



Understanding the Continuous Cause of Product Recalls & Product Liability Lawsuits

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In our never ending effort to boost sales and profits and be the first to hit the competitive market with new products and technologies, streamlining production costs and improving efficiencies, and the constant search for new supply sources as well as new sales markets, we continue to fail to see our own deficiencies in new product development as related to design and engineering. Most of this is due to our common lack of knowledge as to what we really need to be doing, versus the common misconception that we already know what to do.

We're not getting better at designing and launching reliable new products for the market place, as statistics prove we're getting worse. Product recalls are at record numbers, and have been growing every year for the past six years. Whether it be consumer products (CPSC), automotive (NHTSA), or even recalls throughout Europe (RAPEX), the problems are getting worse instead of better and manufacturers of all kinds of products are recalling tens or thousands of their products, or even millions. And with those key indicators displaying such negative trends, the other companies involved in industrial, commercial and untracked industries are logically following the same negative trends.

In my analysis studying product recalls as they are being announced, one of the largest causes is due to "Design Defects." The product designs were defective, as opposed to some portion of the products being manufactured defectively. The products contain defective design conditions which are resulting in injury, accidents, and/or even death, or are failing to perform to the expectations of the customer, and

the manufacturer ends up having to recall their product.

Once the manufacturer openly admits that their product is defective and publicly initiates a recall, they open the door to product liability lawsuits and even class action lawsuits, where statistics are climbing in parallel. If they don't recall the product the same information will surface through the Legal Discovery process, and they will subject themselves to possibly huge punitive damage awards. It is a "no win" situation, so the objective has to be to "make it right the first time."

Every company I work with initially says they are making every effort to accomplish this, but they commonly say this out of ignorance. The growing statistics speak for themselves. If manufacturers were doing a good job in their new product development efforts, the statistics would have been reversing themselves years ago to where everyone has now pretty well mastered the process of how to develop a new product, and product recalls along with product liability lawsuits would really be a thing of the past. What executive management fails to understand, are the things they really need to be doing differently.

Until the CEO recognizes this and takes the time to get everyone trained in product safety, recall & liability prevention and on the same sheet of music, manufacturing corporations will continue just as they have, and will only learn a specific lesson from each major incident that surfaces and effects them, that is, if they survive.

Even with the best upfront design efforts in place there is still the potential of a defective condition surfacing in the field, whether it be due to an under estimation in the risk evaluation process, a defective component part surfacing that wasn't caught, a defect in manufacturing that affects a specific portion of the product population, or the failure of the Design Review or Product Safety Team to take into account "foreseeable misuse" of their product, problems could still surface.

As these surprises begin to surface, usually before any catastrophic event ever happens, the question will be whether the company is paying adequate attention to the early warning signs or "flags". Such early reports will normally begin to filter in through the Customer Service department, Account Management, Sales, Distribution, Tech Support or Warranty Returns, and the question will be whether this information got back to the right individual(s).

In the Toyota disaster, Mr. Toyoda referred to it as "their failure to connect the dots" as the company was receiving information about the product failures from North America and Europe, but the information wasn't finding it's way back to Corporate Japan and the right department, if there really was a right individual or department.

One of the first requirements in this proactive effort is for today's manufacturing executive teams to learn how to perform Design Reviews and Product Safety-- Hazard Analysis Reviews in order to help identify and prevent the possibilities of launching a defective designed product. This isn't common sense, nor have your Engineers in all probability ever received formal training in this area, much less the rest of your manufacturing team. And beyond this, to select and make known to all the rest of the management and customer service team who the "right individual" is, for passing along notifications of certain field failures and incidents. Playing on an example from the current administration, this individual technically becomes the company's "Product Safety Czar". Then, all of these customer contacts need to learn how to decipher between and everyday potential product problems and failures, from ones that could lead to serious safety/liability implications. This requires training and procedures.

Current certified Quality programs, the mere practice of routinely performing FMEAs, Six Sigma, Lean, or any of the other numerous programs in effect to maintain or improve efficiency, will not change the current direction of the ever growing product recall trend. It didn't work for Toyota, General Motors, Ford, Firestone, and countless other product manufacturers. It takes specific training in this field to understand where we continue to miss the mark in manufacturing, as well as many other areas such as marketing defects, lack of adequate contracts and agreements, document control, supplier control, and other activities that fuel product liability lawsuits.

The recent Toyota disaster was a major wake-up call for manufacturers, as was the BP disaster a wake-up call for corporate management practices, and as is usually the case, it many times takes a high profile disaster for others to finally pay attention to what needs to be done within their own companies. But the question will now be whether manufacturing corporations will really pay attention to what led to these monumental crashes, or whether they'll sail or motor past the crash scenes on the highway or trade winds of production and profits, until they crash or go up in flames too.

[Randall Goodden](#) is the author of the best-selling books dealing with product safety and product liability prevention. The latest is "Lawsuit! Reducing the Risk of Product Liability for Manufacturers."