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Katalin, the Principal Engineer of TechPro Plus has had over 20 years of experience working in the engineering field for a number of manufacturers, both nationally and internationally. A highly knowledgeable engineer with strong capabilities in; industrial design, quality assurance, product compliance, expert witness, troubleshooting and process improvement, Katalin is experienced in offering unique, innovative and practical solutions to deliver exceptionally successful outcomes for clients.

Maximising revenue through Product Compliance and Product Safety – Part One

Product compliance and product safety is the responsibility of everyone supplying goods to consumers. Whether you're a manufacturer, a distributor or an import/export company you are legally accountable for compliance of the product you supply. By putting it on your shelves, you are declaring that the product complies.

It is often a huge shock when a company that genuinely believed their product to be compliant, discovers that it isn't. The impact of accidental non-compliance can have serious consequences for companies, resulting in damage to marketplace reputation, significant legal costs, non-compliance penalties, compensation pay-outs, loss of customers and ultimately a direct impact on the bottom line.

This two part article will discuss possible ways accidental non-compliance can occur, methods of effective prevention and ways to minimise risk. We will also look at the compliance checklist and information to retain for compliance purposes, as well as possible ways to limit liability.

In this new era of social media, non-compliance news has the ability to circulate extremely quickly and could cause greater damage than in the past when news circulation was much slower.

Ensuring product compliance will provide your organisation with confidence and peace of mind; enabling you to focus on running your business. Other benefits may include the potential to minimise waste and reduce re-work, decrease stress and frustration for employees, and ultimately enhance business performance and create a stronger brand identity.

Working on prevention of non-compliance is critical, but should you discover non-compliance the key is to act early. Engaging a technical expert in partnership with a lawyer is a smart move, especially if the product has already left site.

So how does accidental non-compliance happen?

Often it starts with a product that is compliant. It has been tested and has all the appropriate design documentation. Then gradually and quite unintentionally the quality of the used materials or workmanship decreases. Sometimes companies substitute parts, either to save cost, or because the original supplier no longer exists. From the outside the part looks the same, so doesn't require re-testing and everything continues as normal. However, a number of small alterations could mean the product is no longer compliant. The danger is that often nobody realises this until something happens, and by then it is too late. Regular monitoring can prevent this from occurring!

Accidental Non-compliance is a ticking time bomb and not addressing it could put your company at risk.

Obviously the last thing any manager wants to worry about is the potential for a ticking time bomb to go off. Their focus is to get on with business, meet budget, manufacture, sell, innovate and acquire new products. Nobody wants to worry about compliance of products that are already on the shelves, or form part of their standard offer. The million dollar question then is how to future proof product compliance to ensure it is permanent, in the most effective way to provide peace of mind to all stakeholders?

Part two will explore some possible solutions but first let's take a look at the four most likely scenarios where accidental non-compliance can be discovered and the impact and implications.

1. Catching it before it leaves your site

Perhaps a Quality Assurance check has revealed an issue or your observant despatch person notices that something is potentially non-compliant and raises the alarm. Of course this situation could result in an upset customer or could cost you penalties. Of all the possible scenarios however, this is potentially the least serious.

- Preventing the non-compliant product leaving your premises is the best course of action.
- If possible, fix the product, manufacture a new compliant product or obtain a compliant product elsewhere, from your competitor if necessary. If that isn't possible, apologising to the customer and cancelling the supply of the product is a far better option than releasing something which could damage your company's marketplace reputation.
- As Engineering Manager for one of Fletcher's Companies, I was on my way to talk to the salesman in our yard. As I walked past a ready for despatch item, I noticed something didn't look right. Upon closer inspection I discovered the product was not up to spec and prevented it from being despatched. This did not make me the most popular person at the time but in the end everyone was thankful, as the company's reputation remained intact and we avoided further consequences.
- In almost all cases, if non-compliance is addressed early, the cost spent on coming up with a reliable and ongoing compliant product is recovered within a few months of production, and after that you will be on your way to reaping the benefits.

2. Catching it before it is installed or used

This option requires an observant and cooperative customer or installer, who halts the installation process and contacts you when they notice something that does not seem right with the product. This scenario could damage your image but overall the cost and reputation implications are significantly minimised if you manage this situation using the same approach as previously mentioned.

3. It is already installed/been used and it does not perform

Imagine the discovery of thousands of non-compliant \$10 items which have already been cast in concrete. The project is delayed, penalties may be pending, the heat is on and your customer

wants it fixed yesterday. The cost implications of fixing this are huge and as a supplier you may need to:

- Dedicate a staff member to manage the matter, reducing their ability to do their own work
- Find a solution, potentially engaging an expert to assist
- Supply, install and pay for the solution

In the meantime, your reputation could be damaged which has the potential to be a long term issue. If you avoid arbitration or a court case in this scenario, you could consider yourself very lucky.

4. The product is installed/used, doesn't perform and it has damaged a property or harmed a human being

This is every company's worst nightmare. I am sure I don't need to detail the implications here however it is fair to say that the potential repercussions are enormous.

We will detail ways to avoid or manage any of the previously mentioned scenarios from happening, in the second part of this article.

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