

Product Safety and Fashion

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After a wave of high-profile product recalls and product contamination scares over the past decade, manufacturing and retail businesses around the globe have been forced to recognize product safety as one of the major concerns facing companies in the 21st century. From heavy metal contamination on children's toys, to defective design elements in major-brand automobiles, product recalls have become routine news items in the twenty-four hour media realm. Not only do product recalls cut into profits due to material waste and manufacturing expenses, but they can also damage a company's reputation and public image. While it may be possible to do the math and pinpoint a dollar amount that a product recall costs in terms of labor, shipping and raw materials, it is practically impossible to factor the cost to your company's relationship with customers, consumers, and partners. In today's business climate it is no longer sufficient just to make a profit. The public, the government, and industry watchdog groups have all begun to demand a higher standard of social responsibility on the part of manufacturers, retailers and corporations in all sectors.

So what does this mean for those of us in the fashion and garment industry? A few updated government regulations have recently gone into effect that require an increased amount of oversight from those who produce or manufacture goods to be sold in the United States. Consumer products—*being defined as any product used in a residence, school, or for recreational or personal use*—fall under the auspices of the Consumer Product Safety Commission (**CPSC**). Capable of levying weighty fines for violators, the CPSC can have a major impact on the way you go about business.

For sewn goods manufacturers, and especially those who source materials overseas, there are a few regulatory acts that deserve special attention. The Federal Hazardous Substances Act, the Flammable Fabrics Act, and the Poison Prevention Packaging Act all contain rules pertinent to clothing makers. All of these acts fall under the recent Consumer Product Safety Improvement Act (**CPSIA**). Instituted late in 2008, the CPSIA allows for civil penalties of up to \$100,000 per violation, with a cap of up to \$15 million overall. Numbers like that should grab anyone's attention. Avoiding one of those painful fines, and the bad PR that goes with them, should be a chief concern for any company selling consumer goods in the United States. The CPSIA requires not only oversight, but verification as well.

Here is a quick look at the basic requirements of CPSIA compliance:

- ❖ All products subject to a ban or safety standard must be accompanied by a General Certificate of Conformity (GCC). The GCC must contain the following information:
 - 1) Date and place of manufacture;
 - 2) Date and place of testing;
 - 3) A suitable identification of the manufacturer or private labeler issuing the certificate (including the name and contact information for the individual responsible for maintaining records of test results);
 - 4) Certification of conformance with any and all applicable Consumer Product Safety rules, along with a specification of those applicable standards.



So with oversight, verification, and penalties, the CPSC is in a position to dictate certain aspects of how you run your business. It is no longer sufficient to assume that your overseas subcontractors are adhering to applicable laws and product testing guidelines. If your company takes these regulations seriously, (and very few companies can afford to ignore a possible \$15 million fine) then you must have a system in place to institute and track testing and verification processes.

If your business is like most in the textile industry, then you probably have dozens of products made of multiple materials sourced in various places around the world. You may have manufacturing facilities and subcontractors on multiple continents, speaking different languages, with different attitudes concerning regulatory compliance. Reigning in this kind of complicated structure requires a vast amount of data. But data alone doesn't equal compliance. Without a reliable way to make meaningful information from a sea of numbers and checklists, you may be at risk of inadvertently flaunting regulatory rules.

Part of the solution, as many heavy-weights in the fashion and garment industry have found, is the implementation of a Product Lifecycle Management (**PLM**) system, or a Product Data Management (**PDM**) system. These customized software tools offer the ability to track data points universally and in real time, to prevent mismanagement of important data, and to oversee information in a systematic way. It is possible, with a properly implemented PLM tool, to follow every element of a product from the time its components are manufactured, to the time it hits the shelf. Testing results can be tracked and cross-referenced with customizable toolboxes allowing you to prove compliance in case of a dispute, or to respond to a request for regulatory verification. In the event of a product recall PLM system users can identify exactly which products need to be dealt with, and find out precisely where in the supply chain the problem occurred.



With hundreds of chemicals and materials under regulation, and countless design features with potentially hazardous elements, regulatory compliance—even in the seemingly benign fashion industry—is a complex maze through which to navigate. Geographical distances, linguistic barriers, government intrusion; all of these factors compound the issues facing modern manufacturers. When your main purpose is to create fabulous designs, to please consumers and to make a profit at the same time, then all of these regulatory requirements may seem like burdensome roadblocks. But, when dealt with effectively and confidently, your company's compliance with high-profile regulations can be a public relations advantage.

Don't wait for a serious letter from the CPSC to find out about a weakness in your supply chain. Use a PLM system designed for the fashion industry, like the VerTex system from BMS, to keep tabs on all your testing data and subcontractor information. When regulatory noncompliance can cost millions of dollars, no company can afford to take the details for granted. Turn that sea of raw data into usable, accurate information. Find a PLM, or PDM system that has the features you need to stay ahead of the regulatory commissions, and ahead of the competition.

To find out if the BMS VerTex system can help you in your efforts to stay on top of the product safety issue, contact us at our offices in Manhattan, or visit us online at <http://www.bmsystems.com/>.

Resources:

<http://www.cpsc.gov/ABOUT/Cpsia/smbus/cpsiasbguide.html>

<http://www.cpsc.gov/businfo/regsumwearapp.pdf>

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