

1. AIM

The purpose of this procedure is to define the procedure controls and responsibilities in place within the Company to ensure that products are developed and improved in accordance with internal and/or external demand.

2. SCOPE

This procedure applies to the following activities:

- a) Development of new manufactured products to compete in the market place.
- b) Improvement of existing products
- c) Development of products against a customer supplied design specification or sample.

3. RESPONSIBILITY

Board Level – to give approval to all new or improved product developments at vital stages, also to approve their subsequent launch.

Board Level – to control the manufacturing of new or improved product developments.

Supervisors and Management Personnel – for acting as ‘Project Manager’ in seeing projects through to conclusion.

All people – to actively suggest ideas for new or improved products.

4. ADMINISTRATION

PD001 Product Development Feasibility Form
PD002 Product Development Project Tracking Form
PD003 Bought In New Product Development Form

5. METHOD

Plastica’s ability to generate new product ideas has always been one of its strengths however, the company often fails to follow through on these ideas or if it does they take longer to come to fruition than planned and when they do, there is a risk that the product is not always launched to our customers in the most productive way.

There are many reasons for this, the Company is under resourced, and we lack enough people with the technical ability to develop new products. We don’t always apportion tasks, as a result people are not aware of their responsibilities in relation to product development. The Company lacks a roadmap for new products and does not have a strategic vision for future development.

The aim of this process is to facilitate the introduction of new products to both our manufactured and factored ranges. It is designed to be a simple framework which will allow products to be introduced in a timely and efficient manner ensuring that all the necessary steps are taken and that the product is launched on time and that the team involved are aware of what is required of them.

The products to be developed will be given to a “Product Champion” who will second other team members. A Product Champion may be developing several products in any one year.

The process is made up of 5 key stages:

1. Product Identification
2. Product Feasibility – factored goods responsibilities passed to Purchasing
3. a) Detailed Design and Prototyping (Plastica Manufactured Process)
b) Source Sample Product (Factored Goods)
4. Final Development Stage
5. Product Launch

Each stage must be reviewed and signed off at Board Level before a proposed product can move to the next stage.

Stage 1 – Product Identification

This should take place in good time before the planned project launch. The idea of this stage is to pick the potential new products to take forward. The ideas will come from a number of areas, including trade shows, feedback from our customers as well as ideas from our own workforce.

New product ideas will initially be presented verbally at a Product Development Meeting that has a least one Director in attendance. Approval to do a Feasibility study will be agreed or refused and authority can only be given by a Director. If authority is given, a PD001 Product Development Feasibility Form will be completed and a Feasibility Form number allocated.

Stage 2 – Product Feasibility

Products that pass the initial criteria move into the feasibility stage. A champion is allocated to assess the market place, estimated cost of production or purchase, any patents applying to products that we may wish to design and manufacture, as well as any safety regulations which need to be adhered to as per the PD001 form.

For factored goods any exclusivity deals which may apply to products we wish to catalogue. Those products passing this stage again needs to be signed off at Board Level.

Stage 3a – Detailed Design and Prototyping (Manufactured Goods)

This stage only applies to products we wish to manufacture, and after the PD001 form has been authorised by a Director to take to the product development phase. The project will be issued a PDR number and a PD002 form will be started. The design stage will be led by the Product Champion, but they will need to draw upon other members of the company following the guidance on the PD002 Product Development Project Tracking Form.

During this stage the product will be fully specified and drawn up and prototypes made. Costing for raw materials will be needed to ensure that first draft detailed product costs can be calculated.

The capacity of the business to make the product needs to be assessed and any new machinery specified.

The design phase is deemed complete when we have a costed prototype available for testing. Again, sign off at Board Level is required.

Stage 3b – Source Sample Goods (Factored Goods)

This stage applies to bought in products; obtain samples, check that the product meets current EU legislation, and check the product costs, marketing literature from the supplier and instructions. Where appropriate visit the manufacturer's site.

Stage 4 – Final Development Stage

For both factored and manufactured products, Stage 4 is the same. Check final costings, ensure that the margins are acceptable, agree and finalise the sales price and discount structure. Create product codes and stock record on AX including weight of product and packaging information.

For manufactured goods only; ensure the products are fully tested and these tests are documented, apply for any safety certificates/accreditation if required.

For manufactured products; create BOMS and routes, ensure that adequate training is given to the staff that will make the product.

For both types of products, ensure training is given to the Sales Team and Customer Services Team.

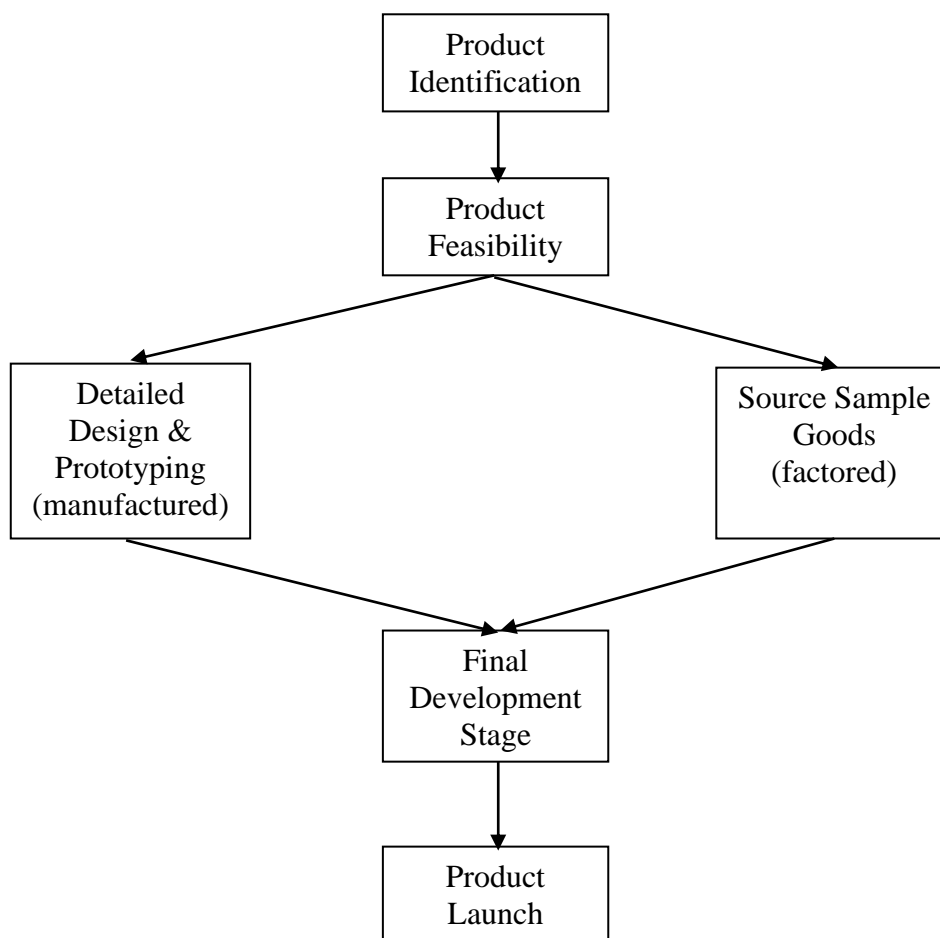
Ensure marketing literature is available. Arrange photographs, add the product to our website.

Ensure that any new machinery or equipment have been purchased, ensure we have the necessary staff and space to manufacture the product as well as the warehousing space to store the goods.

Stage 5 – Product Launch

Decide on the launch date and how the product is to be launched. Arrange advertising (if relevant).

Ensure that the product has been correctly added to our price list and website. Ensure adequate stocks of the product are available, for manufactured goods (made to order) ensure raw materials are on hand to complete the product.



6. REVIEW & RECORDS

Regular formal minuted Product Development Meetings are held to monitor progress of all Projects. Ad-hoc meetings of relevant individuals are held if required.

A review of the performance of the new product will be carried out by the original project champion at a date set at the end of the design process.

The documents listed in Section 4 – Administration will be kept as records for 5 years.