

# REVERSE LOGISTICS DIGITAL magazine®



# 9th Annual RLA/RLTS Conference & Expo AMSTERDAM

**Over 400 RL Professionals  
& 200 Companies will be  
in Attendance**

**Location:**  
Amsterdam, The Netherlands

**Venue:**  
Mövenpick Hotel Amsterdam City Centre

**Date:**  
Workshops - June 18, 2013  
Conference & Expo - June 18-20, 2013



**Two concentrated  
Days of RL Thought  
Leadership, Innovation  
and Networking!**



The Reverse Logistics Association Conference & Expo kicks off on Monday with workshops and committee meetings. Tuesday and Wednesday's events include the opening of the exhibit hall, the keynote address, sessions presented by RL professionals, leading academics and interactive panel discussions.

Session topics include "Controlled Reverse Chains for End-of-Life Products," "Returns Management and Asset Recovery" and "Challenges and Compliance with Cross Border Commerce." A wide range of Reverse Logistics companies will be in attendance from repair/refurbishing to recycling/e-waste and transportation logistics.

Be sure to visit the Exhibition Hall where OEMs, ODMs and Retailers will be looking for Third Party Service Providers that can manage Reverse Logistics in Europe and around the world. This is a rich opportunity for OEMs and Branded companies to identify future service partners among the many exhibitors showcasing their Reverse Logistics solutions.

**For more information, visit: [www.RLASHows.org](http://www.RLASHows.org)**



## OVERCOMING TRAVEL RESTRICTIONS

The untapped value of Inter-Office Collaboration has spawned three solutions that help overcome "Travel Restrictions".

**Who's There Already:** Some recent – seemingly divergent - developments in both the broader economy and inter-office communications have led to new thinking in travel. When a company targets a specific customer or a seminar or even a training event, they usually ask the question: "who should we send?" The reality with most of these large companies is that they should be asking: "who do we have out in that area right now?"

What if a company could know within moments the answer to that question? Although in the past it was difficult to figure out across departments who was travelling (marketing may have no interest in where supply-chain executives are traveling) new developments in communication make having this information instantly possible – and sharable. With applications such as "find my friend" and "findme" or Blackberry's "Wizi SMS with Location" you can know instantly where everyone in the enterprise is by the GPS in their smartphone. In fact companies are starting to embrace this technology (recently Emerson issued iphones to their executives for just this purpose) not to check on employee's movements, but to identify overlap in travel to reduce travel expenses. For example, when a company wants to attend a tradeshow in Atlanta but doesn't have the budget to send a particular executive, they can identify other executives in the area and make an assignment, saving significant expense in travel.

But it's not the technology that has us thinking about this question and how it relates to travel. It's the potential for inter-office collaboration that has us excited. Travel restrictions are in place, it's true, but as a professional you can use this principle to help your customers or prospects think differently about their travel issues. Rather than asking "can you make it to our event" you would be asking "who in the company is close and could make it?" The message you present can then be delivered to a representative of your target company and they don't spend any additional money on travel.

**RLA Foundation:** Reverse Logistics Association has a Foundation with an innovative sponsorship opportunity. The goal is to assisting OEMs, Retailers, and Branded Companies to get to our events. This unique program allows RLA members can purchase Travel Sponsorships, these funds are then used to off-set the travel expenses of OEMs, Retailers, and Branded Companies whose travel budgets have been cut due to economic hardships, i.e. corporate mandated cutbacks. This sponsorship opportunity is intended to create commerce and help OEM's, Retailers, and Branded Companies to travel and participate at RLA global events. The program launched in May, 2008 and is designed to make RLA members succeed in challenging economic conditions.

- RLA members who purchase "Travel Sponsorships" will receive public recognition through posters and opening presentation announcement at the RLA events
- Anonymity of those between OEMs, Retailers, Branded Companies who receive funds will not be disclosed, in order to maintain a code of ethics.

**LIVE VIDEO STREAMING:** If travel or cost restrictions are overwhelming, we have a low cost Live Video Streaming Solution. Sessions at our Conferences & Seminars are streamed live into your office or home; this includes all general sessions, case studies, panels and tracks. Register now for the video streaming service.



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## Wrap Up



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### Reverse Logistics Association Conference and Expo, Sao Paulo 2013 Recap

The Reverse Logistics Association held it's Fourth Annual Latin American Conference and Expo April 16th - 18th in Sao Paulo Brazil.

Attendance was represented with over 20 companies present! Companies like Dell, Motorola, Jabil, Grupo Pão de Açúcar, Philips and Cisco all participated to discuss RL issues on an international platform, and many new international relationships we made.

## Articles



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### Enhancing Sustainability Through Your Reverse Supply Chain

by Bill Angrick, Chairman and CEO of Liquidity Services, Inc.

The reverse supply chain, often referred to as reverse logistics, is a place where companies can begin to build real sustainability into their operations, and create new revenue streams in the process.



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### Waste No Time In Disposing E-Waste Aptly

by Dong Fangyu, Reporter, China Daily

E-waste is a double-edged sword. If well managed, it will help conserve resources, improve energy efficiency and create new jobs.

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### Returning Thoughts

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Reverse Logistics Magazine welcomes articles and abstracts. Please send to: editor@RLmagazine.com



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

## Articles



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### Logística Reversa - Grupo Pão de Açúcar

by Felipe Ortiz, Coordenador em Logística Reversa, Grupo Pao de Acucar

The Reverse Logistics Group sugarloaf is consolidating more and more regarding the proper disposal of products and wastes .

## Video



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### What is the Reverse Logistics Association?

by Reverse Logistics Association

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# Message from the Editor

## WEB DESIGN

Did you know that you only have a few seconds to engage a user who is browsing through the internet? With billions of web sites out there, how are you going to stop someone when they are at your web site, get them engaged and interested? The majority of people will visit a web site and if they don't see something they like, they are gone within a few seconds. There's a need for visually appealing websites with quality content to gain an edge over the competitors. This leaves a very short window for you to bring a customer or prospect to your site and stay. There are a few optimal factors to take into consideration when choosing a specific design or theme and the end goal in mind for your business.



Depending on the type of business you have, the consideration of accepting sales online is very important. We are no longer in the age of making phone calls to place orders, although this option is still readily available. Many companies have websites that allow for these transactions. The end goal of an e-commerce site is to drive sales with high conversions.



Another important aspect is having online customer service such as chat sessions. A website provides an interactive gateway for communication between client and company. The first perception of this live chat is as a selling tool. I have seen this in many occasions where a customer service representative is available to ask questions on certain products or when help is needed with the checkout process. The operating costs are much lower in comparison with phone call center agents.

The content of your website will help to enable the search engine rankings. This will play into building a powerful brand for your business. A website should present all the information in an organized and sophisticated way. Visitors will be more comfortable with navigation when the information is presented in a self-explanatory and obvious manner. Good navigation

should be provided so that customers can access the intended information on your website without confusion. The last thing you want to do is to confuse the user.

A website should reflect your persona in addition to instilling confidence in the potential buyer that yours is a solid, stable and reliable business. In this Internet age, to be successful in any business it is vital to have a web presence. The target audience will ultimately determine the success or failure of your site.

Laura Nixon, Editor • [Editor@RLA.org](mailto: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 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.

10th Annual

# RLA Conference & Expo Singapore

Novotel Clarke Quay • September 24-26, 2013

Asia's premiere Reverse Logistics Event will bring three full days of Reverse Logistics. Starting on Monday, September 24, with RLA Workshops and continuing on Tuesday and Wednesday with sessions and exhibition.

A wide range of leading regional and global Reverse Logistics companies are in attendance from repair/refurbishing to recycling/e-waste and transportation logistics.

Be sure to visit the Exhibition Hall where ODMs and OEMs will be looking for Third Party Service Providers (3PSPs) that can manage Reverse Logistics in the Far East, along with identifying solutions for Europe and the Americas. There will be many exhibitors showcasing their Reverse Logistics services and solutions. This is a rich opportunity for OEMs and Branded companies to identify future service partners.



**If you are a Reverse Logistics professional – don't miss this event!**

For more information and complete details, visit [www.RLASHows.com](http://www.RLASHows.com). Attendees may register online for Workshops and the Conference and even book flights and hotel. Exhibitor space is available for purchase as well.



# Message from the Publisher

## REVERSE LOGISTICS ASSOCIATION BENEFITS

We hit a milestone this month of producing the 50th edition of RL Magazine. Since its inception in 2006 our readership has increased to over 90,000 readers. Can you believe it, 7 years this publication has brought case-studies, new service introductions and thought leadership from our members! We started with quarterly editions, and then in 2009 we increase the frequency to bi-monthly. Our editorial schedule was stabilized in 2010 with the introduction of the Digital editions every other month. With all the readers and tablets, e-readers have become a standard

and so has RL Magazine, being published on Kindle, Kindle Fire, Android monthly and for the first time this month, Apple!



It is a good time to share some of the many benefits of membership in the Reverse Logistics Association, in addition to receiving this magazine

Best Regards,  
Gailen Vick, Founder & Publisher  
[www.RLA.org](http://www.RLA.org)

MEMBERSHIP BENEFITS	MEMBERSHIP OPTIONS							
	Platinum <sup>+</sup>	Gold	Silver	Bronze	Associate	Academic	Committee	Limited Student Patron
Download Conference Presentations	✓	✓	✓	✓	✓	✓	✓	✓
Weekly News Clippings, Monthly Newsletter, RL Magazine	✓	✓	✓	✓	✓	✓	✓	✓
Industry Committees & Regional Chapters Participation	✓	✓	✓	✓	✓	✓	✓	✓
Posting Approved Member's White Papers	✓	✓	✓	✓	✓	✓	✓	✓
Discount on Educational Products	25%	20%	15%	10%	5%	5%		
Internship Postings	✓	✓	✓	✓	✓	✓		
Discount on Reports, Research and White Papers	25%	20%	10%	5%	3%			
Number of single-use vouchers for RLA Shows or Seminars*	7	5	3	2	1			
	(Each single-use pass is valued at \$2,499)							
RL Solutions - Submit RFIs*	✓	✓	✓	✓	✓			
President's Club Trip Incentive*	✓	✓	✓	✓				
Conference Invitation Program Exhibit Booth Discount*	50%	50%	50%	50%				
RL Quote - 3PSPs can Access/Respond to RFIs*	✓	✓	✓	✓				
RL Career Fair @ RLA Conference & Expo*	✓	✓	✓	✓				
RL Investment Roadshow @ RLA Conference & Expo*	✓	✓	✓	✓				
Industry Job Posting	✓	✓	✓	✓				
All Employees Have Membership Access	✓	✓	✓	✓				
Discount on Exhibit Booths/Sponsorships	25%	15%	10%	5%				
Pre-conf. Mtg. Room/LV Exhibitors (Sat. - Tues. Morn.)*	✓	✓	✓	✓				
Publicity Announcements in RL News	✓	✓	✓	✓				
Participation in RLA Media Partner Booths - RLA @	✓	✓	✓	✓				
RL Magazine Advertisement Discount	25%	15%	10%					
Discount on Lead Generator Tool for White Papers	FREE	50%	25%					
Search of World Wide OEM/ODM	✓	✓	✓					
RL News Global Search	✓	✓	✓					
Search of 3PSP (without Profile information)	✓	✓	✓					
Corporate Logo and Website Link on RLA.org	✓	✓	✓					
Private Meeting Room Discount at RLA Events	FREE	15%	10%					
Corporate Logo & Website Link on RLA Shows.com	✓	✓						
Logo and Link from Job Posting	✓	✓						
Discount on RLA Pre-Conference Workshops	50%	25%						
Speaker Privileges at RLA Events	✓							
Search of World Wide 3PSP (with Profile information)	✓							
Annual Fee	\$19,999	\$13,999	\$8,999	\$5,499	\$2,999	\$999	\$499	\$199 \$49

## Board of Advisors

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



**John Benardino - Comcast**  
John Benardino has 19+ years of multinational supply chain management. Moved production and call centers overseas, implemented new planning and procurement systems, transformed outbound deliveries, shifted terms

and conditions around returns/support, and direct management of third party manufacturing. 12+ years of experience managing first and second level managers, setting objectives, balancing workloads and managing performance. Over fourteen years of customer facing experience. Channel partners (Distributors, Consumer Electronics, Mass Merchant, Office Product Super Stores, and Clubs), Enterprise, and end consumer customers. Includes account programs, forecasting and enabling product placement tradeoffs. Over eight years of experience managing a profit and loss statement. Strong understanding of marketing/distribution channels within retail, enterprise and commercial. 8+ years of low mix/ low margin computing, 2+ years of high mix/ high margin test and measurement, 4+ years of service revenue, and 9+ years of annuity based product.



**David O'Leary - UPS**  
David O'Leary brings over 22 years of management experience through several key roles in Sales, Finance and Operations positions that he has held during his career at UPS. As Vice-President, Global Post Sales and Reverse Logistics, David is responsible for the US and Canada operations while having strategic oversight for the product globally. Prior to taking on this role David was Vice-President of High Tech Sales. In this role, David was responsible for managing a group of High Tech sales executives who support internal and external sales cycles focused on UPS distribution and service part logistics products.

David began his career with UPS through the acquisition of Livingston Inc. in October 2000. Just prior to the acquisition, David had moved into a Service Parts Logistics (SPL) operations role and assumed more senior operational responsibilities within SPL at UPS. Prior to moving to operations, David spent four years with Livingston in various financial roles. His last financial assignment was Controller of Livingston, Inc.

David has a Bachelor of Commerce degree from the University of Toronto. In addition, he obtained his Chartered Accountancy (CA) designation in 1992 during his apprenticeship with Price Waterhouse. David worked for Price Waterhouse for five years performing roles in audit, tax and insolvency groups. David spent one year at Coco-Cola as a Finance Manager prior to joining Livingston.



**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 his way up from Director, Logistics Operations, Industrial Engineering Manager at Walmart - International Division and Japan Expatriate - Logistics

Operations Lead at Walmart - International Division

A strong Logistics professional with a deep understanding of the Retail operation and market place. Extensive Distribution Center (DC)/Transportation operations experience and vast International Logistics operations experience focusing on growth, integrations, strategic planning, innovation, and process improvements.



**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](http://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](http://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 - Reverse It Sales & Consulting**  
Tony Sciarrotta has held a variety of sales and marketing positions in the consumer electronics industry for over 30+ years, including the last 25 years at Philips Consumer Lifestyle. His

background prepared him in this developmental role as director for returns management activities, and he was responsible for implementing effective returns policies and procedures with a variety of dealers.



**Ian Towell - Tesco**  
Responsible for end to end accountability for the non food returns business within UK Tesco, focussing on improving quality, policy application, asset recovery and logistical flow.



**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

## Apparel

- Jeroen Weers, Spring Global Mail

## Automotive

- Charles Chappell, Genco ATC

## Aviation

Chairperson: Steve Wallace, COMPUMAR

## Consumer Electronics

Chairperson: Paul Baum, PlanITROI

Co-Chairperson: Kathy Murphy, Jarden Consumer Solutions

- Ray Agarpo, HP
- Patrick Blinn, Microsoft
- Brianne Boettner, Best Buy
- Chad Burke, Ryder
- Charles Chappell, Genco ATC
- Shoaib Chaudhary, Spruce IT Asset Recovery
- Charles Dunton, Genco
- Elaine Gasser, HP
- Cintia Gates, Dell Inc
- Chris Griffin, Sprint Nextel
- Sam Jackson, Target
- Patrick Joseph, Encompass
- Brad Larsen, Hewlett

## Packard

- David Liscom, Hyper Microsystems Inc.
- Jason Oneill, UPS Supply Chain Solutions
- Jonathan Pine, Renova Technology
- Paul Rupnow, Andlor Logistics Systems Inc
- Jim Rushton, Encompass
- Tony Sciarrotta, Reverse It Sales & Consulting
- Brian Vowels, UPS

## Data Storage

Chairperson: Tom Burnam, Western Digital

Co-Chairperson: David Liscom, Hyper Microsystems Inc.

Co-Chairperson: Alan Clark, Seagate Technologies

- Karen Fedder, Blancco US, LLC
- Gary Gear, Toshiba
- Glenn Grube, ModusLink
- David Liscom, Hyper Microsystems Inc.
- Jose Luis Villalvazo, HP

## Food and Beverage (Unsaleables)

Co-Chairperson: Bruce Stevenson, Stevenson Consulting

Coordinator: Brock Anderson, Reverse Logistics Association

- Dawn Bland, Inmar
  - Gene Bodenheimer, GENCO
  - Pat Coats, Kellogg Company
  - Dr. Oliver Hedgepeth, American Public Univ.
  - Jodie Holliday, UNLV
- Life Sciences**
- Dan Gardner, ATC

## Logistics & Electronics

## Retailers

Co-Chairperson: Raul Castilla, Wal-Mart Stores, Inc.

Coordinator: Rachelle Hetterson, Defense Ammunition Center

- Randy Compas, Canadian Tire Corporation
- Christopher Galletto, Officemax
- Summer Irvin, Overstock.com

- Sam Jackson, Target
- Andrea Newman, Best Buy
- Anthony Pereira, Barnes & Noble

## Small Appliances

Chairperson: Kathy Murphy, Jarden Consumer Solutions

- Paul Adamson, ReptileDog, LLC

## Telecommunications

Chairperson: Gary Cullen, 4PRL LLC

- Glen West, Celestica, Inc.

## Wireless

Chairperson: Douglas Zody, Apple

Co-Chairperson: Blake Vaughn, Brightpoint

Co-Chairperson: Joe Walden, University of Kansas

- Mark Delong, Arvato Services
- Regan Pasko, TESSCO Technologies, Inc.

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





## Enhancing Sustainability Through Your Reverse Supply Chain

by Bill Angrick, Chairman and CEO of Liquidity Services, Inc.

In this evolving market landscape where the drive to generate increasing revenue and cut costs is colliding with the pressure to advance efforts around Corporate Social Responsibility (CSR), many companies find themselves searching for innovative opportunities to meet this challenge. Emphasis from internal and external stakeholders and influencers on targeting a “triple bottom line” implies that corporations have to think about more than just profit, but factor people and the planet into their overall equation, in order to achieve success. Sustainability

reporting is critical, particularly due to battles played out in the public around corporate “greenwashing” – implying that an initiative is only artificially beneficial to the environment. Sustainability initiatives have to be more than green; they must be measurable, while delivering value to the business. Companies striving to establish themselves as leaders through their CSR efforts have to dig deeper than they may have previously looked for

effective solutions.

The reverse supply chain, often referred to as reverse logistics, is a place where companies can begin to build real sustainability into their operations, and create new revenue streams in the process. Here are the key questions to ask as your corporation looks to transform this area of the business:



HOW IS YOUR BUSINESS CURRENTLY MANAGING ITS INVENTORY AND ASSETS?

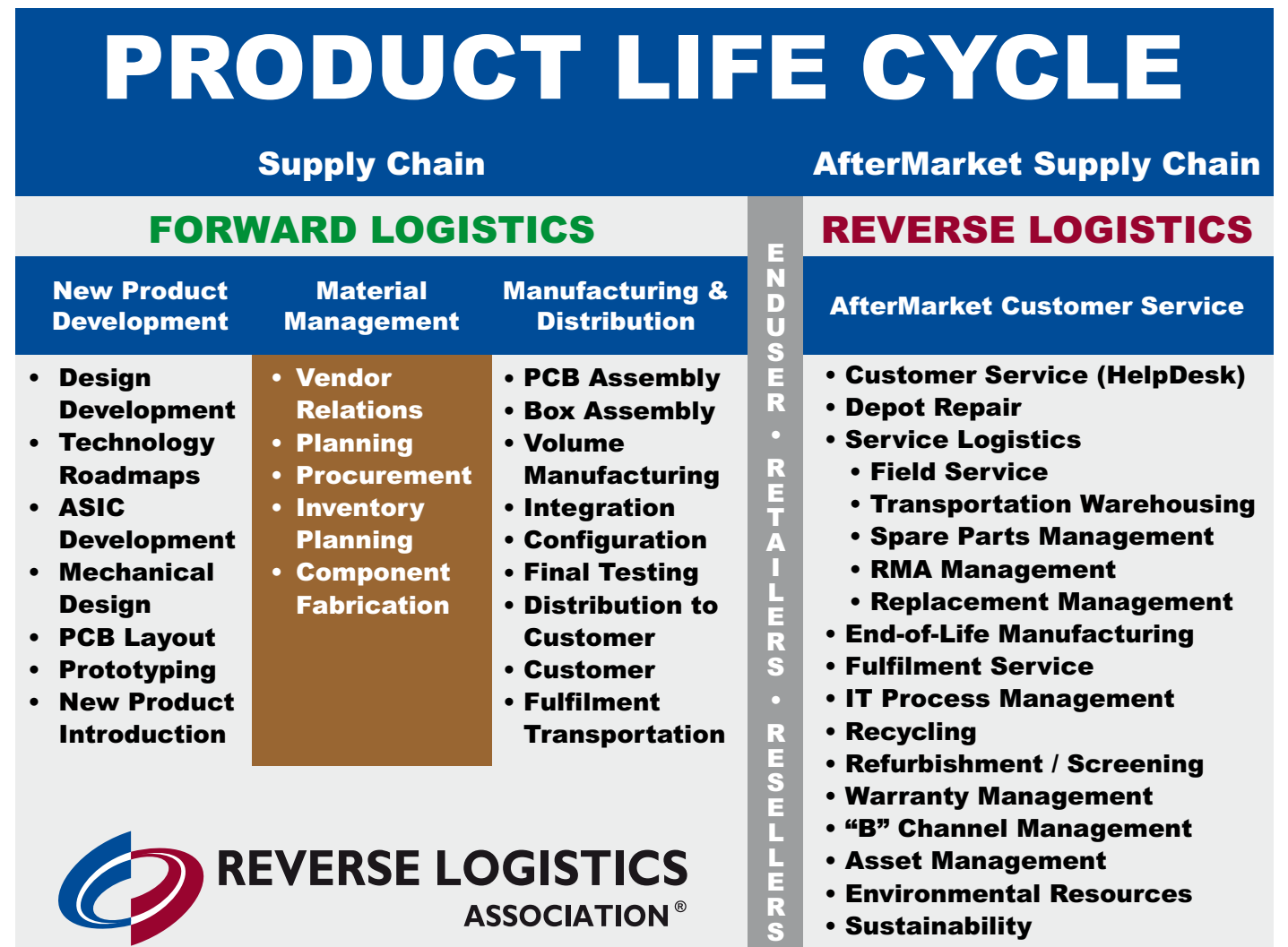
Whether you are a retailer, OEM, or a manufacturer of consumer packaged goods, you most likely have two kinds of assets moving through the reverse supply chain (1) consumer returned and overstock inventory and (2) end-of-life or idle assets and equipment. Both categories of assets are likely providing additional stress to your staff to manage, taking away time from your core business. The important questions to answer are (1) how are you currently managing this flow of items and (2) is that process healthy for both your bottom line and for your sustainability objectives.

Most organizations have a process in place to manage the disposition of consumer returned inventory and overstock products. However,

oftentimes this process is not only lacking in generating top financial return, but the products are also handled and shipped multiple times with little oversight into where the product ultimately ends up, which is often the landfill. The risk to the organization is deterioration of margin and brand value. To remove these risks, organizations should implement disposition methods that have greater transparency for how and where product is being resold, as well as clear processes for reducing the carbon footprint created in the movement of the products. For example, the Return-to-Vendor process is a prime area in which most retailers, manufacturers, and OEMs can streamline and consolidate the process through a trusted, full-service, third party vendor. In this manner, products are moved once, directly to the

vendor, rather than multiple times to save time, shipping costs, and fuel. The right vendor will provide transparency into the sales process and will target a buyer base that intends to extend the useful life of the product through refurbishment and/or resale.

If you are a manufacturer or have assets and equipment to manage, utilization of an electronic asset management system can allow you to see all the assets your organization maintains and more easily redeploy idle assets to other areas of your company where they can be put to use. This important process will save the company from unnecessary expenditures and carbon output that would have been generated to produce that asset anew. Alternatively, if the asset is not in demand within

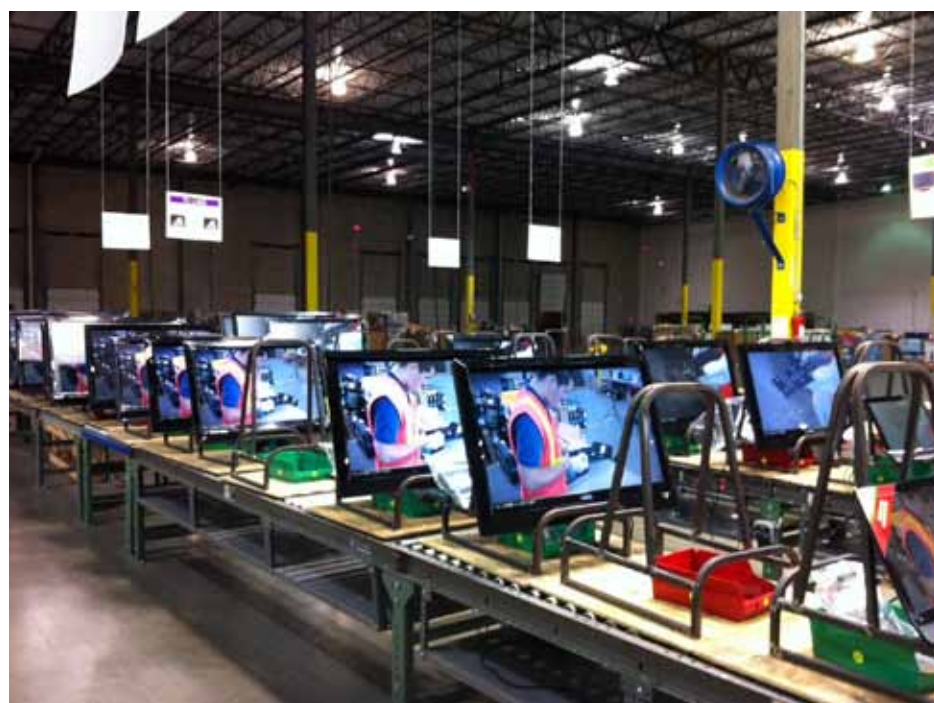


your organization, you can resell the items through an online, specialized marketplace to create a new revenue stream, keep items from being disposed in a landfill, and return revenue while protecting your company's brand.

### IS YOUR SUSTAINABILITY PLAN ABLE TO ADAPT IN A SWIFTLY-CHANGING TECHNOLOGY LANDSCAPE?

While many companies are coming up with promising solutions for the sustainability conundrum, from green fleet vehicles to installing lighting systems that conserve electricity, many of these ideas are cost-intensive, and as technology changes, will have to continue to adapt. Taking a deeper look at how your organization is addressing sustainability in every area of your operation, will provide your management team with insight on how to better implement changes that can adapt with technology cycles. As a retailer, utilizing a streamlined process that shifts

returned and overstock inventory into online marketplaces, rather than disposing of them in traditional ways, will provide you with a self-sustaining, green process that will easily adapt through technology shifts. Over the next several years, consumers and businesses alike will only continue to rely more on online resources to purchase goods and assets. In taking the steps to incorporate smart reverse logistics now, your organization will gain an enhanced sustainability initiative that will continue to magnify positive environmental impact and value in the future. By expanding this type of system to include assets through a digital asset management system, you will be provided with a full view of the asset's lifecycle with an easy option to resell assets online—a green process that nets you higher recovery on the value of the item, acclimates to your needs over time, and allows you to easily share successes internally to reinforce adoption of sustainable business practices.



### HOW IS YOUR BUSINESS CURRENTLY MEASURING OVERALL SUSTAINABILITY?

Your company may currently promote itself as sustainable, with fragmented data to back up the claim, or you may have a fully developed sustainability annual report. However you currently look at your measuring your environmental impact, it's critical to search for opportunities to examine how your organization can better measure and improve your sustainability efforts. One of the common data points include is carbon offsets, which are typically measured by decrease in waste streams, paper reduction, decrease in fuel trips, decrease in energy consumption, and other variables. These metrics can provide important insight, particularly as you measure your triple bottom line, year-over-year. All of these areas will be impacted through smart business practices around reverse logistics as both transportation and waste disposal outputs will be reduced. In addition, the carbon utilized to create new items is conserved through the resale of existing inventory and assets. For example, more than 3,000 manufacturing sites around the globe are utilizing AssetZone, a web-based tool, to manage and redeploy surplus and idle assets. One leading consumer packaged goods manufacturer utilizes the tool to manage the sale of hundreds of their fleet across North America; producing green for the bottom line and for the planet.

### CONCLUSION

In order for companies to sustain their competitive edge, it's essential to consider adoption

## Interested in Networking?



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

Upcoming RLA seminar:

**Bentonville, Arkansas • May 2, 2013**

**Venue: Holiday Inn & Suites Rogers @ Pinnacle Hills Facility**

**Tour: Walmart Returns Facility**

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### EVENING RECEPTION

Many attendees are interested in furthering discussions of their reverse logistics operations after experiencing a busy and informative day. So join your peers for an engaging evening reception with food and wine after the seminar.



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of green, innovative business practices in their reverse supply chain. Redeploying your assets internally or reselling assets or surplus inventory online may not have been your first thought when it comes to sustainability.

However, if you connect with a reputable online marketplace and utilize a digital tool to manage assets, you can tap into global buyer demand and increase the value recovered. In addition, by keeping those surplus assets out

of landfills, your organization is exercising environmental stewardship in a measureable and meaningful way. RLM



Bill Angrick co-founded Liquidity Services, Inc. and has served as the Chairman of the Board of Directors and Chief Executive Officer of Liquidity Services since January 2000. Mr. Angrick holds an M.B.A. from the Kellogg Graduate School of Management at Northwestern University and a B.B.A. with honors from the University of Notre Dame. He earned his CPA certificate in 1990. For information on Liquidity Services, visit [Liquidityservicesinc.com](http://Liquidityservicesinc.com)

## RL Careers

### Best Buy

- Senior Manager, Supply Chain

### Celestica Inc

- Account Management Director

### Microsoft

- Reverse Supply Chain Operations Manager
- Retail Stores Global Customer Returns Program Manager

### Motorola Mobility

- Global Materials Planner

### OnProcess Technology

- Vice President of Delivery Services

### Peripheral Computer Support Inc., Computer Technology Solutions LP

- Vice President, Operations

### PlanITROI

- Client Services Account Manager

- Business Development Manager – (RL) Reverse Logistics Specialist

### Reverse Logistics Association

- RL Solutions Director
- Student Intern Positions
- Executive Assistant
- Sales Executive, Advertising
- Seminars/Webinar Director
- Project Manager/Editor

### Round2 Inc

- Business Development Manager
- Lead Generator

### Toshiba

- Manager, RL SCM Service Parts
- RL Sr. Materials Analyst



# Reverse Logistics Association Focus Committees



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- Molly Zito, Avnet

# 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.

## ARTICLE



## Waste No Time In Disposing E-Waste Aptly

by Dong Fangyu, Reporter, China Daily

I have a pile of used electronic devices, tangled with USB lines, lying at home. I may carry on the Chinese tradition of thrift, but it is difficult for me to dispose of the obsolete e-gadgets in an environmental friendly manner.

perhaps more worrying than the mounting e-waste is the absence of effective recycling channels and a comprehensive e-waste management system in China.

Urban residents like me, including eco-conscious consumers, have very little information about environmentally friendly channels to dispose of electronic castoffs. Apart from the irregular drop-off or collection centers

run by NGOs and environmental groups in a few urban areas, a large majority of urban residents have no option but to sell used or scrap electronics in second hand markets or to door-to-door vendors.

The people who collect e-waste in my neighborhood near the

China is arguably the world's second largest generator of e-waste. It generates 2.3 million tons of such waste every year. A United Nations Environment Programme report says computer waste in China will increase by 400 percent from 2007 to 2020. But



Bird's Nest, or Beijing National Stadium, usually pedal their wagons or carts around, which sometimes carry cardboard signs telling residents what they can dispose of. I have never given any of my used e-gadgets to peddlers because I suspect a majority of them are processed by informal sectors, including individuals and small illegal or informal workshops, which sometimes process them without providing enough protection to laborers and then dump the toxic waste on streets or in landfills. The ultimate victim of such indiscriminate disposal is the environment, and thus the people.



E-waste is a double-edged sword. If well managed, it will help conserve resources, improve energy efficiency and create new jobs. But if not, it will inflict serious damage on the environment and people's health.

Researchers who published a study in Environmental Research Letters in May 2011, cited in Science Daily, took air samples from Taizhou in Zhejiang province, where more than 60,000 people are engaged in dismantling over 2 million tons

of e-waste for metals each year. They found that workers in the e-waste dumps suffered from inflammation and stress, which could cause heart disease, DNA damage and even cancer, because of the toxic air they inhaled.

Different from the smog over Beijing and other cities in China, the damage caused by e-waste to the environment is so intangible that we could already be facing a long-term threat. Because of improper recycling processes, heavy metals and toxic chemicals are absorbed in the atmosphere, seep into soil and water bodies, and cause serious pollution, damaging the environment.

Given the enormous health and environmental risk that e-wastes pose, effective recycling channels encompassing households are too few. In June 2010, the country

extended nationwide the "old-for-new" program, a recycling mechanism that encouraged consumers to buy new household appliances at a discount by handing over their old ones. It was a successful recycling program for mitigating environmental pollution, especially because used household appliances were reclaimed through a set of official channels.

But after the program ended in 2011, residents have been left with few channels to dispose of their used gadgets and appliances. In the absence of financial incentives, coupled with the lack of policy enforcement, manufacturers, retailers and dismantling companies are no longer enthusiastic about continuing the practice.

According to China Economic Net, formal recycling companies usually face the problems of high reclaim cost and hindered channels, which condemn most of the household e-waste to gray channels like street vendors.

Official data show that at the end of 2011, 84 companies were registered with the Ministry of Environmental Protection to process e-waste, but they have not set up effective recycling channels either with local communities or extensive third parties.

Perhaps the government can

use some of the better practices abroad as examples to provide effective recycling channels for household e-waste in China. For example, in France, social communities have to reclaim at least 4 kilograms of electronic waste every year, and Swedish laws stipulate that the disposal cost be borne by manufacturers and the government, according to China Economic Net.

Although authorities in China, too, have extended the responsibility mechanism to electrical and electronic goods' manufacturers, inadequate logistics, lax regulation, lack of incentives and poor supervision make it extremely difficult for consumers to contact manufacturers to drop off their old appliances.

Confronted with mounting e-wastes, complicated further by lack of proper recycling channels, it is high time China established an effective e-waste recycling mechanism to avoid further environmental and health problems.

Experts say that for building an effective circular economic



system, the electronics industry should have well-built lines starting from product designing to channels for second-hand utilization and recycling and, finally, for disposal of decontaminated non-recyclable components. This is the appropriate time for the government to raise consumers' awareness and provide them easy and environmentally friendly channels to dispose of their e-waste.

RLM



Dong Fangyu is the author and a reporter with China Daily.

## Industry Events



**RLA Conference & Expo Brazil**  
April 16-18, 2013

**RLA Conference & Expo Amsterdam**  
June 18-20, 2013

**RLA@ CES**  
January 7-10, 2014

**RLA Seminar: Bentonville**  
May 2, 2013

**RLA Conference & Expo Singapore**  
September 24-26, 2013

**RLA Conference & Expo Las Vegas**  
February 14-18, 2014



# RLA SÃO PAULO, BRAZIL 2013 RECAP

REVERSE LOGISTICS ASSOCIATION CONFERENCE & EXPO

## SUCCESS AT LATIN AMERICA'S LARGEST REVERSE LOGISTICS EVENT!

The Reverse Logistics Association held its Fourth Annual Latin American Conference and Expo April 16th - 18th in Sao Paulo Brazil.

Attendance was represented with over 20 companies present! Companies like Dell, Motorola, Jabil, Grupo Pão de Açúcar, Philips and Cisco all participated to discuss RL issues on an international platform, and many new international relationships we made.

RLA is excited to go back to Brazil for the 5th Latin American Conference next year!



### KEYNOTE ADDRESS DISCURSO DE ABERTURA

**FELIPE ORTEZ**  
COORDENADOR EM LOGÍSTICA REVERSA, GRUPO PAO DE ACUCAR

*Responsável pela logística reversa do Grupo Pão de Açúcar Responsible for reverse logistics Grupo Pão de Açúcar*

Panorama de resíduos sólidos no Brasil e a PNRS - Como o Grupo Pão de Açúcar vem reagindo à isso no que tange a Logística Reversa para itens de mercearias.



### HIGHLIGHTED SPEAKERS

**Felipe Ortiz**  
Administração - Logística Reversa  
Grupo Pão de Açúcar

**Dirk Swagerman**  
Professor  
University of Groningen

**Orlando Cattini Junior**  
Professor - Head of Production and Operations Mana, EAESP-FGV



### COMMITTEES

#### sem fio Reunião da comissão



Doug Zody  
iPad Operations NPO  
Apple



Blake Vaughn  
VP of Supply Chain Solutions  
Brightpoint



Joe Walden  
Lecturer, Supply Chain Management  
The Univ. of Kansas

#### Reunião da comissão Brasileira



Felipe Ortiz  
Coordenador em Logística Reversa  
Grupo Pão de Açúcar



Marco Antonio Bendin  
Senior Postal Analyst  
Correios

"Participation in this event, and in the committee meetings, provides a opportunity to share with executives and colleagues, the problems, ideas, and proposed solutions to real problems in business and government. Thank you RLA for providing this open environment to bring together all types of sugestions from the varied participants."  
- Professor Orlando Cattini Junior, EAESP-FGV

"It was a great opportunity to get to know other businesses that experince the same problems that Philips and start a dialoge to find new solutions, either for solving current problems or finding new partners to work with."  
- Marcio Silva, Consumer Services Manager, Philips

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# 11th Annual RLA Conference and Expo Las Vegas 2014

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Make plans now to join us for the 11th Annual Reverse Logistics Conference and Expo on February 10-13, 2014 at the Rio Hotel and Casino.

Monday offers pre-conference workshops with our RLA Charity Golf Tournament at Red Rock Country Club. Tuesday adds more workshops along with industry reports and then in the evening, our Awards Gala. Wednesday opens with the keynote address followed by sessions presented by over 150 RL professionals, leading academics, and industry leaders.

The Expo where 3PSPs will showcase their RL services and solutions.

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If you are a Reverse Logistics professional – don't miss this event!



ARTICLE

## Reverse Logistics - Grupo Pao de Acucar

by Felipe Ortiz, Coordenador em Logística Reversa, Grupo Pao de Acucar

The Reverse Logistics Group sugarloaf is consolidating more and more regarding the proper disposal of products and wastes in order to prepare themselves to meet all obligations under PNRS (National Policy on Solid Waste) and add more value to reverse chain.

Some figures of 2012, related to actions performed only for grocery items (underexplored therefore the focus of the market has been the electronics) and exclusively in the state of São Paulo, show a bit of this movement that, according to the company, tends to intensified more and more.

In the latter year were adequately designed more than 550 tons of

this type of product / residue - that were destined for incineration or co-processing.

Thus, Grupo Pao de Acucar shows the concern in managing the fate of everything that passes through the chain, preventing products from being sent inappropriately to dumps, landfills, etc., And causing environmental impacts that may be irreparable.

Only the central distribution of the category in question, made of

approximately 300 items with small faults packaging (but fit for consumption), totaling more than 208 tons of donated products in 2012. These donations are made to institutions that are in the community around the distribution center and are registered in the Institute Sugarloaf (Note: All





Planta da Central de Logística Reversa do GPA em São Paulo

institutions must follow pre-established criteria for receiving these grants). The aim of the project is to take these items and contribute socially to the community where the distribution center is located, in addition to avoiding the allocation of these products, thus firming the responsibility and commitment of Grupo Pao de Acucar to the welfare of Brazilian society.

In addition, more than 45 tonnes of packaging products with faults, but that can not be donated (like alcohol, for example) were auctioned through a formal process with a partner company. With this process,

Grupo Pao de Acucar managed: a) avoid environmental impacts to the disposal of these items, b) avoid the costs mischaracterization / destination c) generate revenue and add value to the reverse process.

Reverse Logistics Coordinator of the group, Felipe Ortiz said that the effectiveness of these actions as may be evidenced when looking at the stock of unserviceable products (not fit for sale) Company - "We have achieved a 52% reduction of our product inventory unserviceable for this category in SP - which reached more than \$ 2.5 million in 2012).

Felipe also highlights that despite the already impressive results, shares are being matured and the company has focused on intensifying the work still in 2013 - "We already have projects underway to roll-out the processes that we have succeeded in SP for other regional," he said. RLM



Felipe Ortiz graduated in Business Logistics Warehousing and Distribution and graduate with MBA -

Executive Business Management at National Graduate Institute. He has seven years experience in retail / supply chain, passing through Transportation and Logistics Adm., and five-year career dedicated to the Reverse Logistics. He is responsible for reverse logistics at Grupo Pao de Acucar, involving the treatment of grocery items and general merchandise, as well as the management of logistical equipment throughout the chain.

## Money Talks



**Dell Reports Fourth Quarter, Full Fiscal Year Financial Results**

**Changes in Nokia Corporation's own shares**

**Intel Reports First-Quarter Revenue of \$12.6 Billion**

**Jabil Announces Quarterly Dividend**

**Walmart Announces New Commitments to Dramatically Increase Energy Efficiency and Renewables**

**Ericsson's Annual General Meeting 2013**

## Read the Press

**CCR Logistics Systems AG : Cycleon opens office in Singapore for AsiaPacific region**

Singapore--22 April 2013--Cycleon announces today the opening of an office in Singapore in order to develop reverse logistics solutions throughout the AsiaPacific region. Cycleon already operates for the world's largest webshops and electronic manufacturers in Europe. The Cycleon system provides easy access for end users to return their product.

**Arrow Named Asset Retirement Provider for Lenovo in North America**

Englewood, CO--18 April 2013--Arrow Electronics Inc. (NYSE: ARW) announced an agreement with Lenovo designating Arrow as its "partner of choice" for a new asset retirement service offered at the point of sale. Through the agreement, Arrow's value recovery and recycling offerings can be bundled with new Lenovo equipment purchases..

**Mendtronix Named Authorized Service Provider for JVC Home Theater Projectors**

San Diego, CA--17 April 2013--Mendtronix Inc., a third party service provider for the audiovisual industry, has been named an Authorized Service Center (ASC) for electronics titan JVC Americas Corp. With this agreement, Mendtronix is authorized to perform in-warranty and out-of-warranty repair services for JVC's extensive home theater projector line.

**Ingram Micro Appoints Seasoned Financial Executive Gina Mastantuono As Executive Vice**

**President Of Finance**

Englewood, CO--20 March Santa Ana, CA--17 April 2013--Ingram Micro Inc. (NYSE: IM), the world's largest wholesale technology distributor and a global leader in IT supply-chain, mobile device lifecycle services and logistics solutions, today announced the appointment of Gina Mastantuono as executive vice president of finance. In her new role, Mastantuono is responsible for financial planning, analysis, controllership, SEC reporting, treasury and tax. She reports directly to Bill Humes, chief operating and financial officer, Ingram Micro Inc.

**Cisco Celebrates 20 years in Singapore and Opens New Regional Headquarters**

Singapore--17 April 2013--Cisco, the worldwide leader in IT, today announced the opening of its new regional headquarters in Singapore, marking 20 years of operations in the country. The new office will house Cisco's operations for Singapore and the region, including operations, sales, marketing, human resources, finance and Cisco Services. It will also feature a Customer Briefing Center (CBC), where Cisco's latest technologies and solutions are available for demonstrations to, and proof-of-concepts with customers and partners. Singapore is the headquarters for Cisco's operations in Asia Pacific, Japan and Greater China.

**Redeeming E-Waste in Brazil**

16 April 2013--In contrast to developed countries, any electronic product in Brazil follows a chain, passing from hand to hand before becoming a real disposable waste.

Due to cultural behaviour it is common for used equipment and electronic appliances to be given to poorer people in the community. This of course generates a more complex process to really track back any of Electrical and Electronic Equipment (EEE) products to guarantee their final destination.

**Microsoft and Foxconn Parent Hon Hai Sign Patent Agreement For Android and Chrome Devices**

Redmond, WA--16 April 2013--Microsoft Corp. and Hon Hai, the parent company of Foxconn, signed a worldwide patent licensing agreement that provides broad coverage under Microsoft's patent portfolio for devices running the Android and Chrome OS, including smartphones, tablets and televisions. While the contents of the agreement are confidential, the parties indicate that Microsoft will receive royalties from Hon Hai under the agreement. Hon Hai joins a growing list of contract manufacturing and original design manufacturing companies with Android and Chrome patent licenses.

**HP Releases List of Supply Chain Smelters**

Palo Alto, CA--15 April 2013--HP today published a list of the 195 smelters that have been identified within its supply chain.

**Car manufacturers see another big recall**

12 April 2013--Consumers are looking for improved safety features in their vehicles, which is one of the reasons why automakers are moving quickly to recall millions of cars that may have faulty airbags.

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## Technical Trends

### Profitable Repair with a Cup of Coffee

In the past few months we have touched several times on the macro trend of how repair services are becoming more direct by moving closer to the Customer and in doing so are providing greater value and higher profit margins. One example we have outlined is the proliferation of local repair centers. These can be found as a kiosk in a shopping center or small shop in a strip mall. While these shops are clearly successful, a most interesting variant that is growing is on-site cellphone repair. The on-site cellphone repair business succeeds by performing the repair directly at the Client's locations and can be found anywhere there is a population density sufficient to make the logistics of the service profitable. The pioneer and legend in this business is Demetrios Leontaris, AKA: the iPod Doctor and this Doctor makes house-calls.

Demetrios operates out of New York City and specializes in performing cellphone repair at the Customer's location. Typically this is an office but can be just about anywhere including a coffee shop, restaurant, apartment or even a home. The attraction of the direct contact for repair is based on:

- Overall Value- Even with travel cost the pricing is typically lower than any other source.
- Convenience- Hard to beat having the technician and parts come to you.
- Security- This is based



- on two key elements;
1. First there is less chance of identity theft since the repair is performed with the Customer nearby, if not watching the work.
  2. Second the reputation of the business allows the Customer to have a measure of trust.

The framework of how this business operates will be new to most Reverse Logistics professionals who tend to be more familiar with delivering bulk repair at rates of 50K units a month. The key to understanding how this on-site cellphone repair model works is in understanding the critical importance of trust and reputation. For these shops the Customer typically pays based on reputation of the supplier selected. Demetrios is a founder of this business model and has

FEATURE





performed repairs for folks in Homeland Security, local police and other officials in addition to regular folks. These Customers then post glowing recommendations documenting their satisfaction on his website. This well maintained reputation allows trust to be recognized as having value and this is reflected in the pricing Demetrios and other high performing suppliers can recover. For the Customer the notion of paying a few dollars more to have the assurance and safety of dealing with a well-regarded professional is a bargain.

Integral to the maintenance of a strong reputation are the parts and materials Demetrios uses. He only uses parts he can purchase locally were he can personally verify the quality. Demetrios told me that he learned early on that trying to purchase parts direct

from China was not worth the time or trouble. Managing the quality and the importation issues was just consuming too much time compared to the value it was providing. He has now cultivated local suppliers that he knows personally and trusts. In effect re-using the same business model he pioneered by leveraging local suppliers selected based on quality and trust.

So what are the nuts and bolts of how this business works? Most of the companies are one-person operations. Most use a web-site or answering service to help qualify and schedule the repair calls. From this information the supplier will try to build a parts list and drive route for the day. At a minimum the suppliers try to have 5 calls per day. If the timing works out, as many as 8 repairs calls can be closed in a single day. As you might guess this is a business

model that is based on 90% Apple products. This is the result of a product that has very repairable design with wide penetration and good parts availability. Demetrios describes the Apple products as very high quality. Most all of his repairs are electromechanical and the result of a combination of 'use and abuse'.

For me, this is an amazing business model and a huge opportunity. In the current state we have a business model where Customers gladly pay a premium for quality, parts costs are retail plus markup, has very limited dispatch optimization and no branding-yet is profitable. Sounds like opportunity to me. RLM



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

Communications, an EADS North America Company in Frisco Texas.



## Turn Green into Gold

"Paying attention to the environment is not just good for nature, it's also good for the bottom line."

# Returning Thoughts

## Expert Advice to Transform Retail Reverse Logistics

How much better would your Reverse Logistics team perform if you had a whole group of Reverse Logistics experts providing you with advice? Good advice and best practices are hard to find... until now. The Reverse Logistics Association Consumer Electronics Committee is hosting some very innovative interactive sessions to share experiences and best practices on Reverse Logistics issues. With the guidance of CE committee co-chair Paul Baum of PlanIT ROI, attendees shared experiences and successes on topics and challenges presented by Chris Galletto, Senior Manager, Reverse Logistics at OfficeMax. The key discussions of this session were methods to drive, measure and monitor Reverse Logistics performance for a large Retailer. The session was attended by over one dozen very experienced Reverse Logistics professionals from retailers and manufacturers who all provided a wealth of feedback and wisdom.



Central to any discussion related to measuring and monitoring performance is the ability to gather data on the activities of the tasks. So the conversation often led back to methods and practices to better process returns from the instant they arrive at the retailer. The following suggestions were provided:

1. System Licence Plates (SLP) - "Many retailers who handle returns effectively utilize a unique bar-coded "license plate" (SLP) on returns to track the items through the process" says Jack DeButts,

Director Returns and Exchange Management at Dell. These license plates should be created and applied to the returned item right at the return desk or cash register. Additionally the returns system needs to tell the clerk what action or disposition to take to process the returned item, e.g., Return to shelf, return to stock, return to vendor, recycle.

2. Vendor Contracts - "You need to closely monitor and manage your Vendor contract parameters relating to product returns" stated Tony Sciarrotta, CEO of Reverse It Sales & Consulting, "and ensure you manage each item based on the vendor contract terms and return conditions parameters. Tony also suggested using a Vendor Agreement Compliance group to review returns processing and to ensure you are setting and meeting agreement terms. For example: not missing time windows to return goods due to delayed or slow processing of returns inventory that has been

sitting around idle for too long.

### COLLABORATING AND SHARING WITH VENDORS

"Collaborating and sharing returns data is essential to a good Reverse Logistics relationship between a retailer and vendor," emphasized Elaine Gasser of HP. Some suggestions to enhance this collaboration are:

1. Visibility Reports - create visibility reports to share with the vendor, e.g., a triage report
2. Systematic Reports - Share current returns info with Vendors on a regular basis or systematically provide scheduled reports or access to returns data.
3. Meet Regularly - the retailer and each vendor need to meet to share and review on regular basis. These sessions are healthy for the relationship, even though one or both parties may not be happy with the report results.
4. Adjust return rates for Lag - Vendors track returns on shipments but the returns for these shipments will lag, e.g., an item returned today may have originally shipped to the retailer 3 months ago. Both parties need to ensure proper matching of shipments and returns so it does not skew the results.
5. Retailer/Vendor alignment metrics - each party should develop return metrics that focus on the organization goals. The metrics should consider how the returns influence the goals, such as cost, customer satisfaction,

product acceptance, return rates (adjusted for sell through lag).

### RETAIL RETURNS METRICS

With thousands of product SKUs and hundreds of Vendors, Chris Galletto has a lot of OfficeMax data to analyze. "A good analyst is a high priority" emphasized Tony Sciarrotta. Additional suggestions were:

1. Data for Each Item - keep detailed metrics on each item - sales, returns, exchanges, % of returns
2. Work Closely with Finance - be sure to align with your finance team on the lag issue. Manage dates very carefully - purchase date, sell date, return date, return to vendor date. Different categories have different lags. It helps conversations when the lags are considered properly.
3. Industry Comparatives - compare items to Return Rates by category. The CEA Consumer Electronics Association has return rates by category data available to members. These metrics are very useful for comparing and monitoring returns.
4. Focus on high value items first - when faced with many products from many vendors, it is easier to focus on high value items first, since they may provide the biggest returns from process improvements.

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### Logistics

This kind of session was a great sharing and learning experience for all who attended. The CE committee encourages you to join them as well. We are fortunate to have a resource like the Reverse Logistics Association to enable us to get together and share best practices. Visit the RLA.org website today and join a committee that can help your organization get expert advice, share best practices and transform your Reverse Logistics.

Good Luck!



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Editor - Reverse Logistics Professional Report Business Insights and Strategies for Managing Product Returns



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