

SPSP 2021 Webinar Series



Product Safety Management Best Practices:
Organization
May 5, 2021

Sponsored by Sedgwick Brand Protection

SPSP Webinar Speakers



John A. Barrera
Global Director of Product
Integrity
Goliath Games



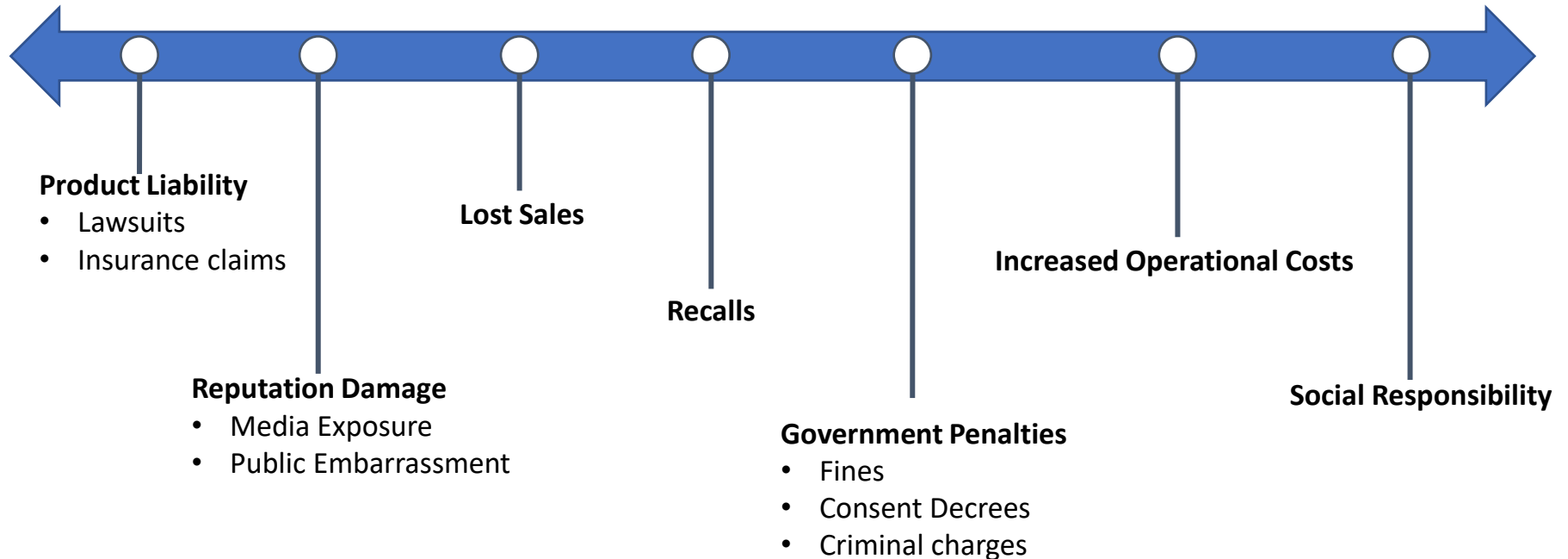
Kenneth Ross
Of Counsel
Bowman and Brooke
LLP



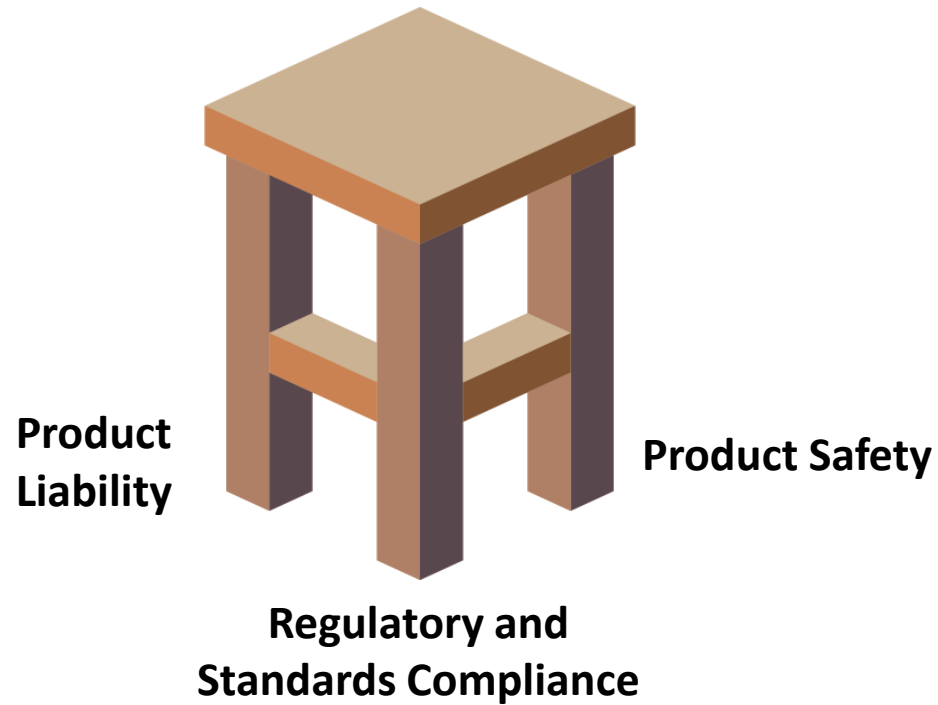
Don Mays
Chief Safety and
Quality Officer
Samsung
Electronics
America, Inc.



Why should product safety be your concern?



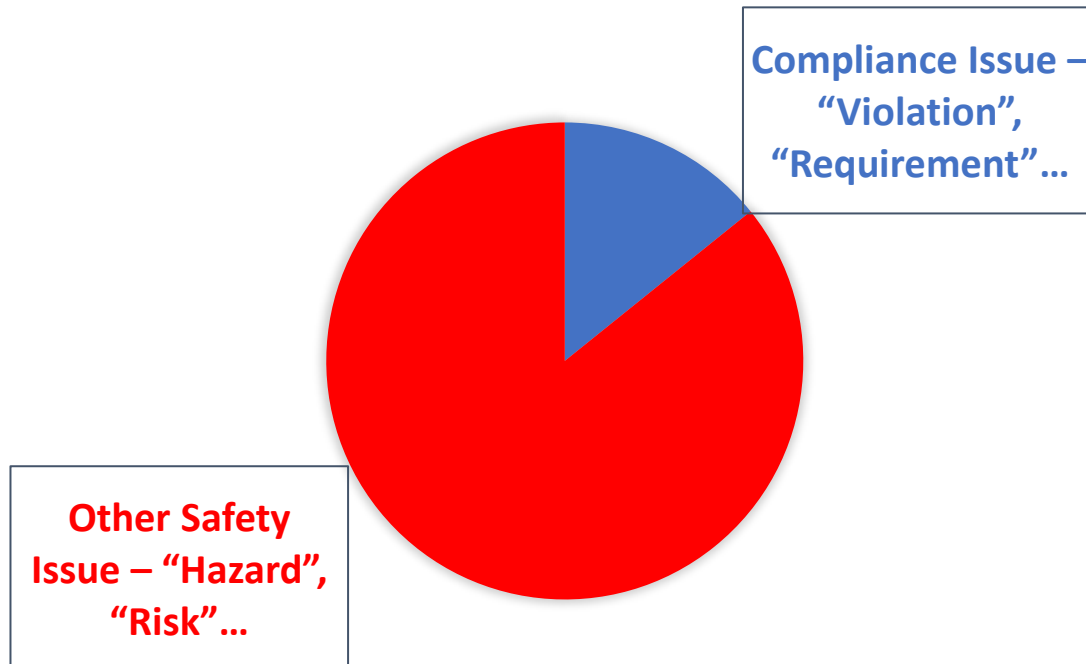
Interrelationship between three areas of analysis



Compliance Function

Compliance \neq Safety

Reason for CPSC Recalls (2016-2020)



Conference Board

- Support from management
- Centralize authority and responsibility
- Involve all company units
- Extensive safety database
- Company-wide policy
- Operating units responsible
- Measure and monitor safety



Rand Institute for Civil Justice

- A separate product safety group is an essential part of the corporate structure.
- A corporate level product safety department plays a critical role.
- Sized, located, and financed at a level consistent with the safety problems inherent in the manufacturer's products.
- Lean product safety organization that has the ear of the CEO and a good working relationship at various levels of the corporation.



PRTM Study*

- Speed to market compromises safety
- No standard industry approach to safety management
- Best companies integrate safety, regulatory, and environmental initiatives into corporate strategies. Such companies have:
 - Formal, fully developed process
 - Milestones defined at start of product development
 - Disciplined decision process
 - Power to halt or delay projects

* Pittiglio, Robin, Todd and McGrath (*management consulting firm*)



CPSC Compliance Program Suggestions

- From various civil penalty settlement agreements.
- CPSC's Handbook for Manufacturing Safer Consumer Products
- CPSC's Recall Handbook
- Article on compliance programs by CPSC GC (2014):

Similar to the approach taken by other agencies, CPSC has declined to adopt formulaic requirements for compliance programs in favor of a more flexible approach. Effective compliance programs are tailored to a company's business and the associated risks.

In emphasizing and requiring compliance programs in various contexts, CPSC is reflecting well-established precedent and principles regarding effective compliance programs. At the same time, CPSC is allowing substantial flexibility for regulated entities to tailor compliance programs to the specific risk profile, operations, internal controls, and governance structure of the company. ☐



TOPICS

- Product safety policies
- Product safety manager
- Product safety personnel
- Product safety committees
- Product safety training



Is it better to encourage safety by

- Accentuating the positives:
 - safer products, more satisfied customers, less expense, improved reputation
- Or the negatives:
 - Accidents, lawsuits, more expense, regulatory problems, recalls, fines, bad publicity

No consensus (depends a bit on history and corporate culture)



Product Safety Policies

- Yes or no
- Corporate or business unit/division
- Short or detailed
- What contains
- Who meant for – employees, customers, or others
- Who signs it
- How distributed
- Part of training



Product Safety Personnel

- Product safety head
 - Full-time or part-time
 - What level – manager, director, VP
 - Corporate or divisional
 - Who report to
 - What background
 - Title – does it include compliance?
- Product safety personnel
 - Full-time or part-time
 - What level
 - Corporate or divisional
 - Who report to
 - What background
 - Include compliance?



Product Safety Committee

- Yes or no
- Corporate and/or division
- Title – safety, integrity, compliance etc.
- Who chairs
- Membership
- Should lawyer be a member
- How often meet
- Deals just with post-sale issues or also pre-sale issues
- Deals with U.S. products only or also international ones



Product Safety Committee



Objectives:

- Meet regularly to review issues
- Assess / score risks
- Prioritize issues
- Escalate highest risk issues
- Develop recommendations for corrective actions
- Develop policies
- Define training programs
- Maintain / retain records
- Monitor employee reporting
- + + +



Product safety training

- How often
- Who attends
- Who teaches
- Content
- Practical exercises
- Part of other training – ethics, code of conduct, etc.
- Separate supplier and/or dealer/distributor/retailer training



Thank you for attending!

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