



# REVERSE LOGISTICS DIGITAL magazine®

Reverse Logistics  
in Mexico- pg28





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by Dr. Jose Antonio Valles R

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[editor@RLmagazine.com](mailto:editor@RLmagazine.com)



RL Magazine will publish 12 issues annually — 12 new digital editions!

## Preview



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Reverse Logistics Association is Partnering with CES



The Reverse Logistics Association is exhibiting at CES 2012 to promote its members and the solutions they can offer the consumer electronics industry.

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## Message from the Editor

In South East Asia, poverty and children begging in the streets is an ongoing problem. Seeing their sad little faces with their hands extended out. What to do? If I give them money I am keeping them on the streets. Showing their parents that they are more valuable as breadwinners in the street than students in school. Walking away is a hard option as well.



I was delighted to find in the capitol of Cambodia, Phnom Penh, a restaurant called Friends. Now in its 10th year of operation Friends takes in street children and teaches them many different types of hospitality trades. Friends-International has three restaurants in South-East Asia all run by former street youth in training.



Supervised by cooks, managers and hostess these children learn a trade and earn a living. Not to mention that the food was also sensational; we indulged in great tapas, Cambodian, Laos and Western cuisine all while helping these student gain the skills and confidence to work in the hospitality industry. Tourist are all to happy to tip generously to the smiling Khmer faces of these hard working children.

Next door is a shop called Friends@240, which is also part of the Friends-International family. This store creates unique products made from local and recycled materials that provide families with income and are environmentally friendly at the same time. I bought some bracelets and necklaces that have a unique urban feel as they are made from old magazines. Hmmm maybe some RL Magazine bracelets are on the horizon?



Lyndsey Turner, Editor • [Editor@RLA.org](mailto:Editor@RLA.org)

## OUR MISSION

**O**ur mission is to educate and inform Reverse Logistics professionals around the world. RLA focuses on the reverse logistics processes across all industries. No matter the industry — High Tech, Consumer Electronics, Automotive, Medical/Pharmaceutical, Food and Beverage, Apparel, or other — 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 and to

be a catalyst for innovation in developing and implementing new RL processes. We have been and will continue to provide our services to the industry at a moderate price.

**M**anaging the latest information in services such as 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 through our membership services. We serve manufacturers and retailers in a variety of settings while offering ongoing updates on market trends, research, mergers and acquisitions and potential outsourcing opportunities to 3PSPs. We have gained the attention of 3PLs like FedEx, DHL, USPS and UPS. 3PSPs like Teleplan, Foxconn, Flextronics, Canon, Sony and Jabil, along with small- and medium-sized service

providers have found that RLA resources help advertise their services to a regional and global audience. OEMs like Microsoft, HP, RIM, and Sony, along with Retailers like Wal-Mart, Canadian Tire, Tesco and Best Buy all participate at our events. Through RLA Events, RLA Connect services and our publications — RL Magazine and the Weekly News Clippings email — we help OEMs, ODMs, Branded and Retail companies find service partners and solutions providers that were previously unknown to them.

## Closing or Moving out of a Reverse Logistics facility?

At this very moment, RL companies are looking for facilities with infrastructure already installed. Let us help take the costly hassle out of having to restore your facility to its original state.

## Looking to Expand or Relocate?

Let us help locate facilities with the RL structure already in place. Save the hassle and resources and find it now!

The entire process is secure.  
All inquiries are kept confidential.

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# Message from the Publisher

## KNOWING GOVERNMENT REGULATIONS

Our Editor, Lyndsey Turner has selected a very appropriate picture for our cover this month. Land-fill continues to be paramount on the list of legislators and government regulators. Each of you might be surprised at the rules and policies that are required for managing waste in each country and region.



Recently a small business owner that had leased one of their commercial properties to a “tire company” for over 25 years was cited with a violation. The violation was for having 2700 used tires in the ware house. The violation wasn’t given to the retailer, but the owner of the property. The location of the business happened to be in California where many regulations are in place to protect everyone. The regulations for removing the tires are unusual. No more than 9 tires at a time could be removed, if more tires are to be moved, then a certified “tire mover” is required in order to comply with county and state regulations. Both you and I know that many companies would love to capture those 2700 tires; the amount of fuel that could be generated by these tires is tremendous.



RLA has and will continue to work with legislators to assist the growing need to understand the challenges of government regulation has on the industry. Many times well intentioned regulations are placed into law without well thought out of the future impact to consumers and private industry.

Several years ago, RLA warned a principality of the possible impact to drinking water as a result of promoting fluorescent lighting over incandescent. Today mercury is found in the ground water from the north to the south of that region.

We suggest more debate and discussion on legislation from consumers and private industry along with academic researchers before final legislation is placed into law. Many laws and regulations can result in a major cost to consumers while resulting in unplanned negative outcomes.

**Gailen Vick - Executive Director**  
[www.RLA.org](http://www.RLA.org)

*Editorial Note: Tire recycling legislation, [www.carecycle.ca.gov](http://www.carecycle.ca.gov)*

## 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:



**Jack Allen – Scientific Atlanta, a Cisco Systems company**

JackAllen currently serves as Director of Global Supply Chain Processes at Scientific Atlanta. In his role, Jack is responsible for the creation, development and performance of Scientific-Atlanta’s supply networks in the United States and internationally. His leadership and commitment to the recent success of several product and distribution center transfers, the development of a cross functional supply chain team and the development of an integrated forecasting/ production planning/procurement supply chain planning process resulted in the improvements in Scientific-Atlanta’s supply chain and significant annual savings for Scientific-Atlanta.



**Christopher Gant – FedEx**

Chris Gant is Director for FedEx Supply Chain Sales. He is responsible for all business development strategy and execution for both the FedEx SupplyChain Systems and FedEx Emerging Products Sales teams.

A 20-year veteran of transportation, logistics and electronic commerce, Chris has extensive expertise in the development and delivery of complex supply chain solutions for some of the world’s largest corporations inclusive of both Forward and Reverse Logistics. He began his career with FedEx Ground (formerly RPS) in 1989 as an operations coordinator before joining the company’s sales team in 1991. He quickly rose through the sales leadership ranks, holding the posts of area sales manager, district sales manager and senior national account manager for FedEx Ground.



**Edwin Heslinga – Microsoft**

Edwin is currently Director of Reverse Logistics Programs and Policies for Microsoft Devices. In his position Edwin is responsible for development and enforcement of policies surrounding returns and all related costs to the returns and is also involved in the Customer Satisfaction Continuous Improvement Council. Working with

Microsoft Call Center and the Microsoft Manufacturing Operations Edwin is driving the improvement of consumer satisfaction through agent assisted support and on-line support while managing the costs.

Prior to working for Microsoft Edwin worked for Jabil Global Services as the Director of IT Solutions, where he worked with various teams on the proposal and implementation of reversed logistics services for various companies at the Jabil factories around the world.



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

Charles Johnston is Sr. Director of Reverse Logistics at the Bentonville Return Center, WAL-MART Stores, Inc. Chuck has been with WAL-MART for the past 14 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.



**Bernie Schaeffer – Motorola**

Bernie Schaeffer is corporate vice president of Post Sales Support for Motorola Mobility. His global organization is responsible for providing both in- and out-of-warranty repair services to both consumers and carriers, provides consumer support services through call center, web access and on-device solutions, is the fulfillment engine for value-added services, manages asset recovery on equipment returns and is the source of information on product field reliability.



**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 Senior Manager of Asset Recovery 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.



**Susan Wackerman – Hewlett-Packard Company**

Susan Wackerman is currently a Sr. Operations Manager in the Americas Supply Chain for HP’s Imaging and Printing Group. In her position, Susan is responsible for the Recycling Operations for HP Americas and the Returns Operations / Remarketing for HP Americas Imaging and Printing Group. This includes supply chain development, reverse logistics, disposition and processing, refurbishment, resale, channel management. For Recycling Operations her product responsibilities cover all HP product categories including inkjet and laser printing, digital imaging, supplies, scanners, shared printing, PCs, notebooks, desktops, servers.

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





# Reverse Logistics Association Industry Committees



Industry Committees are 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. Industry 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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- Will Blomqvist, The Kane Company
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- David Vikartofsky, Advanced Technical Services
- Javier Villarreal, Ace Wireless

Join today at [www.RLA.org](http://www.RLA.org)

Focus Committees & Regional Focus continued on to page 19





# Field Service Survival Strategies

by Michael R. Blumberg, CMC

Seven strategies for surviving the cloud with a cloud computing survival guide for Field Service Organizations. Cloud Computing represents one of the most significant trends influencing the global economy today. It is impossible to open a trade publication or magazine without reading an article

extolling the virtues of Cloud Computing in its various forms:

- Software as a Service (SaaS)
- Infrastructure as a Service (IaaS)

- Platform as a Service (PaaS)

Cloud Computing is also facilitating the deployment of intelligent, instrumented, and connected technology. This “Smart Technology” forms the basis of the infrastructure that operates

the world economies and a wide array of business processes industrial & consumer segments ranging from banking, to building, to cities, to energy, to education, transportation, and even fast food.

Furthermore, miniaturization of digital computing devices makes it possible for anyone, from anywhere in the world, to plug into the cloud, and conduct transactions anytime they want.

## BENEFITS OF THE CLOUD COMPUTING MODEL

- lower cost of ownership
- reduced carbon footprint
- ease of implementation
- transferring risk from end-user to technology provider

These technology trends are a double-edged sword for Hardware Maintenance companies and Field Service Organizations (FSOs). On one hand, Cloud provides access to affordable, state



of the art and easy to implement solutions (e.g., Field Service Mobility, Remote Diagnostics, Service Parts Optimization, and Service-CRM). This of course improves the overall productivity and efficiency of Service Logistics and Field Service operations. Think faster and cheaper service!

Alternatively, this same technology is lowering the demand for field service events in general. Not only can Cloud and Smart technology be supported remotely but virtualization and miniaturization are causing the installed base of hardware to shrink, both literally and figuratively, thus decreasing installed

base density and the overall demand for field service.

In order to achieve predictable and sustainable revenue growth and profit margin, we believe Field Service Organizations (FSOs) can benefit from following our Seven (7) Strategies for Surviving the Cloud.

## FIELD SERVICE ORGANIZATIONS SURVIVING THE CLOUD

1. **Strategically Manage your Installed Base**  
Installed base density is the ultimate driver of profitability within a hardware maintenance environment.



Comprehensive knowledge of service demand characteristics and Key Performance Indicators (KPIs) combined with the ability to plan capacity and influence utilization of Field Service resources is critical to achieving profit target and revenue objectives.

**2. Find Synergistic Market Opportunities** One of the interesting things about Smart Technology is that it creates a proliferation of connected (i.e.,

networked) devices and systems that contain commercial off the shelf electronic components and sub-assemblies (e.g., Printed Circuit Boards, CPUs, Monitors, Key Boards, Storage, etc.). This opens up new market opportunities for hardware maintenance providers and FSOs. A perfect example is Smart Grid Technology that predicts and intelligently responds to the behavior and actions of all electric power users connected to it in order to deliver

reliable, economic, and sustainable electricity services. The same service delivery processes and systems that support an enterprise IT network can also be deployed to support the Smart Grid.

**3. Re-engineer Back end Service Delivery Model** As the complexity of the serviceable installed base changes in the new cloud environment, so to does the service delivery model. FSOs and Hardware Maintenance companies must be

lean and nimble when responding to the new service requirements of the Cloud. In addition, the proliferation of mobile devices connected to the Cloud is creating the need for new services like asset management and reverse logistics. Re-engineering strategies might involve the transition to a variable work force, adoption of optimized approaches to scheduling & dispatching Field Service Engineers, outsourcing or out-tasking of non-core, service delivery functions, and/or the development of new service capabilities.

**4. Implement State of the Art Service Management Systems** Most agree that FSOs need to be lean and mean. Cloud based Service Management applications have tremendous value and benefits from a cost of ownership perspective. Not only do they enable real-time service optimization but they also can be integrated with Smart Technologies to create robust, end-to-end, service lifecycle management solutions

**5. Monetize back-end service offerings** Companies who operate hardware maintenance as a profit center are obliged to find new sources of revenue to offset the change in demand. This can be achieved by monetizing re-engineered back-end service capabilities. For example, faster response time brought about through the implementation of optimized scheduling could be monetized through premium

and new service offerings like Remote Monitoring & Diagnostics and Business Intelligence (BI) & Analytics. priced Service Level Agreements. Performance Metrics related to Mean-Time-Between-Failure, (MTBF) and number service incidents per customer locations can be mined for business intelligence, packaged, and marketed to end-users as a tool for improving the productivity and efficiency of their own operations.

**6. Service portfolio targeted toward new Cloud environment** A logical progression for many FSOs, particularly those involved in IT Services, is to become Cloud Service providers themselves



## RLA CONFERENCE & EXPO IN SÃO PAULO BRAZIL



## CONFERÊNCIA E EXPOSIÇÃO SOBRE RLA NO BRASIL

- Professionals worldwide will attend this event.
- Major OEMs & Retailers are looking for Third Party Service Providers that can manage their Reverse Logistics in this region.
- Be sure not to miss the pre-conference workshops that will be held on the 26th.
- Enjoy the fall season in the Brazilian sun!

- Participação de profissionais de todo o mundo inclusive da mérica do Sul e Central
- Principais OEMs e Varejistas estão procurando por empresas terceirizadas para prover serviços de gerenciamento e administração do processo de Logística Reversa nesta região.
- Não percam os cursos práticos que acontecerão durante a pré-conferência, no dia 26.
- Desfruta do maravilhoso sol Brasileiro de São Paulo em pleno Outono.



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**Para maiores informações**  
**17-19 de abril de 2012**  
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## TAKEAWAY

However, there is a positive aspect within the Cloud for companies who follow the strategies outlined above. It is not necessary to pursue all. By simply implementing one or two of these initiatives, a hardware maintenance company can stabilize their business, if on a downward trend, and produce a predictable and sustainable (and growing) income stream if already stable. RLM



Michael R. Blumberg is a Certified Management Consultant, (CMC) and President &

CEO of Blumberg Advisory Group, Inc. The firm focuses on providing strategic and tactical assistance for improving the overall profitability and quality of aftermarket service operations for over 40 years. Mr. Blumberg is an expert and industry authority on Reverse Logistics and Closed Loop Supply Chain Management. Contact Michael at 855-643-9060 Ext 703 or michaelb@blumberg.com.

by offering Data Center Hosting/Private Cloud platforms, and Managed Services contracts for devices (e.g., printers, scanners, workstations, etc.) connected to the Cloud. Cloud based Service Management solutions also enable new revenue generating service offerings such as Remote Monitoring & Diagnostics and Business Intelligence.

offerings. It is impossible for one company to do it all. Partnerships and alliances are the key to tapping new sources of profitable revenue and improving the cost of service delivery.

In summary, while there is lot of excitement about the economic benefits and technical advantages of Cloud Computing, we should not overlook the fact that these opportunities present major challenges to companies involved in Hardware Maintenance by potentially threatening their viability.

**7. Leverage Partnerships & Alliances** There are so many different options available to re-engineer and/or offer new services

## Read the Press

### Ryder solution integrates reverse and forward logistics

22 November 2011-Ryder System is expanding its reverse-logistics capability to include what it calls a “co-location solution”-designed to integrate forward and reverse logistics in the same facility to “deliver increased velocity, visibility and savings.” [CLICK HERE](#)

### CEVA and Ford expand relationship at new Louisville plant

Houston, TX-21 November 2011-CEVA Logistics, a leading global supply chain management company, today announced the award of additional business with Ford Motor Company. CEVA will provide a range of logistics functions for Ford’s Assembly Plant in Louisville, Kentucky. [CLICK HERE](#)

### Make Your Customers Work for You: Increase Customer Service, Decrease Supply Chain Costs

21 November 2011-Within the current economic conditions, many businesses are preserving profits with aggressive cost cutting, which tend to focus on customerservice(despite its importance). According to a recent Manufacturing Insights survey of 800 companies, over 70 percent of responding businesses said that their most important business objective is to increase customer loyalty and satisfaction, yet customer service rarely wins the battle against the supply chain mandate to reduce costs. Optimistically, a company may plan these service cuts to be temporary, with intentions to restore its customer service levels as the economy recovers. But, in many cases, the damage will have been done and may require more than just a return to original levels to correct. [CLICK HERE](#)

### New Breed Logistics to Provide End-to-end Supply Chain Management of Boeing Commercial Aircraft Fasteners

High Point, NC-21 November 2011-New Breed Logistics, Inc., headquartered in High Point, North Carolina, has announced that they have been selected by The Boeing Company to provide logistics and supply chain management

of commercial aircraft fasteners in support of the Boeing Aggregated Standards Network (BASN) program. This agreement represents continued growth of the relationship between New Breed and The Boeing Company. [CLICK HERE](#)

### Stocking all over the world Brightpoint’s way

21 November 2011-Brightpoint claims to be the world’s biggest mobile phone distributor. In an exclusive interview, president (EMEA) Anurag Gupta tells Michael Garwood about Brightpoint’s global expansion strategy. [CLICK HERE](#)

### Tata Group revs up reverse logistics

21 November 2011-Tata Group’s logistics arm, DIESL has adopted a programme to boost its reliance on reverse logistics across India in a bid to optimise supply chain services. [CLICK HERE](#)

### How Intel boosted supply chain response times

18 November 2011-Intel is in the middle of a multi-year process of supply chain transformation, which has already produced three times faster response times, Simon Barrett, global logistics strategist, told delegates to the 1-2-1 Supply Chain Excellence Summit last week. [CLICK HERE](#)

### Ryder Enhances Reverse Logistics Offering with New Co-Location Solution

Miami, FL-17 November 2011-Ryder System, Inc., a leader in supply chain, warehousing, and transportation management solutions, today announced the expansion of its reverse logistics capability to include a co-location solution. The new offering integrates forward and reverse logistics in the same facility to further optimize the returns process and drive greater value recovery of returned assets. By co-locating the distribution management of finished goods with returns processes such as technical repair, refurbishment, and repackaging in the same facility, this solution offers companies the ability to achieve greater speed to shelf, visibility, and cost-savings. [CLICK HERE](#)

### Image Microsystems Named 2011 Green Supply Chain Award Winner

Austin, TX-16 November 2011-Image Microsystems-a leading provider of technology restoration, reverse logistics, e-waste recycling, and recycled plastic products manufacturing-announced today they have been named a 2011 Green Supply Chain Award winner by Supply & Demand Chain Executive. [CLICK HERE](#)

### Flextronics Receives Cisco Smart Services Award for Operational Excellence

Singapore-16 November 2011-Flextronics, today announced that it is the recipient of the Cisco Smart Services Award for Operational Excellence. This award recognizes outstanding Cisco vendors for their operational achievements. [CLICK HERE](#)

### Overstock.com CEO Dr. Patrick M. Byrne Named Ernst & Young National Entrepreneur of the Year 2011 Retail and Consumer Products Award Winner

Salt Lake City, UT-16 November 2011-Overstock.com, Inc., today announced that its CEO and Chairman Dr. Patrick M. Byrne, was named the Ernst & Young National Entrepreneur Of The Year 2011 Retail and Consumer Products Award winner. He was honored at the Entrepreneur of the Year Awards gala, the culminating event of the Ernst & Young Strategic Growth Forum held in Palm Springs, California on November 12, 2011. [CLICK HERE](#)

### How to Plan for Christmas Returns

16 November 2011-It is once again that time of year when reverse logistics executives need to start planning for Christmas returns. For both retailers and manufacturers, the Christmas returns season is the by far the most important time of year. Your ability to process the tidal wave of returns during the first quarter of year will have big impact on your company’s bottom line. [CLICK HERE](#)



# WHAT IS THE REVERSE LOGISTICS ASSOCIATION?



At this year's RLA Conference & Expo in Las Vegas you may have noticed a television crew roaming around. The crew was there to capture response to the conference and make a video that displayed the essence of the Reverse Logistics Association. They were also filming segments for a new video series in RL Digital magazine called RLA Rewound. As you view it, you may see some familiar faces. A big thank you to everyone who took time out from their busy conference schedule to stop and talk with our reporter. We hope you will share the video with friends and colleagues as you introduce them to the association and explain what we do and how we can support them. Stay tuned, because we may be talking to you for the next series of videos for RLA Rewound.

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## Respect for the Earth

by Lorenzo Ciferri, Trelleborg

Trelleborg's TM Blue™ tire concept comprises a set of techniques, patents, solutions and procedures that help farmers while conserving natural resources from manufacturing to application. In line with the burgeoning interest in sustainable farming, Trelleborg has launched a new agricultural tire concept, TM Blue™. TM Blue tires are engineered to respect the structure of a farm's soil and preserve its

organic life by minimizing the mechanical damage from compression caused by standard tires.

For the farmer, this translates into higher productivity and crop yields.

“TM Blue tires not only offer the highest level of care for the environment,” says Lorenzo Ciferri, Marketing Director of Agricultural and Forestry Tires, Trelleborg Wheel Systems, “but their use on farming tractors enhances productivity and lowers fuel consumption – also good news for farmers.”

The environmental benefits are present on the factory floor as well. The TM

Blue concept involves enhanced production processes to decrease the use of natural resources during manufacturing.

“There have been some significant investments made to



FIGURE 1: TM BLUE TIRE

reduce energy and water consumption in our factories, which include the use of

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- Account Manager
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- Seminars Manager
- Web Development/Database IT Support Manager
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**FIGURE 2: FOR THE LAUNCH AT SIMA 2011 IN PARIS, THE TM BLUE TIRES WERE ACTUALLY COLORED BLUE.**

environmentally friendly extender oils throughout the production process,” says Ciferri.

“The primary goal of the TM Blue concept is to enable farmers to win twice,” he says. “First, the farmers will profit directly from the superior productivity of the tires. Second, they will benefit from Trelleborg

caring for the environment in the long term. Everyone believes that being environmentally friendly comes at an additional cost. But what we are trying to say with TM Blue tires is that there is a real value proposition in the short, medium and long term.”

The Technische Universität of Dresden in Germany

conducted a study of plant loss versus tire load capacity and found that the use of TM tires resulted in lower crop stress. This is due to the 13 percent wider footprint of the TM tire, which significantly reduces soil compaction.

Another benefit of TM tires is the unique tread design that provides higher traction capability under high

## Money Talks



### UPS Sets 2012 Rates

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### Motorola Mobility Stockholders Approve Merger with Google

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### HP Board Declares Regular Dividend

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### Dell Reports Strong Profitability in Third Quarter

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### Nyrstar and Sims Metal Management reach conditional agreement to sell Australian Refined Alloys' secondary lead producing facility

[Click Here](#)

torque conditions, as well as a self-cleaning geometry that reduces the amount of soil transferred to roads, which can help to minimize accidents.

The inter-lug terracing design at the base of the lug in the treads helps to eject mud three times faster than competing tires, according to field tests.

“Trelleborg TM tires provide

excellent traction in the field, which significantly reduces slippage on any

**“the unique tread design that provides self-cleaning geometry that reduces the amount of soil transferred to roads, which can help to minimize accidents”.**

kind of soil,” says Ciferri. “In the plowing tests, using

the same tractor sizes and in the same conditions, our tires performed better than premium-brand competitors in terms of both slippage and working time per hectare, yielding a five percent time saving for the farmer.”

On the road, TM Blue tires yielded impressive fuel savings as well – consuming 23.25 liters per hour at an average speed of 40 km/hr, compared with 24 liters per





hour on similar tractors with different tires. This could add up to significant annual savings in fuel costs.

And then there are the ergonomics. The shape and geometry of the TM tire tread reduces vibration in the tractor, ensuring a safe and comfortable experience for the tractor driver.

Why did Trelleborg choose blue as the color to be

associated with the new concept?

“Blue is increasingly used as the color of environmental values,” explains Ciferri. “In the past, being environmentally friendly meant respecting nature. Today, with global warming, it is still about this but also what is happening in the air, and we think of the air as being blue. But rest assured the tires themselves are not

blue. That is just a name.”

RLM



Lorenzo Ciferri, Marketing Director of Agricultural and Forestry Tires, Trelleborg Wheel Systems.


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# REVERSE LOGISTICS ASSOCIATION®

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**January 10-13, 2012  
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The Reverse Logistics Association is exhibiting at CES 2012 to promote its members and the solutions they can offer the consumer electronics industry. International CES hosts more than 120,000 attendees from around the world and your company can be in front of all of them!

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- Reverse Logistics Magazine will be distributed at CES 2012.

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## Reverse Logistics in Mexico

by Dr. Jose Antonio Valles R

It addresses the major considerations that a company must be present in the design, development and control of this activity to obtain competitive advantages of sustainability, reducing the environmental consequences that implies waste disposal.

The origin of the issue is the existence of an economical interest, increasing the relations between business and environment, which often raises a critical

perception of them by the social partners.

Among all the aspects that we consider when analyzing the role of business in its relationship with the environment, one of the most studied because of their importance for current and future welfare of society is the administration of the waste generated by businesses in the exercise of their activity, in particular organizations that produce their own function and

produce toxic and hazardous wastes.

### INTRODUCTION

The logistics process for managing the flow of goods and materials from the point of consumption to the point of origin, we defined reverse logistics as the process of recovery and recycling of packaging, packing, demolition and hazardous waste, so as the process of return of excess inventory, returns, inventory obsolete and seasonal products in

order to give output in markets with higher turnover.

The origin of the issue is the existence of an interest, increasing the relations between business and environment, which often raises a critical perception of them by the social partners. Among all the aspects that we consider when analyzing the role of business in its relationship with the environment, one of the most studied because of their importance for current and future welfare of society, is the administration of the waste generated by businesses in the exercise of their activity, in particular organizations that produce their own function and produce toxic and hazardous wastes (Hospitals, laboratories, nuclear plants etc.).

The presence of toxic substances, heavy metals or chlorinated products causes the release and especially the incineration of these wastes may be a risk of chemical contamination exceeds the risk of biological contamination of special medical waste.

Thus, we have documented the presence of high concentrations of cadmium and toxic organochlorines, including dioxin emissions from incineration of such waste.

### THEORETICAL FOUNDATIONS

The operations process (design and engineering, procurement, production, storage, distribution and marketing), which perform multiple tasks that are generated a series of products that, at first, had no other destination that the provision in an landfill, there was little concern about the quantity and quality of these products that were directly largely

discarded, thus becoming industrial waste with significant negative effects on the environment, prevent the generation of waste should be the philosophy governing any management plan for medical waste.

For the past few decades have begun to see the importance, from the standpoint of environmental, ethical, and from the point of view, the proper stewardship and industrial waste. Businesses, induced mainly by increasingly restrictive legislation in terms of waste generation, begin to consider the use of cleaner production processes in which they reduce the amount of raw





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materials used, generate less waste, streamline the use energy sources, etc., obtaining higher levels of environmental welfare.

## RESULTS AND DISCUSSION

Certainly not yet made significant progress in absolute terms, there are cases where it is increasingly difficult to obtain firm commitments.

Generally used the term as synonymous with toxic waste as hazardous waste

equivalent to, but they include other features in addition to the toxic: In Mexico, the General Law of Ecological Equilibrium and Environmental Protection (LGEEPA) defines hazardous waste as all those wastes, in whatever physical state, which by its corrosive, reactive, explosive, toxic, flammable or biological-infectious, posing a threat to the ecological balance (Art. 2, frac. XXII).

Hazardous wastes are classified as process water,

sand, dirt and dust, tars, heads, tails, exhausted catalysts, solvents, treated effluent, containers and packaging, slag, waste liquids, sludge processing, sewage treatment, material contaminated fill, spent lubricating and more, The full list of hazardous waste see the NOM 052-ECOL-1993.

In Mexico there is no complete inventory of the type and volume of hazardous waste generated in the country, despite the manifest that by law should meet the companies and establishments generators. Estimates tell us 14,500 tons of hazardous waste per day. (5,292,000 tons. per year), and in 2010 the calculations had increased to 8 million tons of hazardous waste in Mexico, not including mine tailings that can be dangerous and are produced in large quantities (from 300 thousand to 500 thousand tons. per day).

According to official estimates for 2020, 8 million tons of hazardous waste and the five areas in which qualified the country, nearly

54.5% of hazardous waste generated in the center of the country (5,067 thousand ton/year), together with the North zone (2,006 tons / year) including its border area (62 thousand tons/year) generates nearly 90% of hazardous waste in the country.

In Central zone Foremost the Federal District (24%) and the State of Mexico (25%) in the northern zone Nuevo León main ones (12%), Jalisco (9%) and Coahuila (4%) in the Gulf region, the

main generator of hazardous waste is 6% in Veracruz, and Yucatan in the Southeast region with 2% national.

Among the main sectors generating the chemical industry have primary, secondary and petrochemicals (40% of total), followed by mechanical and metal industries with 10% metal and electrical industry by 8%. Among industrial items expected higher growth from 2010 to 2020 with the consequent generation of

hazardous waste, primarily include automobile production, followed by the production of plastic, electronic equipment and machinery and equipment.

According to official estimates, by type of waste, the oil and fats together with the solvents account for over 45% of the total hazardous waste generated in the country. Resins, acids and bases represent 10% and waste paint and varnish to 8%.

## Industry Events



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January 10-13, 2012  
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**RLA Conference & Expo South America**  
April 17-19, 2012  
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**RLA Conference & Expo North America**  
February 7 - 9, 2012  
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**RLA Conference & Expo EMEA**  
June 19-21, 2012  
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The industry is not the only sector that generates hazardous waste; it must also consider the indiscriminate use of chemical pesticides in agriculture, biological and infectious waste generated by hospitals and clinics. Also remember that domestic households, though to a lesser extent, are also household hazardous waste generators, as they consume and dispose of products containing toxic substances and materials.

## CONCLUSION

It is estimated that only 12% of hazardous waste generated in the country are treated or are deposited in authorized locations. Most are dumped directly into the drainage network, or dumped in ravines, rivers, seas, mixed with municipal solid waste stored in yards or businesses.

The latest report has increased to 200 the total number of companies authorized to manage the infrastructure for treatment and hazardous waste landfill, where the 16 companies mentioned recycling spent solvents, 9 companies for the management of used lubricating oils, 60 companies for temporary storage, collection and transportation; 5 companies for the recycling of metals, 26 mobile teams to treat hazardous waste site, 10 companies and treatment facilities of hazardous waste from petroleum activities, 2 companies with private incinerators, in situ, 4 cement companies under testing protocol for energy recovery by incineration of hazardous waste, 1 oil processing company contaminated with polychlorinated biphenyls (PCBs), 16

companies for the treatment of infectious biological waste (most incinerators) and 4 companies authorized to landfill PR, (only 3 of it authorized to provide public service commercial.) partial list of these companies can be found on the General Situation Report on Ecological Equilibrium and Environmental Protection.

RLM



Jose Antonio Valles R. is a Ph.D. in Logistics and

Transportation (Ph.D.), Master of Engineering, Civil Engineering and Master of Science degree. Full-time professor at the Autonomous University of Mexico State in the Department of Transportation Engineering. National Logistics Award 2007 awarded by the SCT.

## Technical Trends

### Early Lean Sigma

When I was just getting into electronics I had two heroes, Forrest Mims III and Earl Muntz. First and foremost for me was the legendary Forrest Mims III. When I was in seventh grade, I learned basic electronics from reading his articles in Popular Electronics. I would pour over his theory of operation write-ups. While then reviewing his schematic diagrams over and over again the understanding of electronics would etch into my mind and come alive. Reading the writing of Forrest Mims on electronics was like having an eternal truth unfold in my mind. He fueled a ravenous appetite to learn all there was in electronics.

Then there was Earl (madman) Muntz. The nickname madman was self-inflicted by Earl as a marketing tactic, but stuck as people got to know

him. For me however his real nickname should have been 'Lean' Muntz. In many ways the success and genius of what Earl Muntz delivered was always wrapped around looking at a situation and then carving it down to only the essentials and nothing more. The way I first became aware of Muntz as a brand was from a car stereo tape player I rescued from a trash can behind a TV repair shop as a sixth grader. By the way-TV is a shortened, or shall I say a 'leaned' version of the word television. Guess who first coined the phrase TeeVee? Correct, it was Muntz.

I went on and repaired that car tape player. One of the reasons I was able to do so, was the very sparse component count that was in any Muntz product. This lean design methodology made

Muntz products very simple to manufacture at a low cost and repair was a snap, even for an 11 year old like me. Muntz realized that components were cost that took many forms and that by running costs out of his products he could beat the big brands with a better price. Since this was in the day of tubes-the reduction in components reduced heat and as a result increased reliability. He developed this approach to leaning out the product design in the late 40s when he started manufacturing TVs. It was maddening to all his engineers; he called it 'Muntzing'. There are many anecdotes as to how Muntzing would happen but they all share a common theme. Earl often kept a pair of wire-cutters in his pocket. When an engineer would show him a new working prototype, Earl would just



start cutting out components until the TV died. Most of the time he might have cut out 4 or 5 parts before the TV stopped working. He would then challenge the engineer to place the last part back, leave the others out and do better next time. The most infuriating part to the engineers was that Muntz was a high-school drop-out and was self-taught in electronic engineering. What was the result of all this leaning out of TV design? Muntz was the first brand to sell a TV in the US for less than \$100. One of the reasons that car stereo became popular was that rate that Muntz would extract costs from the process and speed market penetration. This focus even improved usability. For the Muntz car stereo product Earl directed the design team to keep the user interface of the stereo simple and easy to use, fewer knobs the better. He wanted the drivers to be able to use the product and not be distracted. All clearly good things. So where is the Muntz brand today?

Muntz was successful in manufacturing electronics, music media, sports cars and selling cars at his dealerships-

but all of these enterprises are now defunct. In each case of failure Muntz did not anticipate larger scale moves that just buried what gains he made by being low cost. For example the Muntz TV business was killed by color TV. The car stereo business was killed by a better tape technology from Lear. Fundamentally the rate of competitive change in technology was faster than Earl could add value from lower cost.

Lean as a methodology has inherent risks. Lean is about improving today's production and is by design an incremental process. If Muntz was overtaken by color TV in 1959, what are we to do? Just look at the life cycle of products today. The notion of an annual refresh is antiquated. Not only do you need new models coming out every 40 days or so, but you need upgrades from apps that can be loaded at a moment. There is such speed in business that it is difficult and sometimes even counter-productive to drive lean-sigma methods at very low process levels. People often forget that 80% of the value from Lean comes from

reducing waste not from process change. In many operations I have seen massive waste in administration and finance goes un-touched but production gets huge attention for cutting costs by often to the point of doing damage. So yes, Earl Muntz was in many ways a leader that understood lean principles as part of his DNA. But he was also a madman, because he was so focused on a five cent capacitor that he forgot to prepare for color TV. I think Andrew Grove had it right about business. My paraphrase of his thought would be this 'a little less lean on the small things and a little more paranoia for the big things'. That's how not to be a madman.

RLM



L. Bryant Underwood is Director, Supply Chain for Elbit Systems of America, a leading provider of high performance products and system solutions focusing on the defense, homeland security, commercial aviation and medical instrumentation markets.

# Returning Thoughts

## Reverse Logistics Metrics: Targeting Success with a Performance Management Framework

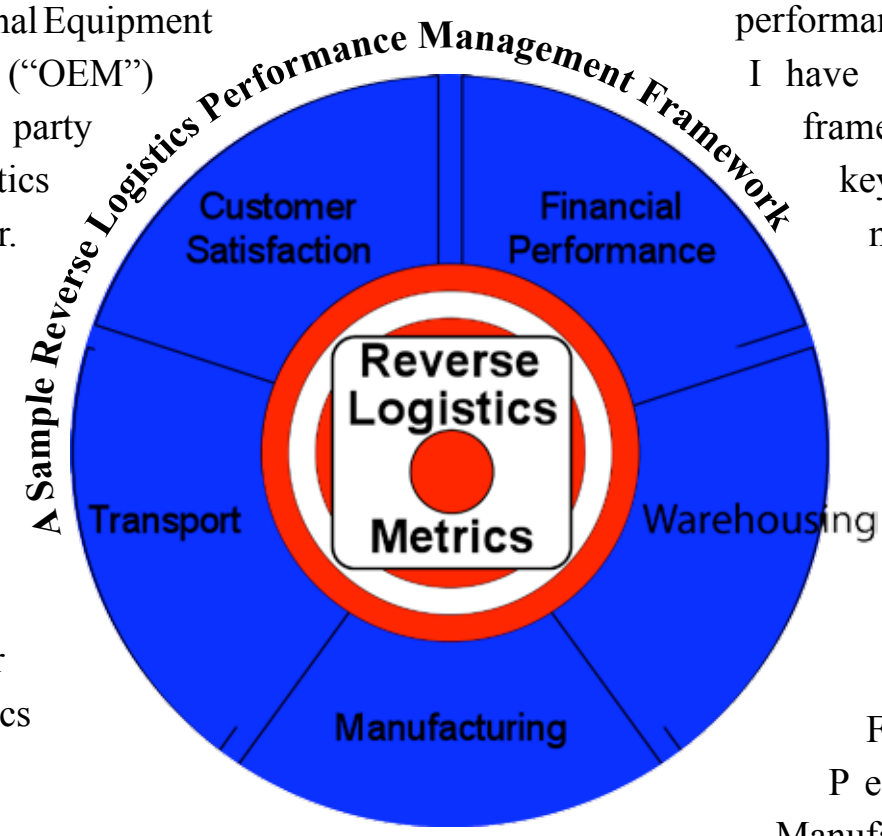
Reverse Logistics metrics are essential to managing and improving a Reverse Logistics operation, whether you are an Original Equipment Manufacturer ("OEM") or a third party Reverse Logistics service provider. Developing a framework to define and monitor your metrics can help you to better target success for your Reverse Logistics operations.

"Utilizing key performance indicators and industry benchmarks can help a Reverse Logistics team become a

"Best in Class" operation" says Michael Blumberg of Blumberg Advisory Group in a recent presentation to monitor and benchmark for performance improvements, I have prepared a sample framework with some key performance metrics below:

A typical manufacturer may identify the key areas of Reverse Logistics as: Customer Satisfaction, Financial Performance, Manufacturing (or Returns Processing and Refurbishment), Transportation and Warehousing.

of Reverse Logistics research and benchmarks.





Within each operational area, key performance indicators can be established. Some sample indicators are outlined below as a starting point to develop an outline specific to your requirements. In addition you may want to include the indicators outlined with your customers in your Service Level Agreements (SLA's):

### Sample Reverse Logistics Key Performance Indicators

#### Financial Performance

- Indicator**
- Recovery Rate on Returned Assets
  - Processing Cost Per Return
  - Repair Cost per Return
  - Credits issued for Returns
  - Warranty Rate
  - Warranty Allowance
  - Warranty Expense
  - Year over Year change in Warranty Expense

#### Customer Satisfaction

- Indicator**
- Return Rate (Defect and Non-Defect)
  - Order Fill Rate
  - Transit Time
  - Backorder
  - Customer Order Promised Cycle Time
  - Time to Process Credit
  - Time to Process a Warranty Claim

#### Transportation

- Indicator**
- Inbound Freight cost per unit shipped
  - Outbound Freight cost per unit shipped
  - On Time Pickups
  - On Time Deliveries

#### Warehousing

- Indicator**
- Number of Inventory Turns (Unprocessed, Refurbished Goods)
  - Replacement Inventory Months of Supply

#### Manufacturing

- Indicator**
- Manufacturing Cycle Time (Receipt to Refurbishment)
  - Defect Rate
  - Scrap Rate
  - No Trouble Found Rate

your Reverse Logistics team and your CEO may thank you for your forward thinking.

Good luck!

RLM



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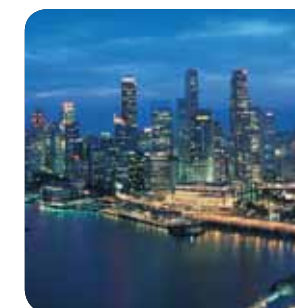
## THERE IS GREAT CONTENT AVAILABLE IN RLA WORKSHOPS THIS YEAR.

You're in town for the RLA Conference & Expo, why not take advantage of your Monday and learn more about RL in an interactive classroom setting.

Beginning at 9:00AM on the day prior to the conference, a registration fee of \$999.99 allows you to attend any three workshops.

### Some Past Workshops

- Successful Outsourcing - RFQs, Contracts and SOW presented by Gailen Vick, RLA
- Customer Experience by Kok Huan Tan, Senior Service Program Manager, DELL
- Leverage RL to Drive Sustainability & Reduce Expenses by Jesse LaRose, ESE Solutions





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