

DUE DILIGENCE: PROVIDING BACK UP TO PRODUCT SCRUTINY

In today's frantic business climate, manufacturers and retailers are increasingly under pressure to ensure that finished products, their associated manufacturing processes and the ethics of the companies involved in the production and supply chain will stand up to scrutiny from a wide variety of angles.

Scrutiny may come from a number of different sources, with similar aims in mind including:

Trading Standards	As part of a routine check or investigation of a complaint
Competitive Manufacturers	challenging product claims
Consumer Groups	Which" magazine and other user interest groups, particularly where aspects of safety may be involved.
Consumers themselves	Complaints, questioning regarding business ethics etc

The Increasingly Discerning Consumer

Long gone are the days when consumers put up or shut up about faulty or disappointing goods. They have always had the power to avoid further purchases of goods, this probably being the original driving force behind manufacturers ensuring consumer satisfaction, but these days, consumers are wiser and ever more demanding.



Factors contributing to this include:

- **Recently Increased consumer rights across the EU relating to the *Sale of Goods Act* regarding redress on faulty goods**
- **High expectations of product quality, particularly with branded goods**
- **Consumer concern for business ethics – e.g. exploitation involving child labour and low wages**
- **Concern for environmental effects – global warming, deforestation etc**
- **Concern regarding testing and toxicity of products (Eco-friendliness to humans)**
- **A "blame culture" encouraging litigious challenges against manufacturers and retailers**

All of these factors are contributing to heightened concern from suppliers of consumer goods to examine the way in which they work.

Standing up to Scrutiny

Many larger retailers and manufacturers are addressing concerns regarding environmental impact and ethical trading and publicise their schemes, often via company web sites. This not only allows them to demonstrate their commitment to such concerns but may also give them an upper hand in terms of marketing advantage.

The Principle of 'Due Diligence'

In order to maintain control and confidence in the ability to stand up and demonstrate product's "fitness for purpose" and a commitment to product suitability, aside from the usual quality control procedures, companies may in addition chose to adopt a "Due Diligence" approach. Carried out correctly, this can provide a way of demonstrating that adequate consideration has been given to a product to ensure that it has been tested to live up to its expectations as well as its legal requirements.

A manufacturer should take a proactive stance in adopting and implementing procedures to provide an adequate system of finished product assessment, which should include random testing. The aim being that this will adequately ensure that goods are not only produced to any required legal standards, but that they also meet consumer expectations in terms of ongoing fitness for purpose throughout the product's useful lifetime.

Many private sector consumer textile goods, such as bedding and towelling, do not require mandatory testing and in this case may not be routinely tested to ensure that customer expectations are likely to be met throughout the useful lifetime of the product'.

Additionally, a product may meet the adequate safety and general fitness for purpose criteria in its unused state, but does this mean that it will fully meet consumer expectations? For instance has its useful lifetime been established? If it looks nice to start with but falls to pieces after a few washes, or bleaches in the sun it may not be fulfilling the needs of the end user.

By addressing the likely consumer expectations, such as product wear & wash-ability in the case of an article of clothing, additional "Due Diligence" testing may be worth considering, in order to ensure that products would meet these requirements. In the above example, this might include durability testing such as colour fastness and stability to washing and light to give reassurance that the product will perform adequately over a prolonged period of time.

Due Diligence as a "Get Out" clause



Should a retailer find themselves questioned regarding a product complaint or related dispute, they will need to demonstrate and convince, possibly a court, that they have shown a reasonable degree of "Due Diligence" in order to defend themselves. This may include the ability to demonstrate that suppliers' test data and other information on which the retailer relies has been audited and appropriately checked and that the wider aspects of the product in question, such as its useful lifetime have been established through adequate testing.

It is worth acknowledging that ignorance is not a defence clause; failure to demonstrate an adequate level of due diligence will not be treated leniently by a court.

The Extent of Due Diligence

It is clearly not realistic to expect to be completely infallible to scrutiny, however it is possible to minimise the risk of this type of situation by taking the appropriate steps.

The extent of "Due Diligence" including testing of random samples is difficult to quantify but must be based on an assessment of the perceived degree of risk involved, as well as the expected "quality" of the product from the client and consumer's point of view.

At the very least it is worth acknowledging that consumer expectations are not likely to diminish in the foreseeable future and that if anything, policing of general product quality is also unlikely to reduce. The levels of Due Diligence adopted ultimately rest with the business managers based on their own assessment of perceived product, but generally there have got to be more pros than cons in adopting this approach.

Implementing a Due Diligence system

Manufacturers need to adopt a pro-active approach and should ideally seek independent advice where necessary, not only with regards to mandatory testing and legislation, but also regarding consideration to "Due Diligence", to ensure product confidence and peace of mind regarding the quality of the products being traded.

ADVANTAGES OF DUE DILIGENCE

These would include:

REASSURANCE AND PEACE OF MIND for manufacturers, retailers and consumers

PRODUCT CONFIDENCE

INCREASED MARKET CREDIBILITY

IMPROVEMENT OF PRODUCT QUALITY AND A REDUCTION IN COMPLAINTS

DUE DILIGENCE DEFENCE IF CHALLENGED

MARKETING ADVANTAGE

An Independent Approach

An independent testing organisation, such as Shirley Technologies Ltd, provides a range of reassuring expert services to ensure that your business meets its legal, ethical and Due Diligence requirements in terms of product testing, giving you peace of mind and confidence in your product's ability to stand up to scrutiny.

Using an independent testing organisation further enhances your perceived credibility, since products will have been tested without bias giving added reassurance.

Shirley Technologies Ltd, as an internationally renowned, independent, external support organisation, provides an extensive range of testing, investigation, certification, consultancy and related services world-wide.

As well as being a UKAS accredited organisation being able to both test and certify in a number of areas, we have over 80 years experience and knowledge of regulatory and recommended tests for products including apparel, household textiles, furnishings and accessories.

Due Diligence Services Available



- Independent advice on mandatory and recommended testing for your textile products
- Expert Testing Services
- Speciality Testing Services (see table below)
- Independent Expert Witness



Speciality Testing Services Include:

Screening of textile products for toxic chemicals "Oeko-Tex Standard 100" certification	ECO-Testing including Baby products
Irritation Testing / Nickel Release	Metal Jewellery products, zips and fasteners
Independent assessment of CE marked goods, heavy metal screening	Toy Testing
Screening for toxic 'phthalates' (plasticizers)	Soft Plastics (Including baby toys and teethers)
Assessment of 'choking hazard' of pen tops	PEN SAFETY TESTING

Examples of Due Diligence Testing of Textile Products

DURABILITY TESTING	Stability to "in use" conditions including wash fastness tensile strength testing, stability to sunlight, extremes of temperatures, seawater, saliva, pH, antibacterial effects etc
COLOUR ISSUES	Screening for banned dyes, colour stability, Colour (continuity) matching
LUXURY FIBRE ANALYSIS	Authenticity of luxury garments and labelling
GENERAL	Visual quality assessment, contents label check, Investigation studies: faults, complaints, irritation

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