

## **Zorch International Ensures Safety October, 2007**

### **Zorch - Product Safety**

Five years ago Zorch developed an innovative shortened supply chain model for the \$18 Billion promotional products industry. Zorch has made history by eliminating redundant layers at the distributor level, bridging the gap between manufacturer and end user.

At Zorch we proudly act as global brand stewards for our clients. Product quality has always been first and foremost when protecting brands. Zorch realizes that our client brands are a valuable asset with equity needing protection. Paramount to protecting the brand is ensuring the product quality and safety.

The relationship between the manufacturers of our industry and Zorch is a key point of difference. Only Zorch collaborates with the manufacturers and shares their infrastructure. The true product expertise is within the manufacturers. We source over a million different products every year. The only way to guarantee each product is tested, safe, and worthy of our client's brand is to become a contracted partner with the largest manufacturers in the industry.

### **Depth and Breadth of Product Line**

Zorch sources only from the largest manufacturers in the industry. They are buying over \$1 billion a year from their dedicated factories overseas. These manufacturers have been in business in some cases for 50+ years. In all these years they have imprinted every Fortune 500 logo tens of thousands of times. The inks used by these manufacturers are guaranteed safe. Their imprinting processes are in many cases patented. Zorch will only source through our Zorched Manufacturers.

### **Major Manufacturers Carried**

Zorch International Inc. purchases only from world class organizations. We maintain an elite group of partners. Although many others are lining up to be Zorched we keep only those that maintain the stringent quality control criteria required by Zorch and our clients. Criteria include guaranteed product safety and testing in the factory as well as domestic testing. Zorch also conducts random product testing to benchmark our manufacturer's product quality.

Zorch leverages the manufacturer's buying power overseas. If an order goes to a factory overseas with the recognizable name of a leader, that order will garner significantly more attention than an order with the name of any distributor. Zorch understands the product quality, quality control, and best pricing is going to come to a manufacturer spending \$1 billion annually in China vs. a distributor spending a fraction of that amount.

### **Contractual Relationships**

Our manufacturer partners sign a Zorch Playbook and Quality Contract. The contract details 14 service level agreements. Including product quality, child safety, and compliance with the following Federally Regulated Acts: Federal Hazardous Substances Act, U.S. Toxic Substances Control Act (TSCA,) California Proposition 65, MAK List, and Directive 2002/61/CE. Manufacturers products are also free of Class I and Class II Ozone Depleting Substances and natural rubber latex. Inks undergo a toxicological review by Duke University under the WIMA certification program and comply with ASTM D-4236.



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### Zorch Changes Industry

The very idea of the Zorch Model originated out of frustration with the state of quality control in our industry. The founder of Zorch realized that a middleman distributor can not possibly be an expert in each of these very complicated product categories. Embroidering fleece vs. Pique are two very different embroidery loops and processes. Pad printing a golf ball vs. a stress ball requires two different types of machines and molds. Producing pens in china is a scary process since the ink could be recycled and the spring could be plastic vs. brass. If the manufacturers are the true experts, how can a middleman distributor insure product quality in a factory half way around the world or in a pad printing facility two states away?

### 2nd Tier Manufacturers

Zorch maintains a 2nd tier manufacturer list to benchmark industry for quality process improvements. If a manufacturer falls below service levels three times in a six month period they are considered Non-Zorched and a 2nd Tier Supplier covering their product category is moved up to Zorched Status.

### Zorched – a Coveted Industry Status

Being Zorched has now become a coveted distinction of which the most well respected manufacturers in the industry are pursuing. Zorch has a vendor relations team that manages applications for Getting Zorched and establishing a 2nd and 3rd tier of manufacturers. Therefore our current Zorched manufacturer partners work very hard to maintain their product quality levels to protect their position and our business.

### Quarterly Quality Reviews and Site Visits

Many of our manufacturers and our fulfillment warehouses are ISO 9000 certified. Zorch engages a third party process expert to review the manufacturer's process improvement metrics during our quarterly reviews with each supplier.

### Third Party Product Inspections

Zorch engages a United Laboratories third party for random product testing for quality and safety. This testing takes place in factories throughout Asia and imprinting facilities in U.S., Europe and Canada.

### Leverage Overseas Sourcing of Manufacturers

Zorch sources overseas only through Zorched Manufacturers as they are the largest importers and printers. Factories in China are unregulated and therefore only companies bringing large volumes of business to each factory can monitor production and have quality control on-site. UPS orders sent overseas should arrive only on purchase orders with the names that these factories recognize and respect. Names like Vantage Apparel, Logomark, Leeds, Bic, etc. The factories see that name and the product is babysat and product quality is exceptional. If a distributor attempts to source overseas without partnering with the best in class experts of our industry these distributors are shorting only their clients exposing their client brands to dilution and opening themselves up to substandard product quality that could be dangerous.

