

# REVERSE LOGISTICS magazine™



Edition 15



**Best Buy – Turning Returns  
Processing into Profit Center**

Page 28



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"Arrive early to have some fun before the conference starts. Super Bowl Sunday in Las Vegas - no other city generates as much excitement around this event and no place does it better than Studio 54 at the MGM Grand. Entertain your clients at the RLA Football Party. Spend some one-on-one time with your clients on Monday at the RLA Charity Golf Tournament to benefit "Kids on the Move."



Tuesday offers workshops and Industry Focus Group discussions. Wednesday and Thursday offer keynote addresses, followed by sessions presented by RL professionals, leading academics and also panel discussions.



**Keynote Speaker**  
Kevin Winneroski, Vice President of Secondary Markets for Best Buy will present "Reverse Logistics: It's Not a Challenge, It's an Opportunity!"



Be sure to visit the Expo where 3PSPs will be showcasing their RL services and solutions.  
**If you are a Reverse Logistics professional – don't miss this event!**



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## On the Cover



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### Best Buy – Turning Returns Processing into Profit Center

by RLM Staff Contributor

When Best Buy created a business unit last summer to focus on developing sales of consumer electronics into the secondary markets, it opened a new era of reverse logistics. No longer was the handling of customer returns, return to vendor, and overstock a cost center sitting in a dark corner, but now it was transformed into a profit center.

## Articles



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### Life Cycles of Services Marketing

by William K. Pollock, Aberdeen Group

There are two humbling truths of which all good services marketing managers are aware: 1) Just because the organization offers a comprehensive suite of service products does not necessarily mean that the market will beat a path to its door; and 2) If it tries to market its services solely through a series of individual, “one-off” marketing and promotional “events” it will end up spending a great deal of money, over a long period of time, for a largely ineffective effort.



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### European Legislation and the Implementation of Take Back Schemes

by Achim Winter, CCR Logistics Systems AG

European countries are producing around 1.4 Billion tons of waste, 40 million tons thereof hazardous material, and the major part of the waste can be found in landfill sites or will be incinerated. On one side is an increasing ecological awareness and discussions on the threatening climate change. On the other is the eastern European expansion of the EU and consequently further increase of waste streams that has made it necessary to issue directives or ordinances that have to be transposed into national law by each country.



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### Hips, Knees and RFID: Inside Orthopedics - A Reverse Supply Chain Like No Other

by David Wyld, Southeastern Louisiana University

What if you knew that every order you shipped would be returned? What if you knew that for every item actually used by your customer, you would have to ship thirty, forty, fifty... a hundred or more “spares?” What if you knew that all of these leftover items would be returned to you on a daily basis, and usually, not nearly in as organized a box as the neatly packed one which left your distribution center days before? What if you faced packing, shipping, and receiving thousands of such orders on a weekly basis? What if this was your business model and your supply chain – and one that literally had life or death consequences? Welcome to the unique world of the orthopedic implant industry – a business that is growing by leaps and bounds today.



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### Providing GE Security's Homeland Protection Business with the Global Logistics Support It Requires

by RLM Staff Contributor

GE Security's Homeland Protection business is a leading provider of products and services that defend personnel and property in airports, government buildings, high-risk organizations and facilities around the globe (including military bases, borders, airports and ports). GE Homeland Protection is a wholly-owned indirect subsidiary of the General Electric Company (NYSE: GE) that brings together world-class trace detection, computed tomography (CT), and X-ray diffraction technologies into a single business offering that supports a wide range of security activities.

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 Canada: \$35  
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Printed in the U.S.A. on paper containing 50 percent recycled content with 10 percent post-consumer material. Reverse Logistics Magazine (ISSN 1934-3698) is published bi-monthly by Reverse Logistics Association. The information presented in this publication has been provided by corporations and is believed to be accurate; the publisher cannot assure its completeness or accuracy. Edition 15 published January 2009

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## Feature Article



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### Secrets of Return Allowances

by Paul Rupnow, Andlor Logistics Systems

Experts from Philips, Best Buy and GENCO share insights on how to utilize Return Allowances to reduce Reverse Logistics costs. Despite good intentions, return allowances, if not done correctly, may not be a good solution to reduce Reverse Logistics costs. Return Allowances started out as a quick and easy way for a manufacturer to give an allowance to the retailer to manage its returned items, thereby reducing the reverse logistics costs of processing, logistics and transportation for both parties. The intention of a Return Allowances was to provide a quick and easy way to negotiate a win for everyone. However, if not thought through carefully, return allowances can have negative results for both the manufacturer and the retailer. “Very often they are not saving anyone money,” explained Tony Sciarrotta, Director of Returns Management at Philips. To help you better understand return allowances, Sciarrotta, John Slothower, Manager of Innovation and Services at Best Buy and Curtis Greve, President of Retail Services at GENCO Supply Chain Solutions have shared some of their knowledge, insights and secrets to achieving better return allowances.

## Features

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# To Our Readers

## A Letter from the Editor



I talk about reverse logistics all the time – to family, to friends and to complete strangers sitting next to me on airplanes. Most (family and friends), know little or nothing about RL and occasionally a stranger will be somewhat familiar with the concept but not necessarily the term. I certainly take advantage of the opportunity to enlighten. Sometimes, I even learn something new, myself.

I get together with one of my closest friends Sue, a couple times a week to walk the track at our neighborhood high school. Chatting non-stop makes the time and miles pass quickly and we often talk about our work. I've shared with her about our association and what we do for our members including how we are "matchmakers" between OEMs/retailers and the service providers that can help them with their RL needs.

Sue works in a local hospital ordering what I teasingly call "body parts." Although she had never heard the term "reverse logistics" before I started talking about RLA, she has come to realize that she is actually involved in the reverse logistics process.

On a daily basis, she orders parts – corneas, veins, hips, knees, etc. While actual body parts cannot be returned, other parts or instruments used during a procedure can and are returned for a variety of reasons, including duplicate orders, expired items or a change in standard practice for a particular procedure which requires changing out all instruments and parts supporting that part.

Two interesting points have come out of our discussions:

- that many items, if appropriate to do so, are returned to their provider. Provider then sorts, cleans, tests, restores, sterilizes, repackages, cycle tracks/applies new expiration date and then returns to the hospital for future use. This is most-definitely reverse logistics.
- Many items cannot be returned, so the hospital donates to resource organizations like Globus Relief. Globus Relief gathers, processes and distributes medical and other humanitarian supplies to charitable organizations around the world through disaster relief efforts and also through medical and dental facilities serving the daily needs of the less fortunate. This too, is reverse logistics.

Just one more example of how RL touches the lives of individuals everyday.



### Reverse Logistics Association Mission

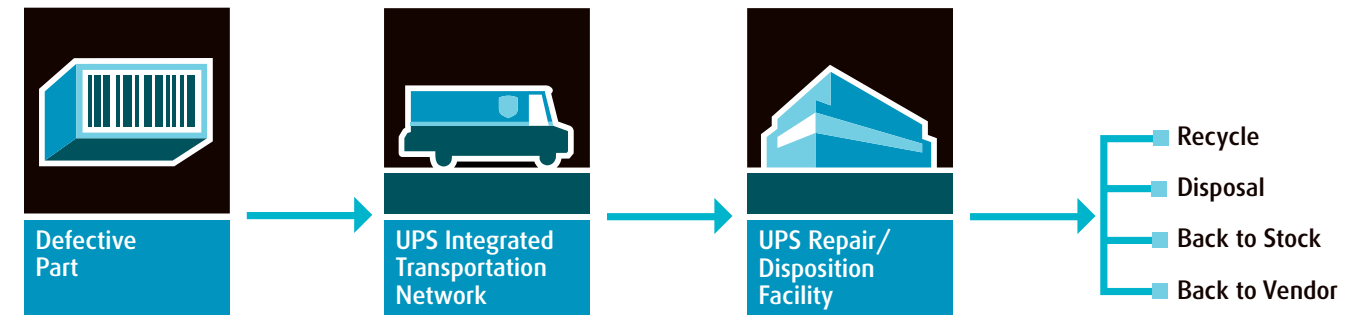
Our mission is to educate and inform Reverse Logistics professionals around the world. RLA focuses on all industries in the reverse logistics process. No matter what industry, High Tech, Automotive, Medical/Pharmaceutical, Publishing, Apparel, or Consumer, our goal is to provide RL process knowledge to all industries. We want to educate everyone about the Reverse Logistics Processes that are common to all industries. We have been and will continue to provide our services at a moderate price to our members.

Managing the latest information in repair, customer service, parts management, end-of-life manufacturing, service logistics, field service, returns processing and order fulfillment (just to name a few) can be a little intimidating, to say the least. Yet, that is exactly what the Reverse Logistics Association provides with our membership services. We serve manufacturers and retailers in a variety of settings while offering ongoing updates on market trends, mergers and acquisitions and potential outsourcing opportunities to 3PSPs. We have gained the at-

ention of 3PLs like FedEx, DHL, USPS and UPS. 3PSPs like Teleplan, Foxconn, Flextronics, Canon, Sony and Jabil, along with small service providers have found that the RLA resources help advertise their services. OEMs like Microsoft, HP, Palm, and Sony, along with Retailers like Wal-Mart, Canadian Tire, Tesco and Best Buy all participate at our events. Our online RL Magazine and Weekly News Clippings help OEM, Branded and Retail companies find service partners that were unknown to them.

## Post Sales End-to-End Global Solutions

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## Money Talks

### What Makes An M&A Deal Work?

Companies buy other companies for a variety of reasons. Whatever reasons drive a particular deal, mergers and acquisitions (M&A) are considered successful when multiple synergies are realized and when the business combination increases the net cash flow of the merged business beyond what each entity could have achieved on its own. Here we'll examine what makes a

successful acquisition and take a look at three companies that have pulled it off.

### Philips Reports Higher Q3 Profits

Philips Electronics NV reported a higher net profit corporately, but reported further restructuring involving its consumer electronics business. Net profit for the company for the quarter was up 7.8 percent to \$479 million, from \$444.1 million in the previous year's third quarter.

Sales were \$8.49 billion, down from the previous year's \$8.67 billion.

### Assurant acquires GE Consumer & Industrial's warranty management group

Assurant, a provider of specialized insurance and insurance-related products and services, has completed its acquisition of the warranty management group business from GE Consumer & Industrial, a unit of General Electric.

# Message from President



The financial meltdown on Wall Street in the USA had an economic impact around the world and everyone is wondering what will happen in the future.

I want to take a moment to share a few thoughts, not to scare anyone, but the very opposite, to lift you up. All of you understand that anytime there are layoffs in any industry, it opens up more opportunities for the 3rd Party Service Providers (3PSPs). Here is why:

- When a major retailer cannot afford to hire the thousands of seasonal people to help with the holiday rush, they are put into a bind. They have to find ways to get everything done just as before with less people. How can they possibly do this...easy, outsource, they manage the process by use of a 3PSP.
- When a company files for "chapter 11 protection" and closes stores, they need a 3PSP to help.
- When layoffs or liquidation occurs, who does the liquidation safely, productively and securely? The answer is easy, a Reverse Logistics 3PSP liquidator!

3PSPs are designed to be much more efficient at amortizing cost across multiple product lines while keeping overhead fixed. So when a company has to layoff, most of the time they outsource a process in order to keep customer satisfaction high. Whatever was outsourced, it probably wasn't the branded company's core competency in the first place. It shouldn't have been in their process, just like everyone learned 10-15 years ago in the manufacturing industry. So, contract manufacturers popped up all over, and then the consolidation of the industry occurred. The same consolidation will occur in ours. The 3PSP with the best practices will always win.

All industries have no choice during this economy but to outsource more RL as they no longer have the manpower. They need the cost savings that a 3PSP can offer to the OEM or retail company. RLA has been receiving news in the last 6 months about 3PSPs that are winning new business during this economic downturn. Our process/industry is hiring at a tremendous rate. One of many 3PSPs that I have spoken with has hired over 700 people in the last 6 months and many others have come close to that figure! Most 3PSPs are in heaven at present, while others are feeling financial pressure. Why are some winning while others are losing? Simple, some have best practices!

In our last two issues of Reverse Logistics Magazine, I've expressed my concern about companies not taking advantage of deploying "cash saving Reverse Logistics processes." I have heard from many of you who took me to heart and have made changes at your company--congratulations! Since our last edition of the magazine the economy has continued to plummet. I want to repeat the statement I made - "Now is the time for 3PSPs to ramp up, not slow down."

Some companies have announced travel freezes. While travel expenditure reduction might look good for a month or two, this strategy might end up costing you more. You need to stay in front of your vendors and customers by having your Quarterly Business Reviews. Many OEMs and retailers are not letting budget restraints affect their ability to stay close to their vendors. Major retailers and OEMs have found ways to conduct QBRs at conferences and tradeshows in order to reduce their travel budget along with their partners.

Not only is RLA encouraging companies to hold their QBRs at our conference as in the past, but to pull in their upcoming QBRs for the next 2-3 quarters. We're expecting over 700 companies, with more OEMs and retailers than ever before. Reduce your travel expenditures, come and meet together at the most inexpensive meeting destination in the world, Las Vegas. RLA will set up private meeting rooms for scheduling QBRs between OEMs/retailers and 3PSPs.

This month's edition is focused on turning cost centers into profit. Please join with me in reading the cover story on how Best Buy has done this very thing!

Gailen Vick  
[ReverseLogisticsAssociation.org](http://ReverseLogisticsAssociation.org)

"Our team is able to accomplish more in 2 to 3 days during the RLA event than at any other point throughout the year. Consolidating quarterly business reviews and other business sessions around the RLA event has proven to be a win-win solution for ourselves, our vendors, and our customers. Bottom line -- it's allowed us all to reduce travel expenses through prudent planning."

Eric Hemming,  
 Director of Customer  
 Services (NAM)



## Board of Advisors

A Board of Advisors comprised of industry experts has been set up to monitor and assist the Reverse Logistics Association management team in making informed decisions. Advisors include:



**John Benardino – Hewlett-Packard Company**

John Benardino is currently a Director of Reverse Logistics for HP's Imaging and Printing Group. In his position, John is responsible for credit issuance, engineering, remanufacturing, and all return related costs. His product responsibilities cover printing, digital imaging, supplies, scanners, and shared printing.



**Gurn H. Freeman – FedEx Corporation**

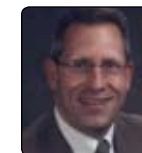
Gurn Freeman is a Director of Worldwide Services for FedEx Corporation, a \$35 billion company that provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. In his role, Gurn provides leadership for two Government Sales teams in the revenue-generating division of FedEx Services. These two sales organizations have worldwide revenue responsibility and provide logistics solutions for some of the most influential government and state agencies. Gurn also manages a team of highly skilled sales professionals responsible for logistics services and emerging products.



**Dan Gilbert— Cisco Systems**

Dan Gilbert is Vice President of Worldwide Reverse Logistics at Cisco Systems, Inc. His charter when joining Cisco in 2005 was to define and create a world-class reverse logistics organization. Dan's global team is responsible for driving excellence in product recovery,

receiving, inventory, and recycling operations, and for transforming returned product into value for Cisco shareholders.



**Charles Johnston –WAL-MART Stores, Inc.**

Charles Johnston is General Manager at the Bentonville Return Center, WAL-MART Stores, Inc. Chuck has been with WAL-MART for the past 13 years and his responsibilities include Returns, Imports, Exports, Tires and Printing and Mailing Distribution.



**Hartmut Liebel— Jabil Global Services**

Hartmut Liebel was named President, Jabil Global Services (JGS), in October 2004. He joined Jabil as Executive Vice President in July 2002 and was named Chief Operating Officer in October 2003.



**Dr. Dale Rogers, University of Nevada, Reno**

Dale Rogers is the Director of the Center for Logistics Management and a Professor of Supply Chain Management at the University of Nevada. Dr. Rogers is a frequent speaker, a consultant to several leading firms, has been published in several logistics journals and has published several books on logistics and reverse logistics. His current research interests are focused on the following: reverse logistics and returns, supply chain technologies, e-business supply chain management, and supply chain management.

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**Doug Schmitt, Dell**

Doug Schmitt serves as VP of Dell's Global Field Delivery organization with international responsibility for global break/fix field engineers, same day service delivery, spare parts depots, parts planning, service logistics, repair, reverse logistics and Dell's global command centers. In addition to Doug's role as VP Global Field Delivery he has responsibility for Americas Support Services. Previously, Doug held executive and senior management positions in service and finance at Dell, Inc.

Doug came to Dell in 1997 from Sequent Computer Systems where he held various senior level finance positions. Before Sequent, Doug worked in the banking sector.



**Tony Sciarrotta – Philips Consumer Electronics**

Tony is Director of Returns Management at Philips Consumer Electronics North America. In this position, Tony leads returns reduction and entitlement initiatives for mainstream consumer electronics, and is also currently concerned with further driving the implementation of electronic registration for Philips products at leading retailers. Working with Philips Sales, Service, Marketing, and the Philips Business Excellence Group, Tony is helping drive several teams to improve the consumer experience and subsequently reduce the high rates of products returned with no defect found.

*Complete biographies of Advisory Board Members are available from the RLA site at [www.reverselogisticstrends.com/company\\_advisory.php](http://www.reverselogisticstrends.com/company_advisory.php).*



**REVERSE LOGISTICS ASSOCIATION**

Focus Sub-Committees were set up to provide a standing forum for Reverse Logistics Professionals to meet on a regional and global basis and discuss common Reverse Logistics issues at the RLA Conferences & Expos. Focus Sub-Committees educate the industry on reverse logistics:

- “Best Practices”
- Consumer Satisfaction Issues
- Regulations on a Worldwide & Regional Basis
- Processes that can reduce costs

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# Extending the Life Cycle of Your Organization's Services Marketing and Business Development Activities

by William K. Pollock

There are two humbling truths of which all good services marketing managers are aware:

- One, just because the organization offers a comprehensive suite of service products does not necessarily mean that the market will beat a path to its door; and
- Two, if it tries to market its services solely through a series of individual, "one-off" marketing and promotional "events" it will end up spending a great deal of money, over a long period of time, for a largely ineffective effort.

That is why it is so critical to maximize the impact of every individual marketing, promotional and business development activity into a singular campaign that not only works today, but also sets the stage for supporting future campaigns and activities as well. However, the key to building an effective services marketing campaign is not only dependent on how much money the organization spends, but also on how well it leverages each of its otherwise individual marketing and promotional activities into a more cohesive and well-orchestrated marketing and promotional "package."

For example, over the course of a year, many organizations conduct a large number of individual marketing and business development activities, typically including (Figure 1):

- Making sales calls, or using direct mail, e-mail or telesales to reach new market prospects;
- Advertising in targeted industry trade publications that reflect the targeted audience of potential services purchasers and/or influencers;
- Sending out press releases to announce new products or services, contract "wins," strategic alliances, acquisitions, company appointments and other company-related news items;
- Exhibiting at industry trade shows, such as the Reverse Logistics Association's Conferences and Expos;
- Writing articles for major industry trade publications (such as Reverse Logistics Magazine);
- Making speeches and/or case study presentations at key business and industry conferences;
- Conducting, or sponsoring webcasts on key issues relating to services;

- Sponsoring a services industry benchmark report; and
- Performing other marketing and business development related activities and events.

While each one of these activities, in isolation, is at least somewhat productive in getting the message out to a specific, targeted prospect base, the organization will likely not benefit from any cumulative marketing and promotional impact, or "punch," that could be otherwise provided by a more formal and structured effort. Further, there would be no real longer-term residual marketing and promotional benefits likely to result from such a series of "one-off" activities. In other words, each of these individually conducted activities would have its own, fairly short, "shelf life" that, once the "event" is over, the message "dies" along with the event.

But, this doesn't have to be the case.



Figure 1  
Leveraging the Most Out of Your Organization's Trade Show Participation

<b>Objective</b>	<ul style="list-style-type: none"> <li>• To gain exposure and generate qualified leads at a single point of time and place.</li> <li>• Opportunity to exhibit and demo your products, services and capabilities to customers &amp; prospects in person.</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• Trade show attendance and networking.</li> <li>• Booth exhibition and distribution of marketing collateral.</li> <li>• Coordination of expo appearance and in-area sales calls.</li> <li>• Presenting a case study, sitting on a panel, etc</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• High intensity physical presence and exposure.</li> <li>• Excellent vehicle for networking and making contacts.</li> <li>• Gaining an image of being a key industry player.</li> <li>• Opportunity to develop qualified leads in person.</li> </ul>
<b>Combined With</b>	<ul style="list-style-type: none"> <li>• Pre-promotion via direct/e-mail and telemarketing, etc.</li> <li>• Additional exposure through magazine ad/article, etc.</li> <li>• Excellent venue for distributing marketing collateral, handouts, articles, press releases, Benchmark Reports.</li> </ul>
<b>Follow-up</b>	<ul style="list-style-type: none"> <li>• Direct follow-up on sales leads.</li> <li>• Addition of new prospect names/addresses into existing market/prospect list files.</li> </ul>
<b>Frequency</b>	<ul style="list-style-type: none"> <li>• One or more major shows per year; regional participation on a case-by-case basis.</li> </ul>

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If an organization's principal marketing and promotional activity during the course of the year is exhibiting at the Reverse Logistics Association's annual Conference and Expo and, perhaps, one or two other services-related trade shows, it would be a mistake to assume that by focusing 100% of its attention to these conference-related activities, it is going to set the services world "on fire." While it is inarguable that the overall impact of the organization's presence at these shows will be positive, there are still many other related pre- and post-conference activities that, if executed as part of a longer-term "campaign," can significantly increase the overall outcomes of its participation.

For example, solely by exhibiting at the same one or two confer-

ences year-after-year, the organization may find itself merely "networking" each year with the same individuals who had visited their booths the year before. Every year, many of these same visitors may stop back at the booth, so the organization can provide them with their annual "fix" of putting a "face" together with a "name," handing out its new and slightly revised marketing collateral, and telling them one more time why its services are better than everybody else's. This, even by itself, is by no means a bad thing, but it is essentially little more than annually "preaching to the same choir" with virtually the same materials.

However, by leveraging its schedule of trade show participation into a more broadly defined and aggressive "campaign" of mar-



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keting and promotional activities, the organization can substantially increase the impact of these former “one-off” activities. One way to accomplish this is to use the annual Conference and Expo as the “focal point” of a longer-term marketing and promotional effort.

As an example, instead of merely “appearing” each year at the scheduled shows, (i.e., manning the booth, presenting demos, and handing out marketing literature) the organization can easily turn its Conference appearances into a nearly year-long marketing and promotional “event” by executing the following complementary actions over an extended period of time:

### Pre-Conference Complementary Activities

- Sending out pre-Conference notices, or “alerts,” to past Conference attendees, past booth visitors, customers, prospects and portions of the association’s membership base (via direct and/or via e-mail) to announce not only the next upcoming show, but future show appearances as well;
- Sending out press releases that combine the announcement of an upcoming conference appearance with the pre-announcement of a new service product, customer support capability, strategic partnership, contract “win,” etc. (i.e., with



the “official” announcement to be made at the show);

- Sending out direct and/or e-mail “coupons” for customers/prospects to pick up (or download) a complementary copy of a relevant “white paper” or research report at the booth; and
- Others (such as continuing Conference promotion via company website announcements, press releases, special promotional events, etc.).

### At-Conference Complementary Activities

- Making a pre-scheduled press announcement at the Conference (e.g., The Reverse Logistics Association often works with its exhibitors to arrange for a joint press release/news announcement to be made at its annual Conferences);
- Handing out copies of article reprints, executive reports, Benchmark Reports and other printed matter that contain more than just promotional materials; and
- General networking, and full Conference participation and involvement (e.g., Conference Sponsor Program, Reverse Logistics Magazine contributor/advertiser, etc.).

### Post-Conference Complementary Activities

- Following up with booth visitors by sending them additional copies of articles, handouts, Benchmark Reports, etc. that may not have been available at the booth; and, similarly, sending non-attendees copies of the most relevant booth handouts that they would otherwise not have had an opportunity to pick up;
- Sending out advance notices/“alerts” of the next series of upcoming shows and conferences where the organization will be exhibiting;
- Including the “tag lines” “Look for us at the Reverse Logistics Amsterdam Conference and Expo in June 2009” or “A Reverse Logistics Conference Exhibitor since 2005” in all of its printed marketing collateral as well as on the website; and
- Generally preparing to do it all over again for the next series of shows.

As you can imagine, there are many ways in which to transform a one-time Conference event into a three-, six- or even 12-month marketing and promotional “event.” The pre-Conference complementary activities can begin as early as three months prior to the show, and the post-Conference complementary activities can last up to a year or more. While the Conference itself may only last two or three days, there is no reason why the cumulative, long-term impact of your participation at the show should not last one year or more.

The same concept that extends the life cycle of an organization’s tradeshow appearances into a

year-long marketing event also works equally well with other marketing and promotional activities, such as any of the complementary activities described above. Just like the answer to the age-old question of “which came first, the chicken or the egg?,” it does not really matter where you start – what matters is that you do it all together in a well-planned and highly integrated manner, and that you do not waste a marketing opportunity by forcing each individual activity to work by itself.

In services marketing and business development, there is definitely a positive cumulative impact gained by making all of your activities work together in getting the message out; “surrounding” the market with meaningful, and not just self-promotional material; and coordinating everything to benefit from as long an overall life cycle as possible. The most successful organizations are those that truly understand the value of making all of their marketing, promotional and business development activities work together in an orchestrated manner. They have already learned that the cost of “one-off” marketing and promotion is much too hard to either justify or sustain in today’s services economy. **RLM**



*William K. Pollock is Vice President - Principal Analyst at Aberdeen Group, the leading provider of fact-based research focused on the global technology-driven value chain. Bill presently heads up Aberdeen’s Services Practice, with the prime responsibility of identifying and analyzing the cutting edge issues that drive the global services sector. Bill may be reached at via e-mail at bill.pollock@aberdeen.com.*

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# European Legislation and the Implementation of Take Back Schemes

by Achim Winter

European countries are producing around 1.4 billion tons of waste, 40 million tons thereof hazardous material, and the major part of the waste can be found in landfill sites or will be incinerated.

On one side is an increasing ecological awareness and discussions on the threatening climate change. On the other is the eastern European expansion of the EU and consequently further increase of waste streams that has made it necessary to issue directives or ordinances that have to be transposed into national law by each country.

Based on the producer responsibility, the directives impose the disposal of waste on the manufacturer of the products, who also has to bear the major part of costs for an environmentally sound treatment.

It is the goal to avoid waste by creating environmentally friendly products, to reduce waste by separating and recovering/reusing and finally to take care of recycling and disposal in an environmentally friendly manner. The producer has to establish an infrastructure for collecting their waste. As the requirements for installing these necessary reverse logistics systems are not real core competences of the

producer, they need service provider or 3rd parties for implementation. Some examples for the European Directives are the End of life vehicles (ELV) Directive 2000/53/EC, WEEE Directive 2002/96/EC or the Battery Directive 2006/66/EC. These directives are not binding law for the member states but a guideline with which they have to comply. The member states have some freedom in implementing and transposing the European frame legislation into a national one. Creating the legal basis in conformity with the EU legislation on the one hand and building up efficient take back systems on the other, is a big challenge for the EU and in each country for all parties involved.

## The ELV Directive

In Europe, every year around 9 million tons of waste is produced by ELVs. But in used cars, there are many parts that can be recycled, including the oil, filter, plastic parts and batteries—75% of ELVs, are recyclable. In the EU, the rest is considered waste. As car ownership continues to increase, it is important that the proportion of each end-of-life vehicle being recycled is maximised, so that the environmental impact is reduced. The ELV Directive (Directive 2000/53/EC), came into

force in October 2000 and aims to achieve an environmentally friendly dismantling reuse and recycling of used or crashed vehicles (or parts, for example partially worn tyres). The ultimate goal is to put only 5% of ELV residues into landfills. In October 2007, the European Commission published a report regarding the difficulties and the different transpositions of this binding directive in various European countries. So the measures to avoid waste, to reduce the use of hazardous substances (one litre of waste oil is enough to contaminate one million litres of water) or to use recycled material in cars are varying. Some countries like Germany and France, having a strong industry on this sector, oblige the producers, by tight regulations, to change the construction of cars accordingly. Other countries stress their transposition of the directive on construction of spare parts or on restrictions for hazardous material. Nearly all countries issued measures to guarantee the building up of take back systems (usually not a core competence of the producer), collection points and recycling plants. In practice, Malta for example, has no recycling plant, in Italy there are around 1.500. All countries confirmed having set up goals for reuse and recycling quotas, in most cases the same quota as recommended in

the directive (85% and 95% from 2015 onwards). Another obstacle is the costs, which vary significantly in the different member states. Overall the implementation is not yet satisfactory, as demonstrated by a number of infringement procedures by the European Commission. In some member states the installed ELV management systems are not fully operational.

## The WEEE Directive

A similar development took the implementation of the WEEE Directive, in force since 2003. This waste stream is growing at 3-5% per year and a significant amount of it was still land filled or incinerated. The Directive imposes the physical and financial responsibility for the setting up of efficient collection schemes and the disposal of waste electrical and electronic equipment on the manufacturers of such equipment. Those companies should establish an infrastructure for collecting WEEE, in such a way that “Users of electrical and electronic equipment from private households should have the possibility of returning WEEE at least free of charge.” The modalities of the logistics

and the organisation of the take-back schemes are left to the choice of member states. Also, the companies are compelled to use the collected waste in an ecologically-friendly manner, either by ecological disposal or by reuse/refurbishment of the collected WEEE. The (at that time) 25 member states had been obliged to transpose its provisions into national law by August 2004, but only Cyprus met this deadline. One year after this deadline the electronics manufacturers became financially responsible for compliance to the WEEE directive which today has been transposed in national laws in all member countries of the European Union. As the national transposition of the WEEE Directive varies between the member states (and some do not yet have take back schemes in place today), a patchwork of requirements and compliance solutions is emerging across Europe. Under the directive, by the end of 2006 – and with one or two years’ delay for the new EU members – every country has to recycle at least 4 kg of WEEE per capita per year. As this directive is more detailed and prescriptive than other directives, it is more difficult to implement. Moreover, the character of the products is very different and not that homogenous,

as for example, end-of-life vehicles (ELV). Thus, 27 + 2 (Switzerland and Norway) different regulations are effective and considerable differences in collection rates achieved. For example 0-1 kg per capita in Poland and more than 10 kg in

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Norway and Sweden are collected. The implementation of the WEEE directive is still a challenge for all parties involved (legislative bodies, local authorities, producers and service providers) and according to producers, a harmonization of the measures at EU level is necessary in order to avoid costs and establish a fair competition.

### The Battery Directive

The Battery Directive 2006/66/EC, made official since September 2006 has two main purposes, firstly to reduce the hazardous material used in batteries (lead, lead-acid, cadmium, mercury) by establishing prescriptive limits for the producer and secondly, to achieve a maximum of collecting and recycling quota for all kind of used batteries (portable, industrial and

automotive batteries). All member states have to take necessary measures in order to install efficient take back schemes to ensure that battery recycling follows the best available, environmentally friendly techniques in order to minimize the negative impact on the environment. The current status in Europe shows still significant differences in the organization of take back schemes (monopolistic systems, multiple producer systems, independent collections, municipal collection), but from 26th of September 2008 onwards the directive is tightening. Thus, all member states should have transposed the requirements of the directive into national law. Until September 2012, the collection target of 25% or more (for portable batteries) has to be achieved, to be increased to 45% in 2016. Some countries have achieved these collection rates already by today, but others having underdeveloped collection schemes, need more time.

### Packaging Waste

Due to the increasing set of problems in connection with waste arising from packaging, the EU started to introduce first measures on the management of packaging waste in the early 1980s. This turned out to be too vague to be effective and only a few member states introduced measures on packaging waste in order to reduce their impacts on the environment. So, after long discussions, a comprehensive legislation on packing came into force in 1994. The Directive 94/62/EC “aims to harmonise national measures in order to prevent or reduce the impact of packaging and packaging waste on the environment and to ensure the functioning of the Internal Market (market within the European Union). It contains provisions on the prevention of packaging waste, on the re-use of packaging and on the recovery and recycling of packaging waste”. All member states have to establish systems for the return and/or collection of packaging waste, step by step and with increasing quotas.

Until December 31, 2008 the following targets for materials contained in packaging waste have to be achieved: 60% by weight for glass, paper and board; 50% by weight for metals; 22.5% by weight for plastics and 15% by weight for wood. All this based on the amount brought to market. For some countries the deadline is extended either due to geographical circumstances or due to being a “young” member state. Already in 2006 and covering the period between 1997 and 2002,

the European Commission noted “considerable improvements in terms of recycling, recovery and incineration of packaging and packaging waste,” and “recovery and recycling have had positive environmental effects, including a reduction in greenhouse gas emissions and resource savings if compared with the mere disposal of packaging in landfills to be incinerated without energy recovery.”

For the consumer the return processes related to the fulfilment of the directives mentioned before are for the most part running in the background. He actively enters the chain in separating waste in his household from packaging of food to sending back empty printer cartridges or end-of-life electronics.

In some countries the awareness for being part of these processes to protect the environment is very distinctive (Northern Europe incl. Germany), other countries have to intensify their efforts in this field (Portugal, Greece). In the meantime a lot of national take back schemes are implemented, sometimes well protected (monopolized) but in many cases a good balanced competition was developed in the last years. Probably the most advanced of the international acting suppliers is RLG (Reverse Logistics Group), offering one stop shopping throughout Europe and offering take back schemes e.g. for warranty parts, web shops (virtual stores), repairs, try and buy, trade in and waste, both B2C and B2B. **RLM**



Achim Winter is CEO of CCR Logistics Systems AG and responsible for the unit's strategy and sales. Together with his brother he

founded the company in 1991, both together are holding one third of the share capital of CCR. Since the merge of CCR, Cycleon and Vfw under the family brand of Reverse Logistics GmbH (RLG) in 2007, Mr. Winter is also managing director at the RLG. This includes his position as CEO at Vfw and Cycleon.

RLG is the leading pan-European provider of Reverse Logistics solutions such as Warranty Parts Management, Trade in and Clearing as well as Waste Management. RLG is as well offering pan-European fulfillment of WEEE, ELV, battery, packaging, waste oil legislation.



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# Hips, Knees and RFID: Inside Orthopedics - A Reverse Supply Chain Like No Other

by David C. Wyld

What if you knew that every order you shipped would be returned? What if you knew that for every item actually used by your customer, you would have to ship thirty, forty, fifty...a hundred or more "spares?" What if you knew that all of these leftover items would be returned to you on a daily basis, and usually, not nearly in as organized a box as the neatly packed one which left your distribution center days before? What if you faced packing, shipping, and receiving thousands of such orders on a weekly basis? What if this was your business model and your supply chain – and one that literally had life or death consequences? Welcome to the unique world of the orthopedic implant industry -- a business that is growing by leaps and bounds today.

### The Booming Joint Industry

With the aging of the Baby Boomer population and the push for the "active senior" lifestyle, accompanied by refinements in orthopedic surgery techniques, including computer-assisted surgery, we have seen dramatically rising rates of hip and knee joint replacements over the past decade. In the U.S., data from the National Center for Health Statistics show that there has been a dramatic rise in the number of both hip and knee replacement operations over the most recent seven year period for which data is available (1997-2004) (see Tables 1 & 2).

**Table 1 – Annual Hip Replacements in the United States, 1997 and 2004**

Age	1997	2004
18-44	10,999	15,065
45-64	40,596	81,210
65-84	92,177	117,612
85+	9,225	11,305
<b>Total</b>	<b>153,080</b>	<b>225,900</b>

**Table 2 – Annual Knee Replacements in the United States, 1997 and 2004**

Age	1997	2004
18-44	4,730	8,468
45-64	67,556	157,149
65-84	182,709	251,773
85+	9,314	13,304
<b>Total</b>	<b>264,331</b>	<b>431,485</b>

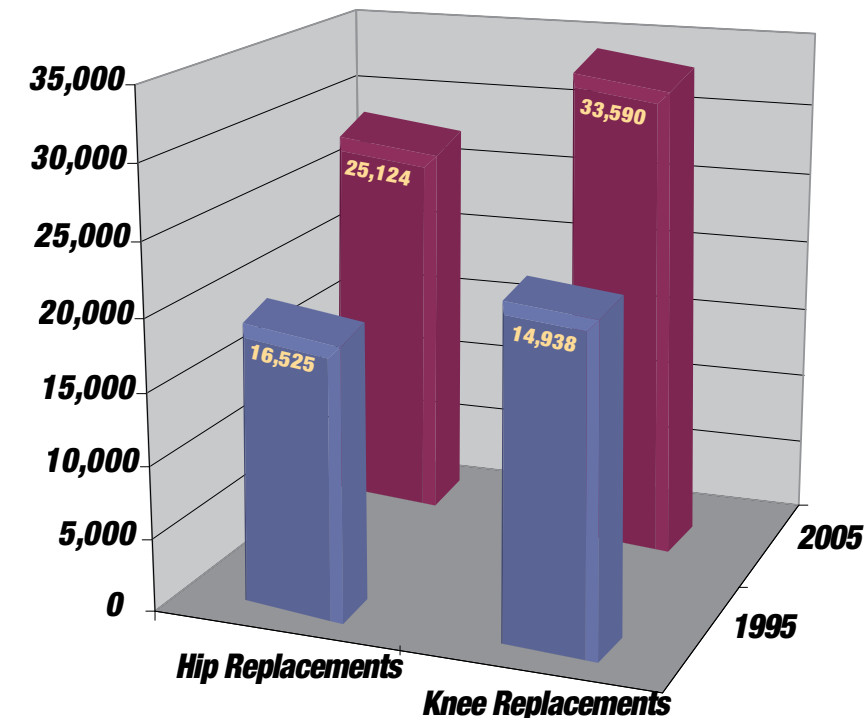
this is not just an American phenomenon; in Canada, according to the most recent data available from the Canadian Joint Replacement Registry (CJRR), there has also been a phenomenal increase in the number of hip and knee replacements in recent years (see Figure 1). Similarly, significant utilization increases have been noted both across Europe and Asia.

Beyond age, three other factors have also helped accelerate the trends toward joint replacement. The growing obesity problem has caused more people to seek out leg joint replacement earlier and earlier in life, as heavier

body masses place more stress and cause more wear on hips and knees. Also, the growing concerns over long-term effects of taking pain medications and Cox-2 inhibitors have led more patients –and their doctors – to turn earlier to non-pharmacologic options for long-term pain relief, even before such conditions turn chronic, especially as success rates for such procedures improve. Finally, one can not discount the impact of the ever-increasing amount of direct-to-consumer focused advertising for such procedures, as joint implant manufacturers seek to promote healthier lifestyles (exemplified by golf champion Jack Nicklaus promoting Stryker hip implants after he himself underwent a replacement procedure.) As Dr. Paul Lachiewicz, MD, a Professor of Orthopedics at the University of North Carolina put it bluntly, in today's environment: "People don't want to take medications. They want it fixed."

According to a just-published analysis in Arthritis Care & Research, if these trends continue, there will be an estimated 600,000 hip replacements and 1.4 million knee replacements carried out annually by 2015 in the U.S. alone. Also, as more patients undergo joint replacement operations at younger ages, it becomes increasingly likely that they will face the prospect of having to undergo a revision operation down the line (a replacement of their initial joint replacement), as they simply outlive the life of their artificial joint. Such revisions have proven to be lengthier, more difficult, and more costly operations, posing more risk for both the patient and the surgeon, and they will serve to cause even more growth in the number of operations – and the number of implants needed – in coming years. All of this points to vast growth in the orthopedic industry. According to industry research, the global market for both knee and hip replacement orthopedic implants each individually exceeded \$5 billion dollars in 2007.

**Figure 1- Total Number of Hip and Knee Replacements in Canada, 1995 and 2005**



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## Orthopedic Surgery 101

When we laymen think of surgery to replace something, we commonly think of it as basically being like a highly advanced, highly dangerous version of the auto repair shop. We look upon the process as “body work” – a not-so-simple matter of replacing an “old” or “damaged” part with an artificial (new) or slightly used (transplanted) part – heart for a heart, kidney for a kidney, eye for an eye, literally. However, just as with the auto repair analogy, it is not so simple when it comes to the “joints.” **Much like a strut, a shock absorber, or a CV joint for an automobile is uniquely suited to the make, model, and year of the car, so too are our human joints, as one hip or knee joint does not fit all.**

In fact, just like you would need to find a muffler or any other replacement part to fit your particular car, so is the case with replacement human joints.

## The Orthopedic Supply Chain

Supplying artificial joint replacements is thus perhaps the world’s most unique supply chains. Some larger hospitals stock an entire assortment of orthopedic implants and supplies, consigned to them by the manufacturer and billed upon use. However, in most cases, we see perhaps the ultimate example of a “just in time” inventory system. This is because when a patient’s hip or knee replacement operation is scheduled, an orthopedic kit, sometimes called a “set,” is ordered from one of over 370 firms globally that supply this specialized field. In fact, for a single joint replacement operation, the orthopedic surgeon will need an entire joint replacement kit, which may have 20-150 sterile implants and associated components. However, until the operation is well underway, the surgeon will not know the particular size implant needed to complete the joint replacement. Thus, he or she will choose an implant and perhaps 1-2 associated items for use in the replacement operation, with the rest of the assortment being

returnable to the orthopedic supplier. It is thus absolutely critical that the surgeon have the right size and type implant in-hand and available during the procedure. As Michael Schaffler, Operations Director for Zimmer, a leading orthopedic implant supplier, plainly described the situation: **“In this business, a picking error discovered in the operating theater when that patient is on the table is not an option.”**

So, for the medical supplier, picking, packing, shipping, and accounting for these valuable items is an area where 100% accuracy is absolutely critical. After being shipped back to the firm, the incoming kits are then scanned to see which items have actually been used. These are noted both for billing and for replacing the missing parts from the kits, so that the kits can be restocked with replacements for the implants used and then sent out once again for future operations.

## The RFID Solution For Implants

For most orthopedic implant manufacturers, bar coding had been the principal means of identifying each of the carefully packaged implants in an orthopedic kit. The shift to RFID tagging of the individual items and the cartons containing them in early implementations has produced process improvements that are remarkable by any measure. Implementations so far have dealt with the entire cycle – from ensuring picking accuracy in assembling the kits for shipment to scanning inbound kits to determine which implants and other items had actually been used in surgery. An example of such is DePuy Orthopaedics, a Warsaw, Indiana-based subsidiary of Johnson & Johnson. DePuy has installed an RFID-based inventory control system, using technology supplied by ODIN Technologies. Each day, on average, DePuy ships almost 700 orthopedic kits, and it receives an almost equal number back in return. Dave Johnson, DePuy’s Director of Distribution, recently commented that: “It used to take us 10 to 30 minutes to inspect each set, and now we accomplish it in less than

a minute...(and) the accuracy of the RFID process so far has been amazing.” Zimmer, another leading orthopedic supplier, also based in Warsaw, Indiana, has implemented a similar solution from Magellan Technology. And with the global market for orthopedic implants, the shift to RFID tracking is going global as well. Recently, the Spanish medical products distributor, MBA Grupo, announced that it was shifting to RFID tagging for its orthopedic supply operations, making use of tags from UPM Raflatrac and Intermec readers.

## Some of the technical challenges for reading accuracy in this particular application include the facts that:

- A significant percentage of joint replacement components have titanium and/or cobalt, causing a good bit of radio wave interference;
- A single orthopedic kit may actually be a shipment of several boxes. Thus, in searching through the kits for the “right” implant, a surgeon and/or other operating room personnel may actually shift items from their original package to another box, negating the item-to-box packing slip; and
- Likewise, returned orthopedic kits are often times not packed as carefully as are the outgoing packages. Thus, readers are challenged to cope with tags that are in multiple orientations, making reading all the more difficult.

What is the ROI equation for tagging of orthopedic implants? Unlike many other in-hospital applications for RFID (tagging supplies, medical equipment, etc.), this is a supplier-driven and funded program. Supplier reports show that because of the reduced cycle times for both picking and assembling outbound shipments and handling scans of inbound returned kits – and the attendant labor cost savings through the more automated process – ROI on such implementations can be measured in months, not years. Furthermore, the assurance of accuracy in the shipments can not

be understated – both to the orthopedic supplier and to the orthopedic operation itself. The principal benefit to the hospital is, of course, assuring the right implant is available for the patient’s surgery, thereby promoting positive health outcomes for the patient and for the hospital’s quality ratings. However, the hospital also benefits from the reduced need for inspecting the orthopedic kits and less handling, reducing labor costs.

Finally, another push for RFID tracking of orthopedic implants may come from the specter of a government mandate for tracking of medical devices and implants. For the past two years, the U.S. Food and Drug Administration (FDA) has been investigating the potential for a unique device identification (UDI) system for use in the health care industry, gathering input from medical device manufacturers, doctors, health care executives and even patients. The desire is to create an automated, standardized way to capture information on individual medical devices and supplies to enable better tracking and re-

call capabilities. The FDA believes the UDI should, at a minimum, provide for automatic collection of the following information on all medical devices:

- manufacturer
- serial number
- make and model
- identifying lot and manufacturing numbers
- unique attributes
- expiration dates.

In April 2008, the FDA’s Center for Devices and Radiological Health (CDRH) announced that it intended to issue draft specifications for a nationwide UDI system by the end of the year.

Certainly, with the demonstrated value of RFID solutions, combined with the growing orthopedic joint replacement marketplace, this will be an active area for development in the years to come. Lessons learned and best practices established here may indeed help set standards for other

health care industry applications of RFID technology. And, if we can make Mom’s hip replacement surgery go off without a hitch, all the better!

RLM



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Initiative at Southeastern Louisiana University in Hammond, Louisiana. He is the author of the recent research report, “RFID: The Right Frequency for Government,” to be issued by the IBM Center for the Business of Government. The complete report can be downloaded from the IBM Center’s website at: [http://www.businessofgovernment.org/main/publications/grant\\_reports/details/index.asp?gid=232](http://www.businessofgovernment.org/main/publications/grant_reports/details/index.asp?gid=232).

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# 6th Annual RLA Conference & Expo Las Vegas America's Premiere Reverse Logistics Event

More than 2,000 RL Professionals – Over 700 Companies Represented

The 6th Annual RLA Las Vegas Conference and Expo will be held on February 3-5, 2009 at the MGM Grand Hotel & Casino. Reverse Logistics Association is offering three full days of Reverse Logistics immersion starting with RLA Workshops and Industry Focus Committee meetings followed by two days of sessions and exhibition.

who like one-on-one time with their clients, join us at the RLA Charity Golf Tournament to benefit "Kids on the Move." RLA has reserved the beautiful Siena Golf Club for a morning Shotgun Tournament.

Wednesday will start with an industry overview and forecast presented by RLA President, Gailen Vick. The keynote address, this year will be presented by Kevin Winneroski, Vice President of Secondary Markets for Best Buy. You won't want to miss "Reverse Logistics: It's Not a Challenge, it's an Opportunity!" More sessions follow with presentations by RL professionals, leading academics



Arrive early to have some fun before the conference starts on Tuesday. Just imagine Super Bowl Sunday in Las Vegas – no other city generates as much excitement surrounding this all-American spectacle. Entertain your clients with the RLA Football Party at Studio 54, Las Vegas' hottest nightclub. Studio 54 boasts state-of-the-art sound, video and lighting. So, watch the biggest football game of the year on large projection screens and LCD monitors! There will be lots of food and refreshments!

Maximize your travel budget by scheduling QBRs with your vendors. Let RLA help OEMs and Retailers schedule meetings with your vendors.

The RLA conference kicks off on Tuesday with a number of activities including RL Workshops, RL Industry Focus Committee meetings and the opening of the Exhibit Hall. For those

and also panel discussions. The growing list of participant companies already includes: Cisco, Dell, Wal-Mart, Canadian Tire and Pepsico.

Be sure to visit the Exhibition Hall where 3PSPs will be showcasing their RL services and solutions. This is a great opportunity for OEMs and Branded companies to identify future service partners.

If you are a Reverse Logistics professional, don't miss this event! For more information and complete details, visit [www.RLASHows.com](http://www.RLASHows.com).

## KEYNOTE ADDRESS "Reverse Logistics: It's Not a Challenge, it's an Opportunity!"

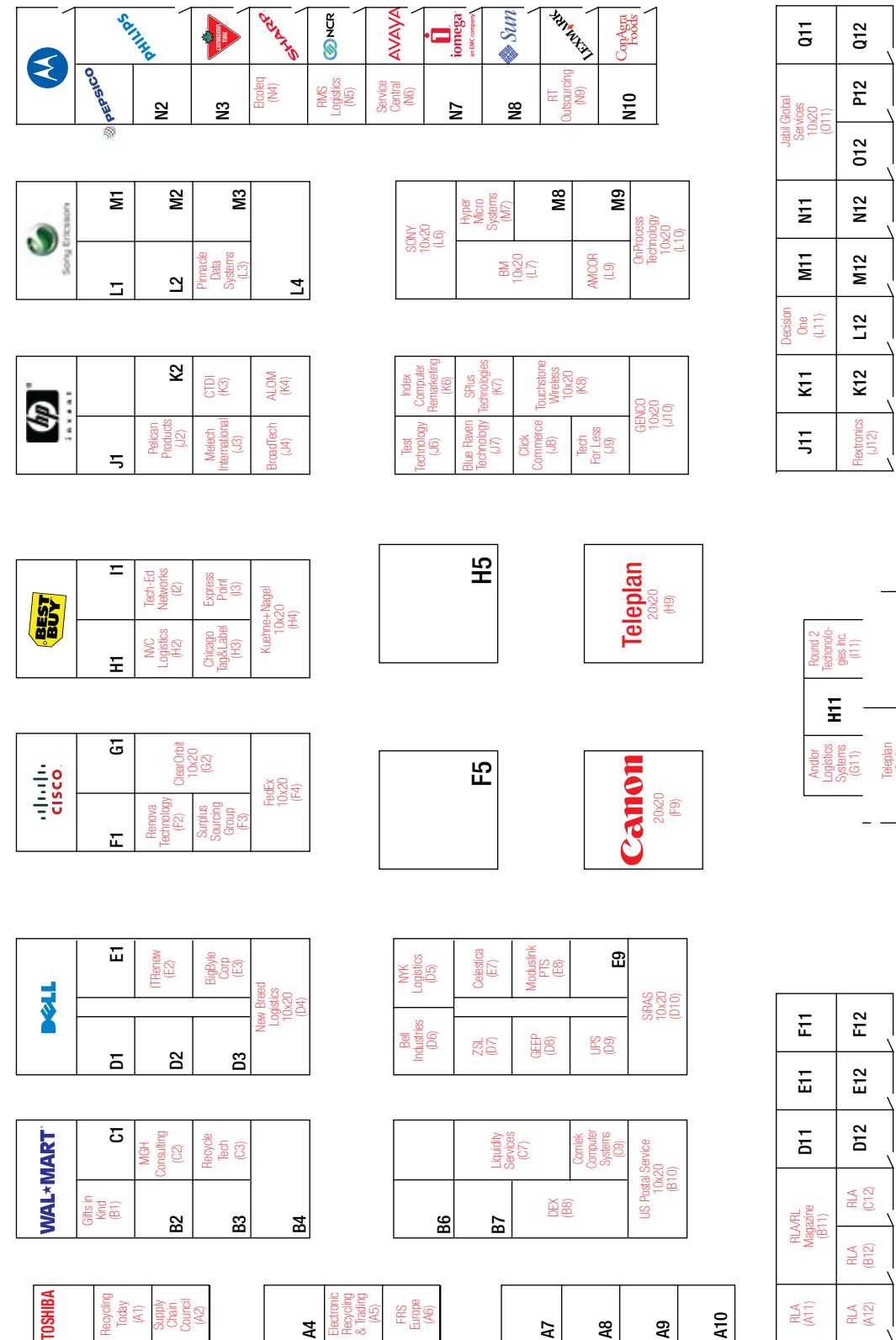


Kevin Winneroski

As Vice President of Secondary Markets for Best Buy Co., Inc., a multinational retailer of technology and entertainment products and services, Kevin Winneroski is responsible for establishing the vision and goals for the company's end of life, closeout, and returned / refurbished products. In this newly created group, Kevin and his team are building new strategies and capabilities to create a vibrant marketplace for B2B and B2C consumers to purchase high demand consumer electronics products.



## LAS VEGAS 2009 - FLOOR PLAN



MAIN ENTRANCE

RLA Conference & Expo - Las Vegas 2009 MGM Grand Hotel & Casino

# EVENT SCHEDULE\*

SUNDAY - FEBRUARY 1, 2009					
3:00PM-7:00PM	<b>RLA FOOTBALL PARTY AT STUDIO 54</b>				
MONDAY - FEBRUARY 2, 2009					
8:00AM-1:00PM	<b>4th RLA ANNUAL GOLF TOURNAMENT</b> - SIENA GOLF CLUB				
TUESDAY - FEBRUARY 3, 2009					
8:00AM-5:00PM	PRE-CONFERENCE WORKSHOPS				
1:00PM	<b>EXHIBIT HALL OPENS</b>				
1:00PM-2:00PM	RLA Industry Committees - Open Discussions				
	Track A	Track B	Track C		
	Larry Maye	Leonard Schneeman	Chris Fabian		
	Wireless Communications	Information Technology Solutions	Retail Consumer Products		
2:30PM-	Ron Tibben-Lembke, Ph.D.	Don Rombach	Mike Shelor		
3:30PM	Reverse Logistics Standards	Food & Beverage Industry	Spare Parts Management		
4:00PM-	Michael Blumberg	(2:00-4:00PM)	Ed Inal		
5:30PM	Medical/Pharmaceutical Industry	Data Storage			
6:00	<b>EXHIBITOR, SPONSOR &amp; SPEAKER RECEPTION - EXHIBIT HALL</b>				
9:00PM					
WEDNESDAY - FEBRUARY 4, 2009					
8:00AM	<b>CONTINENTAL BREAKFAST - EXHIBIT HALL</b>				
10:00AM	Welcome Remarks	Introduction			
	Rebekah Nixon	Gailen Vick			
10:30AM	Industry Keynote Address - Kevin Winneroski, BEST BUY Reverse Logistics: It's Not a Challenge, It's An Opportunity				
11:30-1:00PM	<b>BUFFET LUNCH - EXHIBIT HALL</b>				
1:00PM	Track A	Track B	Track C - W Communications	Track D	Track E
	Jack Debutts	Seshagiri Singaraju	Lori Gallegos	Tom Johnson	Andrew Katcher
	Going Green in Retail Returns	Remanufacturing and its Challenges	Reverse Logistics Mobile Visibility	Integration of RL Processes & Systems	Reverse Logistics Issues in the Storage Industry
					Gary Gear
2:00PM	Track A	Track B	Track C Panel -W Communications	Track D	Track E
	Tony Sciarrotta	Derek Wishart,	Larry Maye	Eric Aparicio	Joe King
	The next generation of support and value add services	Reverse Flow From A Retailer's Perspective.	Driving Future Models in the Wireless Industry	Raising The Visibility Of Returns Within The Organization	How to Execute a Successful Value Recovery Program
3:00	<b>AFTERNOON BREAK - EXHIBIT HALL</b>				
3:30PM					
3:30PM	Track A Panel	Track B	Track C Panel -W Communications	Track D	Track E
	Lori Kleinschmidt	Mark Servidio, Jay Richards	Bernie Schaeffer	Hannah Kain	Cayce Roy
	Returns and Damages Within the Food and Beverage Industry	Environmental Supply Chain -SmartWay Transport Partnership-	Logistics as an Asset	Before You Outsource: 5 Secrets That Your RL Provider Does Not Want You To Know	Reverse Logistic Strategies
	Don Rombach	A Shipper & Carrier Perspective			
	Tom Marcellino				
	Carl Dubose				
	Dustin Ayres				

# RLA Conference & Expo Las Vegas 2009

4:30PM	Track A Panel	Track B	Track C Panel -W Communications	Track D	Track E
	Michael Blumberg	Doug Pratt	John Mehrmann	Mike Lesshaftt	SkinCeuticals Case Study: Automating Your Returns Management
	Reverse Logistics Management	Reverse Logistics Issues	Best Practices for Wireless IT Solutions	You Know More About Why Customers Return Your Products Than You Think.	Process To Deliver Exceptional Customer Experience
	Seshagiri Singaraju				
	Leonard Schneeman				
	Lisa Perry				
5:30	<b>EVENING RECEPTION</b>				
8:00PM					
THURSDAY - FEBRUARY 5, 2009					
8:00AM	<b>CONTINENTAL BREAKFAST - EXHIBIT HALL</b>				
9:00AM	Industry Keynote Address - Managing Reverse Logistics To Improve Performance				
10:00	<b>INTERMISSION - EXHIBIT HALL</b>				
10:30AM					
10:30AM	Track A Panel	Track B	Track C	Track D	Track E
	Chris Fabian	Chip Dickinson	Chris Griffin	Kristin Secreto	
	Recycling to support end of life	Customized Routing, Repair, and	Repair Services RL	Sales Lifecycle Product Tracking -	Globalizing Returns Management
	Product Repair Requirements	Asset Recovery to Support Leased	Challenges faced by wireless providers	Retailer Return Prevention Solutions	for Service Parts
	Lori Gallegos	PC Installation			
	Kelly Dudek				
11:30AM	Track A Panel	Track B	Track C	Track D	Track E
	Emily Rodriguez	John Slothower,	David Lamb	Stephen Fraser	
	Sustainability and Corporate Social Responsibility in Environmental Management	Diamonds in the Rough: Maximizing Secondary Market Revenue Opportunities	Asset Recovery	Genco Sustainability	Create Your Reverse Logistics Financial Model
12:30	<b>BUFFET LUNCH - EXHIBIT HALL</b>				
2:00PM					
2:00PM	Track A Panel	Track B	Track C	Track D	Track E
	Ron Tibben Lembke PhD	Chad Lockhart	Haozhe Chen PhD.	Ray Martin	
	New Technologies in Reverse Logistics	Mark Melkerson	An Overview of Reverse Logistics in China	Reverse Logistics: Extended Enterprise Perspectives	Asset Recovery: Reverse Logistics Challenges and Opportunities
	Suresh Sundarababu	Aligning Customer/Supplier Resources & Core Competencies to Realize Maximum Supply Chain Efficiency			
	Mike Moore				
	Steve Teel				
3:00PM	Track A Panel	Track B	Track C	Track D	Track E
	Eric Hemming	Mitra Giles	Jim Henry	Bill Angrick	
	Returns Prevention at the Retail Level	Reusable Packaging	Environmental Supply Chain Planning	Using Online B2B Marketplaces to Maximize ROI of Reverse Logistics	Second Time Around - Building Revenue Opportunities
	Jason Berger	Reverse Logistics			
	Michael Solosky				
	Ken Plue				
	Anthony Gorse				
4:00PM	<b>Closing Remarks</b>				
	Jeremy Vick				
4:30PM	<b>LUCKY DRAWING for iPods, DVD RW, Portable DVD Players, External Hard Drives, Digital Cameras (you must be present during the drawing to win)</b>				

\* For updated schedule please visit: [http://www.rltshows.com/v09\\_event.php](http://www.rltshows.com/v09_event.php)

# Best Buy Turning Returns Processing into Profit Center

by RLM Staff Contributor



Kevin Winneroski, VP, Secondary Markets is driving Best Buy's aggressive growth as a retailer of at-risk inventory.

When Best Buy created a business unit last summer to focus on developing sales of consumer electronics into the secondary markets, it opened a new era of reverse logistics. No longer was the handling of customer returns, return to vendor and overstock a cost center sitting in a dark corner, but now it was transformed into a profit center.

To lead this new unit, Best Buy looked beyond the traditional service and logistics professionals and selected Kevin Winneroski from the merchant and retail sales side of the business. Formerly VP for Digital Imaging, Winneroski brought to the business not just a fresh viewpoint but a merchant's focus on the customer as well as the product.

"As a business unit we are still getting organized," Winneroski said

in a recent interview, "and I am still learning this side of the business."

"However," he continued, "several things are becoming clear. One of them is that we have not, historically, maximized the profit on products when they hit the reverse logistics supply chain, and we have to change that, and I am still adjusting to the fact that Best Buy's reverse logistics process is now my forward supply chain for our retail business."

At Best Buy, maximizing profit in the reverse logistics business is involving partnerships with both new and existing customers as well as manufacturers and third party service providers (3PSPs). According to Winneroski, Best Buy is moving towards providing its customers full lifecycle management of the products it sells, and for its vendors, partnerships that focus on lifecycle profitability.

## What the Best Buy customer is seeing now and will see even more of in the future includes:

- knowledgeable sales staff that can direct the customer to the most appropriate product
- before and after sales service support for setup, installation, repair
- solid warranty programs
- programs that will cover all phases of a product's lifecycle, including guaranteed buy-back pricing, trade-in programs for products that still have economic value when the customer is ready to replace them, the ability to choose to buy refurbished or used products in an auction and easy to use recycling programs for products that no longer have value or don't work.

## For manufacturers the future holds:

- changing the relationship from "Us" versus "Them" to "We" is helping the customer
- bringing more than buyers and sellers to the table – finance, service, customer support – on both the vendor and retailer side, all need to bring their collective wisdom and experience to the partnership
- Moving from fixed prices and allowances to variable rates depending upon actual product experience over time rather than just historical rates, and providing timely and accurate information to support decisions.

When returns, overstock and trade-ins hit the reverse logistics stream there is an opportunity to work together to maximize the economic value that can be gained in the secondary market.

## Objectives of the Reverse Logistics Markets team include:

- Online stores & Auctions – with product testing, inventory management, listing, payment collection and order fulfillment, Best Buy has built an integrated supply chain to take returned product from the stores and resell it to its value-seeking customers through eBay, a private online store and other online channels. Best Buy recently acquired Dealtree, its provider of these services.
- Trade-in, an online program was launched in 2007, offering customers a fast and easy alternative to selling online themselves, or just letting working products sit in a drawer. It allows customers to recapture economic value, and through the Dealtree technology, Best Buy has instant access to current market value of products.

• Refurbishment – working with a variety of 3PSPs, Best Buy has been integrating refurbished products into its warranty replacement program and selling direct to consumers.

• Recycling – in 2008, Best Buy began testing offering free recycling in several markets. They have been building up a network of local certified recyclers and plan to roll nationwide in 2009.

"The parts are fitting together nicely for us so that we now have the framework for developing the services to support many of our vendors through the complete lifecycle of their products," Winneroski continued. "If it is a return, we can take care of it, if it needs to be refurbished we can take care of that too, and, of course we can sell it through our secondary market channels to consumers. Some



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Testing customer returns and capturing unique product attributes is labor intensive but necessary task when selling directly to the public.

of our vendors can get out of reverse logistics all together.”

For Best Buy, the journey is far from complete. “We have the platform in place and have started working to fit each service solution together,” said John Slothower, Manager-Innovation with Secondary Markets. “We look at our customer and vendor needs and ask ourselves things like ‘if vendor A needs warranty replacement parts, and we happen to have the right item in our system, why can’t we direct that item to the vendor’s repair center?’”

“The recent acquisition of Dealtree was a key step in building an

integrated end-to-end solution,” said Slothower. “We have been working with them for more than four years as we learned what was possible in selling at-risk inventory to consumers. They opened our eyes as to what was possible and kept begging us to use more of their capability – now we are.”

Larry Kerr, Director of Returns & Recovery, who has managed the liquidation operation for years, commented “One of the biggest leaps for our group was to change our mind set from being junk dealers selling in bulk to being merchants

selling to a retail customer. Having a merchant [Winnerski] heading up our new business unit is a big move in the right direction.”

“We are now approaching our secondary market customer with the same focus and concentration that we historically used for our bricks and mortar customers,” added Winnerski. “We are learning everything we can about these buyers, who they are, their buying behaviors, and their preferences.”

“One of the surprises,” Winnerski added, “was discovering that some of our top customers of our new products were also buying from us on eBay. We finally figured out that someone might drop \$10,000 on a home theater system, but want to get a bargain on a flat screen TV for their cabin. We are now there for them.”

Making this model work will require manufacturers and retailers to work together in different ways according to Winnerski. “The traditional manufacturer position has been to take back 100% of the returns that come to our store so that these products can be refurbished and sold by the manufacturer into other channels. There is a reluctance to allow the retailer to refurbish and resell these goods out of concern for channel conflict and harvesting/cannibalization of “A” good products in our stores. We will need to partner closely with our manufacturers to develop models that maximize economic returns for both parties, while minimizing to the highest degree possible any opportunities for channel conflict or cannibalization in sales. We believe it is possible to find this balance.” “What we are hoping for is that



Innovation Manager John Slothower meets with Secondary Markets VP Kevin Winnerski on strategic initiatives.

we can change the retailer – manufacturer relationship from us versus them, to we,” Winnerski continued. “We are going to have to be able to build trust, be more open about our costs and margins and look at the profitability of a product from the time it is manufactured until it is broken down by the recycler. There

is potential to share in the profits all the way through this lifecycle, and by working together it is likely we can increase the total profit.” “It took us three years to get the point where we were ready to get started,” Winnerski says, “and now we are getting serious about our ability as a

retailer to serve a new retail market and use the same capabilities to create new value propositions for both our customers and our vendors. We still have a lot of educating to do, both internally and externally, but we think it is a message that will be well received.”

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# SECRETS OF RETURN ALLOWANCES

Experts from Philips, Best Buy and GENCO share insights on how to utilize Return Allowances to Reduce Reverse Logistics Costs

by Paul Rupnow

Despite good intentions, return allowances, if not done correctly, may not be a good solution to reduce Reverse Logistics costs. Return Allowances started out as a quick and easy way for a manufacturer to give an allowance to the retailer to manage its returned items, thereby reducing the reverse logistics costs of processing, logistics and transportation for both parties. The intention of a Return Allowance was to provide a quick and easy way to negotiate a win for everyone.

However, if not thought through carefully, return allowances can have negative results for both the manufacturer and the retailer. “Very often they are not saving anyone money”, explained Tony Sciarrotta, Director of Returns Management at Philips. To help you better understand return allowances, Sciarrotta, John Slothower, Manager of Innovation and Services at Best Buy and Curtis Greve, President of Retail Services at GENCO Supply Chain Solutions have shared some of their knowledge, insights and secrets to achieving better return allowances.

## Return Allowance Secrets for Manufacturers

Often a manufacturer will negotiate a flat rate return allowance. This value is quick and easy to negotiate and enables a fixed and

predictable amount. For example, every invoice has a flat rate deducted (e.g. 2%). In return, the manufacturer no longer has any obligation to transport, handle, receive or process any returned or damaged goods from the retailer. However, “manufacturers often regret a return allowance because the costs do not really go away” explains Sciarrotta. From the manufacturer’s perspective, a return allowance can create a number of not so desirable results:

1. Incorrect Rate Estimate – if the manufacturer estimates too high, significant margin may be lost to the retailer who may not have any incentive to share the savings. Similarly, if the estimate is too low the retailer will not want to incur the extra cost and may wish to re-negotiate to cover any shortage. While this rate may not fluctuate significantly for some goods, it can be an especially risky area for electronics manufacturers where return rates on higher value items can fluctuate significantly depending on the complexity of the item and the life cycle of the product.
2. Loss of Control – the retailer now performs all the returns processing. The manufacturer may have little or no knowl-

edge, visibility or control of the returned items. Are the goods disposed to the proper channels? Is proper environmental disposition taking place?

3. Data Capture – the manufacturer may no longer have good data to analyze and improve returns, to understand No Trouble Found rates or to measure recovery rates on returned goods resale.
4. No Offset of Recovery Value – the returned goods that remain at the retailer are often resold, sometimes for a significant value and essentially with a real cost of zero. However, the recapture funds from the asset recovery or liquidation may not be applied to reduce the return allowance or shared with the manufacturer.
5. Double Warranty Costs – when negotiating an allowance, the manufacturer may often expect that there will be no further costs related to warranty or service on the returned items. In essence, the allowance can be viewed as the equivalent to a warranty cost. However, an end user may eventually purchase the returned goods directly from the retailer or indirectly from a channel the retailer uses to sell or liquidate its returned items. When this occurs and the end user has



“Warranty costs you thought you had eliminated as a result of the allowance, re-appear from a secondary market seeking warranty service”

a problem with the item, the “warranty costs you thought you had eliminated as a result of the allowance, re-appear from a secondary market seeking warranty service” says Sciarrotta. This, results in a double warranty cost for that item since the manufacturer “paid” the warranty cost once via the allowance and a second time through the warranty and support services.

Return allowances are not for everybody. Several manufacturers

interviewed would rather have their returned items shipped back because there is significant recapture value available from the refurbished units. Additionally, they may want or need to have the items returned for hazardous material reasons, environmental reasons, to harvest replacement parts or to avoid channel conflicts.

## Return Allowance Secrets for Retailers

The return allowance is meant to offset the costs of purchasing and handling items that get returned or

damaged. As mentioned earlier in the article, the retailer may have an opportunity to profit by reselling the “free” returned goods. In some cases, the returned goods can be sold with only a few margin points deducted off retail for an open box unit in good condition. Manufacturers may want to include a recapture amount in the allowance negotiation, since recaptured value offsets the costs of purchasing and handling the returned items.

**Additionally however, retail costs can increase as well as a result of return allowances:**

1. Returns Processing Department and Facility – the retailer now needs to expand the staff and facilities to accommodate and attempt to recover value from the returned goods.

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retail skills with ramped up secondary market capabilities". With many manufactures now outsourcing manufacturing, logistics and support, the opportunity to combine the processing and recovery of returned items while further reducing costs and increase cost recovery on the resale of returned goods seems to be a very attractive value proposition.

### Elements of a Successful Return Allowance Program

In summary, a fixed or flat rate return allowance may be quick and easy to negotiate, but beware that it may have risks if not monitored. A successful return allowance program will include many of the following elements:

- A combined return team made up of people from both the manufacturer and the retailer
- Team includes returns people, service, merchandising, finance and operations to make intelligent decisions
- Agreed processing and data collection
- Visibility tools and shared access to data
- Frequent monitoring and review
- Ability to renegotiate the allowance 3-4 times per year or as required, such as when a new product is launched
- Unbiased study/audit of the data collected from the return goods
- Both teams need to work together to try to understand and reduce returns

Closely analyze each product line regularly to understand:

- the current nature of the returns
- disposition alternatives make the most economic sense

2. Profit Center conflict – the asset recovery groups sometimes become a profit center. With a profit objective, the original intention of the returns group may be distorted since they now may seek to recapture returns handling costs and make a profit, rather than just recapture against the returns allowance.
3. Expensive to collect data – if the retailer does indeed incur the cost to collect data on the returned goods, resources must be spent for staff, facilities and equipment to perform the processing.

and the retailer by including good processes, data collection and visibility".

"In many cases a combined returns team working together on a regularly adjusted returns allowance program can more effectively maximize profit for both the retailer and the manufacturer" explained John Slothower of Best Buy. In addition, Greve also recommends a regular study of return data provided by an unbiased third party to provide assurance of methods and results for both parties.

### Return Allowance with a Profit Twist

John Slothower and his team at Best Buy have been busy creating an even more compelling solution for some of their manufacturers: a combined return processing and reselling service partnership. The opportunity to reduce transportation, handling, touches and time increases the opportunity for success of any returns program. In addition, outlined Slothower, "Best Buy can offer a very attractive option to recapture high values for the resale of returned goods by utilizing our existing

### How a Return Allowance Program Can Succeed

Many return allowance programs have now progressed far beyond the original simple flat rate system. A good return allowance program can be made successful by removing the secrets or bias and instead creating an opportunity for a win-win. "Return allowance programs are the wave of the future" explains Curtis Greve from GENCO. "They need to be set up properly to satisfy the needs of both the manufacturer

Continually seek better methods to:

- increase speed and automation;
- reduce handling, logistics and transportation costs;
- increase value recapture
- reduce environmental impact

Reverse Logistics industry leaders like GENCO, Best Buy and Philips are looking closely at returns allowances and breaking new ground. It may be time to take a closer look at your own return allowances and use some of the secrets of return allowances to increase your profits.

RLM



Paul Rupnow is dedicated to providing Reverse Logistics solutions. As a partner of Andlor Logistics Systems (www.andlor.com), Paul works daily with manufacturers, distributors and 3PSPS to solve Product Returns issues and Reverse Logistics operations problems. Paul works with companies to analyze, design or implement Returns processes and systems. He is also the lead business architect of BacTracs, Andlor's Reverse Logistics Management System.

With over 20 years of business experience, Paul has a rare combination of senior business management skills and hands on business process engineering skills. Paul is a Chartered Accountant and has a BA in Economics and a BComm.

Paul is also currently the editor of the Reverse Logistics Professional Report (www.ReverseLogisticsProfessional.com), a resource of insights and strategies for managing Product Returns. Paul is a member of the Reverse Logistics Association Standards Committee and Co-chairman of the IT Solutions committee. Paul is a frequent Reverse Logistics speaker and workshop instructor. Paul is also a regular contributor to the RL monthly email newsletter and a featured RL Magazine columnist contributing the "Returning Thoughts..." column.

## ON THE MOVE

**Pelican Products, Inc.** recently announced that Mitra Giles has been hired to lead its Western United States sales operations.

With more than 15 years of industry and sales management experience, Ms. Giles will lead Pelican's commercial sales staff west of the Mississippi River and drive new business development in the company's multi-million dollar, Commercial Sales Division.

Prior to joining Pelican, Ms. Giles was at FedEx® Corporation as a Worldwide Account Manager in Worldwide Services and Emerging Products. While there she helped to execute new product launches, associated marketing campaigns and beta tests specializing in the Reverse Logistics arena.

**Liquidity Services, Inc.** a leading online auction marketplace for wholesale surplus and salvage assets, recently announced the appointment of Cayce Roy as Executive Vice President and President of its Asset Recovery Division. Mr. Roy will be responsible for scaling the current

leadership position of LSI's commercial asset recovery business to drive its market expansion and capitalize on the substantial growth opportunities within the \$60 billion reverse supply chain market.

Mr. Roy brings to LSI over 20 years of experience mostly from Amazon.com, Inc. and TNT Post Group in Europe.

**ATC Technology Corporation (ATC)** recently announced that Don Johnson, Chairman and CEO, will retire at the Company's next annual meeting to be held in June 2009. Don will remain as Chairman of the Board of Directors until then. Todd Peters, the Company's Chief Operating Officer, will succeed Don in the role of CEO effective as of January 1, 2009.

The Company provides comprehensive engineered solutions for logistics and refurbishment services to the consumer electronics industries and the light and medium/heavy-duty vehicle service parts markets.

**GENCO Supply Chain Solutions** recently announced the appointment of Stephen H. Fraser as president

and chief executive officer of its two reverse logistics business units, and executive vice president of Corporate Strategy. Mr. Fraser is responsible for strengthening and expanding GENCO's position in both, the GENCO Reverse Logistics and GENCO Pharmaceutical Services including strategy and business development as well as operations management. In his role as executive vice president of Corporate Strategy, Mr. Fraser will be responsible for identifying and developing integrated solutions and markets that leverage the company's core service offerings.

**Choice Logistics**, the global leader in mission-critical service parts logistics services, has announced the promotion of Paul Malamet, to Executive Vice President of Client Services. He will continue to lead the Sales Engineering and Client Support teams, which includes all account management and communications activities. His added responsibilities include new business development and the expansion of Choice's professional sales approach, creating synergies between the pre-sales and new client transition processes.

# Providing GE Security's Homeland Protection Business with the Global Logistics Support It Requires

by RLM Staff Contributor

## Background

GE Security's Homeland Protection business is a leading provider of products and services that defend personnel and property in airports, government buildings, high-risk organizations and facilities around the globe (including military bases, borders, airports and ports). GE Homeland Protection is a wholly-owned indirect subsidiary of the General Electric Company (NYSE: GE) that brings together world-class trace detection, computed tomography (CT), and X-ray diffraction technologies into a single business offering that supports a wide range of security activities.

Essentially, GE Homeland Protection plays a key role in helping its many worldwide customers to protect their respective people, assets and communities. Its security device products and services include checked baggage screening, checkpoint protection, explosive detection and other homeland security-related activities.

## Identifying the Key Challenges and Selecting the Right Global Logistics Provider

GE Homeland Protection requires—and manages—an extensive field force located at major airports all over the world. As you might imagine, it needs timely service and support at all of its loca-

tions. It also requires an aggressive response time due to the critical nature of its business. In fact, it typically needs to have parts available on-site within a 4-hour requirement window—an international 4-hour requirement—and this continues to be one of the greatest challenges it faces. Accordingly, the business needed to find a global logistics provider that had depots located all over the world within proximity of its equipment locations. GE believes very strongly about addressing customer expectations, and it was looking for a world-class logistics provider to help it do just that.

In 2006, GE Homeland Protection was faced with a need to replace its logistics vendor. Its mission in that effort was to find an efficient logistics solutions provider who could help it not only meet—but exceed—its customers' requirements for expeditious and effective service on a global basis. As part of that process company management used the following checklist to find the right provider (Figure 1).

When GE Homeland Protection began its selection process for a global logistics solution provider, the main goals they were looking to attain included:

- Improving their inventory accuracy. This was the business's principal driver.

- Improved availability of parts for their customers.
- The ability to streamline the entire returns and reverse logistics processes.
- Increased visibility of the inventory.
- The ability to significantly reduce the inventory of parts that need to be repaired.
- The ability to streamline the data.

The company's relationship with Flash Global Logistics (Flash) began in February-March 2006 after a thorough selection and evaluation process.

Flash Global Logistics, Inc. is a global third-party logistics company exclusively focused on providing critical parts and inventory management supply chain solutions for its customers. As such, Flash's mission was judged to be very similar to that employed at GE Homeland Protection. Flash Global Logistics' services include global time-sensitive deliveries available in 90 minutes, 2 hours and 4 hours, as well as the ability to provide real-time global inventory management and visibility via its proprietary inventory management software, branded as FLASHTRAC®. What also appealed to GE Homeland Protection about FLASHTRAC® was its abil-

ity to be fully customizable based on customer requirements—and they had requirements!

In the United States, Flash Global Logistics maintains seven Distribution Centers (DCs) and can outsource all of its DC services in support of critical parts and goods, providing labor and all associated services. Flash also operates its Command Centers (i.e., call centers), technical support and critical inventory management across a global network of 13 Multi-Client DCs and 570-plus Forward Stocking Locations (FSL), making it a one-stop shop provider for logistics solutions. Flash Global Logistics can also assist its clients with all aspects of inventory planning services; as well as International Trade consulting; Importer of Record (IOR) services; transportation management serv-

Figure 1

## Checklist Used by GE Homeland Protection for Selecting Our Global Logistics Solution Provider.

1. Must be able to fulfill virtually every need we - and our customers - have.	✓
2. Must be ready to accommodate us over the long haul.	✓
3. Must be honest and forthright with us at all times, and in all ways.	✓
4. Must have a high degree of inventory accuracy.	✓
5. Must be able to do what they say they are going to do.	✓
6. Must be prompt - not only in the U.S. or Europe; but globally.	✓
7. Must be able to establish and maintain an "arm-in-arm" relationship.	✓
8. Must be able to help us quickly solve our logistics problems & challenges.	✓
9. They must be customer-centric.	✓

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es, domestically and abroad; and import/export compliance.

GE Homeland Protection did its due diligence in evaluating prospective solutions providers, and Flash Global Logistics came out

first when compared to each of the other alternatives; but now GE Homeland Protection and Flash both needed to work closely together to come up with a design for implementing precisely the right solution.

## READ THE PRESS

Full articles available from: RLA News Center

### Best Buy to enter used video game market

After watching video-game stores do a booming business in second-hand games at the local mall, Best Buy Canada has decided to follow suit. Starting with a test at six of its Future Shop stores in Calgary, the country's largest electronics retailer plans to expand its second-hand games offerings to all 133 Future Shop outlets by late summer, putting it head to head against the sector leader EB Games.

### Pillar Data Systems Selects Baxter Planning Systems for Service Parts Planning

Baxter Planning Systems, the premier provider of aftermarket parts planning solutions, announced today that Pillar Data Systems, the leading provider of Application-Aware storage systems, has selected Baxter's industry-leading On-Demand Planning solution to support their global service parts planning requirements.

### Green Hardware Reuse Can Fatten Your Bottom Line

Green IT is about much more than virtualization and saving energy in the data center. Reuse and redeployment of existing equipment pays off very big financial dividends as well, while helping to fatten an enterprise's bottom line. In touch economic times, it can be good for the environment, and good for a company's financial health.

### EU governments looking to increase RoHS enforcement

The governments of EU countries are building plans to work together to better enforce the RoHS (Restriction of Hazardous Substances) regulations in Europe that ban hazardous substances from electrical and other household and commercial products.

### CLS MedTurn Launches Enhanced Web-based Returns Management Capabilities

CLS MedTurn, an industry-leading provider of Returns Management solutions

for the healthcare industry, recently launched enhanced Web-based Returns Management and Reporting capabilities through net-link Rx Corporate Reporting II. The application utilizes highly intuitive functionality to increase clients' visibility to their supply chain, recall participation, policy management and more.

### ModusLink Global Solutions introduces Aftermarket Suite of Solutions for complete post-sales supply chain support

ModusLink Global Solutions, Inc., a leader in supply chain business process management, is combining its various aftermarket, reverse logistics and repair services into a complete Aftermarket Suite of Solutions. With the integrated offering, ModusLink will provide expertise in the areas of returns management, repair and remanufacture, value recovery and service parts management. The Solution is designed to improve efficiency and asset value retention, while reducing costs and increasing customer service for ModusLink clients.

## Implementing the Right Global Logistics Solution

Historically, GE Homeland Protection's global returns process was decentralized. However, Flash worked directly with GE to create a new, much more effective, return pack process supported by two distinct carriers, as determined by specific need. As a result of this implementation, each shipment of returnable parts now comes accompanied with a return pack that includes detailed instructions, repair tags for both good and bad inventory, specific contacts, and everything else that their field force needs to return repairable defective product.

This process was implemented first in the United States, where all repairable product returns were brought back to a single center. Today, at GE Homeland Protection's request, Flash Global Logistics has allocated the necessary warehouse space at its geographic centers in Toronto, Canada and Paris, France, and provided its people with the proper training in the returns process to support all of their global requirements.

Another one of the challenges that Flash helped GE to tackle involved dealing with the problems of ongoing part number revisions. As a result of a joint effort with Flash, past and present part numbers can now be easily reconciled as part of the Flash overall logistics solution. GE Homeland Protection provided all of its part compatibility associations to Flash, which was then able to incorporate the capability to associate all of its parts, both in the outgoing requirement and incoming reconciliation process.

Software changes performed by Flash, as part of its ongoing IT resource offerings, were also a great help to GE in solving this problem.

In addition, GE Homeland Protection needed to reduce the cycle time required for getting defective parts into the repair process. A pre-existing process at Flash, the Auto-RTV Program, was modified for their own use. Previously, parts were pulled out of the central U.S. consolidation point at Flash for repair on demand from GE. The process change included placing repairable defective parts in repair

vendor-specific bins on receipt, and having Flash "push" the parts out for repair on a regular basis. This helped GE maintain a more steady and consistent flow of repairs to its vendors, with none of the parts themselves having to come in to GE at all. This led to a savings for GE in repair cycle time, delay avoidance and improved parts availability. In fact, the business was able to reduce its outstanding defective inventory by as much as 55 percent.

## Reaping the Benefits

A great deal of credit with respect to the logistics improvements supported by Flash is the result of the quality of the company's Information Technology (IT) systems. Today, the business relies entirely on Flash Global Logistics' data system to track all of its outbound and inbound part shipments. In fact, almost everything it does today is tracked through the FLASHTRAC® system, including forward distribution of parts, depot OH balances, shipment histories, reverse logistics, and detailed part orders in support of the field service team.

Overall, Flash Global Logistics, in conjunction with GE Homeland Protection, has helped to establish many specific processes that better support both the business's inventory and customer needs, such as the auto-part receipt program; reverse logistics receipt exception reporting; managing returns; reducing the time to get returned parts back into the pipeline; and a comprehensive follow-up program.

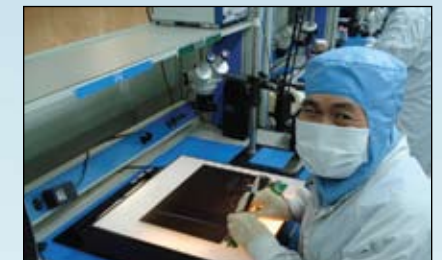
## Summary

If there is a story to tell, it is the accessibility and the openness between Flash Global Logistics and GE Homeland Protection focused on improving service to GE's customers. While there have been bumps along the way, pressing issues have been dealt with in a fact-based and solution-oriented manner and always in team fashion, together.

RLM

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## Upcoming RLA Events



Reverse Logistics Association Conferences & Expos are two-day Global Events designed for Industry Leaders to Network with a Worldwide Community dedicated to Reverse Logistics. This is a rich opportunity for OEMs and Branded companies to identify future service partners. RLA Conferences & Expos are the only events in the world where 3PSPs can sit down face-to-face with the key outsourcing decision makers from the major OEMs and Branded Companies.

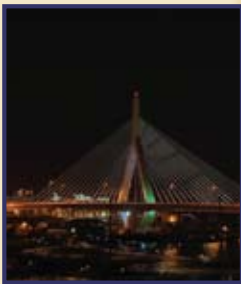
### 2009 Conferences



*RLA Amsterdam  
June 16-18, 2009*

*RLA Singapore  
September 28-30, 2009*

*Reverse Logistics Association Proudly Announces Our First Annual Corporate Social Responsibility, Corporate Giving and Brand Protection Event.*



*RLA Boston  
November 3-5, 2009*



Reverse Logistics Association Seminars are one-day events held around the globe at key industry locations creating easy access for anyone interested in learning best practices and the latest strategies in Reverse Logistics.

Reserve your space today at [www.RLASHOWS.com](http://www.RLASHOWS.com) to hear directly from industry leaders as they roll up their sleeves and tackle the major issues in reverse logistics!

### 2009 Seminars

Los Angeles, CA  
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United Kingdom  
Seattle, WA  
Detroit, MI  
Memphis, TN  
San Francisco, CA  
Dallas, TX  
Salt Lake City, UT



# INDUSTRY EVENTS



#### Storage Visions - Las Vegas

January 6-7, 2009  
[www.storagevisions.com](http://www.storagevisions.com)

#### Consumer Electronics Supply Chain Academy - Las Vegas, NV

January 9, 2009  
[www.cesweb.org/sessions/search/trackDetail.asp?ID\\_track=CESCA\\_CES09](http://www.cesweb.org/sessions/search/trackDetail.asp?ID_track=CESCA_CES09)

#### International CES - Las Vegas

January 8-11, 2009  
[www.cesweb.org/](http://www.cesweb.org/)

#### IERC 2009 8th Annual International Electronics Recycling Congress, Salzburg, Austria

January 21-23, 2009  
[www.icm.ch/index\\_electronic\\_09.htm](http://www.icm.ch/index_electronic_09.htm)

#### RLA Conference & Expo - Las Vegas

February 3-5, 2009  
[www.rltshows.com/vegas.php](http://www.rltshows.com/vegas.php)

#### 2009 North American Plastics Recycling Conference - Orlando, FL

February 24-25, 2009  
[www.plasticsrecycling.com/](http://www.plasticsrecycling.com/)

#### Warranty Chain Management Conference - Orlando, FL

March 10-12, 2009  
[www.algassociates.com/wcm/](http://www.algassociates.com/wcm/)

#### RLA Seminar - Hong Kong

March 18, 2009  
[www.rltshows.com/hkg09\\_event.php](http://www.rltshows.com/hkg09_event.php)

#### RLA Seminar - Los Angeles

March 25, 2009  
[www.rltshows.com/lax09\\_event.php](http://www.rltshows.com/lax09_event.php)

#### National Association for Information Destruction Annual Conference - New Orleans, LA

April 1-3, 2009  
[www.naidonline.org](http://www.naidonline.org)

#### Warranty Chain Management Conference - Orlando, FL

March 10-12, 2009  
[www.algassociates.com/wcm/](http://www.algassociates.com/wcm/)

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## Best Buy Secondary Markets

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# RLA Singapore 2008 Recap

The fifth annual RLA Singapore Conference & Expo was held October 7-9, 2008. Over 300 attendees representing 147 companies gathered in Singapore for Asia's largest reverse logistics conference! Reverse logistics professionals and leading academics from throughout Asia Pacific met to share best practices and discuss reverse logistics challenges. Companies represented included Apple, Cisco, Dell, HP, IBM, Network Appliance, RIM and Seagate, just to name a few. Representatives from Academia included Nanyang Technical University, Singapore and Kyonggi University, Korea. The complete list of the companies that participated is available at [www.RLASHows.com/s08\\_event.php](http://www.RLASHows.com/s08_event.php).

On Tuesday, the conference kicked off with Workshops and Industry Committees met. Wednesday started with Gailen Vick, President and Founder of RLA, who delivered the keynote address. Conference sessions and panel discussions followed which were focused on RL-specific issues such as "Returns Management Process," "Controlling Reverse Logistics Processes to Improve Bottom Line" and "How to Create and Maintain Profitable Partnerships."

During the 2-day expo, exhibitors from around the globe including Repair Group, Spring Global Mail and DEX, took advantage of the opportunity to connect with current and potential business partners. As the conference drew to a close, Jeremy Vick, RLA Global Marketing Solutions and Sales, provided a recap, introduced RLA staff, global travel-

**The Singapore RLA conference is a great show and networking opportunity that's gathering momentum year on year. It provides a gateway to China and India for reverse logistics best practices," stated Oliver Lemanski of MGH Consulting.**

ers and interns representing Nanyang Technical University of Singapore and Southern Methodist University in Texas. He also thanked all participants. Repair Group was named "Best Booth" with MTC as runner-up. RIM took the award for "Best Use of the VIP Program," with Jabil and DHL tying for second place. Then finally, it was time for Lucky Draw. Blackberries donated by RIM and portable disk drives from Western Digital and Toshiba were among the many great prizes in the Lucky Draw.

### Economy Demands Reverse Logistics Outsourcing

This year's Singapore keynote address was presented by Gailen Vick, President and Founder, of the Reverse Logistics Association. Gailen started out talking about how we've all watched the recent economic downturn, so how it is that some

companies are reporting record profit? He went on to say how now is the time for 3PSPs to be ramping up their marketing efforts as many OEMs will be looking for partners to help them solve their financial problems.

OEM, Retail and Branded companies are looking for ways to cut costs while keeping sales up. By outsourcing to the right service provider, OEMs and Retailers get the financials of the program (overhead costs) off the books; they also increase customer satisfaction and allow an expert to run the program. Additional benefits identified include Human Resources, Risk Management, Brand Recognition and Tax Advantages.

Gailen referred to the Geoffrey Moore book, "Crossing the Chasm" and how it breaks out marketing for adoption lifecycle into five main segments; innovator, early adopters, early majority, late majority and laggards. He challenged the audience to determine in which segment their company belongs.

## Reverse Logistics Association Memberships at-a-glance



Benefit	Platinum (OEM or Retailer only)	Gold	Silver	Professional	Associate	Student
Download Conference Presentations	✓	✓	✓	✓	✓	✓
Passes* for Conference & Expos or Regional Seminars	10	5	3	2	1	1
News clipping services (weekly), Monthly News Letter, RL Magazine	✓	✓	✓	✓	✓	✓
Posting Approved member's white papers	✓	✓	✓	✓	✓	✓
Industry Committees & Regional Chapters Participation	✓	✓	✓	✓	✓	✓
RL Quote - Submit RFIs*	✓	✓	✓	✓	✓	✓
Industry Job Posting	✓	✓	✓	✓	✓	✓
All Employees Have Membership Access	✓	✓	✓	✓	✓	✓
Discount on Exhibit Booths	10%	10%	10%	5%	5%	5%
Discount on Sponsorships	10%	10%	10%	5%	5%	5%
Discount on all reports and research published by RLA	10%	10%	10%	3%	3%	3%
Discount on Custom Research Projects and Studies	10%	10%	10%	3%	3%	3%
RL Magazine Advertisement Discount	10%	10%	10%	3%	3%	3%
Publicize company event (trade show, summit, etc.) in RL News	✓	✓	✓	✓	✓	✓
Search of Regional 3PSP (without Profile information)	✓	✓	✓	✓	✓	✓
RL Quote - Access/Respond to RFIs*	✓	✓	✓	✓	✓	✓
Corporate Logo and Home Page Link from RLA web site	✓	✓	✓	✓	✓	✓
Search of World Wide OEM/ODM	✓	✓	✓	✓	✓	✓
Corporate Logo & Home Page Link on RLAS & RL Magazine Marquee	✓	✓	✓	✓	✓	✓
Logo and Link from Job Posting	✓	✓	✓	✓	✓	✓
Discount on Workshops	10%	5%	5%	5%	5%	5%
Search of World Wide 3PSP (without Profile information)	✓	✓	✓	✓	✓	✓
Full Web Site Critique & Recommendations	✓	✓	✓	✓	✓	✓
Speaker Privileges at RLA Events - Private Meeting Rooms	✓	✓	✓	✓	✓	✓
Search of World Wide 3PSP (with Profile information)	✓	✓	✓	✓	✓	✓
	\$6999/yr	\$5999/yr	\$3999/yr	\$2999/yr	\$1499/yr	\$199/yr

\*Subject to terms and conditions set forth by RLA.



ReverseLogisticsAssociation.org



**Session Topics:**

- Controlling Reverse Logistics Processes to Improve Bottom Line (Maxwell Chen, Dell)
- Challenges and Opportunities in Reverse Logistics in India (S. Kakar, RT Outsourcing, India)
- RFID Information for Recycling EOL Consumer Electronics (Dr. Hyunsoo Kim, Professor, Kyonggi University, Korea)
- Critical Success Factors in Service Logistics (Dominick Palmisano Jr, Director, Logistics & Repair Operations, UTStarcom)
- Reaching Out to Customers in Over 1000 Islands in Indonesia (Stuart Teo, Teleplan)
- Reducing Cost of Non-Quality - Returns Management Process (Tony Sciarrotta, Philips)
- Thinking Forward in Returns (Jeroen Weers, Spring Global Mail)
- Panel Discussion: Methods of Outsourcing
- How to Create and Maintain Profitable Partnerships (John Mehrmann, ZSL Inc)
- Panel Discussion: Challenges of Creating World Class & Automated Reverse Logistics Processes in Emerging Markets
- Designing an Integrated Reverse Logistics and Service Support Network (Ron Kula, DEX)
- Maximizing Opportunities From Managing Sustainability Risk (James Pearson, LiTong)
- Panel Discussion: Increasing Customer Loyalty and Managing Environmental Challenges
- Creating Value from Returns - The Design of Service Networks (Dr. Rajesh Piplani, Nanyang University)

**Rebekah Nixon,**  
Faculty & Seminars Manager,  
Reverse Logistics Association

**Gailen Vick**  
President & CEO,  
Reverse Logistics Association

**Tony Sciarrotta**  
Director of Returns Management,  
Philips

**Sanjeev Kakar**  
Director,  
RT Outsourcing, India

**Stuart Teo**  
Director, Global Business Development,  
Teleplan

**Jeroen Weers**  
Development Manager RML,  
Spring

**Dr. Kent Goeking**  
Senior Executive,  
Accenture

**John Mehrmann**  
VP, Business Development,  
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**Felix Shalit**  
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**Dr. Rajesh Piplani**  
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**Vincent Lim**  
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Cisco Systems

**Ganasarajah Kularasah**  
Sr Manager Customer Service  
Operations, Seagate Technology

**Oliver Lemanski**  
Asia Pacific Regional Manager,  
MGH Consulting

**Dave Whitley**  
Media Marketing Manager,  
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**Maxwell Chen**  
APJ Service Parts Planning Director,  
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**Hyunsoo Kim PhD**  
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**Jeremy Vick**  
VP WW Business Development,  
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**Ron Kula**  
VP Supply Chain Solutions,  
Data Exchange Corp

**Kenichi Kato**  
Managing Director,  
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**Dominick Palmisano Jr**  
Director, Logistics &  
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**James Pearson**  
Advisor,  
Li Tong Group

**Rainer Gapp**  
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## Auto Madness

If you have been in the Reverse Logistics business for very long there is no doubt that you have seen some strange things. One such very complicated set of practices that you may only mildly be aware of is Car Repair. Calling the auto repair practice odd is an understatement. It is more than odd; it is the level of oddness that could only be achieved with government-assistance. This is something I have researched for a number of years but over time my interest waned because there was just no movement. Several new trends however have gotten me interested in the possibility that some major opportunities might be forthcoming.

The new government mandate for ultra-low sulfur diesel fuel is playing havoc for the truck OEMs. There are many, many issues developing from the change in fuels and they are



driving significant repair costs. You can scan YouTube and find videos of new diesel trucks with problems. Some with several feet of flames shooting from the exhaust pipes others that just flat stop running from fuel issues or clogging of the new and massive exhaust filters. These are all coming back to the dealers for warranty repair.

My son and I are building a car and to boost the power we have been looking for a good turbo to use. I have a couple of friends in the car

business and recently one of them brought me a used turbocharger from a diesel truck that was repaired under warranty for a clogged filter/muffler. The mandated repair process not only requires the defective parts be replaced but the complete turbo assembly as well. The problem that 'damages' the turbo is caused from large amounts of soot coating the turbine side impeller. This occurs because exhaust gases cannot exit due to the clogged exhaust filters downstream from the turbo. This soot collects inside the turbo and promotes early failure from the collection of heat and an unbalanced operation. The old turbos and other removed parts are stockpiled by the dealers for an inspection period then sold for scrap. My scrap turbo cost \$20. These are fine for me because all I need to do is clean them before placing it in service. So why would a major OEM require a replacement of a ~\$2000 part rather than clean it? Mostly due to state regulation and liability. Case law and state regulation is such that it is cheaper have a consistent practice where parts are only cleaned if they remain on the car. Cleaning of injectors is good example. Repair technicians have tools to chemically clean injectors while on the car. If the injector gets removed it must be replaced with a new one.



Figure 1

	*Recommended For Award	
	Dealer: A	Dealer: B
<b>Section IA- Conventional Fuel Vehicles Service Repair</b>		
Shop Hourly Rate	\$64.90	\$85.50
Labor Guide	Ford Service Labor Time Std	Ford Warranty
New Parts Discount	List Less 30.1%	List Less 10%
Rebuilt Parts Discount	List Less 30.1%	List Less 10%
<b>Section IA Repair Service Sample Jobs</b>		
<b>Section 1- Sample Job 1- Sepentine Belt...</b>		
Labor	\$19.47	\$34.20
Based on Number of Labor Hours	0.3	0.4
Parts	\$119.98	\$158.63
Misc. and Diagnostics Charges	\$0.00	\$5.13
<b>Total Sample Job 1</b>	<b>\$139.45</b>	<b>\$197.96</b>
<b>Section 1- Sample Job 2- Water Pump...</b>		
Labor	\$142.78	\$222.30
Based on Number of Labor Hours	2.2	2.6
Parts	\$261.91	\$358.93
Misc. and Diagnostics Charges	\$0.00	\$44.20
<b>Total Sample Job 2</b>	<b>\$404.69</b>	<b>\$625.43</b>
<b>Section 1- Sample Job 3- Rear Differential...</b>		
Labor	\$318.01	\$504.45
Based on Number of Labor Hours	4.9	5.9
Parts	\$403.14	\$891.68
Misc. and Diagnostics Charges	\$0.00	\$10.00
<b>Total Sample Job 3</b>	<b>\$721.15</b>	<b>\$1,406.13</b>
<b>Section 1- Sample Job 4- Air Conditioning...</b>		
Labor	\$253.11	\$367.65
Based on Number of Labor Hours	3.9	4.3
Parts	\$354.54	\$637.62
Misc. and Diagnostics Charges	\$0.00	\$61.30
<b>Total Sample Job 4</b>	<b>\$607.65</b>	<b>\$1,066.57</b>

## Auto Madness

If you have been in the Reverse Logistics business for very long there is no doubt that you have seen some strange things. One such very complicated set of practices that you may only mildly be aware of is Car Repair. Calling the auto repair practice odd is an understatement. It is more than odd; it is the level of oddness that could only be achieved with government-assistance. This is something I have researched for a number of years but over time my interest waned because there was just no movement. Several new trends however have gotten me interested in the possibility that some major opportunities might be forthcoming.

The new government mandate for ultra-low sulfur diesel fuel is playing havoc for the truck OEMs. There are many, many issues developing

from the change in fuels and they are driving significant repair costs. You can scan YouTube and find videos of new diesel trucks with problems. Some with several feet of flames shooting from the exhaust pipes others that just flat stop running from fuel issues or clogging of the new and massive exhaust filters. These are all coming back to the dealers for warranty repair.

My son and I are building a car and to boost the power we have been looking for a good turbo to use. I have a couple of friends in the car business and recently one of them brought me a used turbocharger from a diesel truck that was repaired under warranty for a clogged filter/muffler. The mandated repair process not only requires the defective parts be replaced but the complete turbo assembly as well. The problem that 'damages' the turbo is caused from large amounts of soot coating the turbine side impeller. This occurs

because exhaust gases cannot exit due to the clogged exhaust filters downstream from the turbo. This soot collects inside the turbo and promotes early failure from the collection of heat and an unbalanced operation. The old turbos and other removed parts are stockpiled by the dealers for an inspection period then sold for scrap. My scrap turbo cost \$20. These are fine for me because all I need to do is clean them before placing it in service. So why would a major OEM require a replacement of a ~\$2000 part rather than clean it? Mostly due to state regulation and liability. Case law and state regulation is such that it is cheaper have a consistent practice where parts are only cleaned if they remain on the car. Cleaning of injectors is good example. Repair technicians have tools to chemically clean injectors while on the car. If the injector gets removed it must be replaced with a new one.

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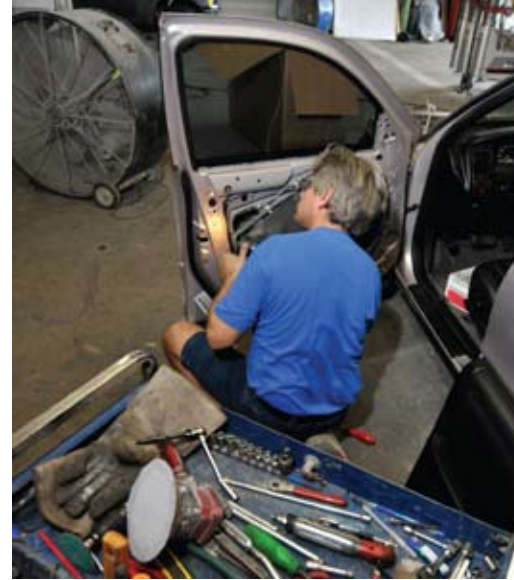


Great you say--I don't want old parts on my new car. It's the OEM's problem make them pay. The point is though we all pay warranty costs in the price of the car and that same practice then hits you when it comes to non-warranty repairs. Consider the same problem described above only this time the truck is out-of-warranty. Wouldn't you rather the option to have your turbo cleaned rather than replaced? Yes the dealer might perform the cleaning if pressed--but you may not get warranty coverage for non-standard work and you would need to know enough about the technical details to ask for something like cleaning in the first place.

On top of this the technician that did the warranty repair only got paid for 6.5 of the 8.4 hours it took to do the work. But he did not mind that much, because overall for the week he logged ~44 hours of labor while just working 35 hours. The way this sort of math comes about is from the need to standardize. The major players driving this are the manufacturers and the insurance companies. Their desire for standard costs forces the dealers and independent repair shops to use 'labor guides.' The labor guide specifies how much time each and every repair task should take. This covers changing a brake light all the way to complete motor overhaul. Interesting enough the labor guides change over time as more and better data is collected.

Often the standard time for repair will be underestimated initially, but as more data comes in, the standard repair time will grow to be closer to an actual or even sometimes more. Also interesting to note that standard times for labor charges tend to grow as more units of a particular model of car are on the road and out of warranty... This is how a repair tech can be paid for more time than they actually worked.

But you can still take your vehicle to an independent repair shop and avoid all this right? No, not really.



There is a new political effort called "Right to Repair." It stems from a consortium of consumer groups that are working to get state and federal laws changed to allow independent repair shops to have access to the needed information and software to repair any car regardless of warranty status. Since all transportation operates under computer control not having access to the required software tools makes many repairs just impossible. These efforts to change the laws are gaining momentum and making their way through several state legislatures. Behind the scenes, some at the OEMs are glad to see this happen. The auto makers are under huge cost pressure and they all know that warranty costs should be lower. The dealers have a very different view because there is almost no money made by a dealer from new car sales. A new car dealer's real profit comes from used car sales and repairs. As such they are very opposed to losing a major barrier to competition.

Even if you have a failure that could be repaired by an independent repair shop, you will still be exposed to the problems of the "labor guides."



For a repair technician, L. Bryant Underwood L. Bryant Underwood is Director, Supply Chain for Elbit Sstems of America, a leading provider of high performance products and system solutions focus-

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# Returning thoughts



## ERP vs. Reverse Logistics Systems: Fill the Gaps, Automate and Provide Decision Tools

Many companies start looking at Reverse Logistics Systems to fill the gaps not addressed in the corporate ERP systems. A Reverse Logistics system will cover the gaps, provide tools for visibility, automate processes and make decisions through all the unique steps, processes and activities necessary in the complex life of a returned item, from RMA return request, through receiving, processing and then to final resale and conversion to cash. Some key features of Reverse Logistics software are:

- **Data** – captured in all processes at all levels for analysis and decisions such as serial number capture upon receipt or failure analysis. All touches and data entry are time, date and user stamped for further analysis and specific to returns processing.
- **Visibility** – Visibility should be available internally, as well to partners and customers as required. For example:
  - o a full history in real time of an item by serial number through each stage of processing.
  - o Inventory visibility for RMA cre-

ation – a customer service rep should have visibility to all refurbished or new replacement inventory available as well as any back-order information or substitution options while on the phone with a customer.

- o RMA status – a customer should be able to look up the status of an RMA, such as the defective has been received, but replacement has not yet shipped.

• **Real Time Decision Tools and Rules** – rather than relying on manual spreadsheets, or out of date transaction data or day end reports, real time decision tools can streamline production, reduce touches or identify problems. The decision tools or rules are typically configurable to match your business or best practices. For example:

- o Receipt Validation – a shop floor receiving process check to ensure a unit is valid for credit by matching all items present. Serial number validation can ensure the unit is in warranty when validated again a warranty database.
- o Disposition Automation – a shop floor disposition process closely streamlined into the receiving process will reduce touches and handling by instructing the receiver where to put the item after it has



been scanned into receiving, such as:

- Scan → decision → item is obsolete → put away to scrap;
- Scan → decision → too much inventory → put away to be harvested for parts;
- Scan → decision → enter visual defect → scratched screen → decision → defect indicates level 2 repair required → put away to be shipped to repair partner
- o Directed Processing – a unit has just been tested and the system indicates to the user the next step or station required based upon the inputs of the test results. The steps can be configured or modified as required by a repair manager based on the special requirements to refurbish or repair each product.
- o Time Lines – a full history of turn-around time from RMA creation, through the return cycle to final disposition cash collection. Speed can be a critical factor to a higher resale value and needs to be monitored at all stages, not just through the repair cycle.
- o Alerts and a Dashboard – real time, configurable alerts and indicators to identify and highlight issues requiring attention. For example: early warning on an excessive number of defects

### Get a Best Practice Reverse Logistics Software System

Reverse Logistics Systems are designed to work within your organization and with your partner organizations by enabling you to centralize all data, decision rules and tools. They are also designed based upon the best practices, experiences and case studies of many companies. Specialty Reverse Logistics systems have matured well beyond the gathering of data for basic return transactions. If you have not done so already, it is time to get educated about the Reverse Logistics software systems available and start recapturing cash for your company. Your CEO will thank you!

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