



Supply Chain Risk Management - Jolly Ingredients

The purpose of the risk management analysis and framework is to provide a management tool to:

- ▶ Identify the supply chain risk profile
- ▶ Manage or mitigate risks to acceptable levels
- ▶ Check that risks are identified, monitored, and managed
- ▶ Ensure that staff responsible for managing risks are identified and empowered
- ▶ Review on-going management of risks, and identification of new risks
- ▶ Identify and acknowledge supply chain interdependencies

Common Risk Categories

- ▶ Processes
- ▶ Suppliers
- ▶ Personnel
- ▶ Third parties and sub-contractors
- ▶ Plant and equipment

'Controls' and 'Monitoring Data' Effectiveness Colour Key

Green	=	Effective
Amber	=	Action underway
Red	=	Absent

Risk Category	Key Risks	Likelihood Assess H,M,L	Impact Assess H,M,L	Controls	Monitoring Data	Owner (initials)
Process	Quality control breakdown, leading to recall or loss of customer	L	H	<ul style="list-style-type: none"> • Ingredient specs communicated • Ingredient testing • Staff training re quality • Routine taste testing • Routine in-store checks • PR messages ready • Insurance 	Process to record incidences of QC breakdown Regular review of causes and remedial action	Jim
Sub-contract	Drinks quality control standards fail to match company standards, leading to recall or loss of customer	M	H	<ul style="list-style-type: none"> • Equivalent QC system in place at drinks plant • Proper taste panel procedures in place 	Copies of all QC breakdown reports provided Reports of follow-up on causes and remedial action provided Regular taste panel calibration checks	Kate
Supplier	Loss of production due to ingredients not arriving per order	M	H	<ul style="list-style-type: none"> • Clear supplier terms • Supplier understanding of company needs • Stock policy / levels • List of alternative suppliers 	Delivery fulfilment record Reports on causes of non-compliance and actions taken	Jim & Kate
Supplier	Loss of production due to ingredients not meeting specifications required	L	H	<ul style="list-style-type: none"> • Ingredient specs communicated • Supplier meetings • Ingredient testing • Staff training re quality • List of alternative suppliers • Stock policy / levels 	Process to record quality levels Reports of follow-up on causes and remedial action provided	Kate

Risk Category	Key Risks	Likelihood Assess H,M,L	Impact Assess H,M,L	Controls	Monitoring Data	Owner (initials)
Supplier	Packaging supplier fails to deliver on time or order not placed early enough leading to lost production / sales	M	H	<ul style="list-style-type: none"> • Clear supplier terms • Supplier meetings • Stock policy / levels • Order procedures 	Delivery fulfilment record Reports on causes of non-compliance or late ordering and actions taken	Jim
Personnel	Staff absence leads to lost production	M	M	<ul style="list-style-type: none"> • Overtime and temp staff • Flexible working arrangements • Encouraging good health 	Absence records and causes	Jim Rose Mary
Third party + sub-contract	Orders not delivered on time, not reliable	L	M	<ul style="list-style-type: none"> • Clear supplier terms • Supplier review meetings • Contingency plans 	Customer reports on delivery fulfilment Reports on causes of non-compliance and actions taken	Rose Mary
Plant + equipment	Close down to breakdown of boiler, blast chill, or factory equipment	M	H	<ul style="list-style-type: none"> • Factory maintenance / service plans • Service contracts • 24 hour call-out • Back-up contingency • Insurance 	Record & review breakdowns and costs Reports of follow-up on causes and remedial action Review performance of maintenance contracts Regular review of contingency plans	Jim

Risk Category	Key Risks	Likelihood Assess H,M,L	Impact Assess H,M,L	Controls	Monitoring Data	Owner (initials)
Third party	Disruption of power or water supplies	L	H	<ul style="list-style-type: none"> • Back-up facilities in place or available at short notice • Factory equipped to accommodate back-up services • Knowledge of compensation rights 	Record & review breakdowns and costs Regular review of contingency plans	Jim Rose Mary
Process	Unpredictable order sizes may lead to inability to fulfil order volume	M	M	<ul style="list-style-type: none"> • Sales forecasts • Stock policy / levels 	Customer reports on delivery fulfilment, and action taken	Jim

Summary Supply Chain Risk Profile – No ‘High’ likelihoods identified, therefore over-all risk profile is Medium

