

REVERSE LOGISTICS magazine®

**Successful Tests Open
the Door to the Future
Transport System
- pg 12**

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

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Importance of Reverse Logistics in SCM

by Lisa Smith, Writer & Journalist,

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Message from the Editor

Having recently visited the California academy of Sciences “Living Roof” in San Francisco I thought I would share with you some interesting facts on

Most typical roofs are black tar-and-asphalt which leads to a phenomenon called the “Urban Heat Island” effect. The endless sea of black rooftops and pavement trap heat, causing cities to be 6 to 10 degrees warmer than outlying greenbelt areas. One-sixth of all electricity consumed in the U.S. goes to cool buildings. The Academy’s green rooftop keeps the building’s interior an average of 10 degrees cooler than a standard roof would. The plants also transform carbon dioxide into oxygen, capture rainwater, and reduce energy needs for heating and cooling.

An added bonus to a “living roof” is its beauty. The academy has the largest concentration of native wild flowers in San Francisco and also attracts birds, butterflies and insects. Since its conception it has been coined to consumers as a “Green Roof” and is quickly becoming the modern home owners garden. Here are some of the benefits of having a “Green Roof” installed at your facilities:

- Reduce heating and reduces heat loss and energy consumption in winter conditions
- Reduce cooling by evaporative cooling on a building by fifty to ninety percent especially if it is glassed in so as to act as a terrarium
- Reduce stormwater run off & stormwater tax reduction
- Filter pollutants and carbon dioxide out of the air which helps lower disease rates such as asthma
- Help to insulate a building for sound
- Increase roof life span dramatically
- Increase real estate value
- Reduction in energy usage



Having a “living roof” not only has environmental benefits but also has great financial benefits, something to consider the next time your out in your Garden.

Lyndsey Turner, Editor • Editor@RLA.org

OUR MISSION

Our 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.

Managing 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.

Conferencia y Exposición de Logística Inversa en São Paulo Brasil

16-18 de abril

Patrocinado por la Asociación de Logística Inversa

- Participação de profissionais de todo o mundo inclusive da América do Sul e Central
- OEMs e Varejistas Principais estão procurando empresas terceirizadas para prover serviços de gerenciamento e administração do processo de Logística Reversa nesta região.
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- Desfruta do maravilhoso sol Brasileiro de São Paulo em pleno Outono.

Programa-se agora mesmo para aprender com os especialistas em Logística Reversa e aproveite para fazer uma network com outros profissionais do ramo.



Para maiores informações, visite: www.RLAshows.com/brazil.php



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Message from the Publisher

SUPPLY CHAIN MANAGEMENT TURNS TO REVERSE LOGISTICS FOR COST SAVING

Our staff at Reverse Logistics Magazine is always working hand in hand with the Reverse Logistics Association to monitor new and exciting solutions that equate to cost saving. Two of our articles highlight the theme of cost savings in this edition of RL Magazine.

Supply Chain Management will do well by reading “Importance of Reverse Logistics in SCM” on page 28. Just imagine finding savings right under your fingers tips. That is just what you will find when you employ your Reverse Logistics department to explore and manage your assets.

The story on page 12 on Volvo Trucks running field tests on vehicles powered by bio-DME, a fuel derived from “black liquor” that when compensated with biomass known as forest slash, which is branches and the tops of trees that are left over when forests are cut down and, instead of burning it, it is gasified and converted into a synthetic gas which can then be used to produce a fuel that could replace up to 50 percent of the diesel that is currently being consumed by commercial vehicles in Europe within the next 20 years..

Every industry has a real need to look inwardly at the assets that are being thrown away each month. Who would have ever thought that “branches and the tops of trees” would be able to fuel your tractor-rigs across the country?

Best Regards,
Gailen Vick, Founder & Publisher
www.RLA.org



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:



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.



Jose Garcia - Motorola, Jose Garcia joined Motorola as the Director of Reverse Logistics in September, 2012. Jose has been in the Consumer Electronics Industry for over 25 years holding leadership positions in Reverse Logistics, Repair, Refurbishing, Technical Support Engineering Groups, Training Departments, and After Sales Support Policy. The last few years gave Jose the privilege to lead high volume Software Manufacturing and Games Operations for Microsoft as well as a Global program team that launched hundreds of products around the globe through a regimen of “milestone gates” and sign offs.



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 – Home Depot, Charles Johnston is Director of Repair and Returns at The Home Depot Chuck was 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.



Troy Kubat - Walmart, Troy is now the Director of Logistics Engineering-Grocery at Walmart having worked is way up from Director, Logistics Operations, Industrial Engineering Manager at Walmart - International Division and Japan Expatriate - Logistics Operations Lead at Walmart - International Division



Thomas Maher - Dell, Tom Maher joined Dell in 1997 and is the Executive Director for Global Service Parts. Mr. Maher is responsible for service parts life cycle support in over 100 countries. Mr. Maher's global service parts responsibilities include: planning, procurement, distribution, returns, repair, inventory management, supplier management and parts disposal. These operations support 100% of Dell's warranty customers across all Business Units and all Product Lines.



Ian Rusher - Cisco Systems, 20 Years within Supply Chain Operations, of which the last 15 Years have been spent in reverse Logistics. Previous experience running 3Com EMEA Warranty/Service Repair Operations, Responsible for both Internal and 3rd party repair operational performance and Engineering support. Moved the operations from a predominantly In-House business to a total outsourced operational model. Last

3 Years at Cisco within Supply Chain Field Operations, setting up the EMEA non Service returns and Cost Avoidance Operations within the Netherlands. Responsible direct for EMEA Freight and Warehouse Operations. During the last 2 years has successfully set up Operational infrastructure to support the Teams Global Revenue targets.



Dale Rogers- Rutgers University, Dale Rogers is the Foundation Professor of Logistics and Supply Chain Management and the Director of the Center for Logistics Management at the University of Nevada. He is also the chairman of the Reverse Logistics Executive Council (www.rlec.org), a professional organization devoted to the improvement of reverse logistics practices. He is the leader of the sustainable supply chain research project currently underway at the University of Nevada. (www.sustainable-supplychain.com) Dr. Rogers is the former cochairman of the RFID Users' Group, an organization researching the utilization RFID technologies in the supply chain. In 2001, he was the Paper Foundation Visiting Eminent Scholar Chair of Logistics at the University of North Florida.



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.



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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- Chris Griffin, Sprint Nextel
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- Jason ONeill, UPS Supply Chain Solutions
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- Jeffrey Reed, InFonte
- Paul Rupnow, Andlor Logistics Systems Inc.
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Co-Chairperson –

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- Steven Snyder, IRSC
- Wes Stott, DEX

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- Susanne Fredericks, Goodwill Industries International
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- Regan Pasko, TESSCO Technologies
- Joe Walden, University of Kansas



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Successful Field Tests Open the Door to the Future Transport System

by Lars Mårtensson, Volvo Trucks' Environmental Director

Trucks that impose hardly any load on the environment because their carbon emissions are virtually zero. Could this be a future scenario? Well, in actual fact, Volvo Trucks is already running successful field tests with vehicles powered by bio-DME, a fuel that can be produced from biomass both cost

and energy efficiently. For the transport industry, this could reduce dependence on oil and thereby reduce the environmental impact.

Since last autumn, ten specially adapted Volvo trucks have been operating on Swedish roads. They do not stand out in the traffic

– they do not travel more slowly and they do not look any different – but they are revolutionary. The reason is that they are powered by bio-DME, a fuel that is produced from biomass – in other words, renewable, totally natural raw materials – which reduces carbon emissions by 95 per cent compared with diesel.

The field tests have now reached the halfway point and the results so far have both met and exceeded expectations.

“We have, for example, demonstrated both that the technology works in practice, when it comes to both the production of fuel and trucks in traffic, and that the infrastructure with filling stations in different parts of Sweden works effectively. The test results bode well for the future,” says Lars Mårtensson, environmental director at Volvo Trucks.

The field tests, which are being conducted in collaboration with companies including Preem and the Swedish company, Chemrec, which is responsible for fuel production, has aroused interested worldwide – an unexpected bonus, according to Lars Mårtensson.

“We have shown that it’s possible to take an idea



FIGURE 1: THE VOLVO TRUCK HAS BEEN MODIFIED AND EQUIPPED WITH TWO TANKS WHICH ARE FILLED WITH LIQUID BIO-DME.

from the laboratory to full-scale operation and we have also successfully spread this knowledge all over the world. There is now a clear-cut interest from countries including China, Russia and the USA and they are markets with huge potential,” he says.

Bio-DME, dimethyl ether produced from biomass, is a liquid, so-called second-generation biofuel that can be made from wood or by-products and waste from agricultural production.

“According to the calculations, bio-DME could replace up to 50 per

cent of the diesel that is currently being consumed by commercial vehicles in Europe within the next 20 years. We have a chance to make a fantastic contribution to help the environment,” he adds.

The bio-DME that is being used in the Volvo Trucks field tests is made from black liquor, a by-product from the production of pulp. The black liquor is actually used in the flow of energy that powers the pulp mill. Chemrec’s process takes part of the black liquor, gasifies it and turns it into usable fuel which can currently,



FIGURE 2: BIO-DME PRODUCTION MONITORED BY MEASUREMENT EQUIPMENT AND COMPUTER SCREENS IN THE CONTROL ROOM.

during the on-going field tests, be obtained at four filling stations in different parts of Sweden.

advantages, such as lower noise levels and, first and foremost, environmental aspects.

To date, the drivers who are operating the trucks in the field tests have reported that everything is as expected, which is a major success for the project – filling up with biofuel and driving should not be more complicated in any way or constitute a disadvantage in terms of performance. Yngve Holm is transporting pulpwood in northern Sweden in a DME-adapted Volvo FH 440. He is one of the test drivers and he has also reported a number of

“I can drive about 650 kilometres on one tank and the truck runs just as well as it does on any other fuel. It is actually much quieter, both internally and externally.”

He has been participating in the field tests since last September and so far he has driven 40,000 kilometres. He has also been asked many questions about the new fuel.

“Many people are curious and want to know how it works. I usually say that it works really well. The most important thing is that we are doing something for the environment and the future and that’s good for the soul, as I see it.”

The bio-DME he is using is produced just a stone’s throw from the filling station he uses, at the Chemrec plant in Piteå in northern Sweden, next to the Smurfit-Kappa Kraftliner paper mill. This plant is the first of its kind in the world. The process takes place in a high structure with no walls, consisting entirely of stainless pipes, stairs and tanks that make up a complicated system. Chemrec has quite simply connected itself to the existing mill infrastructure and set up another production line at the mill. It is then able to demonstrate on a small scale a highly cost- and environmentally-effective method for producing bio-DME. The capacity is approximately four tonnes

of bio-DME a day.

“Bio-DME is produced in three stages. After collecting the black liquor from the pulp mill, we convert it into gas using pure oxygen and thereby produce syngas, a gas that can be synthesised. We wash the gas and then convert it to bio-DME. After that, the quality is checked and the fuel is transferred to a large tank near the mill for storage. The mill

is then compensated with biomass known as forest slash, which is branches and the tops of trees that are left over when forests are cut down – a highly effective form of energy exchange,” explains Ingvar Landälv, technical director at Chemrec.

Bio-DME production is still in its infancy, but the potential is enormous. “At the present time, we are only using one per cent of

the black liquor produced at the mill. If we can use our technology to convert all the black liquor to bio-DME, it would be able to power around 2,500 trucks, so we envisage incredible potential,” says Ingvar Landälv. “The black liquor capacity in Sweden alone corresponds to about 20 mills like this one.”

“We are focusing on industrialising our product together with the pulp

Interested in Networking?



RLA Seminars are one-day events held around the world that bring RL professionals together to address specific industry topics pertinent to OEMs, Retailers, and 3PSPs. The highlight of these events is a facility tour showcasing efficient return, repair and services operations from industry leaders such as Best Buy, HP, Walmart, Motorola and Dell.

“I found the workshops and seminars to be a great opportunity to discuss best practices and real world experiences.” - Dean Schiavone - Director, WW Reverse Logistics, Cisco Systems

“The presentations at the Reverse Logistics Seminar were informative and pertinent. I definitely recommend these events to my RL colleagues.” - Arthur Teshima, VP Business Development, Bell Industries

industry both in Sweden and abroad,” says Max Jönsson, managing director of Chemrec.

A full-scale investment in bio-DME, using Chemrec’s production technology, Volvo Trucks’ automotive engineering and a fully developed filling station network, requires substantial funding.

“To realise their true potential and help to create the conditions for a climate-neutral transport system, the rules for the second generation of biofuels need to be set. We have shown that the technology works. The ball is now in the decision-makers’ court. It is up to them to create the conditions for this kind of production,” concludes Max Jönsson.

FACTS ABOUT BIO-DME

As a fuel in a diesel engine, bio-DME produces the same level of efficiency and lower noise levels compared with a traditional



FIGURE 3: BLACK LIQUOR IS A BY-PRODUCT THAT IS “LEFT OVER” WHEN THE CHIPS ARE BOILED.

engine. Compared with diesel, bio-DME generates no less than 95 per cent fewer carbon emissions. Combustion also produces

extremely low levels of particulates and nitrogen oxide. Taken as a whole, this makes bio-DME an ideal fuel for diesel engines.

DME is a gas, but it is converted into liquid at a pressure of just 5 bar. Handling is uncomplicated and resembles that of liquefied petroleum gas (LPG). DME can be produced from both natural gas and different kinds of biomass. When it is made from biomass, it is called bio-DME.

The production of DME from natural gas is already substantial. DME then has the same positive characteristics as a fuel in diesel engines, but its environmental impact is not as low.

FACTS ABOUT THE BIO-DME PROJECT

The bio-DME project demonstrates all the aspects of the vehicle fuel bio-DME, from renewable forest raw material to use in heavy-duty trucks. The gasification unit in Piteå is being run by Chemrec in collaboration with the pulp producer, Smurfit Kappa Kraftliner, while Volvo Trucks is conducting field tests with ten DME-powered trucks, together with specially selected transport and logistics companies, in 2011-2012. Total, one of the world’s largest oil companies, is responsible for the global standardisation of DME as a vehicle fuel and the adaptation of its lubrication properties to enable it to function in engines, for example. Other companies included in the project include Haldor Topsøe, Preem, Delphi and ETC, with grants from the Swedish Energy Agency and the EU.

FACTS ABOUT CHEMREC’S TECHNOLOGY

It was developed as a way of extracting additional energy and heat from black liquor in order to improve the energy produced by pulp production. Black liquor is one of the by-products of this production process and, instead of burning it, it is gasified and converted into a synthetic gas which can then be used to produce dimethyl ether, DME, for example. The plant in Piteå in northern Sweden is the first of its kind in the world and it has the capacity to produce up to four tonnes a day. This only utilises one per cent of the black liquor produced at the mill. The technology could in fact be applied to 100 per cent of it and this would produce enough bio-DME to power 2,500 trucks.

The black liquor is compensated for with different kinds of biomass, which means that running the mill is still energy and

cost effective. Chemrec’s black liquor technology is just one of a number of production methods and black liquor is not the only raw material that can be used to produce bio-DME.

RLM



Lars is Director Environmental Affairs at Volvo Truck Corporation. His educational background is a

University degree in Chemical Engineering and a M.Sc. in Environmental Management and Policy.

During his 15 years at Volvo, he has been Environmental Director at Volvo Penta and Volvo Group HQ. In his present position at Volvo Trucks, he is responsible for environmental strategies and objectives. Volvo Trucks has during this time period presented the first CO2-neutral automotive production plant in the world, 7 trucks adapted for seven different renewable fuel alternatives and the first hybrid refuse truck in the world

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.

Reverse Logistics Association Focus Committees



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SubCon Industries

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- Larry Maye, Precision Camera
- Liz Walker, Image Microsystems

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Co-Chairperson – Ann Rodriguez,
Avnet

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- Mohan Kumar D, HP
- Arleen Freed, Avnet
- Edwin Heslinga, Microsoft
- Mike Neilon, Shopjimmy.com
- Regan Pasko, TESSCO Technologies
- Kairn Pawlikowsky, Avnet

Software Solutions

Chairperson - Leonard
Schneeman, DEX

Co-Chairperson - Paul Rupnow,
Andlor Logistics Systems Inc

Committee Members:

- Michael Ayon, Avnet
- Liz Barnes, PC-Doctor, Inc
- M. Brian Carter, SAP Labs
- Roger Levi, Intel Corporation
- Lee Sacco, Oracle
- Kimberly Seymour, PC-Doctor, Inc

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- Dan Gardner, ATC Logistics & Electronics
- Paul Gettings, The Gettings Group

• Joe Giglio, Fidelitone Logistics

• Patrick Joseph, Encompass

• Carol Roberts, PC-Doctor, Inc

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Toyota Industries of North America Keeps Logistics in Check with Data Capture and Secure Delivery

by Drew Barrows, Principle of Barrows Consulting Services

Like many businesses, Industries North America streamline the process. companies deal with (TINA), a holding Dale Colliver, a leading “lots” of paper and company in charge of key member of the TINA IT electronic documents administrative functions team was charged with moving in different for TIEM, TMHU and looking for ways to better directions throughout other key Toyota industrial manage these documents, the organization. Toyota companies, sought to assure security and create

a truly collaborative environment that would effectively integrate with an SAP management system.

His mission reflects Toyota’s core principle of kaizen or ‘continuous improvement.’ “Our team is constantly on the look-out for process improvements that will create more efficiency, reduce lead times and

enhance customer service,” Colliver said.

With a base of previously installed Kyocera multi-function devices (MFDs) that provide scanning, copying, faxing and printing capabilities, Colliver identified NSi AutoStore™ from Maryland’s Notable Solutions as a way to greatly enhance the capabilities of the MFDs. A server-based application,

AutoStore orchestrates the capture and secure delivery of paper and electronic documents into many business applications, including SAP.

TRACKING SHIPMENTS MADE EASY

Shipping documents were targeted for the first process improvements. “Our shipping documents were traditionally stored

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the document, renames it, drops it into a folder, picks it up in SAP and directs it into our backend storage environment,” Colliver explained.

ONE-INVOICE SOLUTION A BOON FOR CUSTOMER SERVICE

TMHU sells lift trucks to customers through a network of dealerships throughout the U.S. and Canada, as well as through its National Accounts group. Maintenance for National Accounts is managed through the dealer body. National Account customers with multiple locations now benefit from TMHU's one bill system built on AutoStore workflows.

“We supply forklifts through National Accounts to customers across the U.S., most of which

have multiple locations,” Colliver explains. “Our local dealers service the trucks and bill back to Toyota. All services are coordinated through Toyota so when the dealer bills back to us, we scan the invoice and create a service order. The invoice is then attached to the service order, which in turn triggers the billing process to the customer's corporate office. This means our

customers see only one invoice that itemizes maintenance activities at all their locations, eliminating paperwork and manual tracking of service records.”

AUTOCAPTURE STREAMLINES IMPORT/ EXPORT PROCESSES

Not every business process originates as a paper

document. Toyota has embraced AutoStore's AutoCapture, which drives electronic documents directly into the same businessprocess workflows that are accessed by a paper document via an MFD or scanner.

Shannon Williams, Export/Import administrator is located in TMHU's Columbus, Ind. office. On a typical day, she receives





correspondence from handy when it comes to across the world related to tracking,” she said. “If the import/export of trucks. anyone wants information Using AutoCapture she’s on any truck, they just pull able to encapsulate “email, the information from the scanned documents or even system by serial number a pile of documents,” that and it’s all there in one place.” are translated into one scan and attached directly to a truck. “This is extremely According to Williams,

AutoCapture has greatly improved the audit procedure. Various types of audits are conducted. For example, auditors might want to take 10 examples of shipping or 20 examples of purchase orders following through to the shipping documents. “With AutoCapture, we’re able to title the documents to different items. Now, with the click of a button, the auditor can instantly see all information related to any particular truck.”

Prior to using the AutoStore system, all documents were printed. Today if questions come up that require a review of a paper document, the document can be scanned and attached to the truck/order. There’s no limit to the number of documents that can be linked. While William’s group is not scanning legacy documents, it’s no problem to add older

pertinent paper documents to the electronic file. Williams estimates she’s saving about a day a week in workload with the ability to create online files that can be accessed any time regardless of geographic location as well as the time it would take for paper look-up to satisfy inquiries.

VOICE OF THE DEALER PROGRAM SUPPORTS QUALITY ASSURANCE

A new process improvement is Toyota’s Voice of the Dealer program, an inspection checklist that goes out with every truck and provides the opportunity for dealer feedback. The previous process included faxing, printing and manually sorting information.

Today a printed form goes out with each truck identified by number. Dealers fill out and fax the form back to TMHU where AutoStore picks

it up from a folder, uses zonal optical character recognition (OCR) to read the number providing access to each truck’s detailed information. In addition AutoStore creates a text file that can capture all extraneous comments. This new process is estimated to eliminate about 90% of the previous process.

EASE OF USE AND STREAMLINED OPERATIONS ARE MAJOR BENEFITS

Industry Events



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Colliver estimates that the organization is now managing about 200,000 scans a year translating to about 3,000-4,000 a week.

Are there plans to expand AutoStore within the organization? “Yes,” says Colliver. How does he sometimes identify processes

that need to be changed? “I look for stacks of paper, ask ‘why are we doing this?’ and when possible, create a new process. “We plan to use AutoStore to improve efficiencies, save time, make people more productive and reduce waste. The ability to show a source document to a person anywhere in the world without delay is invaluable.”

RLM



Drew Barrows is principle of Barrows Consulting Services. For over 25 years, Drew has worked as a consulting executive, market researcher, and freelance writer on topics of information technology, business management effectiveness, supply chain logistics and application deployments. Her specialty is in providing professionally facilitated peer advisory experiences that help CEOs, business owners and senior executives become better leaders. Drew was educated at Brandeis University (A.B., magna cum laude, 1980), the University of Edinburgh (M.Mus., 1982) and Boston University (D.M.A., 1989).

Read the Press

Airwell-Fedders Encompass to Manage Parts Logistics for Full Line of HVAC Products

Lawrenceville, GA—16 October 2012—Encompass Supply Chain Solutions, Inc., a leading provider of forward and reverse logistics for a diverse range of electronics products and replacement parts, today announced it has been selected by Airwell-Fedders North America, Inc. – a major name in the heating and air conditioning market – to provide parts supply chain management services.

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Microsoft Agreement to Acquire StorSimple

Redmond, WA—16 October 2012—Microsoft Corp. and StorSimple Inc. today announced that Microsoft has reached a definitive agreement to acquire StorSimple, a leader in Cloud-integrated Storage (CiS) solutions. The addition of CiS will advance Microsoft’s Cloud OS vision and help customers more efficiently embrace hybrid cloud computing.

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Avnet Electronics Marketing and ITT Celebrate Diamond Anniversary

Phoenix, AZ—16 October 2012—This year, Queen Elizabeth II celebrated her 60th year as head of the Commonwealth, but she’s not the only institution celebrating a diamond anniversary. In 1952, Avnet Electronics Marketing, an operating group of Avnet, Inc. (NYSE: AVT), one of the world’s largest distributors of electronics components and embedded systems, inked a distribution agreement with ITT Corporation’s (NYSE: ITT) Interconnect Solutions business, which then operated under the name of its flagship Cannon brand.

Leading Wireless Device Manufacturer Selects ServiceCentral for International Service Management Solution

Atlanta, GA—26 September 2012—Today, ServiceCentral Technologies announces that it has successfully implemented its service management solution at a leader in the wireless device industry. This global manufacturer is using ServiceCentral’s Software as a Service (SaaS) as part of a new retail-based device

service initiative to manage its service partner network across select countries. With ServiceCentral’s solution, the manufacturer will gain insight into real-time key device and service performance metrics from the customer’s point of contact to issue resolution. Using this data, the wireless innovator plans to proactively implement change to improve overall operations, increase brand loyalty, and lower support costs. [CLICK HERE](#)

Managing Reverse Logistics in BRIC Nations

24 September 2012-The value of an effective reverse supply chain can be tremendous to an organization. A well-managed process improves defective return rates, increases inventory turns, and reduces the need to purchase new inventory. Designing and managing a reverse logistics solution is not always easy. The United States has the advantage of a well-developed highway and rail system, airports in every major city, shipping companies across the nation, relaxed shipping regulations, centrally located warehouses and repair centers, and nationwide cell phone coverage. [CLICK HERE](#)

initiative

Importance of Reverse Logistics in SCM

by Lisa Smith, Writer & Journalist, Independent

Today, as supply chain management (SCM) activities are gradually evolving and generating modifications in the business models, the concentration and initiatives are not just limited to raw materials management and finished products from the point of origin i.e. from the vendors to plants and finally to the end users. There is yet another important extension to the supply chain process, known as reverse logistics. Simply put, reverse logistics is the procedure of dealing with processing, planning and the flow of the final finished products inventory, packaging materials. It also deals with returns management or returns good management, where the product shipped to the end user is returned back to the product company as sales return. Efficient reverse logistics planning recaptures the value from these materials in the best possible ways such as by repairing, recycling, re-furbishing and so on.

INDUSTRY OFFERING FOR REVERSES LOGISTICS

Total eminent brand names specializing in retail fulfillment has introduced effective reverse logistics solutions. This helps you to remarket complete systems, main constituents, attain total or complete recycling as well as convert your old assets in valuable investments. Reverse logistics services offered by these companies offer a complete package

with customized solutions to cater to all your requirements. Once you make use of this solution, you can detect the outmoded revisions and components instantaneously, save the warehousing stock expenses that went stale and remain compliant. Furthermore, it efficiently re-furbishes a wide selection of goods within a nominal time and makes them ready to get back to the field as per certain reviewed standards. All this can be attained

within just 24 hours. Other services offered includes the following:-

- RMA Support
- Warranty Returns
- Lease Returns
- Refurbishment
- Test and Debug
- Repackaging
- Fulfillment
- Disposal (remarketing, recycling)
- Web Based Inquiry and Reporting





been an increase in the global awareness about hazardous waste generation and disposal owing to legislations that were passed in numerous countries. Europe was the leader in executing this legislation ensuring that the product enterprises will take accountability of reverse logistics of all the product wastage that generates from any supply chain activity. In this regard, a Green Logistics initiative came into enforcement and had defined a detailed procedure for manufacturers and suppliers to get used to color coding systems to recognize various kind of waste recyclable and green waste.

RLM



Lisa Smith is a independent writer and journalist with over 1,400 published article. Her focus is mainly on logistics and sustainability.

GLOBAL TRENDS IN REVERSE LOGISTICS

In the recent past, there has a Green Logistics initiative

BUSINESS SUCCESS HINGES ON LOCATION, LOCATION, LOCATION.

A REMINDER FROM THE FOLKS IN UTAH, UTAH, UTAH.

Money Talks

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FedEx Targeting \$1.7 Billion In Annual Profit Improvement by end 2016 [Click Here](#)

HP Statement: Industry Analyst Reports for Worldwide PC Market Share, Third Quarter 2012 [Click Here](#)

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Motorola Solutions Completes Acquisition of Psion PLC [Click Here](#)

Avnet, Inc. Completes the Acquisition of Magirus Group, Expands Footprint of Strategic Technologies in the EMEA Region [Click Here](#)

Dell Completes Acquisition of Quest Software [Click Here](#)



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Indian 3rd Party Logistics Market Poised for Robust Growth

by Shushmul Maheshwari,

According to our report “3rd Party Logistics Market in India”, India is witnessing an increasing demand for the 3PL business with companies now concentrating on managing their supply chain mechanisms in a better way as well as to deepen their market penetration. Moreover, with improvement in logistics

infrastructure and increasing awareness about efficient logistics practices, 3PL services are being perceived as a far better way of controlling both internal and external logistics processes. It is expected that, the Indian 3PL industry will surge at a CAGR of around 26% during 2011-2013.

The ongoing research analysis identifies that the Auto and Auto component industry accounts for the largest share in overall 3PL market, followed by IT hardware, and FMCG. It also identified that, the share of 3PL services in overall logistics cost in India is far less compared to other

developed markets such as, Japan, the US, and Europe. We anticipate that, the share of 3PL in overall logistics cost will see an exponential growth in coming years on the concrete fundamentals of various prevailing trends analyzed and discussed in the report.

Moreover, along with the core industry segments, the entire value chain is experiencing a brisk acceleration in market developments. As discussed in the report, investment worth billions of dollars is proposed in IT logistics, warehousing, and improvement of infrastructure. We project it as an all-round market advancement, which will ultimately transform the 3PL industry into an investment-prone industry with high growth potential.

“3rd Party Logistics Market in India” provides an overview of the current situation of the Indian 3PL services. It provides quantitative data,



qualitative analysis, and well planned statistics of the 3PL industry and its important segments. Past and current trends, evaluated in the report provide a clear view of the industry’s will future progress. The report efficiently facilitates an overview of factors critical for successful planning and strategy building to penetrate the market. A brief overview of key players in the industry has also been included to provide complete and accurate competitive landscape analysis.



Shushmul Maheshwari specializes in Industry intelligence and creative

solutions for contemporary business segments. I am an industry research professional with more than 19 years of experience. I hold a graduate degree in Engineering and a Masters in Business Administration. I have to my credit certifications such as MCSE, and ISO 9001 certified Auditor.

I started RNCOS in 2002, with a clear focus on delivering high quality business research solutions to organizations and support then in maximizing growth and gain competitive edge.

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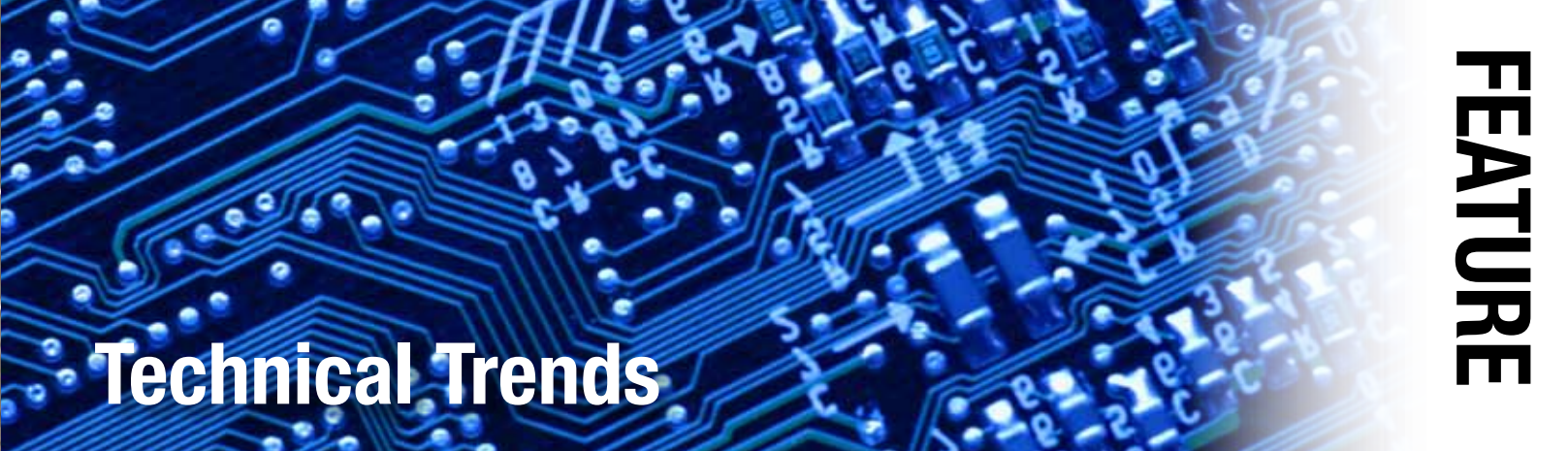


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Technical Trends

Build Profit by Narrowing your Focus

Previously I outlined my observation that the RL bulk repair business is at a crossroads of profitability. Most of the current bulk repair models are not generating enough profit margins proportional to the risks incurred. This is a trend that has been long lived and I see no real exit path anytime soon. There is too much fear in the global market for business liquidity to increase enough to provide improvement opportunities. My basic advice to those I speak with continues to be this; leverage current technology to get closer to the market and look for ways to generate recurring revenue. There are multiple paths in which current technology can deliver a subscription model to allow

an RL solution to Go-Retail. Recently Squaretrade published research that supports the idea that getting closer to the market is THE way to generate real profit from RL solutions. Let me share a couple of these data points for just the iPhone repair market:

- The total spending above warranty costs for all iPhone repairs since introduction in 2007 is a staggering \$5.9B!!! If anyone just had a few percent of the market for this single phone, they would be doing very well indeed.
- In the past year 30% of all iPhone owners report damaging their phone.
- The majority of the damage is from dropping.

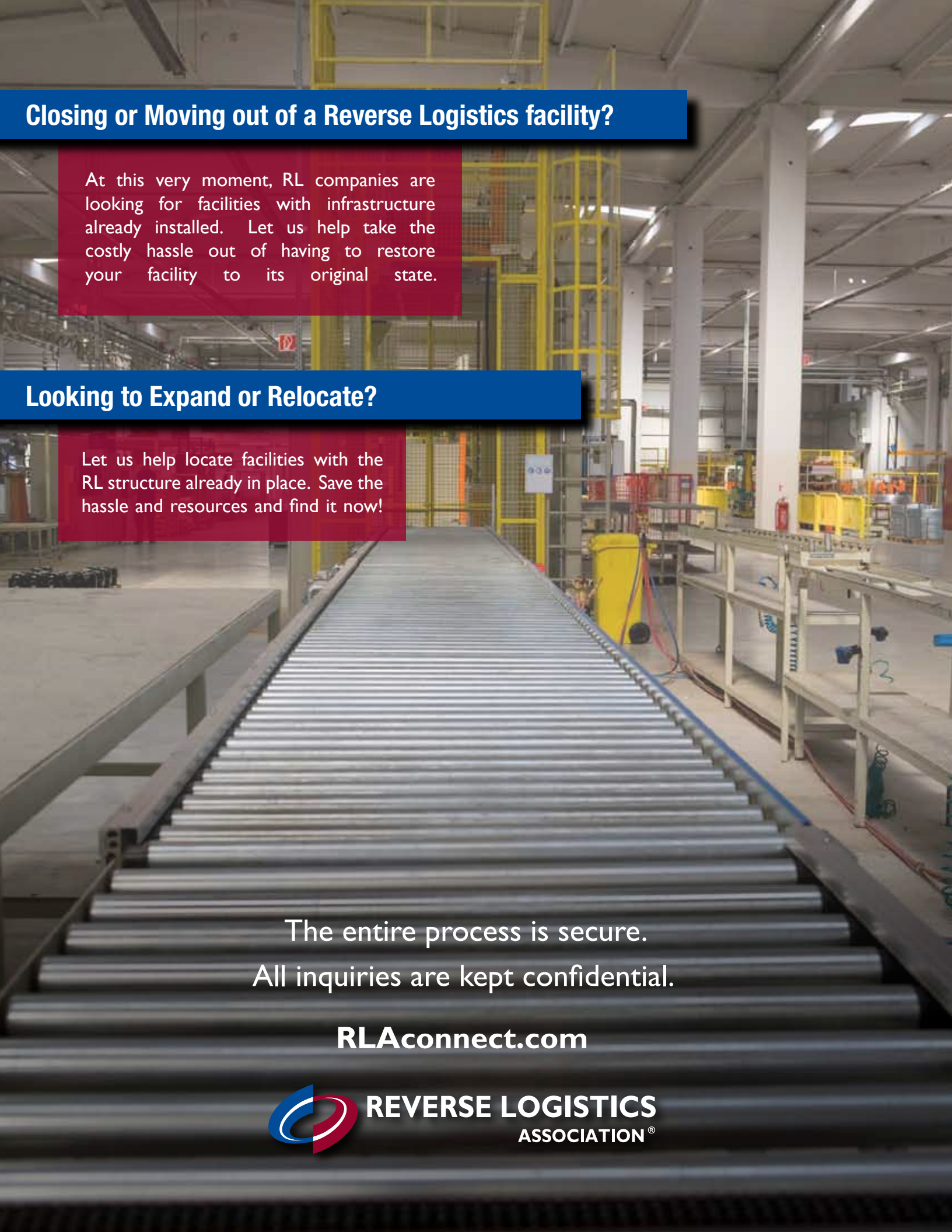
- Just losing grip on the phone (30%)
 - Fall from someone's lap (13%)
 - Knocked off a table (11%).
 - Then there is water damage from immersion (18%) or from a spill (9%).
 - The report also noted that 11% of iPhone users have a phone in service with a cracked screen. This is a telling metric for two reasons;
 - First for a device marketed with a story of quality and prestige the user would clearly prefer a repaired product and should be able to pay for the repair.
1. Second, my guess is that if you asked these folks, they are not sure where

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to go to get a repair they can trust. So there is clearly upside to the \$5.9B number when 11% of the failures are still not addressed.

So where are all these repairs going? I believe the plurality of iPhone repairs are being addressed by some type of insured coverage from the carrier or from a third party. These insurance type plans work from a single fee in advance or from recurring subscription charges. As big as the iPhone business is these numbers are just too high for some type of insurance coverage to account for all the revenue, there must be other players in this market that we need to understand. With two kids attending college with one a recent graduate, I suggest that the average university campus is a good area start. There you will find the iPhone is king and on most every university there is a thriving dorm industry of iPhone repair. Typically some engineering of hacker

students will order some parts from ebay or direct from China and setup a cash repair business. There are quite a few articles in the news of late that outline this trend and how student are even paying for their education using these ‘informal’ business arraignments.

All of this is well and good and clearly interesting. But the key factor that is missing in all this entrepreneurship is a trusted repair. Sure you can have a guy down the dorm hall repair your phone, but is there a warranty? Will they compromise my data and post it on Facebook? Sure you could send your phone off for repair, but the fact is that most would rather use a phone with a cracked screen than to send it off, even for a couple of days. So how to address this market, provide financing and influence the need for trust? My approach would be a variant of how another very personal item used cars, are sometimes sold; “tote-the-note”. Why not partner with a big-box

retailer and offer in-store repair or like-unit exchange if the unit is too badly damaged. But rather than take cash payment, pay for the service with financing generated from a monthly recurring charge. This allows you to provide service near to the customer, providing them with a level of trust and the subscription model has built-in financing and will generate residual income. It is also an approach that can defeat the insurance model or at least cut into their market share. Again, the market is large and growing for the service of these very personal devices. Narrow your focus, get an app, go local, generate profits and repeat.

RLM



B r y a n t Underwood manages Public Safety Sourcing for Cassidian

Communications, an EADS North America Company in Frisco Texas.

Returning Thoughts

Key Performance Indicators (KPI's) for better Reverse Logistics Operation Management

Learning how other Reverse Logistics professionals manage their operations is a great way to assist you to continuously improve your operations. The June 2012 Amsterdam Reverse Logistics Association conference featured a number of excellent presentations and case studies. Many of these presentations included KPIs, Key Performance Indicators that are helpful in monitoring and measuring performance. Sony Mobile and Sprague Europe provided insights into their

Reverse Logistics KPIs that you may find helpful to your operations.

“Reduce Return Volume” once the “returns” arrive is a challenging area that can benefit from the use of KPIs, says Herman Goemans, Managing Director/Co-Owner of Sprague Europe, a repair service provider for Tape Storage equipment. Goemans recommends that special attention needs to be placed on the “First Returns” of a new product or product line. Quick KPI reporting

on these first returns is extremely useful and valuable. “Don’t wait until all details and measurements are available, they can be expanded later. The indicators are already a good basis to start the analysis”. Some important KPIs at this stage are: % returns/shipped, NPF No Problem Found, DOA Dead On Arrival, package unopened, and Defect Pareto. Use the early KPIs to “aggressively drive improvements” by working with the involved functions of Sales and

Marketing, Product Design, Manufacturing, Service Operations, Logistics or Repair.

- Excessive Escalation Rate
- Spare Parts Consumption
- Claim Age

Sony Mobile utilizes third party operations management to provide speed and quality in both Logistics and Repair, while keeping Warranty Cost under tight control and Customer Satisfaction in mind. Dominik Schnoor, Global Customer Services at Sony Mobile Communications has achieved continuous success over the last eight quarters by working with his repair partner on agreed SLA Service Level Agreements that include a Scorecard of essential KPIs. Sony's partner KPIs are:

- Repair Turn Around Time and Accuracy
- Bounce Rate (repeat returns)
- Scrap Rate

Performance exceeding or not meeting the agreed levels results in a bonus or penalty. Regular meetings with their partner help monitor, manage, define SLA's and continuously improve the returns process. These KPI's have helped Sony continuously reduce warranty costs.

Over the last several years, Reverse Logistics operations have become much better at collecting data. Utilizing KPIs to analyze and highlight the data will help you improve your Reverse Logistics Operations. Gathering and learning how others use KPIs will assist you to assemble, refine and continuously improve the KPIs that help you monitor and manage your Reverse

Logistics operations.

Good Luck!

RLM



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Good Luck!

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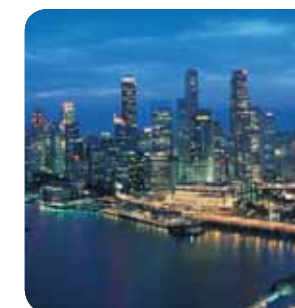
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- Successful Outsourcing - RFQs, Contracts and SOW presented by Gailen Vick, RLA
- Customer Experience by Kok Huan Tan, Senior Service Program Manager, DELL
- Leverage RL to Drive Sustainability & Reduce Expenses by Jesse LaRose, ESE Solutions



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