Product Obsolescence

**1.0 PURPOSE**

This procedure is to provide a consistent and documented system for discontinuing the manufacture and support of a product. The system ensures that the necessary analysis is completed and the appropriate approvals received prior to the obsolescence of any product. This procedure also provides a mechanism to assure proper notification of product obsolescence.

**2.0 AFFECTED DEPARTMENTS**

# Engineering

Manufacturing

Sales

**3.0 REFERENCE DOCUMENTS**

SM026 Obsolete Products Form and Procedure found in TCS

Reference documents may include applicable safety and hazardous materials standards, regulations and procedures. See the Larson Davis Safety Officer for a determination of need.

**4.0 RESPONSIBILITY AND AUTHORITY**

**Larson Davis employees**

* Anyone can suggest to his or her manager that a product be obsolete.
* Fill in the appropriate information and submit SM026.
* After receiving managerial approval, submit the SM026 to LD Management.
* Provide as much information as possible to justify the request.

**Director of LD Operations/General Manager**

* Evaluate obsolescence request for merit.
* In an appropriate management meeting, determine if the request for obsolescence should be rejected or submitted for further action.

**Document Control**

* Receive and track all requests for obsolescence submitted by Management for further action.
* Verify all the necessary information and approvals.

**Sales Manager**

* Review financial analysis.
* Do legal/contractual analysis.
* Hold a Sales & Marketing review.
* Compile information and generate a recommendation.

**5.0 DEFINITIONS**

**Obsolete:** A product no longer manufactured or used in the manufacturing of new commodities.

**End of life:** A date after which a product is no longer supported, serviced, or calibrated.

**BSD:** Business System Database

**6.0 SAFETY PRECAUTIONS**

For any product, that contains hazardous or controlled material, the appropriate standards, regulations and handling procedures are to be followed. Consult the Larson Davis Safety Manager to determine which standards, regulations and procedures are applicable.

**7.0 EQUIPMENT AND MATERIALS**

* Basic PC

**8.0 INSTRUCTIONS**

**8.1 Form**

Follow procedures as outlined in SM026.

**8.2 Request Submission**

Any employee may make a request for obsolescence. The request is made by the employee submitting a SM026 to their manager for review and then after receiving their manager’s approval the SM026 is submitted to the appropriate Manager—typically the Director of Operations/General Manager or Sales Manager.

The form is required to have the part number of the product, the requestor’s name, the request date and the reason(s) for obsoleting the product. If additional information is available to the individual submitting the request, it should be included with the initial request.

**8.3 Pre-evaluation**

When Management receives a request for obsolescence, the request is evaluated for validity and content. The request can be rejected, accepted for further analysis, or accepted. The individual receiving the request notifies the departments affected by the request to insure that the necessary information for the formulation of a recommendation is available.

**8.4 Management Recommendation**

Sales, Manufacturing, and Engineering Management all have a role in the obsolescence request. Each manager should process the request as outlined on SM026. The review produces either a denial or approval of the request.

If the request is denied at any stage up, the request is discarded and is not tracked. If the request is denied, the responsible manager notifies the originator of the action.

Management is responsible for the completion of the cost analysis, contractual/legal analysis, and a marketing recommendation. This may have been done wholly or partially during any previous stage. Any unfinished portions must be completed before final approval is granted.

The Sales department determines the time and method used to inform both the internal and external customers of the product’s obsolescence.

As part of the cost analysis, the Production or Logistics Manager specifies the projected quantity of parts and assemblies needed to service and repair the product for the remaining lifetime of the product.

The repair & calibration inventory requirements are evaluated by Purchasing and the cost of any additional inventory required is considered in the cost analysis.

The cost analysis should also include any costs associated with handling and/or disposition of hazardous and/or controlled materials.

The contractual/legal analysis determines what, if any, obligations are required of Larson Davis for the support, service and/or the availability for purchase of the product.

The following approvals are required.

* Sales for approval of market effects and approval of communication plan.
* Production or Logistics approves and checks the cost analysis and production impact.
* Production reviews the request and then may approve their ability to service the product for the specified time.

**8.5 Document Control**

When a product obsolescence form is submitted to Document Control, they follow the SM026 flow chart.

If no re-evaluation is requested, Document Control:

* Electronically files in OBSOLETE Folder: R:Engineering\Obsolete SM026 Records. Also electronically moves any Drawings, Manuals, or Instructions into their appropriate Obsolete folder.
* Marks items as obsolete in BSD and attaches a copy in Doc Track to item.

A copy of the approved form is sent to Sales and Logistics for removal of item being made obsolete.

Any associated documentation remains in Document Control and is available for review. The receipt of an approved SM026 authorizes all departments to begin the work of obsoleting the product, which may include but is not limited to the following tasks:

* Manufacturing specifies anticipated lifetime inventory requirements.
* Purchasing acquires lifetime supply of any components at risk of becoming unavailable.
* Logistics scraps unnecessary inventory as specified on SM026.
* Document Control files relevant documents as obsolete.
* Sales Department generates a notice of obsolescence and distributes notice to sales reps.

**9.0 INSPECTION**

Not applicable

**10.0 RECORDS**

The SM026 form is maintained in R:\Engineering\ObsoleteSM026Records.

**11.0 DISTRIBUTION**

All departments

**12.0 ATTACHMENTS**

SM026 Obsolete Products Form

**13.0 REVISION HISTORY**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DCO #** | **REV** | **DATE** | **INITIALS** | **CHANGES MADE** |
|  | A | 9/21/98 | KC | Original Publication |
|  | C | 9/23/98 | KC | Added instructions for hazardous and controlled materials |
|  | D | 5/26/99 | KC | Moved Product Manager responsibilities to Senior Staff |
| 20 | E | 9/8/99 | SM | Section 8.5 Added review by Project Engineer for related parts. Edited formatting to make document consistent. |
| 259 | F | 4/5/01 | JEB | Changed references to Senior staff to Operation Team, re-worded a few phrases, removed the obsolescence form as an attachment and made it a referenced document. Added the Sales Department to the procedure. Added responsibility to notify originator if request is denied. |
| 469A | G | 9/02 | MB | Added descriptions on how to actually accomplish obsolescence. Added Department Manager to approval before POF is submitted to Executive Management. Re-worded some phrases under Section 8.5. Added what to do when finished goods and component parts are affected by obsolescence. Changed that Visual entry should follow 3 steps of entering POF Date, end of service and end of life dates into spec field. |
| 638 | H | 10/1/03 | SLB | Added Product Obsolescence Ledger as a reference document |
| 1024 | I | 7/23/07 | HKB | Updated to current processes |
| 1108 | J | 5/23/08 | DAR | Updated to add SM1019 and SM026. |
| 1256 | K | 8/12/09 | WJO | Removed reference to stamp Obsolete item. Items will be electronically filed instead. |
| 1626 | L | 6/3/2016 | KMI | Removed references to SM1019 and updated the location of SM026. SM1019 was combined with SM026. The standalone SM1019 document has been obsoleted. |
|  | M | 4/11/18 | DAR | Updated to bring in line with current operations; fix grammatical errors and clarify flow. |