PSP INC. **Precision Swiss Products, Inc.**	Document # **SOP-4.4-002** Revision **1** Effective Date **12/13/23**
Document Title **Escalation Procedure**	Document Type **Standard Operating Procedure**

1. Purpose:

The purpose of the procedure is to ensure unanticipated concerns are resolved in a timely fashion, ensuring a decision is made before it causes impact to production.

2. Scope:

This procedure identifies how to raise a concern to a higher-level of management for resolution, particularly when it cannot be reached at the base level. The procedure documents the approach to concern identification and analysis, and the approach to escalation and how resolutions are documented as necessary.

3. Terms, Acronyms and Definitions:

a. Standard: Process, procedure, or an agreed upon normal condition that is being met in the form of safety, quality, on-time delivery, productivity and other KPI's.

b. Escalation: A concern that is elevated to a higher level of authority. Escalation should only occur when all avenues to resolution have been exhausted at the lowest possible levels without success, in a timely manner described below.

c. Operational Imperatives: A strict hierarchy of essential operational capabilities and functions that the organization requires to achieve its objectives.

i. **Safety** – ensuring that we operate in a safe working environment
ii. **Quality** - ensuring that we produce quality parts to customers as well as regulatory requirements
iii. **On-Time Delivery** - ensuring that we deliver parts to customers within the agreed upon timeframe
iv. **Productivity** – Producing parts at the rate as stated in the router.

d. 5C Process: Concern, Contain, Cause, Corrective Action, and Check to confirm:

i. Event/Concern: Initial problem is identified by any employee when safety, quality, on time delivery or productivity is not to standard.

ii. Containment: Corrective action taken to bring the concern back to standard and contain any other possible areas of concern

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iii. Cause and the 5 Why Process: The process of asking "why" to get to the root cause of the problem. (typically root cause is found in asking why five times or less)

iv. Corrective Action: The solution to the root cause that will eliminate the concern from reoccurring.

v. Check to confirm: Follow up to ensure corrective action is implemented and working.

4. References:

a. Any applicable SOP or DOC that is pertinent to the concern at hand

5. Responsibilities and Authority:

a. Any employee: responsible for identifying the concern and initiating the escalation process when any standard is not met.
b. Leads and Managers: responsible for the first line of escalation when the concern is initiated, and for tracking the progress of any escalated concern, ensuring its completion within the allotted timeframe.
c. Executive Level: responsible for assisting in developing a plan of action and contingency plans when concerns are unable to be resolved within the allotted timeframe.
d. SMRT (Single Minute Response Time) Team: A Team consisting of at least one representative from each department – maintenance, quality, engineering, department lead, etc. Bringing those in who may not seem necessary is at times helpful for another opinion/view.

6. Inputs:

a. Any event or concern that needs to be escalated.

7. Escalation Examples:

a. Anything that would cause a stop in production or where one of the 4 Operational Imperatives are affected. Examples of some listed below:
    - System failure: systemic issue that is or has occurred before
    - Essential facilities/machine issue: Air, electrical, bar feeder, HP unit,
    - Machine issue
    - Tooling issues
    - Inspection equipment/program issues
    - Manufacturing program issues
    - Above 5% scrap on a job
    - Repeat issue occurring
    - Material issues
    - Supply Chain concerns

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- Concerns that could weaken system integrity over a period of time. Problems that can be 'worked' around in the short term but cause significant operational disruption in the long term
- FAI failing 3+ times
- If the job will be short to what is owed to the customer (escalate to CSR's immediately)
- Documentation missing/issues

8. Initiating the Concern and Escalation Procedure:

The timing referenced in the procedure below is not recorded and shall be utilized as a guide.

a. Escalation to Lead/Supervisor:
    a. If a standard in any form (ex: Operational Imperatives, KPI, customer requirement, etc.) is not met, the employee that identified the concern shall have 8 minutes to correct the concern and inform their immediate Team Lead or Supervisor
    b. The Team Lead or Supervisor has 15 minutes to correct the concern.
        i. If the concern is corrected, then they shall document the concern using a Nonconformance Template and provide it to QC for nonconformance entering in the ERP system, if deemed necessary
        ii. If the concern is not corrected in 15 minutes, escalate to the Manager/Director level
b. Escalation to Manager/Director level:
    a. The Manager/Director level has 30 minutes to assist in correcting the concern.
        i. If the concern is corrected, the Lead/Supervisor shall document the concern using the Nonconformance Template and provide it to QC for nonconformance entering in the ERP system, if deemed necessary
        ii. If the concern is not corrected in 30 minutes, escalate to the executive level
c. Escalation to Executive Level:
    a. The Manager/Director shall bring the concern, all information, already attempted fixes and any other possible solution suggestions to the Executive Level. A plan of action shall be developed, and contingency plans reviewed. The Team Lead/Supervisor shall document the concern using the Nonconformance Template and provide it to QC for nonconformance entering in the ERP system if deemed necessary.

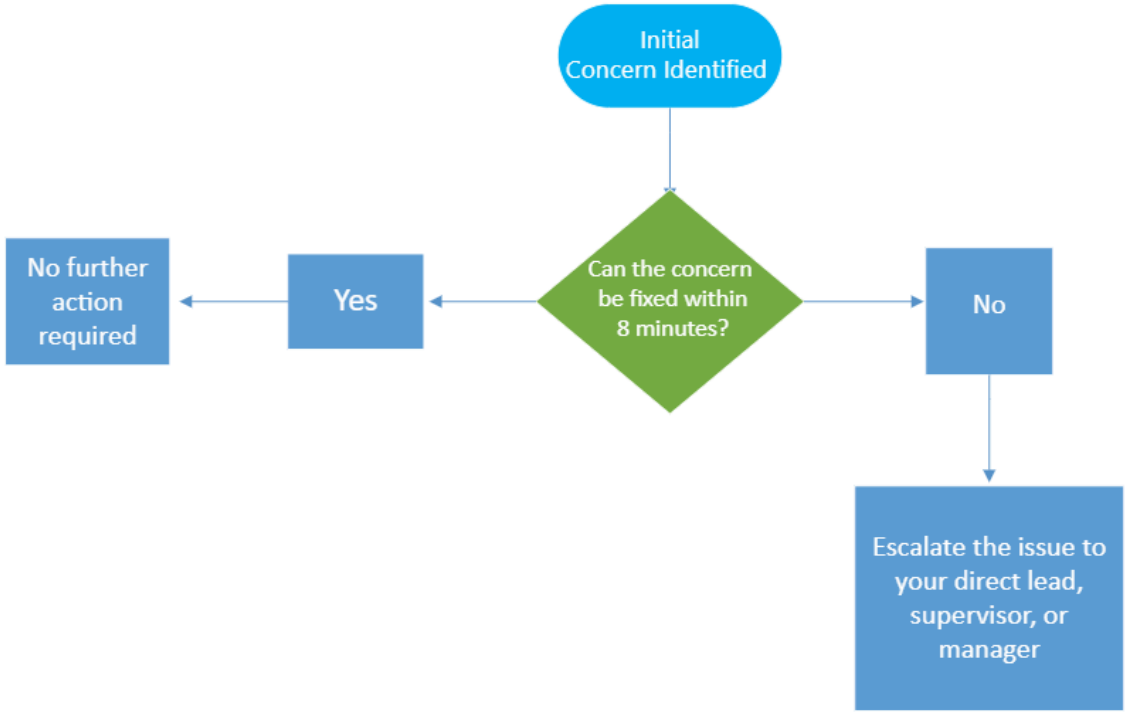
d. SMRT Team may be called upon at any point in the escalation process when necessary

e. Document any necessary process changes in the appropriate location (setup workbooks, tool lists, any QMS documents, etc.) Follow the Change Management Process SOP-4.3-003

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9. **Outputs:**
    a. Resolved concern that allows production to resume back to standard
    b. Possible nonconformance entered into the ERP system
    c. Updated workbooks/instructions

10. Decision Flow Chart:



11. Quality Records:

Record Name	Owner	Location	Record Media
Nonconformance	Lead/Supervisor/QC	ERP System	Electronic

Revision History			
Revision	**Description of Change**	**Approver**	**Effective Date**
1	Initial Release	Daniela Kozar	12/13/23

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