

The information in this presentation is related to BNC 1004, Project Risk Management along with many other processes that we maintain

# Managing Risk



# RISK MANAGEMENT

- ▶ Our typical risks are:
  - Injury
  - Financial loss
  - Customer dissatisfaction
  - Employee dissatisfaction
  
- ▶ We cannot eliminate risk completely so we need to manage and reduce risks whenever/however we can

# RISK MANAGEMENT

- ▶ We use many tools to try and manage our risk:
  - Site Hazard Evaluations
  - Ergonomic Evaluations
  - Confirmations
  - Job Change Records
  - Project Set Up/Project Kick Off
  - Work Instructions
  - Training
  - Project Audits
  - Detailed and ongoing written communication with the customer

# RISK MANAGEMENT

- ▶ In the field, employee safety must be evaluated constantly, and all issues reported immediately
- ▶ Projects are evaluated using the Risk Matrix
  - RED – high risk
    - Requires diligent monitoring (lots of audits)
    - Work instructions must include best practices and be evaluated frequently
    - Strive to remove/reduce the item(s) that trigger RED
  - YELLOW – medium risk
    - Frequent audits
    - Work to remove/reduce the item(s) that trigger YELLOW
  - GREEN – low risk
    - Weekly audits

# RISK MATRIX

RISK MATRIX	RED	YELLOW	GREEN
New Customer Location	Less than 30 days	30 - 90 days	Over 90 days
# of New Inspectors (<30 days)	More than 25% of inspectors	Less than 25% of inspectors	None
Frequency of Changes	Daily	Weekly/Occasional	Monthly/Rare
Customer Communication	Poor	Decent	Excellent
Subjectivity	Requires high scrutiny with subpar resources for decision making and/or frequent changes in criteria.	Resources for decision making available but still requires some judgement from inspectors.	No judgement required, good resources for decision making
Type/Size/Location of Defect	Large number of defects or difficult to see in current conditions	Several defects and/or several locations.	Limited defects in specific locations, easy to see with naked eye or with tools provided
Environment	Environment is detrimental to sort performance	Concerns with workspace that should be improved	Good workspace. Lighting, noise, forklift traffic acceptable.
Unique Factors*	Unique factors that cannot be managed to ensure performance	Unique factors manageable with audits, personnel, training, etc.	No unique factors affecting sort
<b>ACTIONS REQUIRED</b>	<ul style="list-style-type: none"> <li>• Notify OM &amp; RM &amp; Team</li> <li>• Perform Project Set-up w/i 24 hrs</li> <li>• Audits required as follows:               <ul style="list-style-type: none"> <li>○ Supervisor – weekly min</li> <li>○ Lead on site – each shift min</li> <li>○ OM/RM – week one min</li> </ul> </li> <li>• Work instruction addresses RED item, implement best practices</li> <li>• Inspector calibration daily</li> <li>• Remove RED item</li> </ul>	<ul style="list-style-type: none"> <li>• Notify OM &amp; RM &amp; Team</li> <li>• Audits required as follows:               <ul style="list-style-type: none"> <li>○ Supervisor – weekly</li> <li>○ Lead on site – each day</li> <li>○ OM/RM – week one</li> </ul> </li> <li>• Inspector calibration where needed</li> <li>• Work instruction addresses YELLOW item, implement best practices</li> </ul>	<ul style="list-style-type: none"> <li>• Weekly audits</li> </ul>
*Unique Factors include but not limited to:	<ul style="list-style-type: none"> <li>○ Witness marking, especially use of paint pens</li> <li>○ Difficult part tracking or labeling or packaging</li> <li>○ Easily mixed parts</li> <li>○ High demand or pressure, including line side jobs and other rate requirements</li> </ul>	<ul style="list-style-type: none"> <li>○ Manual force that is difficult to measure or standardize between inspectors (hitting with hammer, pushing/pulling to verify condition)</li> <li>○ Technique dependent, can include use of gauging or tools</li> <li>○ Rework</li> <li>○ Known escapes on similar projects or recent escapes with customer</li> </ul>	

# And, Finally...

- ▶ Following all our processes helps us reduce our risks
  - Skirting our processes increases our risk
- ▶ Using best practices improves our performance
  - Ignoring best practices increases our risk
- ▶ Keeping your eyes and ears open helps us identify risks
  - Not communicating what you hear/see increases our risk



Click on the button below to take the quiz for this session.

QUIZ