

SUPPLY RISK ASSESSMENT REPORT FOR E. X. Ample Engineering

Scope and Objectives

As requested we have performed an online risk assessment of your Site based at 9 Risk Avenue, Milton Keynes, UK. Our assessment consists of a three stage process to identify risks within the inbound supply base and processes. Stage one focuses on the internal activities within the site. Stage two reviews 150 primary suppliers and their processes, whilst stage three focuses on secondary suppliers where there is limited spend or deliveries.

For the purposes of this report the review was Stage 1 only.

Comments and Recommendations

In the interests of brevity only matters needing management attention are highlighted. All items reported on are classified as either:

Red – High risk and requires focus in the short term

Amber – Medium risk and will require management action in the medium term

Executive Summary

Stage 1 – Internal Assessment

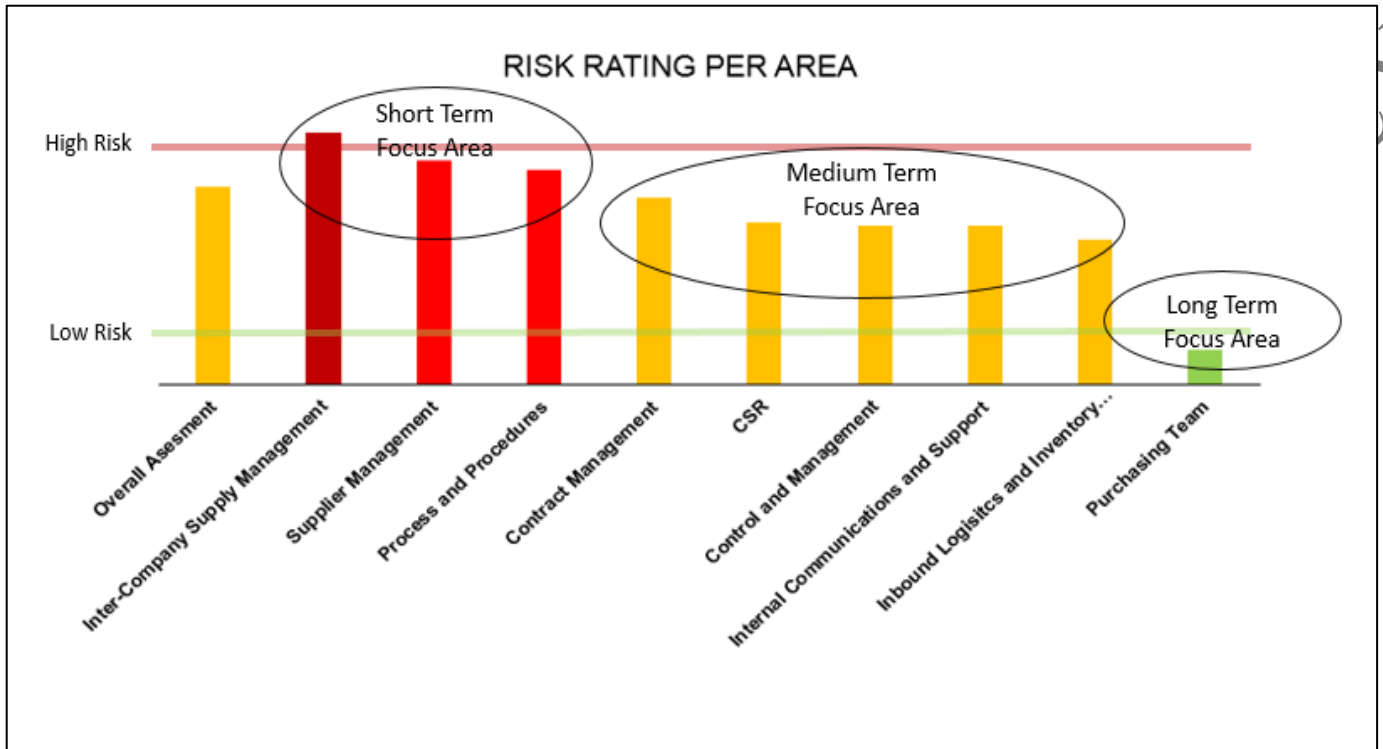
The assessment submitted by 1 respondent has identified E.X. Ample’s inbound supply process as an overall **medium risk**. It is important to note that although the risk is identified as medium it is in the upper percentiles of medium closer to **high risk**. Notwithstanding being a medium risk the assessment highlighted high risk areas.

Internal Assessment - E. X. Ample Engineering

Overall Assessment Result			
		Response percent	Response total
High risk with inbound supply	<div style="width: 0%; background-color: #FF0000; height: 10px;"></div>	0%	0
Medium risk with inbound supply	<div style="width: 100%; background-color: #FFA500; height: 10px;"></div>	100%	1
Low risk with inbound supply	<div style="width: 0%; background-color: #008000; height: 10px;"></div>	0%	0

[Export Graph](#) Statistics based on 1 respondents;

Below is a summary of the 9 categories and their status reflecting the areas which should be prioritised. Further detail is provided as per Schedule 1, highlighting the potential risks to E. X. Ample Engineering.



Conclusion

We would like to extend our appreciation to those involved for their assistance and co-operation afforded to us during the course of the assessment. The ASM team can help you with the implementation of the recommendations, in addition to various adaptable templates and pre-designed processes ready to be implemented, please refer to our website www.asm.solutions.

Roy Lloyd
Managing Director

Chris Allison
Operations Director

Schedule 1

Assessment Observation	Risk	Recommendation
Inter-company Supply Management		
<p>IC suppliers are not managed in accordance with a formal supplier management process.</p> <p>There is no documented SLA in place with IC suppliers.</p> <p>IC suppliers are not managed according to the same rigorous quality parameters as external suppliers.</p> <p>The lack of control is exacerbated by the poor delivery performance of IC suppliers - <85%.</p>	<p>Manufacturing interruptions and financial losses owing to failing to meet committed delivery dates and quality expectations.</p> <p>Inability to hold IC suppliers accountable to agreed deliverables and improve poor delivery performance.</p> <p>Unable to recover any losses/compensation sustained.</p> <p>Impact to customers and reputational damage to you as a supplier.</p>	<p>A formal contract and SLA should be implemented for each entity outlining the expectations and deliverables. Include penalties for poor performance, although they are the same company they will be different profit centres.</p> <p>The IC supplier should be invited to attend regular SRM meetings documenting their current performance.</p> <p>As with any the external suppliers they should be given the opportunity to improve their performance.</p>
Supplier Management		
<p>Limited focus on supplier quality.</p> <p>A disconnect between Quality and Purchasing with regards to management of supplier quality.</p> <p>Mean Time Between Failures (MTBF) is not tracked to monitor supplier and component quality.</p> <p>Supply of rejects is not trended to identify underperforming suppliers or delivering questionable quality.</p> <p>New suppliers do not go through a QA approval process.</p> <p>No formal procedure to ensure credit or replacement product is received for defects/returns.</p>	<p>Questionable supplier or materials used in manufacturing processes.</p> <p>Quality defects only identified at point of use, even worse by your customer.</p> <p>Continued delivery of inferior materials if supplier is not informed they are not meeting required specifications.</p> <p>Limited compensation from suppliers for supply of defect products.</p> <p>Inventory Business interruption.</p>	<p>Management should encourage Quality be included in an SRM program and attend the regular meetings.</p> <p>Combine supply chain and quality supplier audits.</p> <p>Purchasing and Quality should jointly develop a process to inspect, trend and manage reject materials.</p> <p>A supplier onboarding process should include a section covering supplier quality expectations, which is reviewed and signed off by Quality.</p>
Corporate Social Responsibility		
<p>Corporate social responsibility is not well communicated through the business.</p> <p>It is unknown if there is a CSR strategy.</p> <p>No formal policies on bribery & corruption and anti-slavery in place.</p> <p>Carbon footprint of the supply chain is not measured and trended.</p>	<p>Viewed not to support sustainability of society and the environment.</p> <p>Unable to present supporting evidence of CSR if requested by customers.</p> <p>Potential exposure to penalties for any non-compliance.</p>	<p>Management should consider developing a CSR strategy to promote their commitment to sustainability of both society and the environment.</p> <p>In certain countries it is regulatory to have policies and procedures governing this.</p>