



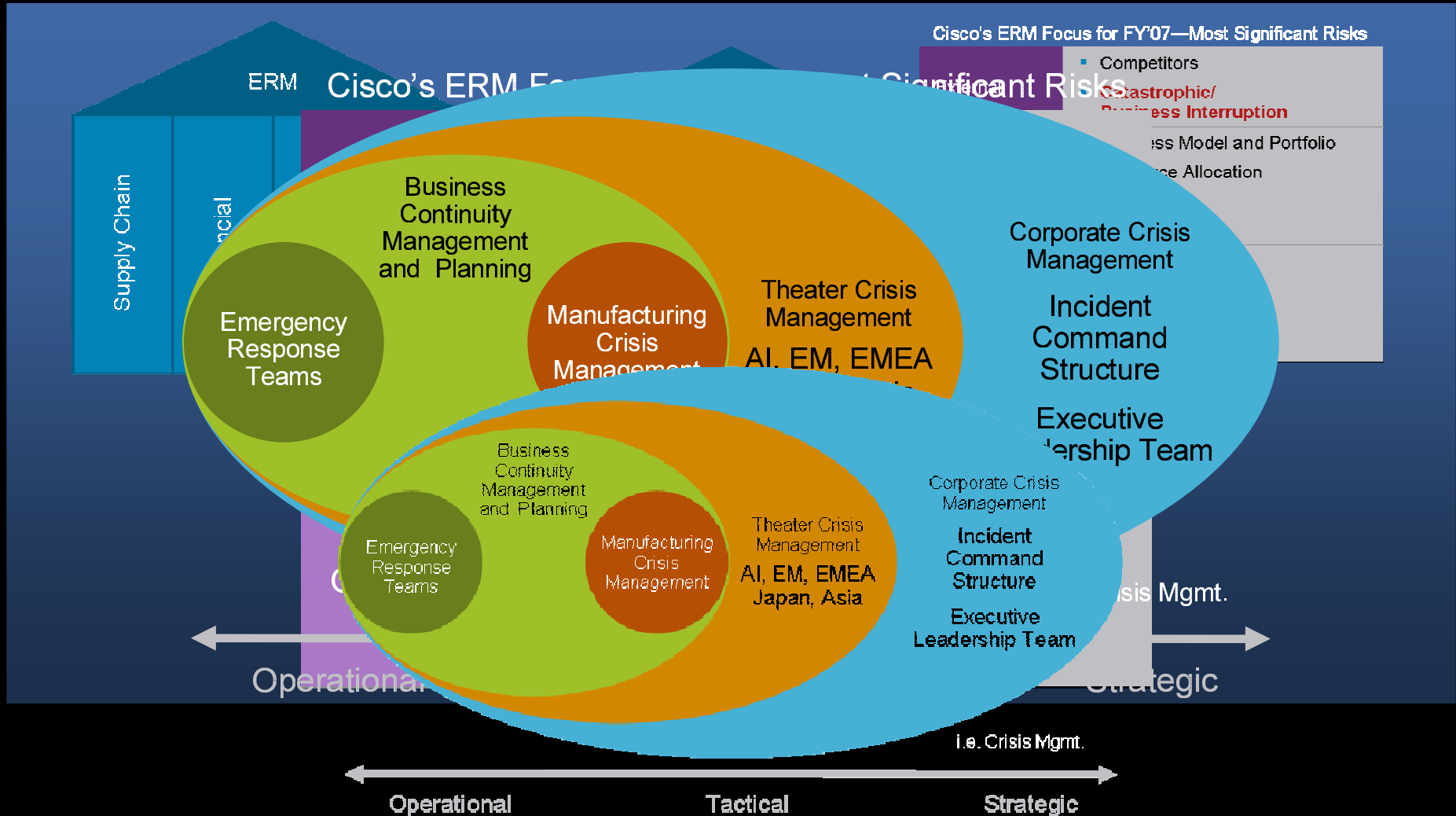
Supply Chain Risk Leadership Council (SCRLC)



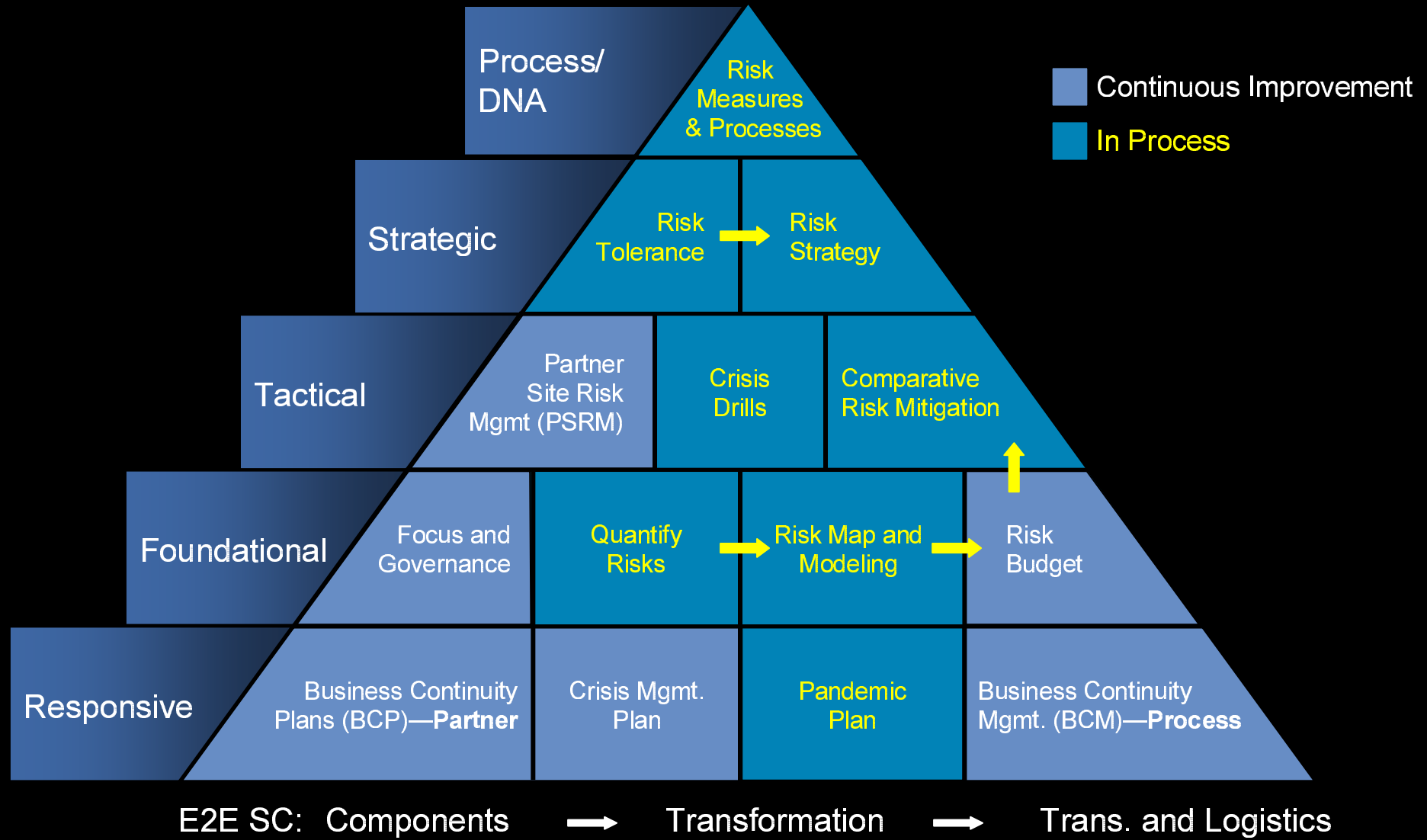
**Edward Erickson,
Sr. Manager, Supply Chain Risk Management**

Oct. 26, 2006

Supply Chain Risk Mgmt.— Integral to Cisco's Enterprise Risk Mgmt.



Supply Chain Risk Management Focus



SCRM^x—Self Assessment

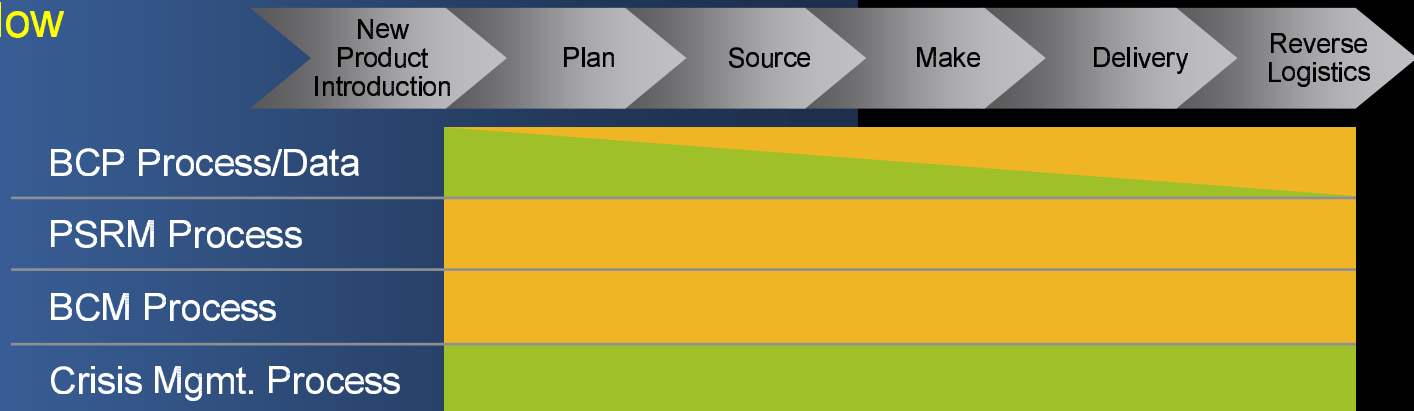
Foundational

- Team
- IT support
- Mgmt. Support

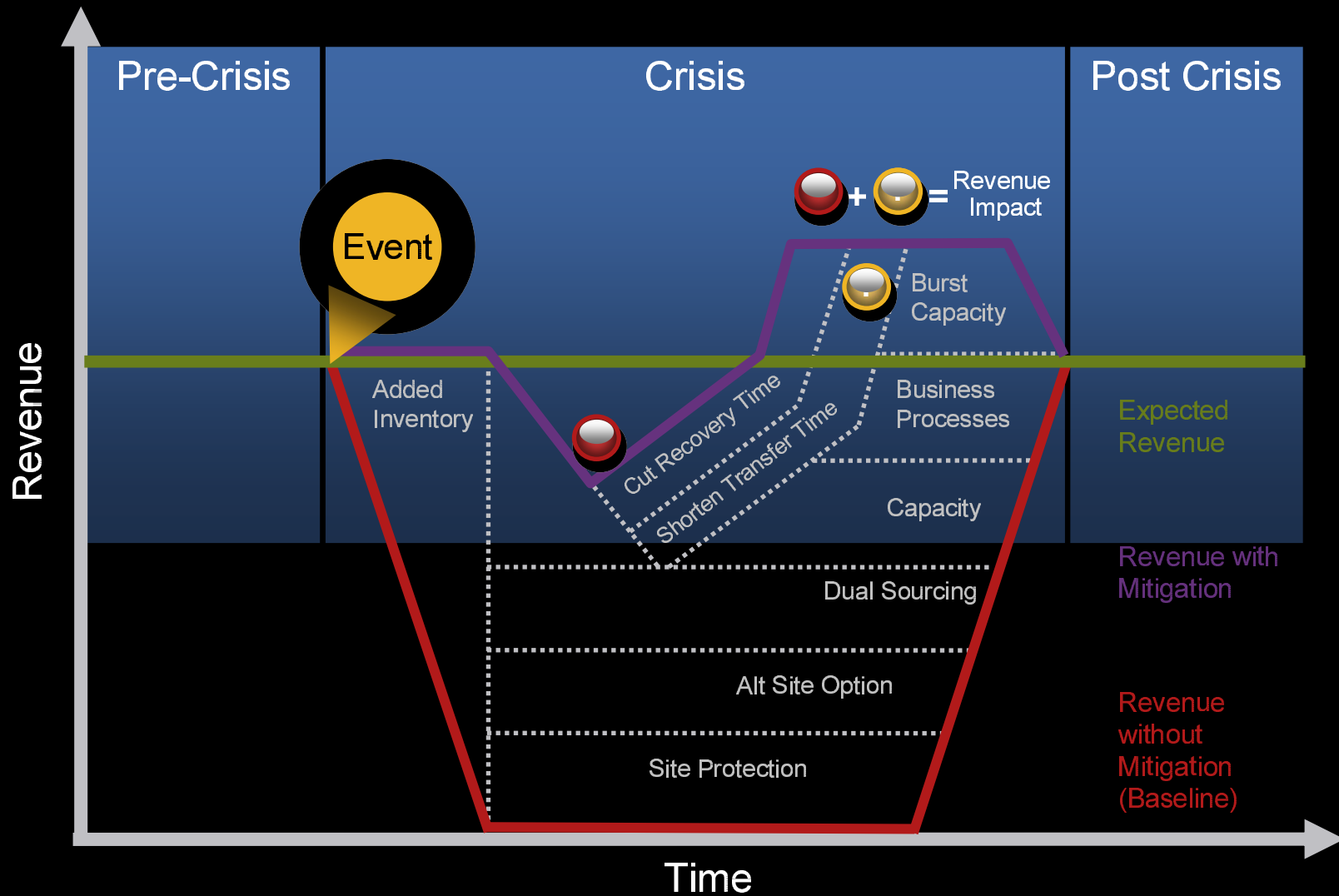
Product Flow

	Components	Transformation	Trans. and Logistics
Risks ID'd			
Plans Defined			
Risks Mitigated			
Evaluate			

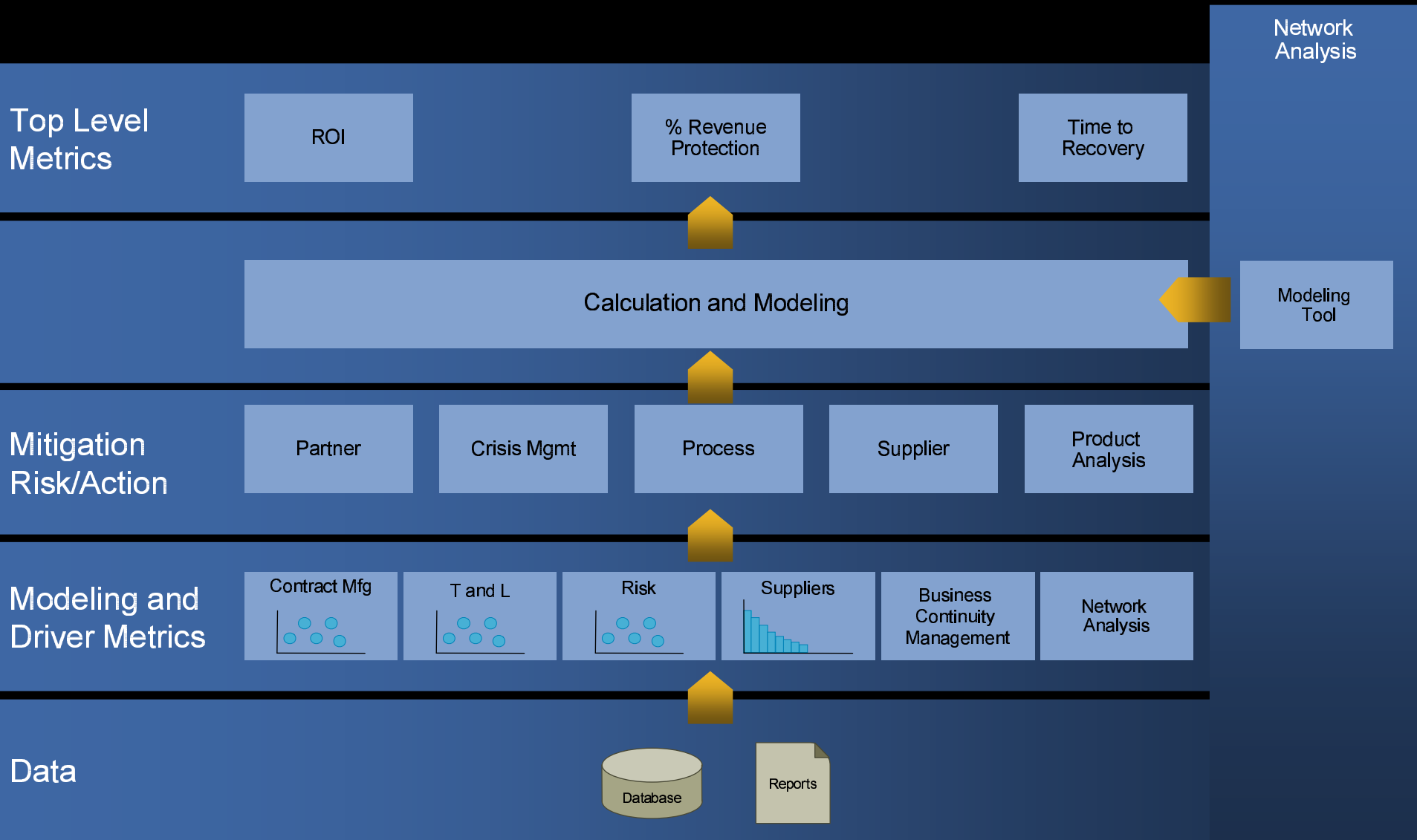
Information Flow



Crisis Response Curve

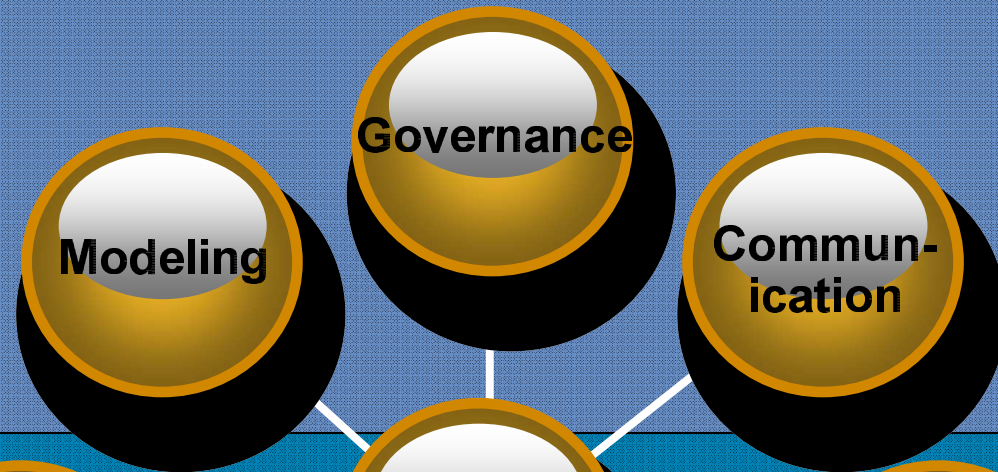


Alignment to Measurable Value



Comprehensive Supply Chain Risk Management Approach

Foundational



Functional

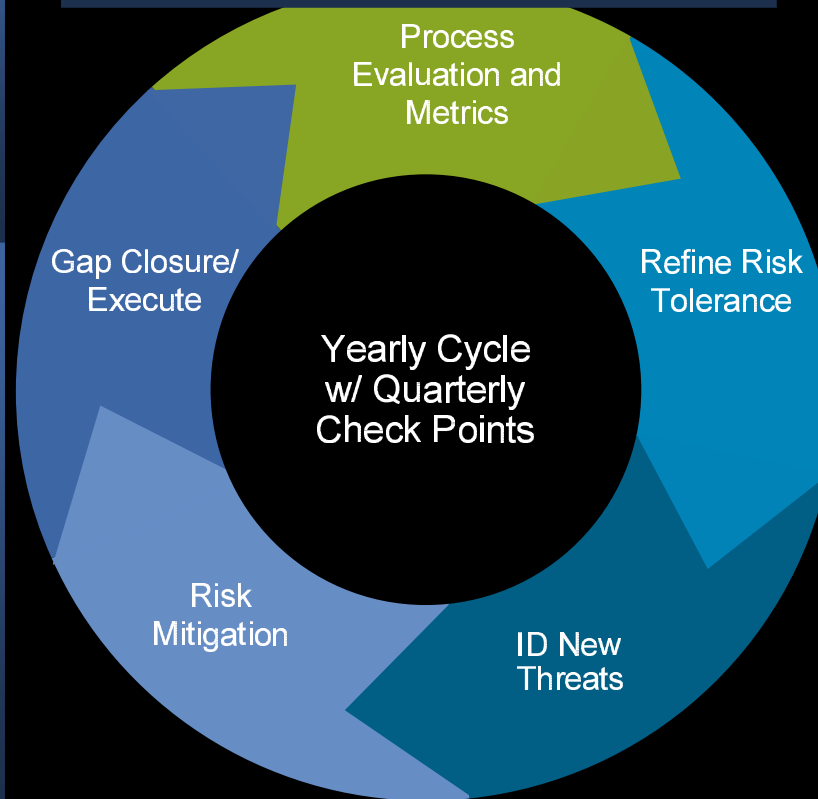


SCRM^x End-State Vision

- Apply resources, funds, etc. according to plan

- Review with Supply Chain Strategy Board
- Incorporate any new declarations

- Refine Risk threshold
Proactive (long-term)
Reactive (short-term)
- Review Budget



Mitigate Risks
Transfer Risks
Avoid risks
Accept Risks

- Assess feasibility of options based on budget, capabilities and resources
 - Reduce Probability
 - Reduce Impact
- Prioritize based on initiatives

- Incorporate new risks into risk library
- Review and update probability of occurrence
- Determine impact of risk events
- Create Risk Map

On Our Minds...

Challenges, Issues, Concerns, Questions:

1. How to show ROI if an incident doesn't occur
2. How far is too far to go with analysis and modeling? Is "gut feel" just as good?
3. Appropriate resources for team—financial risk experts vs. or PhDs vs. experienced mfg ops?
4. If you can't mitigate every risk, does mitigating any of them help? (e.g., if you put in appropriate sprinklers but don't get rid of the piles of pallets in the corner, are you protected?)
5. How much of a burden can you put on your suppliers wrt to business continuity planning, drills, contracts, etc.? Is this now included in the "cost of doing business"?
6. Is there any way to plan for government actions (including "over-reaction"), e.g., SARs travel limitations, 9/11 shut down, etc.



