1.0 Purpose/Scope

1.1 This procedure defines the Risk Management process and its application at Triad.

2.0 Responsibilities and Authorities

2.1 Top Management is responsible for identifying the Account Manager and Project Team.

2.2 The Operations Manager is responsible for the risk management process for the project and for accepting or rejecting the level of risk for the project.

2.3 The Project Team is responsible for providing input for identifying risks.

3.0 References and Definitions

3.1 Risk: a measure of the inability to achieve overall program objectives within defined cost, schedule and technical constraints.

3.2 Risk Management: the processes concerned with identifying, analyzing and responding to project risk.

3.3 Risk Identification: determining which risks are likely to affect the project and documenting the characteristics of each.

3.4 Risk Analysis: the process of evaluating risk and risk interactions to assess the range of possible project outcomes.

3.5 Risk Mitigation: reducing the likelihood or consequence to acceptable levels.

3.6 Risk Review: CalcuQuote generated task for Operations to conduct risk review/risk management

3.7 Account Manager: primary point of contact for customer regarding project

3.8 Project Team: composed of individuals that identify, respond to and/or mitigate risks associated with the project. Based on the complexity of the project as to whether this requires initiation. The team consists of: Operations, Sales, Infrastructure Management and Production.

4.0 Resources

4.1 As outlined in the procedure 7.1 for Resource management

5.0 Instructions

5.1 Define and Plan the Risk Management Approach

- 5.1.1 Identify the Account Manager
- 5.1.2 Identify the Project Team, when necessary
- 5.1.3 Quote initiated in CalcuQuote which will generate a task for Risk Review.

5.2 Identify Risks

5.2.1 Risks are identified in the following categories:

- Subcontractor Support - a portion of the project is not within the scope of Triad's capabilities and must be subcontracted (outsourcing)
- Capacity - the requested delivery schedule combined with the complexity of the project requires negotiation due to capacity constraints
- Capability - the project requirements may not fit Triad's capabilities or require changes to scope
- Financial - the material required to support the project is financially restricting *or* the customer has not been credit approved
- Product Design/Definition/Support - some aspects of the design, requirements and/or contacts available are insufficient to properly quote the project and require further collaboration with the customer
- Key Characteristics/Critical Item Identification - a requirement of the product or service is *not* standard and potentially requires special handling or a more customized approach in manufacturing, inspection and/or training records
- Other: this list is not exhaustive

5.2.2 Document the risks in CalcuQuote according to the category and submit the details in the open TASKS on the Accelo Opportunity for further review as a RISK:

- Detail the category and brief description of risk identified
- Properly create the TASK for RISK and indicate if the RISK impacts quoting or just order processing
- Copy/paste the link to the updated TASK checklist in CalcuQuote
- Contact project team if risk requires a formal meeting, discussion or is to be considered as a STOP to the quote process

5.3 Assess and Prioritize the risks in CalcuQuote

5.3.1 Rank the identified risk items according to degree of risk (high, medium, low) or quantitatively in accordance with program needs.

5.3.2 Prioritize the risks by risk level and/or impact.

5.4 Develop and Implement Risk Mitigation steps

5.4.1 Risk mitigation steps are detailed by Operations to provide approval; the steps outlined in the Opportunity tasks must be accepted by Sales and the customer in order for the order to be accepted.

5.4.2 If the mitigation steps are not accepted, Sales may negotiate with Operations

5.4.3 Risk owners acknowledge the mitigation steps through the management of the task checklists in Accelo.

5.4.4 For high risks that have no cost-effective mitigation possibilities, there may be a contingency plan or change in scope. The following may apply:

- Contingency tasks
- Decision criteria for implementing the contingency tasks
- Pre-payment terms
- Build and hold first article mandates

5.4.5 The mitigation and contingency plans are submitted to the Account Manager for approval by the Customer.

5.5 Track and Report

5.5.1 Reassessments are executed if a negotiation is necessary. This may involve:

- Identifying new risks
- Reassessing each risk on a periodic basis
- Closing risks as 'accepted'
- Adjusting mitigation plans or developing new mitigation plans
- Adjusting schedules and budgets.
- A report can be created in Accelo for all risks.

5.5.2 Operations and the Project team is responsible for approving all changes.

6.0 Forms and Documented Information

6.1 Forms

None

6.2 Documented information / Related processes

Related Processes:

- 6.0

Documented information:

- CalcuQuote RFQ ID risk assessment/review history
- Task checklists, emails generated at the Opportunity level in Accelo

7.0 Opportunities and Risks

7.1 The planning procedure 6.0 for Planning for the Quality management system addresses opportunities and risks (risk-based thinking).

7.2 Triad makes use of organizational knowledge, lessons learned and experience with the **Risk management** activities to determine the opportunities and risk that need to be addressed and that can:

- Give assurance that the procedure can achieve its intended result(s).

- Enhance desirable effects, and prevent or reduce undesired effects.
- Achieve improvement.