

<div>Module 1</div> <div>Section G: Risk Management</div> <div>Term</div> <div>Contingency planning</div> <div>APICS CPIM Learning System © 2025</div>	<div>A process for creating a document that specifies alternative plans to facilitate project success if certain risk events occur.</div>
<div>Module 1</div> <div>Section G: Risk Management</div> <div>Term</div> <div>Failsafe work methods</div> <div>APICS CPIM Learning System © 2025</div>	<div>Methods of performing operations so that erroneous or faulty actions cannot be completed. For example, a part without holes in the proper place cannot be removed from a jig; a computer system rejects invalid numbers or requires double entry of transaction quantities outside the normal range. Syn.: failsafe techniques, mistake-proofing, poka-yoke.</div>
<div>Module 1</div> <div>Section G: Risk Management</div> <div>Term</div> <div>Redundancy</div> <div>APICS CPIM Learning System © 2025</div>	<div>1) A backup capability, coming either from extra machines or from extra components within a machine, to reduce the effects of breakdowns. 2) The use of one or more extra or duplicating components in a system or equipment (often to increase reliability).</div>
<div>Module 1</div> <div>Section G: Risk Management</div> <div>Term</div> <div>Resilience</div> <div>APICS CPIM Learning System © 2025</div>	<div>In the supply chain, the ability to return to a position of equilibrium after experiencing an event that causes operational results to deviate from expectations. [It] is increased by strategically increasing the number of response options and/or decreasing the time to execute those options. [It] is improved by risk monitoring and control.</div>

Module 1
Section G: Risk Management

Term
Risk acceptance

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A decision to take no action to deal with a risk or an inability to format a plan to deal with the risk.

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Risk avoidance

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Changing a plan to eliminate a risk or to protect plan objectives from its impact.

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Risk management

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The identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

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Risk mitigation

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Reducing exposure to risk in terms of either its likelihood or its impact.

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Risk register

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A report that has summary information on qualitative risk analysis, quantitative risk analysis, and risk response planning. This register contains all identified risks and associated details.

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Risk tolerance

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An organization's or stakeholder's readiness to accept a threat or potential negative outcome in order to achieve its objectives.