

# 4 STEPS TO CHOOSING PRODUCT AUTHENTICATION PARTNERS FOR YOUR BRAND PROTECTION PROGRAM



## 4 Steps to Choosing Product Authentication Partners for Your Brand Protection Program

There are numerous articles, paper and research reports estimating the size of today's counterfeiting and gray market problem. Although the estimates range in size, we know that the problem is large and vastly widespread around the world. Many of the large global brand owners have been fighting the problem for years, and more and more companies are learning about the problem the hard way - by attacks on their own brands.

The purpose of this whitepaper is to help brand owners who have determined that they need authentication features added to their product for protection. This whitepaper will show you how to evaluate and understand what criteria should be considered when choosing your product authentication.

### Step 1: Understanding and Addressing the Problem

In many cases the criminal elements that are attacking your brand with counterfeiting and product diversion are sophisticated and well-funded organizations. The problem will not go away by simply adding a security label to a product or package, or by doing a limited amount of investigative work.

To effectively address the problem, it takes a multi-faceted approach with a long term goal of managing the issue to an acceptable level; you cannot assume the issue will eventually be completely "cured."

With that said, you can begin by organizing and collecting as much information as possible on the problem. What is the actual or perceived problem, and where is it occurring? How big is the problem estimated to be? This type of information will help justify the time and costs needed to fight it, and provide metrics to measure your progress in the future.

Once you've identified the problem with some understanding, you should lay out a plan of attack with various elements of protection. Be sure to put the appropriate budgets in place for legal, investigation, authentication technologies, training, public relations, and any other related expense.

### Step 2: Finding Authentication Suppliers

Identifying potential authentication suppliers can be a time-consuming task. To start, take a look at your internal sourcing team. There's a chance you may already have a supplier or two on your company's AVL (authorized vendor list) for other non-security related products. This eliminates the hassle of adding a new supplier and you already have history on how the supplier performs as it relates to quality, on time shipping, and product support, among others.



*Product Authentication is a critical piece of a comprehensive anti-counterfeiting strategy.*

Next, turn to related industry groups or trade associations for potential suppliers. Several organizations that might be helpful are the [North American Security Products Organization](#) (NASPO), [International Anti-Counterfeiting Coalition](#) (IACC), [Coalition Against Counterfeiting and Piracy](#) (CACP), [International Chamber of Commerce & Reconnaissance International](#) and the [International Authentication Association](#) (IAA). All of these organizations will have members and/or a listing of companies that offer authentication technologies.

Another area to find authentication suppliers is amongst your competitors or industry focused coalitions. While this might seem strange at first, you'll oftentimes find that the same illegal organizations pirating your brand are also attacking the competing brands in your market. In times like this, it might be beneficial to team with your competitor since the counterfeiter is a mutual enemy.

### Step 3: Screening Authentication Suppliers

There is no shortage of companies in the market today offering security technologies and services; determining which ones to work with can be confusing.

In addition to the security technologies each company offers, here are several key areas you should focus your consideration on in order to set yourself up for success over the long term:

- **Background Checks:** Make sure you understand who you're dealing with and how ethical the company actually is. Do some research to see if there's been any convictions or negative publicity linked to the company or its management team. A strong ethical behavior needs to be the foundation of any supplier you're looking to partner with for brand protection.
- **Financial Stability:** The last thing you want to do as a security director is implement a solution that comes from a financially unstable supplier. Not only could it cause disruptions in your security program, but it could also have ripple effects in your business's overall ability to produce product on time and hit sales projections. Make sure your authentication suppliers are stable, financially strong companies that can survive the turns and twists of today's unpredictable global economy.
- **History / Experience:** The brand protection industry is filled with many newcomers, who are driven by R&D and great product ideas. As a brand owner, you need to be confident that your supplier can produce the new product/technology at the volumes and consistency required to meet your business needs. Make sure your supplier has a proven track record of scaling up new products from lab scale to full production mode - at an acceptable long term price point. Over the years more than a few security technologies have looked promising in the lab, but struggled when commercialization was attempted.
- **Global Reach:** While counterfeiting may be on a larger scale in specific regions of the world, brand owners feel the pain on a global scale. Your security team could be located at your headquarters, yet the problem itself is in a different region. For this reason, it's important to consider your global support needs in your search for an authentication provider. In what regions will you need design, sales and technical support in? Does your supply chain require multiple manufacturing locations and do all those locations meet your security requirements?





*Beware of those that offer a "silver bullet" solution.*

- **Security Controls:** Be careful of becoming too focused around a security technology and not looking close enough at the security controls set up to protect the product supply from illegal access. A criminal will not spend the time and expense attempting to counterfeit your authentication device if they can easily steal it or, for that matter, just order it from your supplier. Don't assume all suppliers have appropriate policies, procedures and physical protection in place that will keep your authentication product safe.

Has the supplier's security infrastructure been approved by other brand owners? Are they open to an audit? Are they certified secure by a third party? Do they outsource any production? What is their scrapping process? Do they have a dedicated security manager position or is that responsibility assigned to someone that already has another full time job? These are just a few of the many questions that should be asked. You need to make sure your authentication supplier is treating your products as if they're printing currency exclusive to your brand.

- **Security Technology Offering and Roadmap:** A warning as it relates to technology providers: be very cautious of anyone offering the "silver bullet" solution. When a provider promises technology that can't be copied, it's probably because they have spent a lot of time and hard work developing the technology - and they're proud of it. But it tells you that the supplier doesn't really understand how smart and funded the organized counterfeiters are. With enough time and money, almost any technology can be copied. If counterfeiters don't have the time and money, they'll typically look to simply "mimic" or simulate the security device first. They will do just enough to get what they need. And if they can't replicate it, it's likely that they will attempt to steal the authentic security feature. Remember, even the best technology in the world isn't secure if the manufacturing and supply chain has limited protection.

As you evaluate different technology providers, make sure to think about your long term needs. Does the supplier have multiple platforms of technologies to offer? Can they provide the solution in a usable format for your particular application? Do they have a roadmap for future generations of products? Do they have options that are appropriate for your needs, or are they a single technology provider and attempting to fit their technology into all applications? Are they open to working with other technology providers you might be interested in using?

- **Long Term Commitment:** Remember implementing a brand protection program is not a short-term process. You cannot implement a solution for 8-12 months and think the problem will go away. Your counterfeiting element will always be looming out there at some level. Your goal is to choose a supplier that can help keep your problem at a minimum with the simplest and most effective countermeasure. Is the company investing in areas that will best serve your future needs? Select the company that you envision being a long term partner in your battle.

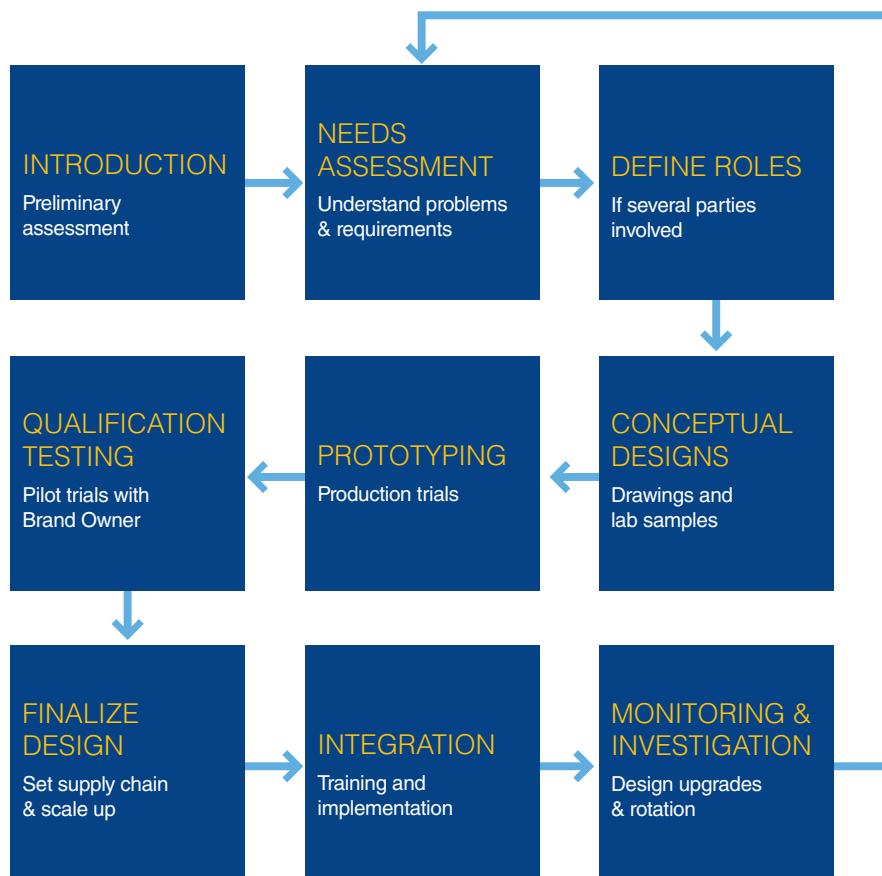
## Step 4: Turning Suppliers into Partners

The ultimate goal for any brand owner is to establish a relationship with your authentication provider where you can turn to them as a trusted business partner and advisor. In addition to providing security products and advice, your authentication partners should be able to provide the following support functions at no extra expense:

- **Analysis of Suspect Counterfeit Product:** If you believe you've found a counterfeit or tampered authentication device, your authentication provider should be able to assist in establishing material composition, identification of possible vendors for the suspect product, and drafting a detailed analysis report.

- Enforcement Support:** Should you require legal and investigative support, the authentication provider needs to stand behind your brand in a court of law. If required, they should be open to providing expert witness affidavits to help prove the authentication of your product line. They should also be able to provide referrals to a trusted network of investigative agencies and legal firms.
- Training Assistance:** Rolling out or maintaining a comprehensive brand protection program can be a daunting task for any brand owner. In exchange for using their products, authentication provider partners should be available if assistance is needed training investigators, customs agents, law enforcement, or internal departments, such as warranty repair centers. If needed, they should also be willing to provide security awareness training or secure order process training to employees or critical parts of your supply chain, such as distributors or contract manufacturers.
- Security Risk Assessments:** As a supplier of security products, your authentication technology provider should already have a strong security protocol in place for protecting the products they produce. Sharing this knowledge in the form of consultative risk assessment assistance could be beneficial for you if used for reviewing your own business and/or supply chains.

- Technology Rotation Planning:** Standard practice is to have a next generation product design ready to go in case the active design is compromised. In addition to having technology rotation ready, an authentication provider partner should also be actively working with you on programs that could add additional value and/or reduce overall program costs. New technology options & design ideas should be part of an on-going dialog between the partners, with the overall goal of not over-engineering a solution and keeping it cost-effective.



Process flow for working with an authentication provider.

## Conclusion

Just a few short years ago, the idea of a formal brand protection program wasn't even on the radar screen of most brand owners.

The counterfeiting problem did not simply appear out of nowhere, but most experts agree that the problem has grown significantly over the past decade due to global outsourcing, the explosion of the internet, highly funded organized crime and terrorist networks, and the availability of sophisticated desk top imaging and printing technologies. Brand piracy has become a very profitable global crime with relatively low risk.

When you determine you need to add authentication features to your products, the screening selection process should be taken very seriously. Although product authentication is only one of the elements that make up a comprehensive anti-counterfeiting strategy, it's a central piece of the overall program. Without strong authentication, the other elements success will be limited at best. Hopefully this paper provided some valuable guidance about the topics to consider when looking for your authentication provider. Turn to a company you can trust and a technology you can depend on.

## About Brady Corporation

Brady Corporation (NYSE: BRC) is an international manufacturer of solutions that identify and protect premises, products, and people. Its products help customers increase safety, security, productivity, and performance and include high-performance labels, safety and security devices, printing systems and software, and precision die-cut components.

Founded in 1914, the company has more than 500,000 customers in electronics, telecommunications, electrical, automotive, aerospace, medical, hard disk drive and a variety of other industries. Brady is headquartered in Milwaukee, WI, USA and employs more than 7,000 people at operations in North and South America, Europe, and Asia/Pacific. Brady's fiscal 2010 sales were \$1.26 billion.

For more information on Brady's Brand Protection business visit: [www.bradyid.com/brandprotection](http://www.bradyid.com/brandprotection) or call one of the numbers below.



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Dennis Polinski is a Senior Industry Marketing Manager for Brady Corporation. Dennis has been with Brady for over 22 years and held a variety of positions in the areas of process engineering, product marketing, account management, new product development, and industry marketing. For the past 8 years Dennis has led business development and marketing strategy for Brady as it became a leading global brand protection solution provider.

Brady is a member of the following associations:



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