

# **Synergy House Furniture Group of Companies**

- Design & Development Policy

Synergy House Bhd (201646-K)

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#### 1. Overview

- We are principally involved in the design, development and sale of RTA home furniture. RTA
  home furniture is a form of furniture where furniture parts are in flat-packed form for ease of
  storage and transportation. RTA home furniture requires customers to assemble themselves
  upon purchase.
- As we focus on the design, development and sale of RTA home furniture, we do not manufacture our home furniture, and we outsource all manufacturing works of our home furniture to third party manufacturers where they are responsible for purchasing raw materials, manufacturing and packaging of our home furniture in accordance to our designs, specifications and requirements.
- Our design capabilities allow us to consistently launch new home furniture designs to suit the latest market trends and consumer preferences.
- The wide acceptance of our products on e-commerce platforms is attributed to the affordable
  pricing of RTA home furniture due to the usage of wood panel products, comprising primarily
  medium-density fibreboard, particle board and plywood, for the manufacturing of our home
  furniture as opposed to solid wood, and cost efficiency for logistics and easy transportation as
  they are packaged in flat-packed form.
- During the D&D process, apart from the functionality and aesthetic values of the furniture, we
  also consider market acceptance of the products in local and various overseas markets, as well
  as cost analysis, pricing strategies and product differentiation, amongst others. All the
  aforementioned considerations are crucial to determine the optimised furniture to be launched
  for sale.
- Being able to produce many new designs per year, this policy entails the transition from ideation of concepts to approval of mass production are well managed.

#### 2. Definitions:

D&D (Design & Development)

#### **Costing Data**

consist of Technical Drawing and Bill of Material for the purpose of cost calculation.

#### Sample

• Prototype of furniture which produce by in-house sample team or factory.

#### Pre-production Sample

• Prototype which must be produced by Factory before the mass production.

## BP (Boring Plan)

• Consist of technical line drawing, exploded view, Bill of Material and details instruction drawings to produce sample.

#### AI (Assembly Instruction)

• Guidelines for end user to clearly understand what hardware is used and how to assemble the furniture.

### CA (Carton Arrangements)

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 Guidelines for factory to order Materials used for packing and packing layer by layer instructions.

SSR (Sample Summary Request)

• used internally and externally to other factories for sample request

PSR (Pre-production Sample Request)

• used internally and externally to other factories for pre-production sample request

## 3. Scope

The D&D scope covers from new development proposal stage, sampling, and factory pre-production confirmation.

#### D&D

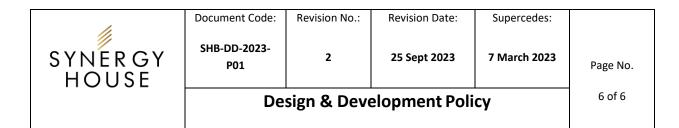
- Produces costing data for purchasing team to get quotation from factory.
- Produces BP, AI, CA for the approved designs, to make samples.
- Check and test samples.
- Follow up on pre-production samples from factory.

## 4. Purpose of the D&D department:

- Conceptualize Furniture according to new trends, market needs and customer's request.
- Support our customer by providing renderings to visualize the furniture in a room setting.
- Design ready to assemble and functional home furniture at affordable prices.
- Maintenance of the furniture displays and showroom.
- To convert concept proposals to technical drawings for the purpose of costing, sample making and mass production.
- Product Reliability meet the requirements of the product function, market requirements and consumer needs.
- Ensure our products adhere to the necessary industry standards and compliance requirements, ensuring their quality and safety.

## 5. Objectives:

- D&D need to ensure proposed designs meets the technical requirement and are feasible for mass production.
- D&D need to ensure proposed designs meets the targeted cost range provided by management or customer.
- D&D to ensure all materials are correct and are being delivered to sample team on time, in order for sample to be produced correctly.
- D&D to ensure the PSR is completed in 22 days by factory or at least 60 days before shipment date.



- D&D to ensure Costing Data have sufficient information for costing and quotation request from factory.
- D&D to ensure Boring Plan and bill of material are sufficient and precise for sample making and mass production.
- Assembly instructions must meet customer format requirements, are accurate and clear to understand.
- Carton arrangements must be accurate and can be understood by factory for packing purposes.

## 6. Key Processes

## • Customer Enquiries

- Customer enquiries projects All information required for the 3D or Roomview are to be listed here.
- 3D created and Roomview created (Task) these 2 tasks are where the renderings are uploaded for marketing.
- Approval Once marketing submit to customer and is accepted by customer then the above task will be completed which means approved.

## Costing Request - Costing Data

- Prepare data (task) D&D to produce the PDF costing data for the purpose of purchasing department to request quotation from factory
- D&D exec to get Manager approval before releasing costing data to purchasing.

## SSR (Structure Testing, Send out, Showroom, CA Drop Test, Sample & Data compilation, Internal Photoshoot)

- Prepare material list for operation department to place order.
- Prepare BP for sample purpose
- Prepare AI if sample is needed to be sent out, and or for data compilation.
- Prepare CA if item confirmed to have order.
- D&D to conduct testing or inspect sample
- D&D approve on sample, and get approval from Manager
- For samples that need to be sent out, D&D approve on sample and then get QC inspection report and approval to send out. Approval from External QC is required for some customers (if applicable).

#### PSR

- D&D to email PSR along with confirmed data (BP, AI and CA) to factory.
- D&D to follow up with factory on the pre-production sample ready date
- D&D to follow up on the status of pre-production sample with factory PIC.
- D&D to monitor on the pre-production sample deadline
- D&D to arrange with Quality Control department to seal the pre-production sample.
- QA will seal the pre-production sample; D&D will finalise the data and sample with QA.
- D&D email QA report to factory

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- D&D to get approval from buyer QC (if applicable) on Al.
- D&D to email approved AI to factory for mass production purpose.

## 7. Work Flow & standard operating procedures (SOP)

Below are the important workflow and SOP related to the D&D:

### Customer Enquiries:

• SP-PM-CEP- Customer Enquiry Procedure

#### SSR:

- SP-RD-SSR SSR Procedure- Sample Build In House
- SP-RD-004 SSR Procedure- Sample Build Outsource (Local)
- SP-RD-005 SSR Procedure- Sample Build Oversea

#### PSR:

- SP-RD-PSR PSR Sample Build Procedure
- SOP for D&D to give target dates to marketing & operation once PSR issued
- SOP Seal Sample Management (sub-con & change of factory)