

USPTO Application Number	12898803
Title of Invention	PROCESS AND SYSTEM FOR ESTIMATING RISK AND ALLOCATING RESPONSIBILITY FOR PRODUCT FAILURE
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FIELD OF THE INVENTION

[0002] The present invention generally relates to manufacturer warranty, and particularly relates to system and process for assessing the risk and responsibility for product failure as a component of the manufacturer's warranty claims processing.

BACKGROUND OF THE INVENTION

[0003] Manufacturer warranty is an assurance to the end-user that if a unit fails within a specified duration from the time of sale then the product will be replaced or repaired at no charge to the end-user. This assurance however assumes that the product will not be subject to conditions or to a usage that is unusual or beyond the tolerance levels of the unit. More specifically, a consumer electronics manufacturer reserves the right to reject the warranty claim on a unit that has been subjected to mechanical abuse such as a drop to the ground. The cost to service and support the warranty claims is still a burden on the manufacturers. Not only is it important for a manufacturer to ascertain whether the unit owner is culpable for unit damage, it is important for the manufacturer to isolate the root causes for warranty claims and allocate their cumulative risk to profitability. Ultimately the financial burden to the manufacturer for such risk is the warranty loss reserve that is used to pay for future claim losses. Thus there is a need to identify systemic issues within the logistics process that are leading to warranty claims or inventory shrinkage. The lack of such a system and process is a blind spot in the manufacturer's logistics process and a gap in current processes for reliability analysis. The present invention addresses this blind spot.

[0004] It is an objective of the present invention to define a process for capturing the events data through the product lifetime, and the fusion of these data with the claims information on the product when returned for repair or replacement.

[0005] It is further an objective of the present invention to diagnose a causal relationship between events data in manufacturer's logistic process and the subsequent product breakdown. Some examples of problem areas that can be diagnosed using the present invention are problems in product design or packaging, and/or poor product handling by carriers.

[0006] It is further an objective of the present invention to measure the risks associated with distinct characteristics of the logistics process including, but not restricted to, product design, distribution channels, parts sourcing and claims handling.

[0007] It is further an objective of the present invention to allocate the responsibility of product failure to the various stakeholders involved in a manufacturer's logistic process, or product use throughout the lifetime of the product.

[0008] It is still further an objective of the present invention to assist manufacturer to assess the business case of making changes to existing business processes in product design, engineering, user documentation, packaging and handling etc. to address systemic product problems versus other options such as recalls or exchanges.