Standard Operating Procedure (SOP)

Escalation Process for Critical Vendor-Related Issues

This SOP defines the **escalation process for critical vendor-related issues**, detailing the step-by-step procedure for identifying, reporting, and escalating urgent vendor problems. It includes criteria for issue classification, communication protocols, roles and responsibilities of involved personnel, timelines for each escalation level, and resolution tracking. The objective is to ensure timely and effective handling of vendor-related emergencies to minimize operational disruptions and maintain service quality.

1. Purpose

To outline the process to quickly identify, report, and escalate critical vendor-related issues, ensuring swift resolution and minimal operational impact.

2. Scope

This SOP applies to all employees interacting with external vendors whose performance impacts core business operations.

3. Definitions

- **Critical Vendor Issue:** Any vendor-related problem causing or likely to cause significant disruption to business operations, service quality, or compliance obligations.
- **Escalation:** The process of raising an unresolved issue to higher management or an alternate team for urgent attention and resolution.

4. Criteria for Issue Classification

Severity Level	Description	Examples
Level 1: Critical	Issues causing total service outage or regulatory breach.	System downtime, data breach, contract violation
Level 2: High	Issues significantly impacting services but with workaround available.	Performance degradation, missed SLA
Level 3: Moderate	Issues with limited impact, minor service interruption.	Minor delays, miscommunication

5. Roles and Responsibilities

- **Issue Reporter:** Identifies and documents the issue; initiates the escalation process.
- **Vendor Management Team:** Reviews the issue, contacts vendor, assesses urgency, and manages initial resolution steps.
- **Escalation Manager (Supervisor/Dept Head):** Makes decisions on further escalation, communicates with vendor leadership, and involves executive management if needed.
- **Executive Sponsor (if required):** High-level liaison with vendor's senior management for critical cases.

6. Escalation Process Steps

1. **Identification:** Any employee witnessing a vendor-related issue should immediately report it to the Vendor Management Team using the incident report form or system.
2. **Documentation:** Clearly log issue details (date/time, description, impact, actions taken, persons involved).
3. **Initial Assessment:** Vendor Management Team classifies the issue severity and confirms if escalation is required.
4. **First-Level Escalation (Level 1):**
   - Contact designated vendor representative within 1 hour.
   - Request remediation and set a timeline for resolution.
   - Notify internal stakeholders (IT, compliance, etc.).
5. **Second-Level Escalation (Level 2):**
   - If unresolved within agreed timeline, escalate to Vendor Management supervisor and vendor management.
   - Increase frequency of status updates (every 2 hours).
   - Document all communications.
6. **Third-Level Escalation (Level 3):**

- If still unresolved after 6 hours or as determined by business impact, escalate to Executive Sponsor and vendor's senior leadership.
- Consider invoking contractual penalties or alternate vendor processes.
- Communicate to executive management and critical stakeholders.

7. **Resolution & Closure:**
   - Document the root cause, corrective actions, and lessons learned.
   - Update incident log and inform all relevant parties of closure.

7. Communication Protocols

- Use official communication channels (email, incident management system, call tree).
- Maintain written records of all messages and decisions.
- Provide regular status updates to stakeholders as per escalation timeline.

8. Timelines for Escalation

Escalation Level	Response Time	Escalation Timeframe
Level 1	Within 1 hour	Escalate if unresolved in 2 hours
Level 2	Immediate	Escalate if unresolved in 4 hours
Level 3	Immediate	Escalate to executive level after 6 hours or as dictated by impact

9. Resolution Tracking

- Maintain an issue log documenting status, actions, assigned personnel, and resolution details.
- Review and update issue status at each escalation level.
- Compile lessons learned and recommendations for process improvement post-resolution.

10. Review and Continuous Improvement

- Quarterly review of escalation incidents and process efficacy.
- Update SOP as needed based on feedback and incident outcomes.

11. References

- Vendor contracts and service level agreements (SLAs)
- Incident Management Policy
- Company Communication Policy