

Press Release

For Immediate Release

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Risk Solutions International Launches Vendor Continuity Assessment (VCA)

(September 7, 2006, New York, NY)— Risk Solutions International LLC, a premier independent provider of operational risk consulting solutions, today announced the release of the latest addition to its suite of Automated Assessment Tools— Vendor Continuity Assessment™ (VCA). The VCA is a comprehensive third-party validation of the operational resilience of the upstream supply chain of retailers, distributors, and manufacturers. It helps domestic companies use the Web to audit their global vendors' ability to withstand natural and man-made incidents that interrupt vendors' ability to deliver on time – perhaps the least controlled and most pervasive risk in the supply chain.

As supply chains become extended globally— and into increasingly less stable source countries— leading companies are turning their attention to the vulnerability their vendors face from natural and man-made disasters that interrupt the predictable flow of goods. These incidents can include raw materials delays, production snafus, shipping incidents, weather disasters, dock strikes, terrorism or port closures, for example. Risk Solutions International believes that responsible risk management – essential to good corporate management – suggests the need for competitive companies to introduce a visibility program to independently assess that exposure.

We believe that understanding the risks that suppliers face in getting merchandise to domestic factories and distribution centers on time is a sign of mature supply chain risk management (SCRM) practices. Gaining visibility can help U.S. companies plan and manage around the inevitable problems that their global suppliers face from a growing mix of risk exposures that threaten production and sales.

“Risk-conscious manufacturers and retailers need visibility into the operational resilience of their vendors to ensure that *vendors'* potential disasters do not become a costly stock-out, missed selling season or production interruption,” explained Neil Kaufman, Global Business Continuity Practice Leader at Risk Solutions International. “With ever tighter merchandising calendars, lean manufacturing and just in time replenishment practices, goods that fail to arrive on schedule can ruin the financial performance of the quarter. Supply chain problems have recently staggered Airbus Industries, as they did to Erickson some years ago when they lead to a fatal shortage of mission critical chips...Erickson no longer sells cell phones as a result.”

Risk Solutions International developed the Web-based Vendor Continuity Assessment program (VCA™) to aggregate and analyze detailed responses and supporting documentation from companies' global suppliers about their business continuity and disaster recovery capabilities and practices. It also provides visual “heat maps” of the weak links in the disaster preparedness of companies' supply chain - by product category, country or port of origin, port of entry, transit line, type of risk (political, pandemic, etc.)

The result is a highly actionable management “dashboard” that graphically depicts companies' global supply chain risk profile. Users (risk managers, production managers, supply chain chiefs, procurement departments and buyers) can “drill down” into supplier detail to understand the nature of the risk, so the vendor can remediate the exposure. The tool can add analytic engines to automate the examination of documentation that vendors attach to their assessment surveys and calculate the economic value-at-risk within the supply chain, so risk managers understand the financial impact of a catastrophic interruption.

“We built the VCA tool with Prism eSolutions, a leader in automated compliance assessment systems,” said Scott Corzine, Senior Vice President of Business Development at Risk Solutions International. “It incorporates standards from the International Organization for Standardization (ISO), the Disaster Recovery Institute International (DRII) and the Business Continuity Institute of London (BCI). VCA is built on a highly secure AICPA-approved Web platform that gives companies high confidence in the assessment process.”

“With the Vendor Continuity Assessment tool,” Kaufman added, “Risk Solutions International can help retailers and manufacturers create and impose business continuity standards on their suppliers to mitigate exposure to *their* upstream risks. We help them identify and address the exposures in their supply chains, as part of the right-to-audit agreements which companies should maintain with their key vendors. We also help vendors address how they will plan and manage around foreseeable emergencies and interruptions in *their* operations - from factory to distribution center – to satisfy the standards being set for them by their U.S. customers. The tool helps our clients address these risks with their suppliers *before* they affect the bottom line.”

Risk Solutions International LLC provides a full range of business continuity, emergency response, crisis management and supply chain assessment services. The company provides its clients with best practice solutions and thought leadership for assessing, mitigating and managing the impact of their operational risk. Risk Solutions International practitioners are highly experienced thought leaders who have achieved the highest levels of professional recognition. They maintain active certifications from the leading industry associations and boards and are members of key industry standard setting groups. Additional information on Risk Solutions International LLC can be found at www.rsi-llc.com.