

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 Two**

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.

In the first part of this article we examined possible ways accidental non-compliance can occur. The second part will discuss the compliance checklist, information to retain for compliance purposes and possible ways to limit liability in the event of accidental non-compliance.

Accidental non-compliance could have a huge financial impact and has the potential to damage marketplace reputation. Ultimately the aim is, to have a long-term compliant product which is produced/sourced in the most economical and reliable way. So let's touch on some possible ways to achieve this.

#### **1. Follow Documented Processes**

- It is essential you create and document each step of the production process.
  - Let's imagine we are a chocolate cake baking business. We have high class customers and to keep them satisfied, we need to bake the same quality cake each time.
  - To do that we will need to document the recipe and the process, taking note of every detail such as:
    - All ingredients, their weight and the supplier they were sourced from
    - Order they were added to the mixture
    - Time and temperature of baking
  - We also need to ensure consistency to satisfy our customers. To do that, we sample a small piece of cake to check for things like:
    - The height, weight, colour and flavour
  - Once we have created this process, we need to fine-tune it until it gives us a perfect cake each time. Then we use it consistently.
- Using this chocolate cake model, you can document the exact production process for each product you produce. This will give you confidence that by simply following the process, the "recipe" you will get a compliant product each time.

## 2. Testing and Quality Control

- Tests should be performed to the relevant Standards and/or client's specification as applicable
- Optimising the type and timing of Quality Assurance checks could minimise the production of rejects and rework which could positively impact your company revenue
- Consider having Quality Assurance checks:
  - At the beginning of your process, checking the raw material or parts supplied by others
  - During production, especially in areas where it could go wrong and most importantly
  - At the end of production, before it leaves your hands
  - Consider checking all aspects of your production, including the design, if applicable.
    - In my experience, if your product does not meet the relevant design standard, the statement "This is how we have always done it and never had an issue" will not stand up in a court of law
    - Standards can change, so check if your design is still up to date
    - Consider getting an external peer review for your design to mitigate your risk exposure

It is also critical that you retain all relevant documentation; including every test, material certificate and a record of all communication to back up your case. It could be problematic trying to source and gather all the information after something has gone wrong.

It is wise to engage an in-house or an external person to perform regular Quality Assurance checks to ensure on-going compliance. It is important the Quality Assurance is independent, for example use peers, supervisors, managers or somebody from another department. In other words, somebody qualified other than the person who manufactured the item. During my time as the Engineering Manager at Fletchers, I created a hold point process, where production could not proceed without the designer's sign off as compliant. This simple check point process was fast, reduced rework, frustration and increased product margins. As a bonus, manufacturing staff got hands on training, which was greatly appreciated. For larger jobs, consider using an independent outside Quality Assurance person as well. This can mitigate your risk exposure and back up your credibility.

### How do you safeguard your business if you are a Retailer or Distributor?

- As mentioned earlier, just by putting the product on your shelves, you are declaring that the product complies.
- Using the previous model, you can create your own pre-purchase/pre-distribution product Quality Assurance check-sheet. You could employ an independent testing agency to carry out the tests, or you can check it yourself. It is not wise to rely solely on the supplier's Quality Assurance. In my opinion you don't need to inspect every item. A sensible number of randomly selected spot-checks could give you a reasonable level of confidence about the compliance of the supplied product.
- For peace of mind, it is important that you have every confidence in your supplier or manufacturer. A good, detailed supplier selection/approval process can help you with compliance.

### **What do you need to comply to?**

- Apart from relevant Standards, Government or Health and Safety regulations, you are required to comply with your Clients and/or your own specification.  
It is wise to ensure you are only making statements which your product can fulfil. You should get your technical staff and a technical expert, such as a technical witness to scrutinise claims and follow up with a lawyer to ensure your quotes and marketing material conform.
- Be mindful that by submitting your quote, you are automatically agreeing to comply with the whole tender or the enquiry. This is always the case, unless you state or declare that you will not be complying with some of their specifications. It is advisable to get your technical person to go through the client specification or tender document to ensure you can meet their specifications.
- If you have no in-house technical person, it is sensible to outsource it. It could save you, in some cases, millions. I was the technical witness involved with one job, where a small number of non-compliant \$26 items resulted in a lengthy legal process costing hundreds of thousands of dollars in rectification and liquidated damages due to a missed sentence in the supply agreement.

### **Speed is of the essence when managing a potential non-compliance issue**

It is important that you keep all relevant correspondence including the tender, your offer, contracts, material certificates, batch numbers and time of purchase. As soon as you think there is a potential issue start documenting events and engage a technical expert along with a lawyer. A technical expert can look for ways to save the situation, assist you with damage control and explore valid technical arguments which could be used positively in the litigation process. In most cases a technical expert, in partnership with a lawyer, can save you more money than having a lawyer only.

In a recent case we were able to carry out some urgent testing on a product, and as a result we avoided the product recall, which saved the company money and kept their reputation intact. We redesigned the product, which greatly improved product safety. As a result of our fast and comprehensive action, my client was not jeopardised and the product is now widely sold.

The key points to take away from this article are:

- Prevention is better than the cure.
- Act early and engage a technical expert in partnership with a lawyer.
- Take action as soon as you discover non-compliance, especially if the product has already left your site.

TechPro Plus provide a range of services relating to product compliance and safety; including product re-design, Quality Assurance checks, product trouble shooting and failure investigations and technical expert support.

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