



REMOTE INSPECTION – CHANGING PRODUCT CONFORMITY ASSESSMENT

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ABSTRACT

This White Paper talks about how SGS Governments and Institutions are embracing new technology in order to streamline the certification process through the use of remote inspection technology and a new online exporters portal for application submission.

Over the past decade there have been major changes in the way that Certificates of Conformity are issued by SGS. There have also been significant changes in responsibility for exporters and importers, as international governments have moved away from the more traditional Pre-Shipment Inspections and embraced Product Conformity Assessment. A greater emphasis is now placed on ensuring and providing evidence to show that goods being traded are of high quality, that they are not substandard or counterfeit, and that exports do not pose any risk to the health and safety of both consumers and the local environment in the importing country. This has of course meant that there are now more steps than ever that need to be taken when exporting goods. However, we believe that the benefits of embracing this new technology can help to simplify the process and improve turnaround times for exporters, whilst also giving greater visibility of the goods being exported to principals in the country of import.

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I. EXECUTIVE SUMMARY

The way that SGS perform Product Conformity Assessments (PCA) is changing. By embracing new technology, we are moving away from traditional physical inspection procedures and offering the possibility of remote inspection, making the whole conformity assessment process much more efficient for clients. Traditionally, inspection has always been seen by clients as the core service that we are offering, however product conformity is much more complex than simply performing an inspection of the goods; product conformity as a process is all about evidencing that the goods being shipped meet the required standard as defined by the principal in the country of import. This is done through a documentary review process undertaken by SGS' global certification centre who will assess product specification, test reports and any other quality documentation that is submitted to us as part of the application. All information submitted by a customer with a request for certification (RFC) is assessed against the particular standard and documentation requirements for the products that have been identified by the government in the importing country. Once the quality documentation is



accepted we would normally perform an inspection to confirm that the goods assessed are the goods being shipped, which in the past would require a site visit from one of our inspectors who would submit their inspection report to the certification centre who would issue the final Certificate of Conformity (CoC). The speed at which we could perform the site visit would depend upon the availability of our inspectors; however, advances in technology mean that physical inspection is no longer required. Using remote inspection, one of our

office based operators is able to guide the client through the inspection process using a smartphone app, identifying what products and labels need to be shown by the client, the data is then captured and submitted to the certification team in the same way as previously, but what this ultimately means is that we will be able to perform the inspection much quicker and inspector availability is no longer an issue.

II. FROM PSI TO PCA – THE CHANGING FACE OF COMPLIANCE IN EXPORT

Over the past 10 years there has been a significant change in the way that export compliance is handled, starting with the shift from the traditional Pre-Shipment Inspection (PSI) programmes to more comprehensive Product Conformity Assessment (PCA). As many will remember the old PSI programmes required very little from exporters who would simply need to facilitate an inspection of goods prior to shipping. The importer would make the application and provide relevant documentation to the respective government agencies or inspection company locally, who would then instruct the relevant global affiliate to arrange and perform an inspection. This was usually undertaken to ensure that the products being shipped were those that had been declared on the application made by the importer; however, there was very little emphasis placed on ensuring the quality of the goods under the PSI process.

The introduction of PCA therefore represented a complete shift in mentality for many exporters, who found that it was now their responsibility to make the application and provide documentation to mandated companies, such as SGS, who would verify the compliance of the products to the standard required by the government agency in the country of import. This verification of compliance also represented a significant change in the documentation required, with more emphasis being placed on test reports, technical documentation and quality documentation. The actual verification of compliance involves a comprehensive documentary review process with inspection representing only a very small part of the actual PCA process and only



taking place once the compliance of the products had been verified. Over the past seven or eight years almost all of the traditional PSI programmes have converted to PCA, with long established programmes in place in Kenya, Nigeria, Algeria and Saudi Arabia, and much newer programmes in place in Tanzania, Uganda, Burundi, Ethiopia, Cameroon, Egypt, Gabon, Kuwait, Qatar and Zanzibar. We also anticipate that new PCA programmes will come into place in 2018.

A. WHAT IS PRODUCT CONFORMITY ASSESSMENT?

Product Conformity Assessment (PCA) programmes are designed to ensure that specific products meet the requirements, technical regulations and standards set by the regulatory authority in the country of import. This is done to prevent the importation of unsafe, substandard or counterfeit goods, to protect the health and safety

of consumers and local environment, to safeguard local producers and industry from unfair competition, to facilitate the customs clearance process and promote the international trade of quality goods.

The role that inspection bodies, like SGS, play in the PCA process is to evaluate products and verify their compliance, we do this through comprehensive assessment of all available quality, test or technical information relating to the products that are being shipped. In the past, we have completed a physical inspection at the end of the process; however, with remote inspection we no longer need to visit our clients, who are now essentially able to perform the inspection themselves, under the guidance of our scheduling and inspection team. Once the inspection is complete, and providing that the inspection result is satisfactory, we issue a Certificate of Conformity (CoC), which is used to clear the goods when they arrive in the country of import.

III. THE FUTURE OF REMOTE INSPECTION IS HERE

Remote inspection itself is not a new concept and is something that has been talked about for a number of years, however until now limits in technology have prevented its implementation. The SGS QiiQ app that has been launched and successfully trialled by SGS has finally overcome most of the technological issues that have prevented other initiatives from working. SGS QiiQ is an app that can be downloaded to any smartphone or tablet, then, using the device's camera, the office based SGS inspection teams can guide the client through the inspection process, advising them of the products and labelling that we need to see. The compliance procedures of PCA still need to be completed before the remote inspection can take place, but by utilising remote inspection, the final stage of the PCA process becomes much more efficient with no delays waiting for a physical inspection to be scheduled and performed.

Whilst SGS QiiQ does overcome the majority of technological issues there are still some issues such as slow connection speeds, which can prevent it from being used. Therefore, clients that would like to take advantage of remote inspection will initially need to complete a capability questionnaire. Once completed, clients will receive an invite from our scheduling and inspection team through the app. During this initial call, we will check connectivity and capability and, provided that there are no issues the client will then be able to take advantage of remote inspection.

The benefit of remote inspection is ultimately a faster turnaround time in receiving your Certificates of Conformity and a reduction in downtime whilst awaiting an inspector to visit the site. Essentially once the order has been picked we can perform the remote inspection and the goods can be packed ready for shipping – in some cases this could speed up the PCA process by 1 or 2 days.



A. EXCEPTIONS – WHEN REMOTE INSPECTION IS NOT APPLICABLE

Whilst we will offer remote inspection to everybody, it is worth noting that it is not always possible and, under certain conditions, we would still need to visit the site to perform a physical inspection, for example:

- Inspections of goods being shipped to Indonesia
- Large or complex consignments containing a high number of different line items
- Any consignments containing high-risk goods
- Specialist inspections
- Any inspections where the witnessing of container loading or container sealing is required.

B. OTHER CONSIDERATIONS

In order for remote inspection to be performed successfully, there are some other considerations that will need to be made such as the connectivity of the client site (currently a WIFI or 4G connection will be needed). A suitable smartphone or tablet will be required and the battery life of the device will need to be taken into account (remote inspection will take up to 30 minutes). Please also be aware that use of the remote inspection app will not grant SGS access to any contacts, files or folders on your

smartphone or tablet; the app will simply use the device's camera in order for the remote inspection to be performed.

C. OTHER USES AND APPLICATIONS FOR REMOTE INSPECTION

SGS QiiQ, whilst primarily used as a remote inspection application, it is currently being utilised throughout SGS in various ways. By embracing the new technology, it is enabling teams to become more forward thinking and efficient in what they do. Examples of this include:

- To train new inspectors to perform physical inspections (an experienced inspector will guide them through the process using SGS QiiQ).
- To enable clients to witness the inspections being performed, for example if a buyer wanted to witness the inspection of goods purchased through one of their suppliers.
- SGS are also exploring the possibility of multi-party remote inspections, which would allow the principal authority in the country of import to witness the inspection that is being performed prior to shipment.

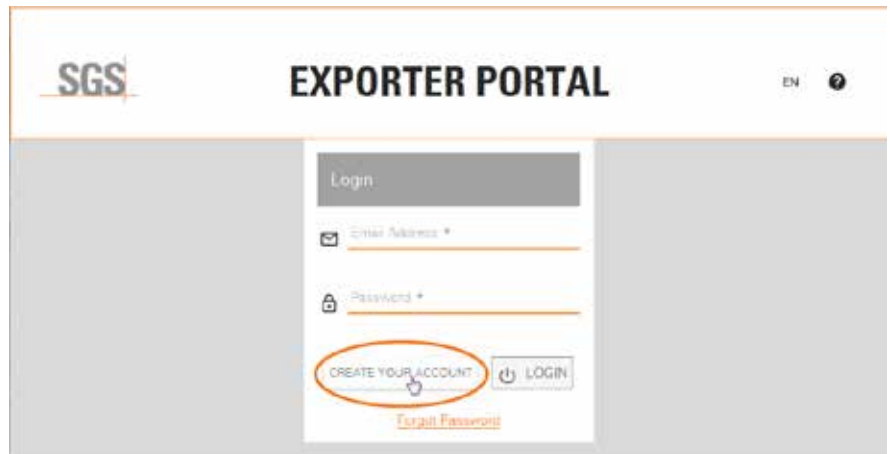
These are just a few examples of ways to utilise the new technology available to us, however we envisage that as the technology develops we will be able to identify many more.

IV. FUTURE DEVELOPMENTS – EXPORTER PORTAL

Since April 2017 we have been operating a pilot exporter portal for the Cameroon PCA contract, which essentially offers greater visibility and control to exporters.

The key features of the portal are the ability to:

- Monitor shipments/applications
- Communicate directly with SGS
- Upload required documentation in order for the final Certificate of Conformity to be issued
- Request new partial shipments.



Due to the success of the pilot scheme, from early February 2018 the exporter portal is going to be rolled out to include all our PCA contracts. This coupled with remote inspection should help to

completely streamline the whole PCA process and will signal the full revolution from the heavily paper based past of the PSIs to a fully automated, paperless PCA process.

ABOUT THE AUTHOR

Rickie Cole has worked for SGS Governments & Institutions (GIS) for over 7 years where he has seen the evolution of product conformity first hand and worked with hundreds of exporters to help them comply with new regulations as they have arisen.

ABOUT SGS

SGS is the world's leading inspection, verification, testing and certification company. SGS is recognised as the global benchmark for quality and integrity. With more than 95,000 employees, SGS operates a network of over 2,400 offices and laboratories around the world.

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Contact Us:

T: 01276 697 776

E: gb.gis.scheduling@sgs.com

WWW.SGS.COM

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