

# SHOEMAKING

## INTERNATIONAL

### Special Features

## Dealing with defective footwear:

# The importance of a quality assurance and refurbishment program

by Doug Easley

According to figures released in February by the U.S. Department of Commerce, U.S. total footwear imports in 2002 climbed 6.4% to 1.9 billion pairs, making it the fourth straight year that the import penetration rate was over 95%. Imports from China grew 8.5% to 80.4% of all U.S. footwear imports in 2002. (Source: American Apparel & Footwear Association)

As a result of this ever-increasing importing, more and more quality issues have surfaced and are taking on urgency. In your own recent experience as a footwear manufacturer you must have come across poor finishes, sole separations, mold/mildew, blooming, yellowing, short straps or loose buckles? As you know, any defects can make an importer or retailer reluctant to engage in repeat business with a particular vendor.

Sometimes, it's too costly and time-consuming to ship imperfect goods back to the plant, which is usually overseas. Returning merchandise to be repaired inevitably leads to a loss in sales revenue, because for most retailers, there's a window of about one or two months to turn over stock. Your unhappy customer may go to your nearest competitor to get the backordered product. Over-promising and under-delivering is a company's worst nightmare.

A well-prepared footwear quality assurance and refurbishment program is crucial. It allows the vendor to correct manufacturing processes, perform inspections



and rework defective footwear that has already been shipped. This program can be instituted in two ways: incorporate internal quality assurance procedures and/or develop a close relationship with a well-respected and experienced third party refurbishment company.

### Internal quality commitment includes everyone

Without total commitment from all involved, your quality program will never get off the ground. From design to production, you must develop processes to insure that defect costs are held to a minimum and that profit is maintained. It

is important to establish quality policies that everyone understands and respects. Even before imported goods arrive, there are important steps to follow:

1. Ensure that your employees and programs are dedicated to product quality, both at domestic distribution centers, and also at overseas factories, that are aware of your commitment to your quality standards. Your commitment to quality will be reflected in customer satisfaction and repeat business.

2. Write and implement a quality standards manual and statistical quality audit process for all incoming merchandise. Set up expected quality performance measurements, including a quality audit system. Provide ongoing training to insure all employees understand the procedures and follow them accordingly.

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3. Carry out a root cause analysis to determine the cause of each quality issue. Provide detailed specs to factories to prevent future problems. Ensure that the factory shows specifically how the issue was resolved. Communicate frequently and as clearly as possible.

### Find a quality partner

Sometimes it's not feasible or even cost-effective to design an in-house audit system for footwear quality issues, as well as training inexperienced personnel. Time may be short and there is so much involved, such as inspecting, sorting, refurbishing and repackaging, that you might decide to turn to a specialist.

A quick response is needed in instances of sub-standard products or returns, in order to return the merchandise to first quality condition for resale, without compromising profit margins. One of the best and most efficient ways to do this is to develop a close relationship with a well-respected and experienced third party refurbishment company.

Refurbishment companies provide cost-effective solutions to help vendors recover profits. They turn merchandise flawed during the manufacturing, shipping or returns process into quality, profitable goods. A refurbishment specialist can offer low-cost alternatives to a high cost labor-intensive operation. They are accustomed to working under tight deadlines and adhering to strict quality control specifications set by individual clients. Their services can be very helpful in alleviating production overloads during peak seasons.

### How do you know what to look for?

Here are a few questions to ask when choosing the right company for your needs:

- What footwear repair and audit experience do they have?
- Can they provide fast turn times at competitive prices?
- Are client references available?
- What types of services can they provide?



611 Baker Lane Duncansville, PA 16635  
814.696.3737 or 800.340.8384 Fax: 814.696.3734

Typical services should include:

— Military A.Q.L. (Acceptable Quality Level) 4.0% and 100% inspections that include single sampling plans, lot size, sample size, and accept and reject rates

— Upper refinishing, stitching repairs, mold/mildew removal, blooming (excessive fat liquors), refurbishment, sock liner replacement, hardware replacement, contract upper assembly

— Fulfillment, warehousing and distribution services including returns processing, re-ticketing, re-labeling, sorting and packaging

A refurbishment company may also help their clients to develop innovative merchandising tactics to sell lesser quality, slow moving or overstocked inventory. If a customer has poor selling SKU's due to color, the material can be dyed. Alternatively, the design on last season's footwear can be upgraded by replacing outmoded or sub-par buckles, to make it fashionable and saleable.

If you're tired of discounting or throwing away defective footwear, if overstocks are piling up, while there are seemingly continual merchandise quality issues to deal with and customer expectations are unmet because of backorders, then it's time to develop an internal footwear quality assurance program. It's also time to establish a solid relationship with a refurbishment company that you can trust: one that will help you get back those profits that you may currently be discounting or throwing away.

*Doug Easley is the national sales and marketing director for Quality Corrections & Inspections (QCI). This Duncansville, PA-based firm has salvaged and refurbished goods for some of the largest footwear and apparel companies for over 18 years. QCI is also a Member of the American Apparel and Footwear Association (AAFA). You can reach Doug at (814) 696-3737, via e-mail at: [doug\\_easley@qualitycorrections.com](mailto:doug_easley@qualitycorrections.com) or visit the Quality Corrections & Inspections web site at [www.qualitycorrections.com](http://www.qualitycorrections.com).*

