrac* “pack & go” toolset follow:

Chain Overview



Headliner Module - Cyclone (SUV)

* A row with red text indicates an Alternative Supplier

[clear clipboard](#)

Action	Part Name
+	0 HEADLINER MODULE
+ X	1 1R OVERHEAD CONSOLE
+ X	2 HINGED SUNGLASSES COMPARTMENT
+ X	2 LAMP ASSEMBLY
+ X	3 CONNECTOR [tivoli industries]
+ X	3 LIGHT BULB/REFLECTOR ASSY [acme elec. incand. bulb]
+ X	4 DIFFUSER/LENS COVER [plastiteka]
+ X	4 LIGHT BULB [acme electric bulb division]
+ X	4 REFLECTOR [acme prism plastics]
+ X	3 SWITCH [eaton components]
+ X	2 TEMP/TIME/AUDIO TRACK DISPLAY
+ X	1 2R OVERHEAD CONSOLE
+ X	2 HVAC GRILLE
+ X	2 LAMP ASSEMBLY
+ X	3 CONNECTOR
+ X	3 LIGHT BULB/REFLECTOR ASSY [dravert lamp]
+ X	4 DIFFUSER/LENS COVER [prisma plastics inc]
+ X	4 LIGHT BULB [toolip bulb]
+ X	4 REFLECTOR [ontario plastics]
+ X	2 VIDEO DISPLAY
+ X	1 2R ROOF MT. SHLDR HARNESS BEZEL
+ X	1 3R/LIFTGATE DOME LAMP
+ X	1 COAT HOOK [brehm industries]

About This Chain

Created By: Mary Wright
Date Created: 11/13/2002
Tiers/Nodes: 5/111
Data Completed: 58.81%
Version: 2.19
Status: In-Progress
Scope: Initially, this Headliner chain will focus on hard trim, textile, and electronic/lighting features. No detailed examination of associated wiring harnesses or connectors will be included.

0 [chain setup information](#)

5 Most Recent Archived Versions

Date	Version	Archived By
11/13/2002	1.60	Mary Wright

[<-- complete version history](#)
[archive this version now](#)

Chain Progress - All Nodes

part	<div style="width: 80%;"></div>
site	<div style="width: 60%;"></div>
lean	<div style="width: 70%;"></div>
cost	<div style="width: 85%;"></div>
freight	<div style="width: 75%;"></div>

Freight View



Ovhd Handle/Lamp Assy -Typhoon (LL Bean Opt.)

(all costs in BRL)

create new/edit existing

* A row with red text indicates an Alternative Supplier

	Currencies Converted From	Time to Tier 0 (days)	Trans Cost	Distance Shipped	Modes	Dock to Dock (days)	Outbound Ship Time (days)	Borders Crossed	Duty/ Tariffs (Per Unit)
0 HANDLE/LAMP SET [4] [sterling heights, mi us]	USD	--	1.1%	--	--	--	--	--	--
1 FRT LH LAMP/GRAB HDLE ASSY [madison heights, mi us]	USD	2.00	4.2%	0.1 mi	truck	2.00	0.00	--	--
2 BEZEL [macon, ga us]	USD	6.50	1.1%	800 mi	truck	2.00	2.50	--	--
2 BEZEL [inkster, mi us]	USD	3.80	1.1%	25 mi	truck	1.50	0.30	0	--
2 GRAB HANDLE [inkster, mi us]	USD	3.80	1.1%	25 mi	truck	1.50	0.30	--	--
2 HINGE ASSY [gary, in us]	USD	7.00	1.6%	255 mi	truck	4.00	1.00	--	--
3 HINGE [plymouth, mi us]	USD	12.20	0.2%	23 mi	truck	5.00	0.20	0	--
3 RETAINER CLIP [burlington, on ca]	CAD	10.50	--	588 mi	truck	2.50	1.00	1	--
3 SPRING [michigan city, in us]	USD	12.00	0.3%	230 mi	truck	4.00	1.00	0	--
2 LAMP ASSEMBLY [quincy, ma us]	USD	6.00	4.2%	720 mi	truck	3.00	1.00	0	--
3 CONNECTOR [bass, ky us]	USD	10.00	1.6%	950 mi	truck	2.00	2.00	0	--
3 LIGHT BULB/REFLECTOR ASSY [sunside beach, fl us]	USD	10.00	4.2%	855 mi	truck	2.00	2.00	0	--
4 DIFFUSER/LENS COVER [cologne, m de]	DEM	21.00	--	2460 mi	truck ship	3.00	8.00	2	\$0.011
4 LIGHT BULB [yokohama, 0 jp]	JYP	20.00	0.1%	12600 mi	truck airline	8.00	2.00	1	\$0.000
4 REFLECTOR [kitchener, on ca]	CAD	15.00	--	500 mi	truck	3.00	2.00	1	--
3 LIGHT BULB/REFLECTOR ASSY [ithaca, ny us]	USD	10.00	3.8%	855 mi	truck	2.00	2.00	0	--
4 DIFFUSER/LENS COVER [syracuse, ny us]	USD	21.00	--	2460 mi	truck ship	3.00	8.00	2	--
4 LIGHT BULB [greenville, ny us]	USD	20.00	--	12600 mi	truck airline	8.00	2.00	1	--
4 REFLECTOR [buffalo, ny us]	USD	15.00	--	500 mi	truck	3.00	2.00	1	--
3 SWITCH [greenpark, mi us]	USD	14.00	1.1%	735 mi	airline	7.00	1.00	0	--

Lean Manufacturing View



Ovhd Handle/Lamp Assy -Typhoon (LL Bean Opt.)

create new/edit existing

* A row with red text indicates an Alternative Supplier

	Mfg. Overhead	Labor	Dock to Dock (days)	Site Capacity	Build to Schedule	Overall Equipment Effectiveness	1st Time Through	Total Machine Inventory Capacity	Inventory (days)	Process
0 HANDLE/LAMP SET [4] [coyote motors/landeville jit operations]	3.74%	8.98%	--	--	--	--	--	--	--	--
1 FRT LH LAMP/GRAB HDLE ASSY [landeville corporation]	13.27%	17.26%	2.00	90%	75%	95%	80%	90%	1 Days	Assembly
2 BEZEL [zelcor injections]	23.44%	25.00%	2.00	60%	98%	80%	95%	75%	3 Days	--
BEZEL [block plastics]	26.32%	24.67%	1.50	65%	95%	95%	95%	95%	2 Days	Induction Molding
2 GRAB HANDLE [block plastics]	32.95%	7.50%	1.50	88%	72%	75%	75%	45%	7 Days	--
2 HINGE ASSY [white industries]	10.20%	29.93%	4.00	90%	80%	75%	60%	65%	21 Days	--
3 HINGE [ellis dynamics]	15.46%	30.93%	5.00	96%	82%	88%	92%	90%	30 Days	Stamping
3 RETAINER CLIP [joseph corp.]	3.23%	52.42%	2.50	56%	80%	68%	88%	62%	28 Days	Stamping
3 SPRING [metalworks, inc]	3.48%	34.78%	4.00	90%	100%	95%	95%	90%	40 Days	--
2 LAMP ASSEMBLY [aaa products]	14.93%	24.78%	3.00	88%	90%	72%	98%	66%	7 Days	Assembly
3 CONNECTOR [egon electronics inc.]	8.49%	16.98%	2.00	45%	27%	45%	84%	96%	25 Days	Assembly
3 LIGHT BULB/REFLECTOR ASSY [acme elec. incand. bulb]	1.40%	52.00%	2.00	70%	80%	80%	65%	90%	14 Days	Assembly
4 DIFFUSER/LENS COVER [plastiteka]	20.18%	23.48%	3.00	95%	95%	95%	95%	95%	60 Days	Injection mold
4 LIGHT BULB [acme electric bulb division]	6.17%	20.36%	8.00	77%	30%	57%	44%	50%	100 Days	--
4 REFLECTOR [acme prism plastics]	17.61%	32.39%	3.00	85%	92%	90%	98%	92%	45 Days	Injection molding
LIGHT BULB/REFLECTOR ASSY [dennison inc.]	1.57%	52.58%	2.00	70%	80%	80%	65%	90%	14 Days	Assembly
4 DIFFUSER/LENS COVER [adams corp]	26.83%	24.44%	3.00	95%	95%	95%	95%	95%	60 Days	Injection mold
4 LIGHT BULB [osram]	8.13%	20.33%	8.00	77%	30%	57%	44%	50%	100 Days	--
4 REFLECTOR [silva plastics]	24.49%	43.88%	3.00	85%	92%	90%	98%	92%	45 Days	Injection molding
3 SWITCH [landeville-fusion]	2.48%	37.27%	7.00	55%	70%	45%	85%	60%	20 Days	Injection mold
3 WIRING [bass electric components inc]	19.23%	11.54%	45.00	72%	80%	75%	60%	92%	8 Days	--

Total Cost and Weight View

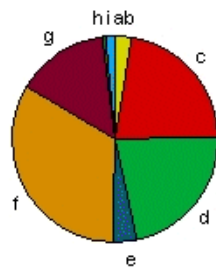


Ovhd Handle/Lamp Assy -Typhoon (LL Bean Opt.)

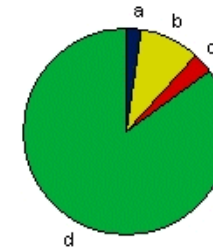
(all costs in USD)

create new/edit existing

All amounts per unit times number used per tier 0 end item.



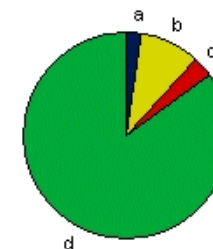
Total Supply Chain Costs		
a	duty/tariffs	\$0.042 0.2%
b	freight	\$0.396 2.3%
c	labor	\$3.757 22.2%
d	overhead	\$3.665 21.6%
e	packaging	\$0.637 3.8%
f	profit	\$5.646 33.3%
g	raw materials	\$2.450 14.5%
h	tooling	\$0.129 0.8%
i	warranty	\$0.213 1.3%
Total:		\$16.934 100%



Costs by Currency		
a	CAD	\$0.397 2.3%
b	DEM	\$1.609 9.5%
c	JYP	\$0.583 3.4%
d	USD	\$14.345 84.7%
Total:		\$16.934 100%



Costs by Company		
a	AAA Products	\$3.350 19.8%
b	Acme Elec. Incand. Bulb	\$1.000 5.9%
c	Acme Electric Bulb Division	\$0.583 3.4%
d	Block Plastics	\$1.214 7.2%
e	Coyote Motors/Landeville JIT Operations	\$1.337 7.9%
f	Egon Electronics Inc.	\$0.530 3.1%
g	Landeville Corporation	\$4.520 26.7%
h	other(11)*	\$2.023 11.9%
i	Plastiteka	\$1.609 9.5%
j	Zelcor Injections	\$0.768 4.5%
Total:		\$16.934 100%



Costs by Country		
a	CA	\$0.397 2.3%
b	DE	\$1.609 9.5%
c	JP	\$0.583 3.4%
d	US	\$14.345 84.7%
Total:		\$16.934 100%

adams corp.; osram; silva plastics; b&g products; joseph corp.; metalworks, inc; acme prism plastics; bass electric components inc; white industries; landeville-fusion; ellis dynamics

 **Cost Table View**



Ovhd Handle/Lamp Assy -Typhoon (LL Bean Opt.)

(all costs in USD)

create new/edit existing

All amounts per one unit.

* A row with red text indicates an Alternative Supplier

Part Name	Value											Profit/	
	Part Price	Purch. Parts	Add Cost	Corp Ovrhd	Mfg Ovrhd	Labor	Pkging	Duty/Tariffs	Raw Materials	Tooling	Freight		Wrnty
0 HANDLE/LAMP SET [4] [coyote motors/landeville jit operations]	\$59.950	\$58.609	\$1.34	\$0.02	\$0.05	\$0.12	\$0.04	\$0.00	\$0.00	\$0.02	\$0.02	\$0.01	\$1.05
1 FRT LH LAMP/GRAB HDLE ASSY [landeville corporation]	\$14.652	\$11.042	\$4.52	\$0.15	\$0.60	\$0.78	\$0.05	\$0.00	\$0.53	\$0.00	\$0.08	\$0.07	\$2.26
2 BEZEL [zelcor injections]	\$0.768	\$0.000	\$0.77	\$0.13	\$0.18	\$0.19	\$0.01	\$0.00	\$0.22	\$0.01	\$0.02	\$0.01	\$0.01
2 BEZEL [block plastics]	\$0.558	\$0.000	\$0.61	\$0.04	\$0.16	\$0.15	\$0.01	\$0.00	\$0.20	\$0.01	\$0.02	\$0.00	\$0.02
2 GRAB HANDLE [block plastics]	\$1.215	\$0.000	\$1.21	\$0.21	\$0.40	\$0.09	\$0.12	\$0.00	\$0.25	\$0.00	\$0.02	\$0.00	\$0.12
2 HINGE ASSY [white industries]	\$0.534	\$0.387	\$0.29	\$0.01	\$0.02	\$0.04	\$0.01	\$0.00	\$0.00	\$0.00	\$0.02	\$0.00	\$0.05
3 HINGE [ellis dynamics]	\$0.194	\$0.000	\$0.39	\$0.02	\$0.03	\$0.06	\$0.00	\$0.00	\$0.07	\$0.00	\$0.00	\$0.00	\$0.02
3 RETAINER CLIP [joseph corp.] (from CAD)	\$0.078	\$0.000	\$0.16	\$0.00	\$0.00	\$0.07	\$0.00	\$0.00	\$0.03	\$0.00	\$0.00	\$0.00	\$0.02
3 SPRING [metalworks, inc]	\$0.115	\$0.000	\$0.23	\$0.00	\$0.00	\$0.04	\$0.00	\$0.00	\$0.04	\$0.00	\$0.00	\$0.00	\$0.02
2 LAMP ASSEMBLY [aaa products]	\$7.856	\$4.506	\$3.35	\$0.25	\$0.50	\$0.83	\$0.05	\$0.00	\$0.52	\$0.01	\$0.08	\$0.07	\$1.04
3 CONNECTOR [egon electronics inc.]	\$0.530	\$0.000	\$0.53	\$0.03	\$0.05	\$0.09	\$0.10	\$0.00	\$0.11	\$0.02	\$0.03	\$0.01	\$0.10
3 LIGHT BULB/REFLECTOR ASSY [acme elec. incand. bulb]	\$1.741	\$1.246	\$1.00	\$0.01	\$0.01	\$0.26	\$0.03	\$0.00	\$0.03	\$0.01	\$0.04	\$0.00	\$0.12
4 DIFFUSER/LENS COVER [plastiteka] (from DEM)	\$0.806	\$0.000	\$1.61	\$0.35	\$0.36	\$0.42	\$0.05	\$0.05	\$0.33	\$0.02	\$0.00	\$0.01	\$0.20
4 LIGHT BULB [acme electric bulb division] (from JYP)	\$0.307	\$0.015	\$0.58	\$1.87	\$2.00	\$6.60	\$5.56	\$0.06	\$2.90	\$0.00	\$0.09	\$0.00	\$13.33
4 REFLECTOR [acme prism plastics] (from CAD)	\$0.117	\$0.000	\$0.23	\$0.03	\$0.03	\$0.06	\$0.02	\$0.00	\$0.02	\$0.00	\$0.00	\$0.02	\$0.01
4 LIGHT BULB/REFLECTOR ASSY [dennison inc.]	\$1.507	\$1.061	\$0.89	\$0.00	\$0.01	\$0.23	\$0.03	\$0.00	\$0.03	\$0.00	\$0.04	\$0.00	\$0.11
4 DIFFUSER/LENS COVER [adams corp]	\$0.669	\$0.000	\$1.34	\$0.09	\$0.18	\$0.16	\$0.02	\$0.00	\$0.13	\$0.01	\$0.00	\$0.00	\$0.08
4 LIGHT BULB [osram]	\$0.262	\$0.010	\$0.49	\$0.01	\$0.02	\$0.05	\$0.04	\$0.00	\$0.02	\$0.00	\$0.00	\$0.00	\$0.10
4 REFLECTOR [silva plastics]	\$0.099	\$0.000	\$0.20	\$0.01	\$0.02	\$0.04	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01
3 SWITCH [landeville-fusion]	\$0.322	\$0.000	\$0.32	\$0.00	\$0.01	\$0.12	\$0.01	\$0.00	\$0.06	\$0.01	\$0.02	\$0.01	\$0.08
3 WIRING [bass electric components inc]	\$0.170	\$0.000	\$0.26	\$0.05	\$0.05	\$0.03	\$0.01	\$0.00	\$0.02	\$0.01	\$0.00	\$0.00	\$0.09

Cost Table View



Ovhd Handle/Lamp Assy -Typhoon (LL Bean Opt.)

(all costs in BRL)

create new/edit existing

All amounts per one unit.

* A row with red text indicates an Alternative Supplier

Part Name	Value										Profit/ Loss			
	Part Price	Purch. Parts	Add Cost	Corp Ovrhd	Mfg Ovrhd	Labor	Pkging	Duty/Tariffs	Raw Materials	Tooling		Freight	Wrnty	
0 HANDLE/LAMP SET [4] [coyote motors/landeville jit operations]	(from USD)	\$31.803	\$31.092	\$2.52	\$0.02	\$0.05	\$0.12	\$0.04	\$0.00	\$0.00	\$0.02	\$0.02	\$0.01	\$1.05
1 FRT LH LAMP/GRAB HDLE ASSY [landeville corporation]	(from USD)	\$7.773	\$5.858	\$8.52	\$0.15	\$0.60	\$0.78	\$0.05	\$0.00	\$0.53	\$0.00	\$0.08	\$0.07	\$2.26
2 BEZEL [zelcor injections]	(from USD)	\$0.407	\$0.000	\$1.45	\$0.13	\$0.18	\$0.19	\$0.01	\$0.00	\$0.22	\$0.01	\$0.02	\$0.01	\$0.01
2 BEZEL [block plastics]	(from USD)	\$0.296	\$0.000	\$1.15	\$0.04	\$0.16	\$0.15	\$0.01	\$0.00	\$0.20	\$0.01	\$0.02	\$0.00	\$0.02
2 GRAB HANDLE [block plastics]	(from USD)	\$0.645	\$0.000	\$2.29	\$0.21	\$0.40	\$0.09	\$0.12	\$0.00	\$0.25	\$0.00	\$0.02	\$0.00	\$0.12
2 HINGE ASSY [white industries]	(from USD)	\$0.283	\$0.205	\$0.55	\$0.01	\$0.02	\$0.04	\$0.01	\$0.00	\$0.00	\$0.00	\$0.02	\$0.00	\$0.05
3 HINGE [ellis dynamics]	(from USD)	\$0.103	\$0.000	\$0.73	\$0.02	\$0.03	\$0.06	\$0.00	\$0.00	\$0.07	\$0.00	\$0.00	\$0.00	\$0.02
3 RETAINER CLIP [joseph corp.]	(from CAD)	\$0.041	\$0.000	\$0.31	\$0.00	\$0.00	\$0.07	\$0.00	\$0.00	\$0.03	\$0.00	\$0.00	\$0.00	\$0.02
3 SPRING [metalworks, inc]	(from USD)	\$0.061	\$0.000	\$0.43	\$0.00	\$0.00	\$0.04	\$0.00	\$0.00	\$0.04	\$0.00	\$0.00	\$0.00	\$0.02
2 LAMP ASSEMBLY [aaa products]	(from USD)	\$4.168	\$2.390	\$6.31	\$0.25	\$0.50	\$0.83	\$0.05	\$0.00	\$0.52	\$0.01	\$0.08	\$0.07	\$1.04
3 CONNECTOR [egon electronics inc.]	(from USD)	\$0.281	\$0.000	\$1.00	\$0.03	\$0.05	\$0.09	\$0.10	\$0.00	\$0.11	\$0.02	\$0.03	\$0.01	\$0.10
3 LIGHT BULB/REFLECTOR ASSY [acme elec. incand. bulb]	(from USD)	\$0.924	\$0.661	\$1.89	\$0.01	\$0.01	\$0.26	\$0.03	\$0.00	\$0.03	\$0.01	\$0.04	\$0.00	\$0.12
4 DIFFUSER/LENS COVER [plastiteka]	(from DEM)	\$0.427	\$0.000	\$3.03	\$0.35	\$0.36	\$0.42	\$0.05	\$0.05	\$0.33	\$0.02	\$0.00	\$0.01	\$0.20
4 LIGHT BULB [acme electric bulb division]	(from JYP)	\$0.163	\$0.008	\$1.10	\$1.87	\$2.00	\$6.60	\$5.56	\$0.06	\$2.90	\$0.00	\$0.09	\$0.00	\$13.33

Value Add Costs View

Ovhd Handle/Lamp Assy -Typhoon (LL Bean Opt.)

(all costs in USD)

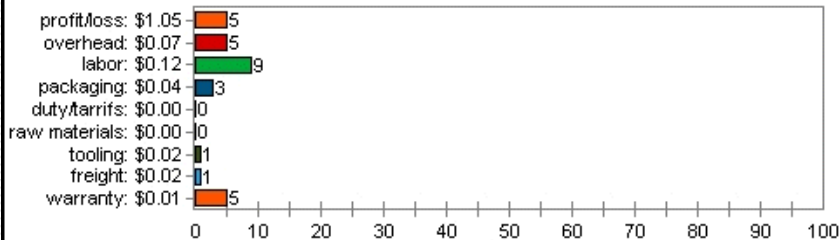
* A row with red lines indicates an Alternative Supplier



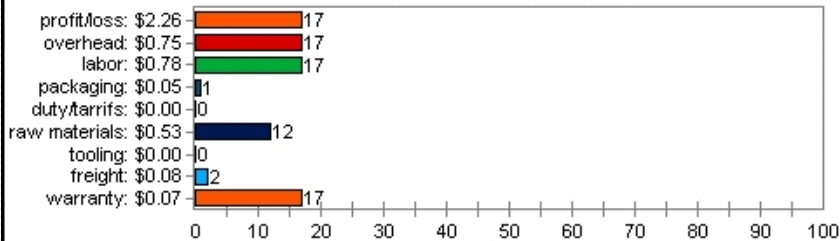
create new/edit existing

Graph

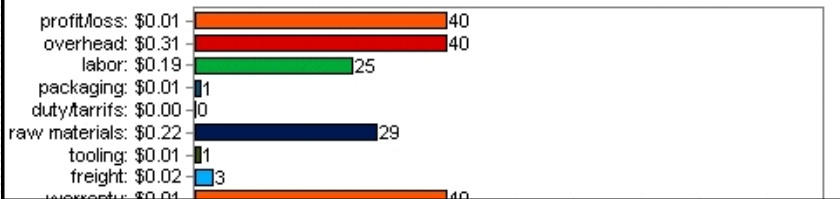
Percent Of Value Add Costs Per Unit



Percent Of Value Add Costs Per Unit



Percent Of Value Add Costs Per Unit

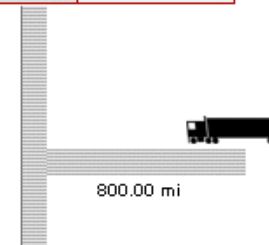


Part Information

0 HANDLE/LAMP SET
[4] (1)
node info: (\$ per unit)
mfg site: coyote
site: motors/landeville jit operations
loc: sterling heights, MI US
price: \$59.950
purch parts: \$58.609
value add cost: \$1.34



1 FRT LH LAMP/GRAB HDLE ASSY (1)
node info: (\$ per unit)
mfg site: landeville corporation
loc: madison heights, MI US
price: \$14.652
purch parts: \$11.042
value add cost: \$4.52



2 BEZEL (1)
node info: (\$ per unit)
mfg site: zelloor injections
loc: macon, GA US
price: \$0.768
purch parts: \$0.000

Necessary, but not sufficient

- ❑ Commercial calculations are essential first step in risk selection.
- ❑ In a vacuum, solely commercial decisions led to vulnerabilities.
- ❑ Witness IP hemorrhages in Asia, Pacific logistics bottlenecks, et al.
- ❑ Intellectual Property (IP) theft, criminal action, terrorism, cyberterrorism, IT and environmental issues must be addressed for risk sufficiency.

Piece part/commercial focus fails to include key Mexican factors:

- ❑ Mexico's \$30 billion USD black market.
 - ❑ \$20 billion from drug smuggling. Balance from kidnapping, protection, bank/casino robbery, prostitution, fake merchandise, arms and gems smuggling and human trafficking.
 - ❑ Felipe Calderón's massive military crack down on Mexico's drug cartels.
 - ❑ Cartel counterattacks.
 - ❑ Resurgence of Marxist EPR, Ejercito Popular Revolucionario (Popular Revolutionary Army).
 - ❑ Restive López Obrador supporters.
 - ❑ Weakness of PEMEX and Mexican oil production.
-

Something is different

- ❑ EPR's "prolonged people's war" has been rejuvenated, able to operate outside their regular southern sphere of influence.
- ❑ Perps, EPR or other, have sophistication to plan, coordinate and execute simultaneous attacks.
- ❑ Blasts occurred at valve stations where different pipelines intersect.
- ❑ PEMEX is sole target to date.
- ❑ Technical capability for broad industrial sabotage.

- ❑ **Tunable Just-in-time Disruption**

ERP and Cartels analogous to al Qaeda-in-Iraq and nationalists

- ❑ **Iraq:** Iraqi Baathists, nationalists and insurgents vastly outnumber the jihadists.
- ❑ When it no longer serves the larger interests, the smaller will be exterminated.

- ❑ **Mexico:** ERP, paid or autonomous, is educating the cartels
- ❑ When it is in the cartels' interest, the ERP can be exterminated or co-opted by a combination of money and force.

Cartel counterattacks

- ❑ Hyperviolence at the low end.
- ❑ Bribery and threats at the high end.
- ❑ Expand control of local state police assets.
- ❑ Cow and co-opt up the judicial chain.
- ❑ Attack the military intelligence community.
- ❑ Attack incorruptible senior judiciary.
- ❑ Co-opt fractious political opponents.
- ❑ Selective state disruption, damaging businesses.
- ❑ Isolate, emasculate Calderón.
- ❑ Failing that, assassinate him.

Missing systemic resilience

- ❑ Virtually all commercial systems (any type, any scale) are designed for commercial efficiency, not security.
- ❑ Building systemic resilience will (must) become both a national and international priority.
- ❑ Resilience to systemic attacks requires redundancies, “circuit breakers,” increased adaptive capacity and automated reactivation.
- ❑ Critical infrastructure industries are increasingly private-sector institutions (who will pay, how?).
- ❑ Resilience will be expensive and disruptive, so we won't do it until it is too late.

Key vulnerability areas

- Three key vulnerability areas in any country:
 - **Pricing model compromise** (tier chain event, supplier outsourcing, subcontracting, etc.).
 - **Data citadel attack** (R&D hives and data warehouses).
 - **Human resources** (HR).

Temporary autonomous zone (TAZ)

- Areas beyond global nation state control:
 - Failed/collapsed states.
 - Chaotic areas.
 - Internet (virtual sanctuaries).
- Staging grounds for operations against “controlled” areas.
- Sanctuaries created as needed in areas without global/state order:
 - Fluid, rapidly shifting locations.
 - Locations resistant to interdiction.
 - Diverse (primarily political), fuzzy tools needed to eliminate.
- Military operations can inadvertently create a TAZ where none existed.
- Long-term issue for nation states, aggravated by cooperative criminal, corrupt actors.

What does work:

Design Basis Threat

- Design Basis Threat (DBT) works regardless of whether the threat is counterterrorism (CT) or Intellectual Property (IP) theft:
 - Asset Value Assessment.
 - Threat/Hazard Assessment.
 - Vulnerability Assessment.
 - Risk Assessment/Risk Management.
- Defines a coherent view of risk tolerance, and a response strategy that interdicts the adversary's preparation, surveillance and collection.
- Beware amateurs using scenario analysis for DBT.
- Scenario-spinning is dangerously omissive, has no end as it has no scope-like business risk statement to bound it.

“Absence of evidence is not evidence of absence”

- ❑ We see skilled firms adopting protection postures involving amateurish methods and unimplementable good intentions, often buttressed by the erroneous belief that US legal remedies are applicable on a global basis.
- ❑ When no legitimate Vulnerability Assessment has been carried out, it is tenuous at best to claim that no threats exist or penetrations have been made.

How will you deal with the assassination of Calderón?

A working example of all-source risk analysis

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