

BUSINESS RISK & OPPORTUNITY MATRIX

	Description of Issue WWRD is seeking to Address (including mega trends)	Business Risks Posed to WWRD by Not Dealing with This Issue (including legal and regulatory, financial etc)	Likelihood: Unlikely/possible/likely/almost certain	Impact: Minor/moderate/major/critical	Business Opportunity for WWRD in dealing with This Issue	Outline of Activities In Place Now	Likely Future Initiatives/Plans	Specific activities planned and timescales
Key Environmental Issues								
Issue 1	Identification of WWRD's key environmental issues and raising management awareness and understanding.	Risk of prosecution and fines. Bad publicity	Possible	Moderate	Management and other stakeholder recognition of the benefits of an effective environmental management system to an international standard.	Progressing 14001 implementation. Training a team of 'Sustainable Champions' to City & Guilds Level 2	Continuous improvement of segregation & recycling on site. Undertake projects which will drive the agenda for our environmental performance, e.g. benefiting from research opportunities from local university students.	Full implementation of ISO 14001 by end December 2015. 3rd party certification during 2016.
Issue 2	Climate Change / Global Warming.	Ineffective management of energy. Inability to set KPIs. Non-compliance with future regulatory requirements.	Possible	Moderate	Reduction in greenhouse gas emissions from use of electricity & gas, transport etc. Establish and manage WWRD's carbon footprint. Potential for cost reductions from more efficient resource use.	Timers on boilers. PC controlled on/off system on compressed air systems. Installation of 3 different sizes of compressors, selected to match output. Improvement of loading on furnaces by approx. 45%.	Development of new manufacturing, office and retail facility at Barlaston. A building energy management system will be installed enabling us to have better control of energy use. Employee education programme. Decentralising the hot water to provide instant hot water where needed rather than a central tank. Passive infra-red sensors on storage areas and toilets. Daylight sensors in offices.	New manufacturing, office and retail facility completed by end March 2015.
Issue 3	Air/water/land pollution emanating from our operations including storage/disposal of waste hazardous materials (solvents, aerosols, chemicals, etc) and non hazardous waste (cardboard, etc)	Risk of prosecution and fines. Bad publicity	Unlikely	Moderate	Reduce potential liability. Potential for cost reductions, e.g. from recycling.	Waste management system in place as part of QUENSH	Identification of new initiatives in conjunction with ISO 14001 implementation. Developing the team of 'Sustainable Champions' who will focus on projects for waste minimisation, reducing our carbon footprint and educating our colleagues.	Full implementation of ISO 14001 by end December 2015. 3rd party certification during 2016.
Issue 4	Depletion of Natural Resources - over consumption of electricity, gas, water and the exhaustion of non-renewable raw materials	Increased costs, unavailability of key raw materials	Unlikely	Critical	Reduced overheads	Measuring energy use from on-site OPUS system, obtaining half hour meter readings. Timers on boilers. PC controlled on/off system on compressed air systems. Installation of 3 different sizes of compressors, selected to match output. Improvement of loading on furnaces by approx. 45%.	Development of new manufacturing, office and retail facility at Barlaston. A building energy management system will be installed enabling us to have better control of energy use. Employee education programme. Decentralising the hot water to provide instant hot water where needed rather than a central tank. Passive infra-red sensors on storage areas and toilets. Daylight sensors in offices.	New manufacturing, office and retail facility completed by end March 2015.

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Key Workplace Issues								
Issue 1	Accident rate	legislative, reputation, employee retention, insurance	almost certain	minor	Reduce accident rate and associated lost time, reduce liability, fewer personal injury claims, lower Employer's Liability insurance premiums	implementation of QUENSH. Behavioural safety improvements through employee education and participation e.g. safety inspections. Hazard spotting and reporting.	ISO 18001 implementation; effective Health & Safety Management System to an international standard. Continue employee education programme	retraining all manufacturing employees in hazard spotting in last quarter of fiscal 2015.
Issue 2	Ageing workforce. In the past the economic climate drove redundancies and headcount reduction therefore no recruitment took place. This has meant succession planning hasn't been undertaken. Also the removal of the default retirement age means WWRD cannot plan for retirements.	Knowledge and skills cannot be replaced and it is increasingly difficult to fill critical roles. Productivity levels might reduce due to an older and less physically fit workforce. Notice period for manufacturing is 1 week therefore a replacement cannot be recruited in time to fill the role without a lengthy gap. Higher costs of healthcare and insurance. Work rotation to ameliorate occupational health risks is problematic.	almost certain	moderate	To replace our ageing workforce by recruiting the next generation of crafts people whom our current skilled workforce can pass the "tools of the trade" on to. To continually provide opportunities for employees to enhance their skills which will help with business improvement.	Speak to employees about retirement as part of appraisal process, discuss the possibility of flexible working and part-time working arrangements. Utilise the new equipment being implemented within Project 281 i.e. scissor lifts to help improve the health & well being of our employees.	Recruit apprentices, undertake succession planning. Continue to raise awareness of roles available in the ceramics industry in schools and colleges by participating in CSA activities.	Build a 5 year rolling plan, reviewed annually, to identify skill shortages and, as a consequence, recruit apprentices
Issue 3	Recruitment and retention	A shortage of job applicants with the necessary skills to work in the ceramics industry, therefore, it is increasingly difficult to fill vacancies. The area and/or the industry is not currently seen to be a good place to work.	almost certain	moderate	Provide apprenticeship schemes and encourage young people to consider all routes into the industry by working with schools. To attract new employees from outside the region. To ensure WWRD is an employer of choice.	Recognise the value of apprenticeships. Promote internally for career advancement. Upgrade skills by providing the opportunity for continual development through utilisation of funded schemes i.e. LEAD. Attendance at school open days and careers fairs. Membership of the Ceramic Skills Academy to promote and raise awareness of the ceramics industry. Participation in salary benchmarking, Terms & conditions standardisation to ensure the market rates/benefits are offered to new candidates.	Promote the pleasant working environment e.g. green travel plans to encourage people to want to work for WWRD. Use the fabulous facilities created by Project 281 to make this a great place to work and, by participating in the long term vision outlined in the Stoke on Trent Community Strategy which will improve the infrastructure of the City including the transportation system. Provide benefits seen to be "good practice"..	To implement 2 surveys in each of the next 2 years and, annually thereafter, to track the impact of the green travel plans.
Issue 4	Increased workplace hazards resulting from the Project 281 redevelopment.	Increased risk of accidents from uncontrolled hazards.	likely	minor	Risk assessment of relocated plant and equipment.	Risk assessments under way to effectively manage risks	Ongoing programme of risk assessments.	full risk assessment of all plant & equipment during relocation in 2015. New H&S instructions issued to all employees in 2015
Issue 5	Employment law/pay and reward	WWRD employees come from various legacy companies with different terms and conditions. This brings risks of: Equal pay claims, Disparate terms e.g. holiday entitlements, Risk of discrimination claims	likely	major	Cohesive employee structure aligned to business objectives with unambiguous and consistent terms of employment, aligning and benchmarking salaries leads to greater staff satisfaction, reduced litigation, improved working conditions and a fairer working environment.	Process of standardising terms and conditions, benefits etc. commenced. Pay and benefits benchmarked.	Continue to align terms; staff attrition will gradually remove issue.	Ongoing

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Key Marketplace Issues								
Issue 1	The need to supply the Marketplace with safe and 'fit for purpose' product.	Risk of causing injury to person or damage to property. Increase in customer complaints and customer dissatisfaction. Potential loss in sales.	possible	moderate	Maintain customer safety and satisfaction. Protects the integrity and value of the Brand and assures the supply of high quality product to the Markets. Avoids costs of customer complaints or litigation for damages.	High Quality product is imperative to the Brand. All Company quality and technical specifications are clearly defined & available on a live Portal which is accessible to all suppliers. A program of ongoing product testing and inspection ensures compliance with these standards. It ensures that the customer receives product of the appropriate high quality and that it is fit for purpose and safe.	To continue to closely monitor kpi's around customer satisfaction such as quality credits and customer complaint trends. Target set within annual objectives to further reduce quality credit levels.	Objective to reduce quality credits to less than 0.085% of sales by end March 2015
Issue 2	Social & Ethical Sourcing Practise	Negative publicity from Brand association with any exposed unethical sources / factories.	unlikely	major	Moral & ethical responsibility as a major sourcing organisation. Avoidance of negative publicity.	The business operates a SEDEX system of social & ethical compliance. All sources are SMETA audited regularly & monitored for compliance with ETI base code of conduct.	To continue to monitor and improve on supplier social & ethical scores. Setting of kpi targets within objectives for improvements in supplier social & ethical compliance.	To maintain a minimum of 90% compliance for Sedex issues.
Issue 3	Compliance with Lead & Cadmium Regulations (Proposition 65) and in doing so to minimize the number of product requiring Prop 65 notification. (Prop 65: All products above a certain level of lead & cadmium must be warned at point of sale in the State of California).	Any infringements could lead to costly litigation from state officials, individual consumers or 'bounty hunters'.	unlikely	major	Avoidance of excessive fines / costs	A number of initiatives in place to challenge the amount of lead containing product within the product offering:- Development program underway to establish a non-lead cut & acid polished glass; unleaded crystalline is now a significant factor in the product range; flexibility of tank conversion from lead to unleaded melt built into furnace designs; all ceramic new product launches over the past 8 years have been lead free and as such do not required the Proposition 65 warning requirement. This program is supported by a series of repeat testing of all patterns and formulations. Lead crystal & a very limited number of ceramic patterns require warning notice – this is managed by annual retail reminders and dispatch shipper documentation notifications to direct Markets.	To continue with the testing program ensuring notification provided where required. Continuation of the development of non lead cut acid polished glass and increased non lead product offerings.	Continue with the development of non lead cut acid polished glass and increased non lead product offering.
Issue 4	The need to provide the customer with clear and consistent information at point of sale. Barcode labels are at the primary interface with the customer. It is critical that information is relayed clearly, consistently and compliant with all relevant regulations.	Consumer confusion. Potential loss in sales. Potential non compliance chargebacks from key accounts. Potential fines or penalties for legal non compliance.	likely	moderate	Opportunity to present product data to the consumer in a clear accurate and legally compliant manner in line with the high quality expectations of the Brand.	Project in progress to apply a standardised format to all barcodes globally and provide all sources with direct access to live and accurate barcode data. New label format is fully compliant with all sales regions legal requirements.	Scheduled launch for all outsourced product Oct 2014. Plans to roll out to all homesourced facilities by April 2015	Scheduled launch for all outsourced product by Oct 2014. Plans to roll out to all homesourced facilities by April 2015
Issue 5	The need to measure and monitor the Company's' ability to meet the expectations of the Marketplace. Supplier performance is a key factor in customer satisfaction, both in terms of service and product quality.	Not meeting customer's expectation in both product quality & service levels with subsequent loss in sales. Not identifying & addressing areas of poor performance, lost opportunity for Sales growth.	likely	moderate	High levels of customer satisfaction with strong customer loyalty. Protection of the integrity and value of the Brand. Increased sales.	Vendor performance scorecards have been developed to monitor supplier's on an ongoing basis. The following key metrics are in place: Quality, Delivery, Commodity, New Product. A 'Likert Rating' is outlined to ensure appropriate action is taken when necessary. All vendors have visibility of their scorecards via the Supplier Portal. They also have visibility of their rankings in the overall vendor league tables. This is a key motivator and is a measure of ultimate customer satisfaction.	Continuation of the supplier scorecard process with further development of Supplier interaction with annual Supplier Day's and workshops.	Ongoing

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Key Community Issues								
Issue 1	Diminished talent pool, especially with regard to the key skills required by the ceramics industry. Young people are not aware of the opportunities available in what is perceived as a dying industry.	By not addressing the misconceptions of the industry, the talent pool will diminish even further; with the ultimate risk being that if no-one can be attracted into the industry, as employees retire the skills are lost as is the ability to create the goods. The unique skills which cannot be transferred to a machine will be lost and prestige manufacturing would be transferred abroad.	Likely	Moderate	By promoting the opportunities and emphasising the skilled craftsman element, create more talent, put income into the local economy through pool of workers	Chamber of commerce - promote area in general & WWRD specifically. Careers fairs targeting occupational training for people straight from school. Young Enterprise a company programme for 15-19 year olds, giving 12 months experience of business. Waterford trainees - career change and career opportunity across the age spectrum to secure and widen the skills base	Continuing to support the community activities outlined above. Working with schools, colleges and other organisations to identify and embrace other similar opportunities to ensure that the talent pool continues to be addressed.	On-going
Issue 2	Stoke-on-Trent is classed as a 'sick city', with the highest level of obesity in Europe, a third of the city population is classed in the 10% most deprived in England.	People chose to move away from the area and migrate to areas perceived as more 'pleasant' and because of the 'sick city' reputation it becomes difficult to attract the right calibre of person to work for WWRD.	Almost certain	Major	Highlighting WWRD as a pleasant and socially aware place to work.	Provision of 5 acres of grounds for sports and leisure facility: - football pitches, cricket field, bowling, fishing lakes, - maintenance of meadows, footpaths and woodland walks - promoting team playing opportunities and healthy sport activity in a managed environment	Building a company gymnasium, potential for that to be opened to local residents. Promotion of cycling to work & car sharing. Building indoor cycle store for safe and dry storage of employee's cycles and outdoor clothing. Planning new menus for the staff restaurant to include healthy eating choices. Staff Health and fitness days in January to promote general fitness awareness, healthy eating & healthy lifestyle. Provision of a modern working environmental	<i>Staff Health & Fitness days by January 2015. Gymnasium, indoor cycle store, new menus by April 2015.</i>
Issue 3	Impact to local economy of loss of WWRD as a key local employer in its entirety. Further weakening the economy and the local income generated by employment, third party suppliers and connected businesses throughout the wider Staffordshire area.	WWRD would go out of business unless it moved its operations overseas and 250 years of local and national history would be lost.	Unlikely	Major	Strengthen local economy, continuing and additional employment.	Regeneration of manufacturing and office buildings, land, creation of 100+ new jobs through successfully securing Regional Growth Fund finance and partnering with commercial property developers.	Developing local economy, continue to keep buoyant, local relationships, travel agents. Promotion of Museum and new visitor attraction bring in money and employment opportunities, space for 3rd party shops.	<i>creation of additional new positions from the new Barlaston manufacturing, office & retail facilities</i>