

# **Product Rework**

Observations and Updates

### **About Us**

For nearly 40 years, Quality Corrections & Inspections has served as a best-in-class provider of product rework services to leading brands and factories around the world from our two U.S. locations.

We work exclusively on product inspection and rework projects. The inspections, alterations, corrections, or repairs you require on your valuable inventory is performed by long-tenured professionals ("shoe dogs") with extensive experience.

In addition to footwear products, we also regularly work with products such as apparel, accessories, and a variety of other general consumer merchandise.

#### Learn More

Visit our website at qualitycorrections.com for more on our services and some of our blogs that share a variety of tips, insights, and best practices.

#### **Preparing to Undertake a Product Rework Project**

















#### Fixing Common Quality Defects on Imported Footwear



#### **Frequently Asked Questions About:**

The Role of Product Rework in Supply Chain Execution



Apparently supply chain disruption and change is still a thing.

**Issue:** Sourcing diversification.

<u>Misc.:</u> Tariff rate change impacts; supply chain resilience and flexibility is needed for risk mitigation in a changing world; geopolitical issues.

<u>Impacts:</u> New factories can equal new problems as the onboarding of new suppliers and new talent can put stresses on production efficiency and quality.

<u>Consider:</u> Potential need for additional QA/inspection points in supply chain, issues can lead to increased potential for product reworks.

Apparently supply chain disruption and change is still a thing (continued).

<u>Issue:</u> Changes in consumer demand and decline in overseas factory utilization (orders down overseas).

<u>Misc.:</u> Talk to Gary, our respected FDRA Economist. It's difficult to get a grasp on what's next for the economy. In any case, changing consumer demands and preferences, along with declines in overseas factory utilization has potential "spin off effects".

<u>Impacts:</u> The volatility and uncertainty can lead to skilled worker displacement at factories; needs for hiring/training new inexperienced staff; delayed/postponed capital investment; supplier relationship issues.

<u>Potential End Result:</u> More of the same.....potential needs for additional QA/inspection points in supply chain, issues can lead to increased potential for product reworks.

Apparently supply chain disruption and change is still a thing (continued).

<u>Issue:</u> Shipping disruptions and fluctuating transit times for goods to reach originally intended destinations (e.g. Red Sea, drought conditions impacting the Panama Canal, Baltimore bridge collapse, hurricane/monsoon seasons, and more).

<u>Misc.:</u> Just when you think things were getting better post Covid, the supply chain curveballs continue.

<u>Impacts:</u> Unforeseen delays in shipping can put product at risk when in less than favorable, non-climate-controlled conditions while at sea beyond original delivery forecasts.

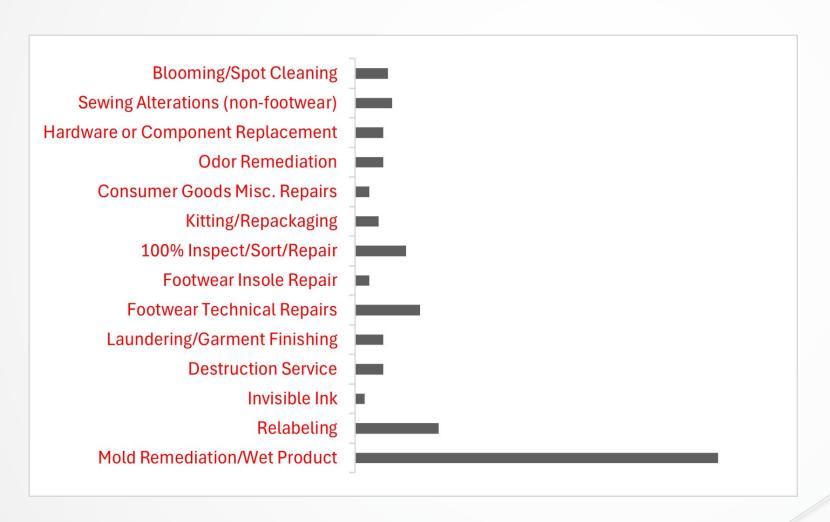
Potential End Result: Hello mold, mildew, and wet product.

Forecast: 2024 hurricane season could be even worse than last year's

Arizona model says La Nina weather pattern could spark five major hurricanes and 21 named storms over the North Atlantic. News / India / South Asia to receive 'above normal' rainfall this year: Weather experts

South Asia to receive 'above normal' rainfall this year: Weather experts

QCI project types by volume over the last 12 months.



## **Blind Spots**

Some new considerations for product rework

"If you don't like what's being said, change the conversation" - Don Draper, Mad Men

Sometimes, product rework gets portrayed in a bad light ("We've got a problem!", "...but the cost"). However, oftentimes product rework resides at the intersection of where "situations" can meet "opportunities".

Consider - Opportunity cost for potential lost sales. Many products can be recovered, restored, or repaired to first quality and command originally forecasted MSRP.



Consider - What can it do for your brand image and quality reputation when you can capture and correct product "flaws" before they arrive in stores or at customer doors?



Consider - What can it do for your ESG (Environmental, Social, Governance) efforts? Could you map, measure, and possibly demonstrate an estimated reduction in environmental footprints for your annual impact statements by performing and tracking costs/benefits of product rework efforts?



# **Blind Spots**

Choosing a product rework partner

Many companies vet their overseas factories. Do you vet your product rework partner? How far do you go?

The best companies do, here are some of the factors they consider

Factors to Consider When Choosing a Reputable Business Parter	QCI
Experience Counts  For nearly 40 years, QCI has been a supply chain services partner working exclusively on rework projects for retailers and factories around the world. The company has numerous specialists and long-tenured staff with extensive experience in many aspects of product rework that includes but is not limited to: handling and repair of various fabrics, textiles, and leather products; specialized laundering/cleaning processes, shoe cobbling, apparel construction and alterations, vendor compliance, and much more.	<b>✓</b>
Location/Logistics National footprint with locations on the East and West Coast. For brands with inventory to rework across the U.S, the opportunity to work with one vendor on significant projects can provide for a more streamlined process for managing projects as well as ensuring consistency of quality.	<b>✓</b>
Project Evaluation Process  At no cost to you, we request and process your samples to provide you with a comprehensive scope of work, firm pricing to minimize potential for change orders and cost change surprises, and to provide you processed samples for your review and inspection prior to commencing a project.	<b>✓</b>
Business Partner Compliance Audit Success  QCI is regularly audited and approved by several leading brands and third-party inspection or certification bodies to ensure we meet their business partner code of conduct guidelines. Audits are often related to social responsibility, business licensing compliance, workplace health and safety, worker wage and benefit compliance, and much more.	<b>✓</b>
Licensed and Insured Properly permitted with applicable business licenses and specialized operating permits for key areas such as fire safety, sanitation, and environmental concerns. In addition, insurance policies are in place to protect against risks and potential unexpected events.	<b>✓</b>
Member of Leading Industry Business & Trade Associations  QCI supports and participates in several business and industry trade organizations to ensure our team of product rework experts are aware of the latest trends in quality assurance, product integrity, innovations in materials, and regulatory changes. Organizations currently include but are not limited to: FDRA (Footwear Distributors & Retailers Association), ICPHSO (International Consumer Product Health and Safety Organization), AAFA (American Apparel and Footwear Association), RVCF (Retail Value Chain Federation) and LVEA (Las Vegas Executive Association).	<b>✓</b>

### **Contact Us For More Information**



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