

## Manufacturing Tour Points to Observe and Ask About

The following points and questions are to aid you in learning about the capabilities and practices of each contract manufacturer. You may have many more questions and points to investigate before you engage in an agreement with any contract manufacturer.

### Things to Look for on Each Factory Tour

- Look for clear and organized space (office and factory floor)
- Did you observe products being manufactured that are similar to your product?
- Look for floor markings that differentiate aisles and supply storage from workspace.
- Look for clean machines that are in operational condition.
- What information or assembly instructions are used to guide product assembly?
- Watch supervisors - what role do they play to keep work moving along?
- Are the tools clean and organized?
- Rules posted? Did you observe the staff following those rules?

### At the End of Your Factory Tour

- Say "Thank you" for the tour.
- Share your business card with the company representative.
- Take notes to record what you observed.
- What are your key takeaways from the site visit?
- Write a 1-2 sentence description, in your words, of your impressions of the contract manufacturer.

### General Capabilities and Operations

- What specialized manufacturing capabilities does this company have?
- What engineering or manufacturing is outsourced by this company?
- What types of digital files does this company use?
- What is their policy for digital security of your files in their shop?
- What requirements do they have prior to starting the initial project? (credit checks/application, deposit, etc.)
- How do they communicate about project progress? (assigned representative, frequency of in-person conferences, change-order process signoffs, etc.)
- What process is in place to confirm on-time shipments to your specified sites and satisfactory quality for finished goods?
- Who is responsible for selecting and managing raw material suppliers?
- What is the lifespan of the contract manufacturer's suppliers - is it long term or high turnover?



## Sourcing and Supply Chain

- What is the typical process for identifying supply chain partners for the contract manufacturer?
- If the contract manufacturer takes over your supply chain, what is the process for handing-off supplier agreements?
- What is the defect and scrap rate for the manufacturer on typical products? How are records kept validating that?
- What are the quality practices for the contract manufacturer? What documents are shown to evidence that?
- If substitutions need to be made for raw materials or subcomponents, what will be done to ensure similar or better quality levels?
- What is their packaging and shipping process? Who takes responsibility for damaged goods shipped from the contract manufacturer?

## Organizational Matters

- Are multiple references cited that can speak to the contract manufacturer's responsiveness?
- What is the contract manufacturer's employee turnover rate and training policies?
- How many customers can the contract manufacturer cite that have been customers for five years or more?
- In the past, have they provided refunds or replaced defective units that were shipped from the factory?
- Do they have a design team in-house?
- Does their design teamwork in collaboration with their sales team?
- Do you get to communicate with that design team?
- What is the contract manufacturer's policies on ownership of intellectual property when their design team is involved?
- What Incoming Quality Procedures (ICQ) are used to test raw materials or sub-components?
- Are in-line inspections conducted?
- What QA reporting is provided with each production run?