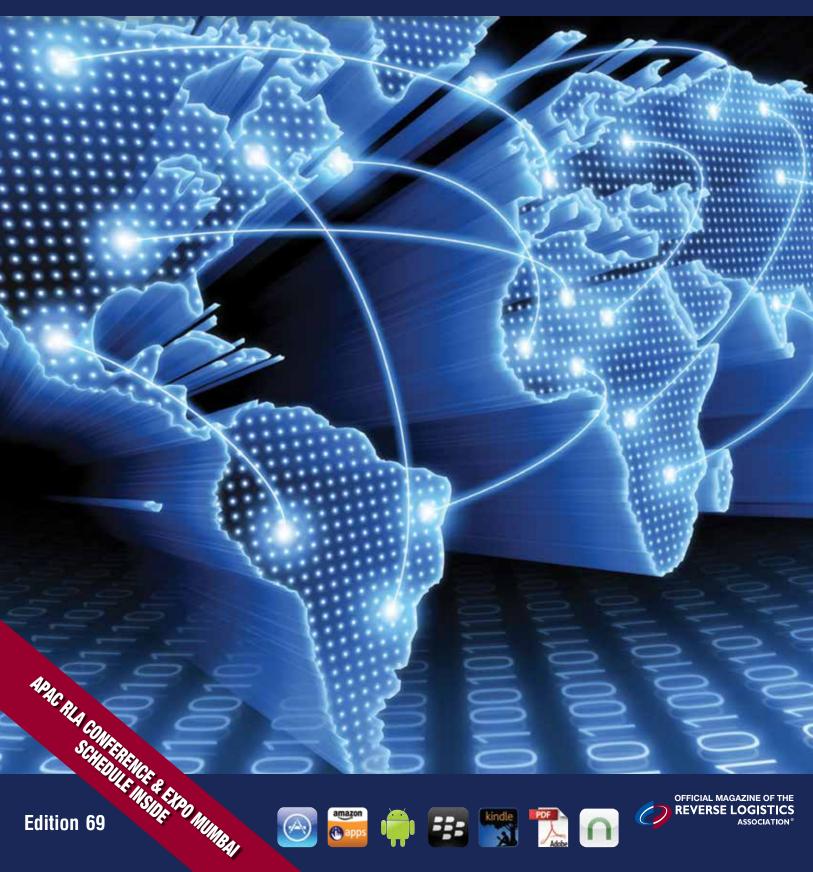


REVERSE LOGISTICS magazine®

Serving the Automotive, Health Sciences, Retail, and High Tech Industries





Edition 69















2014 INDIA COLD CHAIN PROGRAM HIGHLIGHTS **DECEMBER 10-12, 2014**



Gailen Vick Executive Director

LOGISTICS



Mohan Kumar D Category Manager - Services Hewlett-Packard



PANEL: APAC COMMITTEE REPORT



Sunnanda Panda Founder and CEO RevLog Resources



PANEL: REVERSE LOGISTICS IN ORGANIZED RETAIL IN INDAI



Tony Sciarrotta Asset Recover Reverse IT Sales & Consulting



WORKSHOP: HOW TO REDUCE RETURNS (AND BECOME A HERO AT YOUR COMPANY)



John Ryan President Sanitary Cold Chain

The Sanitary Cold Chain

WORKSHOP: ESTABLISHING AND MAINTAINING A SANITARY COLD CHAIN: **SAVING FOOD, LIVES AND MONEY - PART 1**







Please note that both the layout and the details of exhibitors listed on the Floor Plan are subject to change. The organizers reserve the right to make any adjustments they see fit.

Issue 8 Volume 11

CONTENTS

Cover Article



Page 12

Returns: Management in a Customer Centric Landscape

By Isac Moises Wajc and Luiz Francisco Biazini Son

Branded and Retail companies world wide are moving from a supplier dominated into a customer controlled market place. A market in which traditional marketing mix elements and supply chain models are disrupted. Disruption that requires companies to re-think and differentiate their proposition, added value, strategies and operating models to create or maintain their or maintain their position in an increasingly competitive

Articles



3 Steps to Bring Sustainability to Your Supply Chain

by Alan Amling, Director, Global Logistics and Distribution Market, UPS

It is more important than ever for companies to evaluate their current supply chain practices, not only to identify ways to reduce environmental impact, but also to reduce costs through increased efficiencies.



Three Considerations for Reverse Logistics Planning

by Chuck Fuerst (with permission of www.LogisticsViewpoints.com)

Page 34

The Brazilian experience, with few exceptions, as the new National Solid Waste is still in its infancy, because the legislation is very new and still be dependent on plans at all levels of government.



Military Applications in Reverse Logistics

by Dr. Oliver Hedgepeth

Many people have told me that the military has no group in place to conduct reverse logistics operations. But the fact is that the military has been practicing reverse logistics since day one. Currently, the military has the largest reverse logistics operations in history.

Feature Articles



Returning Thoughts

by Paul Rupnow

How to Setup Your 3PL Operations to Provide Reverse Logistics Services

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Articles



Omni-Channel Retailing, Critical Components for Success

Page 40

by Paul Adamson (Director, Business Development and Marketing, Spinnaker) and Delana Lensgraft (Research Content Specialist, Spinnaker)

The transformation of the retail sector is well underway; in today's competitive landscape, catering to the sophisticated shopper is a key differentiator for leading retailers.

Video



What is the Reverse Logistics Association?

by Reverse Logistics Association

Page 19

Features

		Message from the Editor	6	Read the Press	2
-		Focus Committees	7	industry Jobs	2
		Message from the Publisher	8	i Industry Events	2
8		Advisory Board	9	Returning Thoughts	4
4		Industry Committees	10	Advertiser Index	į
	10.0	Designal Chambers	10		



Message from the Editor

EFFICIENT WORKPLACE

I have previously discussed the importance of cross training individuals within the workplace and am reminded of the importance of this. Cross training individuals can be very beneficial to both the employee and employer. It is important to be able to adapt to the job requirements as well as to the needs of an employer. Taking on this task may feel overwhelming but can build employee morale and improve efficiency.



when an employee has an illness or an extended leave of absence. This allows the employer to not have the burden hiring a temporary replacement and the worry of job completeness. This is also a competitive advantage to the employee having the knowledge of several job duties. Management will typically see these types of employees as self-starters and multi-taskers that take initiative. This can also be beneficial when a position becomes available. A new hire is not always the perfect option, being that an employee is already trained in house and familiar with the job responsibilities.

Another benefit is that an employee is able to learn new tasks while not remaining in the same department. This can help see the big picture of a company's overall goals and allows employees to work more as a team. The long term effects of efficiency are enduring and worthwhile to all parties involved. It is important for everyone to feel as though they belong on the same team and can come together when difficult times are presented. This creates a rapport among employees. Longterm career development can ultimately be the key to success with cross training amongst multiple facets of a business.

Thank you, Laura Teifel editor@rla.org



One benefit of cross training is to be able to have coverage

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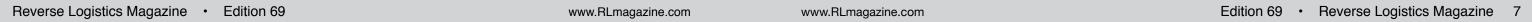
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Message from the Publisher

ONE STABLE PLATFORM

Most companies are doing business on a global basis; whether they are vendors or clients, your reverse logistics process can't be managed efficiently and cost effectively if there's different rules for each country, region, and principality. We know the rules that the legislative bodies have made in the past were very focused, but there is a positive outcome on the horizon. Legislation in Brazil came after a review of other country's legislation. So



long term I suspect that we will see a stabilizer in the same way we saw WEEE sweep across the globe after being introduced in Europe.

It's important for every company to look inwardly on how they are managing their reverse logistics processes. So many companies are looking outwardly towards their vendors and clients but it's critical that solving sustainability issues starts internally by establishing a robust reverse logistics organization.





Make sure that you join with us next month in Mumbai, India or stream live from our conference via video. It will be worth your while to understand what's going on in this large economy in Asia.

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

Logistics professionals around the world. RLA focuses on the reverse logistics provide our services to the processes across all industries. industry at a moderate price. No matter the industry High Tech, Consumer Automotive, Electronics, 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 common to all industries and

in developing and implementing new RL processes. We have been and will continue to

information in services such as repair, customer service, parts management, manufacturing, service logistics, field service, returns processing and order fulfillment (just to name a few) Logistics processes that are can be a little intimidating, to and medium-sized service say the least. Yet that is exactly

ur mission is to educate to be a catalyst for innovation what the Reverse Logistics RLA resources help advertise Association provides through membership services. We serve manufacturers and retailers in a variety of settings while offering ongoing updates on market trends, research, mergers and acquisitions potential outsourcing opportunities to 3PSPs. We have gained the attention of 3PLs like FedEx, DHL, USPS and UPS. 3PSPs like Teleplan, Foxconn, Flextronics, Canon, providers have found that

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 Sony and Jabil, along with small-solutions providers that were previously unknown to them

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:



Dr. Mark Ferguson - University of South Carolina, Dr. Mark Ferguson serves as the Director of the Sustainable Enterprise and Development Initiative. Dr. Ferguson has worked in the reverse logistics area for over ten years; teaching classes on reverse logistics topics, consulting with companies and providing thought leadership of the area through his research.



James H. Hunt IV - GENCO **Technology Services**, Jim is the Senior Vice President, Business Development for GENCO Technology Services. He has responsibility for account management, new business sales and solutions development. He joined GENCO in July



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.



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 ioined 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.



Vijay Raisinghani, Google, David Moloney, Expert in end-to-end supply chain and fulfillment strategies and execution that cut costs, drive efficiencies, optimize assets, ensure compliance, generate revenue, and deliver high level of service quality and customer satisfaction. In-depth knowledge of supply chain system functionality, including planning, budgeting, forecasting, replenishment, transportation, and distribution.



lan 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.



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.



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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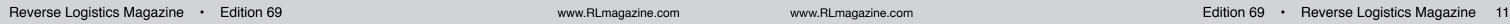
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Join today at www.RLA.org

Focus Committees continued on to page 5 Regional Focus continued on to page 11



12RETURN

Resources

Whitepaper

Returns Management in a Customer Centric Landscape.

Markets are on the move

Branded and Retail companies world wide are moving from a supplier dominated into a customer controlled market place. A market in which traditional marketing mix elements and supply chain models are disrupted. Disruption that requires companies to re-think and differentiate their proposition, added value, strategies and operating models to create or maintain their position in an increasingly competitive landscape.

Marketing Mix

Transparency through commoditization (product and price), global availability through e-commerce (place) and the shift to internet- and social marketing (promotion) force companies to re-think their marketing mix.

First, companies need to re-think their "pre-sales promotion and distribution strategies". Branded companies are redefining the balance between channel- and direct customer sales and retailers are implementing the omni-channel concept.

Second, a focus shift to "at-sales and after-sales service" is visible in many industries. Companies need to increase their service offering during and after the sales transaction. Managing the customer relation, while the customer is using the product, is important to deliver the user experience, maintain the customer relation, build customer loyalty and to safeguard retention. Service is becoming an important marketing element.

Supply Chain

The change towards a customer-centric or omnichannel retail- and distribution strategy has large impact on the existing supply chain. Unpredictable customer demand, home delivery, demanding delivery expectations and customer returns require the supply chain models and capabilities to evolve rapidly. In customer centric commerce the customer is at the steering wheel of the supply chain and logistics execution is part of the user experience.

Main focus is at the forward chain (deliveries) that supplies products and drives revenue generation, but attention for the reverse chain (returns) is required and growing as this impacts conversion and retention.

Besides effectivity and efficiency also the sustainability of the supply chain is gaining importance as the call for supplier responsibility is growing.



Reverse Logistics Association Regional Chapter Committees

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Change is happening in both B2B and B2C environments

Customer Centric Commerce

Customer Centric Commerce strategies are aimed at placing the customer and their needs at the center of the (shopping) experience. Retailers that apply Customer Centric Commerce have built cross-channel retail experiences and are able to adapt that experience to a specific shopping occasion.

Studies have shown that Customer Centric Commerce creates advocates who spend 30% more annually and spend 25% more with their preferred retailer. Customer Centric Commerce is considered to be the new alternative for the traditional 4Ps from the marketing mix.

It is expected that the customer of the future will organize his own shopping experience and delivery convenience. Customer Self Service is a critical enabler for Customer Centric Commerce.

Responsive and Sustainable Supply Chain



Forward Chain (Last Mile)

In the forward chain main focus is on being responsive to unpredictable customer demand and delivery expectations. This impacts supply chain management (forecasting and inventory management) and logistics (warehousing, fulfilment and distribution).

The logistics industry is rapidly evolving with new industry players (fulfilment) and innovative distribution concepts from leading carriers (time frame delivery, pickup locations, locker boxes). In parallel leading retailers such as Amazon are developing their own distribution infrastructures.

The growing number of on-line purchases and home deliveries is making logistics part of the user experience. Logistics is the new marketing of commerce.



Reverse Chain (First Mile)



In the reverse chain the challenge exists to implement a smooth "return-to-refund" process with the customer for commercial returns. An easy and reliable returns process is in the top 5 customer decision factors whether to buy with an on-line retailer or not.



Furthermore companies need to focus on building reliable return processes for "warranty and service" in case of product failure. Product up-time is becoming more important as the product often is the enabler of the recurring earning model of an associated service (mobile phones, settop boxes).



Finally the need for circular economy and sustainability drives companies to define and implement end-of-life product take-back and trade-in capabilities (refurbishment, electronical waste landfill reduction).

DAVOS? THE ILLUMINATI? BILLIONAIRE SUMMITS? THEY'VE GOT NOTHING ON THE POWER OF THIS PLACE.

When it comes to gatherings of powerful people who shape business and innovation, CES is in truly elite company. Best of all, you don't have to be incredibly wealthy to be here. Then again, the contacts you make here might just get you in that club. Register at CESweb.org.



The Customer Journey is an ongoing circular event and shorter product-life-cycles make it turn even faster.

Orientation

Purchase

by the existing customer.

the customer purchases an alternative product



Forward









Customers want control over the delivery process. They want to control delivery method, place, date and time. Delivery is expected to be free of charge.

Customer orientation occurs both off- and on-line. Increasingly orientation and purchase are decoupled in both time and

Actual purchase (conversion) occurs both off- and on-line. Customers expect multiple

purchases to be delivered in a single home



Start of Use - Commercial returns

Commercial Return rates, varying from 1% (books) to 60% (fashion) force retailers to implement an efficient returns process with their customers. A reliable returns process is in the top 5 customer decision factors whether to buy with an on-line retailer or





At Use - Service returns

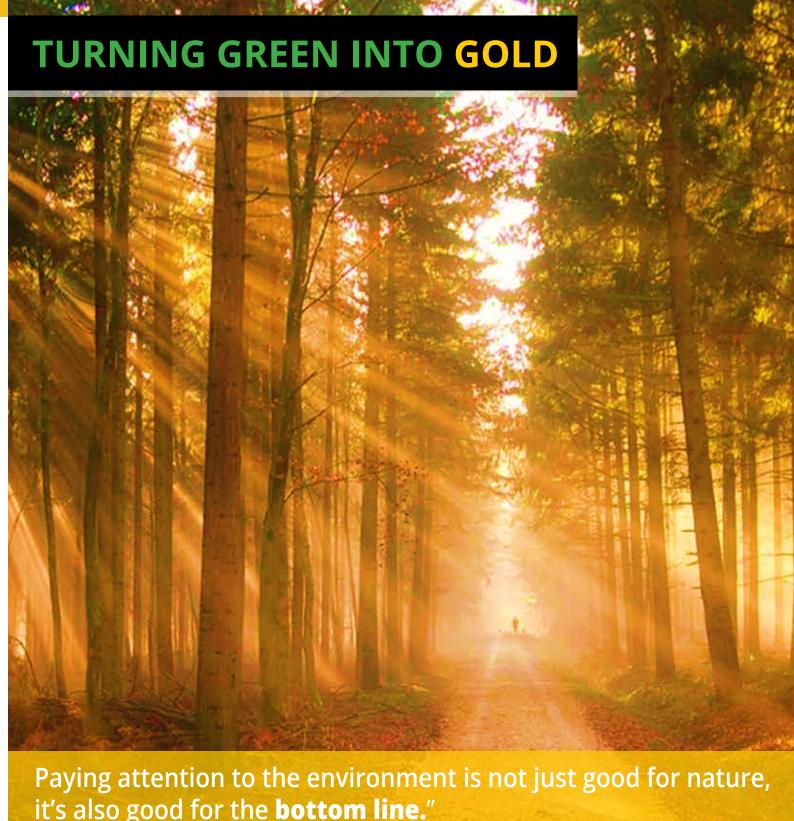
In case of product failure or maintenance, customers want a fast replacement. Uptime of products is important to deliver the customer experience and to safeguard recurring revenue. Down-time involves the risk of orientation at a competitor.





End of Use - Take Back returns

At the end of it's usefull life products still represent value. In order to protect brand and value the product should return in a controlled reverse chain. Product take back can be the trigger for a new orientation.



it's also good for the **bottom line.**"

Our Association doesn't save trees. Our Association educates others on how to eliminate the need to destroy them.



www.rla.org

Voice of the **Customer:**

A good returns process is at position 3 of important characteristics of a good on-line shop.

Important characteristics of a good returns process



fast refund







93% free returns

87% status info

(% of customers)

72% of all customers consider a good returns process important to buy with a retailer or not.

The Returns Service Opportunity

Branded and Retail companies are faced with 3 types of return that occur during the time the customer is using their product and where they are faced with an obligation and service opportunity towards the customer.

Start of Use

At Use

End of Use

Commercial Returns

Service Returns

Take Back Returns

93,4%

64,5%

3,1%

(% of retailers)

What is the Reverse Logistics Association?





To view this video without iTunes: http://www.youtube.com/watch?v=ImgPO4r5XF4

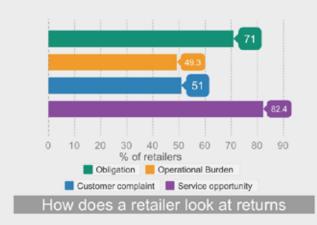
At this year's RLA Conference & Expo in Las Vegas you may have noticed a television crew roaming around. The crew was there to capture response to the conference and make a video that displayed the essence of the Reverse Logistics Association. They were also filming segments for a new video series in 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.

Customers that buy online are protected with a return period in which products can be returned without reason. Retailers are obliged to refund the purchase price. If a product becomes defect or requires maintenance during use, customers are entitled to receive warranty or service. In many cases this involves the return of the product.

Companies are faced
with take-back
obligations or
requirements at the end
of contract or if a
customer wants to
dispose a product at the
end of it's usefull life.

Returns can be looked at in different ways

Returns can be considered an obligation that involves costs. Returns are also an opportunity to deliver service and create value.



64,2% of all retailers consider returns as an important cost factor.

69% of all retailers believe that returns should be easy for the customer.

70% of all retailers believe that the customer should be involved in the execution of the returns process.

Return On Investment

Offering a good returns process as a service to the customer brings a large potential Return On Investment.

Customer Value

Returning customers

The level of value that is generated for the customer (convenience) or the level of customer value that is created for the company (conversion and retention).

Sourcing Value

Returning product value

The level of value that is generated through recovery of the returned product. Typically the type of recovery and value changes throughout the product life-cycle (restock=high, refurbish=middle, recycle=low).

Sustainability Value

Returning environmental value

The level of value that is generated for the society and enviroment (reduction of emision, avoidance of landfill).

Information Value

Returning business value

The level of value that is generated to optimize the returns process itself (effecivity and eficiency) or to improve the overall business (improvements to avoid future returns).

APAC RLA Conference & Expo Mumbai, India – December 10-12, 2014





3747 trade visitors, 125+ represented companies, 219 delegates and 101 exhibitors



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

For more information and complete details, visit 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.

RLA's APAC Committee and Reed Exhibitions Cold Chain Show 2014 unite to present three days of Cold Chain & Unsaleables/Reverse Logistics. Starting on Wednesday, December 10, through Friday, December 12 with workshops, sessions and exhibition.

A wide range of leading regional and global Cold Chain and Reverse Logistics companies are in attendance including unsaleables management to transportation logistics.

Be sure to visit the Exhibition Hall where Manufacturers and Retailers will be looking for Third Party Service Providers (3PSPs) that can manage Reverse Logistics in the APAC region, 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.



Voice of the Customer:

90% of customers likely buy again at a retailer if returns are handled fast and efficient. 85% of customers will never buy again if a return has not been handled correctly.

Retailer view:

According to retailers the returns process has a large contribution to their overall business objectives.









Customer satisfaction and Service

Efficieny

Image and Sustainability

Costs

95,6%

86.3%

82,6%

61.0%

(% of retailers)

The returns process should be end-2-end

A controlled reverse chain includes 3 main processes that should interact seamless to deliver a transparent and fast settlement with the customer.

Return registration and authorization

Reverse Logistics

Returns processing and settlement

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The interaction with the customer about what is being returned and why. This interaction is an additional contact opportunity to engage with the customer. In customer centric commerce the registration and authorization process should be supported by customer self service.

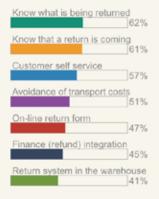
The planning and execution of the physical transportation. In an optimized reverse chain the expensive "first mile transportation" is executed by the customer. Using the mobility of the customer impacts costs and convenience.

The receiving of the return and the settlement (refund, replacement) with the customer. In complex reverse chains multiple return destinations and processes exist for different types of return. Offering insight in the status of the returns process supports the customer experience.

Retailer View:

Benefits of a good returns process

(% of retailers)



50.5%

of retailers is not satisfied with their current returns process.

59.0%

of retailers want to improve their returns process within the next 2 years.

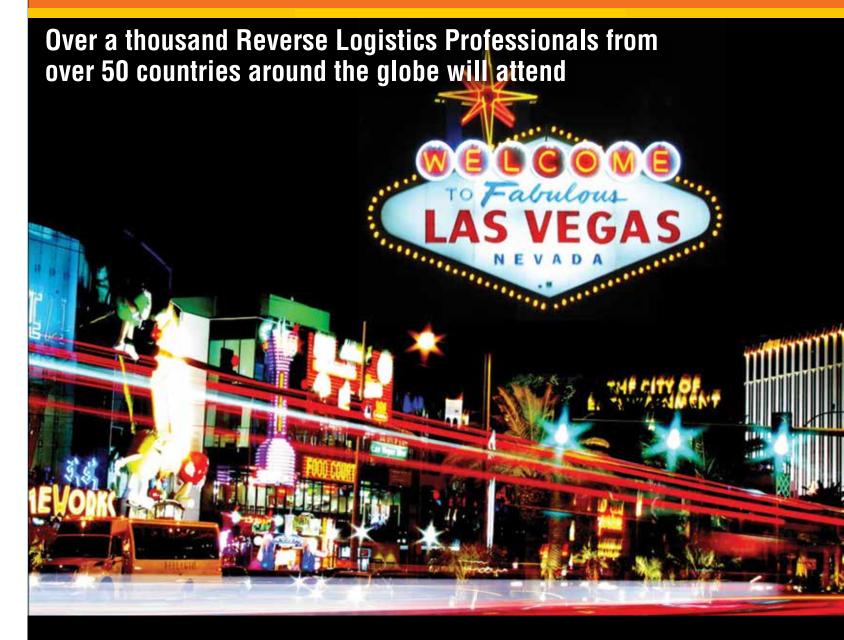
60.3%

of retailers believe that software is the key to a good returns process.

Returns Management is the game changer in the growing commerce landscape.

12th Annual **RLA Conference and Expo Las Vegas**

World's Premiere Reverse Logistics Event • February 2015



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

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3 Steps to Bring Sustainability to Your Supply Chain

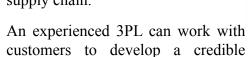
by Alan Amling, Director, Global Logistics and Distribution Market

According to PwC's Global Supply Chain 1. Measure footprint Survey 2013, more than two-thirds of supply One of the main ways logistics chain executives said sustainability will play partners can help companies an increasing role in the supply chains of the to improve the environmental future. It's clear that growing consumer demand sustainability of their supply chains and increasing legislation have begun to shift the is by first measuring and assessing perception of sustainable supply chains from "nice current operations. By gaining an to have" to "need to have."

There is little doubt that production, transportation and even warehousing of goods are major impacts on an organization's total carbon footprint. As a result, it is more important than ever for companies to evaluate their current supply chain practices, not only to identify ways to reduce environmental impact, but also to reduce costs through increased efficiencies.

One of the easiest ways a company can do this is by partnering with a third-party logistics provider (usually abbreviated as 3PL, but sometimes as TPL) that can offer expertise on making the entire supply chain more sustainable. The following are three steps companies can take with a 3PL to reduce the environmental impact of their supply chain, ultimately saving them time and money.

understanding of the impact of the current supply chain through the use of tools, such as a carbon footprint analysis, companies will be in a better place to later manage a more efficient supply chain.



carbon impact analysis, such as one that follows the Greenhouse Gas Protocol. The result of a decade-long partnership between the World Resources Institute and the World Business Council for Sustainable Development, the GHG Protocol is the most widely recognized international tool that helps to identify, measure and manage greenhouse gas emissions. The process sheds some light on a company's carbon impact, which



Read the Press



GENCO Marketplace Launches **Redesigned Website**

11 November 2014 - GENCO Marketplace, America's largest wholesaler of retailer returns, has made major improvements E-Waste Collection To Benefit GENCOMarketplace.com, its flagship website.

Full Article

Montabert Launches Factory Certified Reman Program For **Hydraulic Breakers And Drifters**

11 November 2014 – Montabert, a academic building at the university. leading manufacturer of hydraulic Full Article demolition and drilling attachments, recently opened a state-of-the-art remanufacturing facility in Lake Pounds Of E-Waste City, GA, to address the growing 7 November 2014 - Stone Castle Full Article demand for remanufactured hydraulic breakers and hydraulic largest recyclers of electronic waste, drifters.

Full Article

The Possibilities Exploring Of Plastics Recycling At The Full Article **Berkshire Museum**

11 November 2014 – Your shampoo Third Swedish Battery Recycling bottle could go on to contain Sorting Robot Coming To UK neighbor's new deck. That soft drink bottle you're carrying today you're wearing tomorrow.

Full Article

Waste Want **Chain Pays Off**

the future.

Full Article

Kids With Speech Problems

Universitys Lions Club and Ford \$1.3 Million Investment To Result MU Community Corps Journalism/ In An Expected 248 New Jobs Communication team will hold an 5 November 2014 - A leader

Recycling, previously one of Utahs has abandoned its three facilities and the owner is missing, according to the Basel Action Network, an e-waste watchdog group.

your lunch. That sandwich bag 6 November 2014 - Gothenburg, your using, could be part of your Sweden based automated battery sorting technology developer, Refind existing facilities in Arkansas, Technologies, is to install 600-900 could transform into the T-shirt kg per hour capacity system at WasteCares facility in Halifax, UK. Full Article

Not: Zero Waste Scotland Announce Sustainability In The Supply Funding To Improve Recycling Quality

10 November 2014 - Now, more 5 November 2014 - Zero Waste than ever, sustainable business Scotland has launched a new 90,000 practices underpin the efforts of capital grant fund for Materials global high-tech and electronics Recovery Facility (MRF) operators companies interested in bolstering to purchase standardised testing their bottom lines and preparing for equipment enabling them to effectively test, monitor and record their material quality.

Full Article

The Recon Group Inc. Establishing business-to-business 9 November 2014 - Madonna Cherokee County Operations;

electronic waste collection event in fully integrated, secure and from 9 a.m. to 1 p.m. Saturday, Nov. auditable reverse logistics solutions 22, in the parking lot of the main is establishing a facility to process consumer electronic returns in Cherokee County. The Recon Group, Inc. is investing \$1.3 million **Recycler Abandons Millions Of** to locate in Blacksburg, creating an expected 248 new jobs.

The Recon Group Inc. Growing **Quickly With Latest Expansion** To South Carolina Creating 250 New Local Jobs

5 November 2014 - The Recon Group Inc. (TRG) is rolling out a new facility in Blacksburg South Carolina, to process consumer electronic returns, creating over 250 new local jobs. This new strategic location will compliment TRGs Kentucky, New Jersey and Ontario Canada to further support their presence on the east coast.

Full Article

can help companies to properly report and thus meet regulations on greenhouse gas emissions. Additionally, verification and certification of the analysis by credible third parties provides confidence that numbers provided by carriers are credible.

A 3PL experienced with this tool can help companies through the process more easily and develop insightful recommendations on how to best redesign, reengineer and optimize current processes to create a more sustainable supply chain.

2. Manage operations

Another way 3PLs can help companies to create a more sustainable supply chain is by helping to manage their current supply chain through the implementation of optimization measures. From transportation design to organization and execution, a 3PL can help companies optimize their existing transportation and packaging operations.

Strategies for removing unnecessary legs of transportation could include shifting transportation modes, relocating inventory to optimal locations based on the customer's requirements or business needs, or co-locating valueadding logistics services (such as kitting and packaging or repair services) in a single location.

When it comes to managing packaging operations, 3PLs can help customers to reduce wasteful shipping materials by providing guidance on package function and design. This can include identifying the most efficient packaging design and materials, or incorporating the use of packaging materials made from recyclable or sustainably sourced materials.

Managing efficiently also means managing warehouses and distribution centers in a more sustainable manner. Energy-efficient warehouse and office lighting, LED technology, warehouse and office occupancy sensors, recycling programs and green space are all elements of sustainable warehousing.

3. Mitigate impact

Finally, 3PLs can help their customers to mitigate their environmental impact in a number of ways beyond measurement and supply chain organization and management. With access to a broad range of technologies as well as transportation and warehousing solutions, some 3PLs can assist customers in implementing sustainable supply chain strategies. This includes access to transportation methods that are less carbonintensive (such as rail or oceanmodes) or partnering with transportation providers or carriers investing in hybrid or natural gas vehicles within their ground fleets.



RLA Webinars are hosted and run by each Industry Committee.

Webinars are FREE and available to anyone who registers for the event. These Webinars are held monthly for each Industry Committee. They are 20-30 minute presentations given by a professional in that Industry, and then the opportunity is opened up to webinar attendees to ask Questions and share information relevant to the given topic.



COMMITTEE	TOPIC	CHAIRMPERSON	COMPANY
STANDARDS	Developing Standards for Food Safety and Quality during Transportation Processes	Dr. John Ryan	Ryan Systems
RETAILERS	Returns After Christmas: Challenges and Issues	Derek Palmer	Transform
LIFE SCIENCES	Life Sciences Reverse Logistics Best Practices	Gailen Vick	RLA
EUROPE	New Consumer Rights Directive and its impact on Reverse Logistics	Christophe Jeloschek	Kennedy Van der Laan
SOFTWARE SOLUTIONS	Better, Faster Returns Processing & Data Collection Part 2	Roger Levi	Intel
APAC	Major Trends in Sustainability and What They Mean	Bhavani Prakash	Eco Walk the Talk
BRASIL	Impactos da LRS (Lei de Resíduos Sólidos) Nos Processos Operacionais	Orlando Cattini Junior	FGV
WIRELESS TELECOMMUNICATIONS	Rechargeable Battery Handling and Transportation: What Wireless Companies Need to Know	Angelika Kluna	CLi360, Inc.
AFRICA	What is the state of reverse logistics in Africa?	Craig Plowden	Revlogs (Pty) Ltd
DATA STORAGE	Secondary Market for Drives	Tom Burnam	Western Digital
CONSUMER PRODUCTS	Finance is from Mars and Reverse Logistics is from Venus "How we can talk to each other"	Tony Sciarrotta	Reverse It Sales & Consulting







From a technology standpoint, 3PLs can work with After implementing these efficiencies, companies still their customer to incorporate paperless solutions for commercial invoices and billing, as well as customs documents, to reduce overall paper consumption.

One area where a 3PL can make a particularly large impact on supply chain sustainability is by helping customers to set up efficient reverse logistics operations. By implementing processes for recycling, refurbishment or end-of-product life disposal, companies can make a significant reduction in their total carbon footprint. 3PLs that can offer these services at a centralized warehousing or distribution point can make an even bigger impact by reducing the miles traveled at the end of the product lifecycle.

will be responsible for some level of carbon impact. Organizations looking to reduce their impact further can work with carriers that offer customers the ability to offset the impact of their shipments by investing in environmental projects.

The value of the right partner

While the idea of creating a more sustainable supply chain may seem overwhelming for some companies, having a knowledgeable and experienced logistics partner to help with the process can make it manageable for nearly any company. To identify a 3PL best-positioned to assist in this area, companies should consider partners whose sustainability practices they look to emulate. They should ask the following questions:

PRODUCT LIFE CYCLE

Supply Chain

FORWARD LOGISTICS

New Product Development

- Design Development
- Technology **Roadmaps**
- ASIC
- Development
- Mechanical Design
- PCB Layout
- Prototyping
- New Product Introduction

Material Management

- Vendor
- Relations
- Planning Procurement
- Inventory Planning
- Component **Fabrication**

Manufacturing &

- Distribution
- PCB Assembly Box Assembly
- Volume
- Manufacturing
- Integration
- Configuration
- Final Testing
- Distribution to Customer
- Customer
- Fulfilment **Transportation**

AfterMarket Supply Chain

REVERSE LOGISTICS

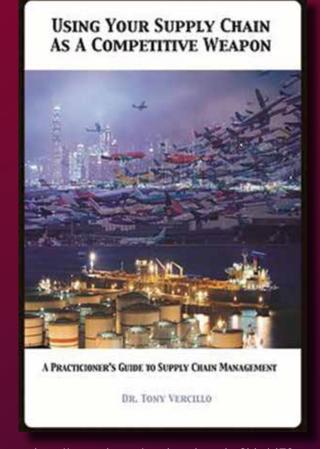
AfterMarket Customer Service

- Customer Service (helpdesk)
- Depot Repair/ReMan
- Service Logistics (Field Service)
 - Transportation/Warehousing
 - Spare Parts Management
- RMA Management
- Replacement Management
- Refurbishment
- Screening/Count Auditing
- End-of-life Manufacturing
- Remanufacturing
- Fulfillment Services
- IT Process Management
- Recycling
- Scrap/Waste Management
- Gray/B Channel Management
- Warranty Management
- Asset Management/ITad -**IT Asset Disposition**
- Sustainability/EPR Extended **Producer Responsibility**
- Environmental Resources

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A Practitioner's Guide to Supply Chain Management **By: Dr. Tony Vercillo**

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- Learn the 10 steps to gaining supply chain dominance
- Learn why off-shoring to a foreign country may NOT be a good idea
- Learn the Technologies that make a difference
- Learn the Key Performance Metrics that will drive your business to new heights
- Learn the future of global supply chain management



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What is it all about

An in-depth summary of Using your Supply Chain as a Competitive Weapon: A practitioner's Guide to Supply **Chain Management**





Does the company value sustainability and in turn practice what it preaches? Does it issue an annual company sustainability report? Is it transparent in its sustainability efforts? Will its network and assets provide opportunities for my company to create a more efficient and sustainable supply chain? Does it have access to cutting-edge technologies and tools? Does it have a proven track record when it comes to assisting customers?

Asking these questions and taking the preceding steps with a logistics partner not only will help to ensure your supply chain is meeting the growing demand for increased environmental sustainability, but help to reduce costs and most important — reduce the impact of business on our planet, preserving it for future generations.



Alanisresponsible forestablishing a global product strategy and drive improvements to profitability and customer value in two key contract logistics businesses:

1) Post Sales services including Critical Order Fulfillment (e.g. service parts),

Returns and Technical Services (e.g. diagnostic, repair, 3rd party vendor management, etc.) and 2) Distribution Services integrated with transportation in strategic locations around the globe to support our customers' manufacturing and Finished Goods Distribution needs.

REVERSE LOGISTICS JOB TITLE SURVEY

The RLA Reverse Logistics Certification committee is developing a course program for RL professionals, in conjunction with many organizations including: Dell, Walmart, Flextronics, University of South Carolina, American Pubic University and APICS. This survey is to help identify the RL positions currently in your company, or the positions in your company with responsibility in this area. We are also working to have position descriptions analyzed to help create common industry terminology based on your responses.



Your answers to this short survey will help the reverse logistics industry and your companies as we implement the courses, testing, and certification for more professionals in this area.

RL Certification

Committee Leadership

RL CERTIFICATION

Invest in your career and your future with a certification from the Reverse Logistics Association (RLA) that will show that you have a set of skills to build value in any organization.



In its commitment to giving you the greatest opportunities for professional development, RLA now provides certification as a:

REVERSE LOGISTICS PROFESSIONAL (RLP)

If you are working in the reverse logistics field with three or more years of experience, then you are ready to take the Reverse Logistics Association's preparation course for the Reverse Logistics Professional Certification Examination. The course is 8 hours of training in the foundational principles of reverse logistics and the business practices that lead to world-class performance. The course is highly interactive in an experiential-learning format that maximizes your training so that you can immediately apply what you have learned on the job. After passing the examination, you will be qualified to put "RLP" after your name distinguishing you are a highly-trained professional in reverse logistics.



REVERSE LOGISTICS MANAGER (RLM)



If you are a manager of reverse logistics processes with five or more years of experience, then now is the time to take the next step in your career by taking the Reverse Logistics Association's preparation course for the Reverse Logistics Manager Certification Examination. The course provides 16 hours of intense instruction in the latest trends in reverse logistics and the best practices that will set you and your organization apart in your industry. You will receive in depth training in the strategic and tactical aspects of reverse logistics. And, the course also covers the tried-and-true techniques that can help a manager lead his or her staff you achieve the greatest potential value-recapture for their organization. "RLM" after your name says that you have demonstrated a high-level of competence to lead and direct reverse logistics processes.

REVERSE LOGISTICS TRAINER (RLT)

If you quality as a Reverse Logistics Manager and you have training experience, by taking the Reverse Logistics Association's preparation course for the Reverse Logistics Trainer Certification Examination, you can become qualified to train RLPs and RLMs. The course is 24 hours long to strengthen your mastery of reverse logistics concepts and techniques as well as give you the skills to effective teach them to others. As an RLT you will be a registered education provider and you will be qualified to work collaboratively with RLA to help organizations around the world to prepare their personnel to achieve high-level performance in reverse logistics.



http://www.rla.org/company_focuscommittees_index5.php?showlist=true&FC=46

RL Certification program is organized by the RL Certification Committee

Three Considerations for Reverse Logistics Planning

by Chuck Fuerst (with permission of www.LogisticsViewpoints.com)

offer free returns through the mail. But this freedom for the customer can mean a lot of headaches and cost for you. The demands of the omni-channel marketplace are not only changing the way companies fulfill orders, but how they engineer reverse logistics processes. While you need to please the customer, you also need to be profitable.



Consider this common scenario: Since you offer free returns through the mail, customers have a tendency to over-order various styles, colors, and sizes, and then mail back the items they don't want. Now, you have a significant increase in returns coming in via the mail and perhaps through retail stores. How do you handle this efficiently and effectively? How do you ensure that the product goes back into inventory quickly so it can be available for sale again? You don't want to lose an order because it appears to be out of stock, but was actually returned to a store recently.

Considerations for reverse logistics in an omni-channel environment are complex. Here are three of the most important factors to consider as you plan your processes:

Tear down silos

In the old days, a retail order typically traveled from

You're trying to do everything right to lure in online the manufacturer or supplier to the national distribution shoppers: You offer free shipping. Customers can center (DC), to the regional DC, to the store, and finally return merchandise to a retail location. You even to the customer. Not anymore. In an omni-channel market, the retailer may request that an order be fulfilled from any location to meet customer demand quickly.

> When the goal is to fulfill external expectations, you must remove internal issues that will get in the way of that goal. In addition to fulfillment silos, examine other areas that could operate more effectively if they were integrated instead of separated. These could include systems, inventory tracking, networks, the sales and reporting processes, and more. Granted, this is no easy task. Flexible and adaptable software will be needed to meet the unique needs of your business while working across systems to help give you better visibility and track metrics.

Create a single pool of inventory

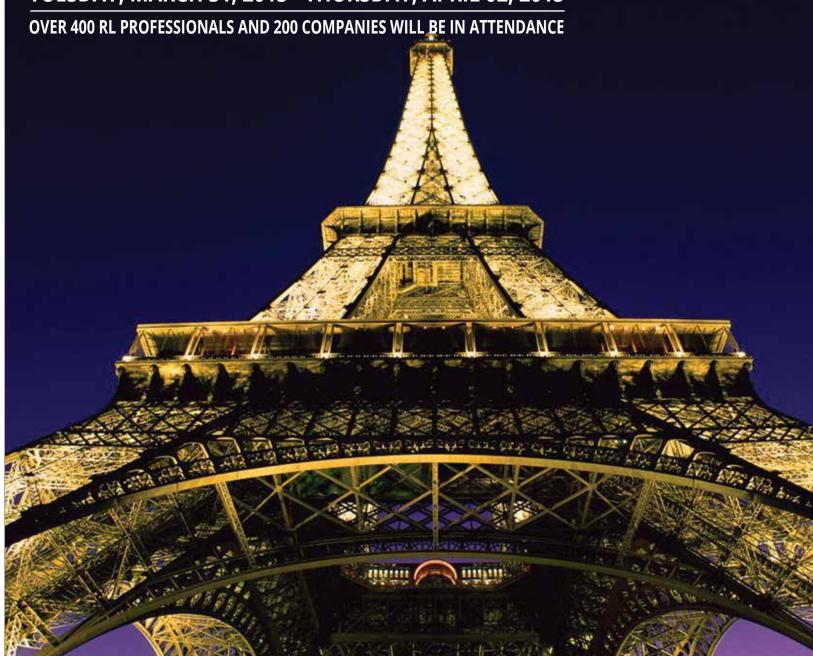
To effectively manage reverse logistics processes in an omni-channel environment, maintain accurate inventory counts at every stocking location from which fulfillment can occur. In addition, you should have an understanding of what inventory is on its way into those locations and when it will arrive.

Creating a single pool of inventory goes hand-in-hand with tearing down silos across your organization: When inventory is treated as one pool and when you have real-



RLA CONFERENCE & EXPOS: PARIS 2015

PARIS PORTE DE VERSAILLES PAVILION 7.2 TUESDAY, MARCH 31, 2015 - THURSDAY, APRIL 02, 2015



The Reverse Logistics Association Conference & Expo kicks off on Tuesday and continues through Thursday with workshops, committee meetings, several sessions presented by RL professionals, leading academics and interactive panel discussions. 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, ODMs, Retailers, and Branded companies to identify future service partners among the many exhibitors showcasing their Reverse Logistics solutions.

RLA WORKSHOPS: TUESDAY, MAR 31, 2015 http://rltshows.com/paris.php







right time.

Again, the right supply chain management software is critical in this scenario: It can help provide realtime store inventory information to your customers, trading partners and store management. It should have the ability to integrate with order management, store replenishment, supply chain planning, POS, planogram and ERP systems for quality customer service and supply chain efficiency – no matter what fulfillment center configuration you require.

Labor productivity

If you are handling more returns, your labor costs can potentially increase. Tracking productivity to ensure efficiency and cost-effectiveness is important in this situation. A performance management system gives you the ability to track industry-specific key performance indicators (KPIs) over time, build and incorporate your



time data to view that inventory, you can make better own company-specific KPIs, and perform analysis decisions about order fulfillment across all channels and on the data. But more than just providing metrics, a be confident that you have the right product on your performance management system can help communicate shelves and in your customers' shopping carts at the goals to your workforce and improve their understanding of the results needed in order to meet the demands of this ever-changing marketplace.

Managing inventory beyond the four walls

When approaching reverse logistics, the ability to track items and have real-time control and visibility is paramount. Consumer demands are changing and the expectation of being able to buy, fulfill and return anywhere means that you have to be creative and proactive with your warehouse strategies for both delivering the items and returning them. For those omni-channel retailers that prioritize reverse logistics and employ the flexible tools needed to implement those processes, the goals of tearing down silos, creating a single pool of inventory and ensuring a productive labor force will not only optimize the order process, but help improve the entire supply chain.



Chuck Fuerst is the director of product strategy at HighJump Software. He has more than 15 years of experience in the technology market, working for supply chain and ERP software companies to deliver innovative solutions. Chuck is

responsible for monitoring supply chain industry and technology trends and identifying ways to enhance the value of products for HighJump's customers. He holds a bachelor's degree in marketing management and innovation from Concordia University.

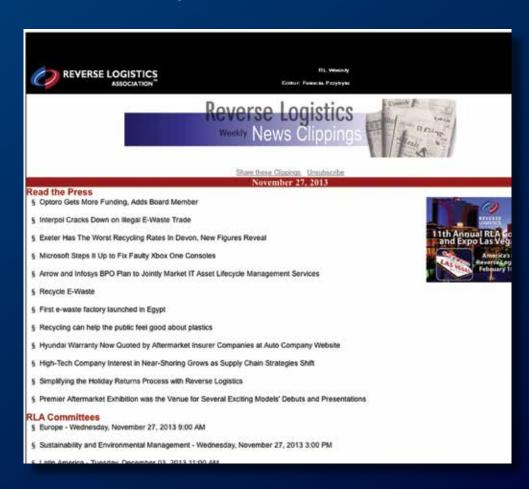
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Military Applications in Reverse Logistics

by Dr. Oliver Hedgepeth

Currently, the military has the largest reverse called reverse logistics. logistics operations in history.

definition of reverse logistics. In the civilian



world, reverse logistics can be considered as a customer returning a product to a retail store, with the idea that the broken product will be sent back through the supply chain and through a series of warehouses until it arrives at the place where it was manufactured. That's a good story. However, that is not the complete story of reverse logistics.

Starting a few years ago, military logisticians became the leaders in the biggest reverse logistics operation in

Many people have told me that the military has history. They are poised to return thousands of containers no group in place to conduct reverse logistics and equipment from the Middle East back to the U.S. operations. But the fact is that the military has Those military logisticians are rethinking new ways to been practicing reverse logistics since day one. load and track and trace inventory as it returns-this is

The term reverses logistics is in the United States Army The problem of understanding the concept of vocabulary as Army Regulation 711-7. It describes how military use has to do with one small part of the items such as trucks or tanks, or any military equipment that is damaged or unserviceable, can have some value reclaimed from that item. That is what we do in reverse logistics – reclaim value.

> Some military equipment can be returned in good shape to other military units or to National Guard units; some can be fixed and sold; some can be sold as is.

> Besides fixing or returning military equipment, there is an issue of transport. The return process requires many ships and thousands of containers.

> Tracking and tracing technology is a key part of the military effort to ship equipment back to the U.S. It takes tracking and tracing technology to identify each item in the inventory of hundreds of millions of items. All of it must be inventoried, categorized, and tracked along a complex virtual and real road from the Middle East to a final destination.

> All of this effort costs billions of dollars. Recent military budget uncertainty has impacted the military, including logistics operations. The military logistics community has explored ways to work smarter to get the job done.





It sounds simple, but it is not. This return of military equipment is perhaps the most complex system of reverse logistics operations in the world.



Dr. Oliver Hedgepeth is the Program Director for the Reverse Logistics Management. Previously, he was a tenured Associate Professor of Logistics at the University of Alaska Anchorage. His Ph.D. is in Engineering Management

from Old Dominion University. His book, RFID Metrics, examines how we define problems such as reverse logistics.

Reverse Logistics Terminology

Ε

Industry Definition		
INDUSTRY	TERMINOLOGY	
Apparel	Merchandise Returns	
Automotive & HD	Remanufacturing	
Consumer Products	After Market Supply Chain	
Furniture	Rebuilders/Refurb	
Hospitality	Reader Board Shopping	
Military	Retrograde	
Retail Grocery	Unsaleables	
Space & Aviation	Obsolescence	
White Goods	Takebacks	

Life Cycle Management After Purchase Life Cycle

- · Customer Service (helpdesk)
- Depot Repair/ReMan
- Service Logistics (Field Service)
 - Transportation/Warehousing
 - Spare Parts Management
 - RMA Management
- Replacement Management
- Refurbishment
- . End-of-life Manufacturing
- Remanufacturing
- Fulfillment Services
- IT Process Management
 - Recycling
 - Scrap/Waste Management
- Gray/B Channel Management
- · Warranty Management
- Asset Management/ITad -**IT Asset Disposition**
- Sustainability/EPR Extended **Producer Responsibility**
- Environmental Resources



"Reverse Logistics is the process of managing assets (whether negative or positive) after a product or service is purchased or consumed in all industries and across all disciplines"....

Omni-Channel Retailing Critical Components for Success

by Paul Adamson and Delana Lensgraf

Omni-channel retailing may be the evolution of to become engaged sellers of products, differentiate multi-channel retailing, but the entire organism is ripe for a revolution.

In multi-channel retailing, companies sell through several channels, but each channel - brick & mortar, online, mobile, etc. - is independent of the other. In omni-channel retailing, a consumer can use more than one channel to purchase a good or service. The consumer has various options -

purchase online and then pickup from the store, use mobile to research, or purchase in store and complete a return online. The shopping experience has shifted in favor of the consumer and the consumer now has the power.

"Retailers estimate they lose \$65M for every billion dollars in revenue due to a lack of Omni-Channel readiness."

- Retail Info Systems, October 2013

According to the most recent data from the World Bank, household consumption expenditure accounts for 69% of GDP in the United States.1 Consumer spending drives the U.S. economy; the way people shop has changed dramatically in the past decade. The connected consumer pushes traditional brick & mortar retailers

The "Traditional" Supply Chain Process

based on knowledge and services, and deliver a seamless shopping experience. The consumer of today wants customized offerings and promotions across all engagements – from store to online – and expects that retailers offer brick & mortar as an integrated part of their supply chain, not purely a selling location. The growth of omni-channel retailing has seen the rise of specialty supply chain software strategies and solutions. A typical shopper may peruse a product in store, look up prices online, and finally place an order using an app. Interaction by the retailer extends beyond loyalty programs to purchase patterns; social media interactions and affiliations; website engagement; and specialty data mining technologies.

"...Manufacturers are always looking for ways to improve their relationship with their retail partners. Some of the most visible benefits of collaboration will be in fulfillment execution, greater transparency in the supply chain, fewer stresses in global operations, and more successful product strategies."

- International Data Corporation Retail Insights Report

Omni-channel retailers carry consumer-centric merchandise not specific to any channel (the theory of

SUPPLY / DISTRIBUTION

1 "Household final consumption expenditure per capita growth (annual %)." World Bank Group. http://data.worldbank.org/indicator/NE.CON.PRVT. PC.KD.ZG. 13 Aug 2014.

omni-channel retailing requires a collaborative approach to make appropriate decisions about channel integration between manufacturer and retailer. Omni-channel requires investment; companies that don't make the investment are missing a major business opportunity and risk obsolescence.

Key Component of an Omni-Channel Solution

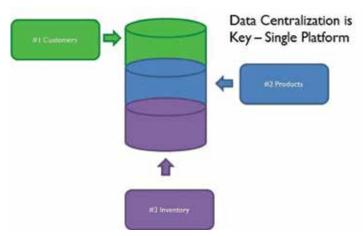
When retailers consider the shift from multi-channel to omni-channel sales strategies, the emphasis must be on revamped business processes, policies, and technology infrastructure to support the engaged consumer. The advantages of an intimate relationship between retailer and consumer are increased spending, improved brand awareness, and reduced returns. For a retailer to gain these advantages, it is imperative that they consider the following areas to focus efforts:

- Inventory Visibility
- Network Speed and Agility
- Distribution Channels (Macro and Micro)
- Allocation Policy Definition
- Warehouse Management and Order Management **Decision Support**

Supply chain visibility is key to enable omnichannel sales.

To move from multi-channel to omni-channel, a retailer must be committed to invest both time and money. The retailer will depend on real-time data to manage digitally online and brick & mortar, expecting to purchase or it is possible to employ postponement as a leading return product anywhere. The result of a successful omni-channel program is consistent exposure to a brand manufacturing or distribution of a product until receipt of that creates awareness with consumers. The changes a customer order.² This reduces the incidence of incorrect

an 'endless corridor'). The immersive requirements of and manage a thorough understanding of the consumer and usability.



Supply Chain Design, Fulfillment, and Postponement in an Omni-Channel **Environment**

Today companies are moving from a traditional fulfillment model to a leaner and more strategic fulfillment process. On the forward side of the supply chain, having the ability to drive distribution through multiple channels is critical: direct from manufacturer to consumer, from distribution centers, or even micro distribution through stores. The graphic below depicts the shift from traditional fulfillment to omni-channel; a consumer interacts with all aspects of the supply chain.

For non-traditional fulfillment processes to be successful, it is critical to have a complete and accurate view of connected consumers whose experience shifts between available inventory across channels. If this is successful, model. Postponement is a deliberate action to delay final require IT, Marketing, Sales, and Operations to develop manufacturing or inventory deployment. Postponement

RL Careers



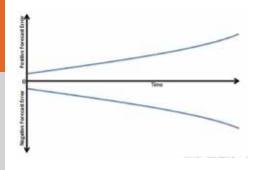
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strategies and practices to reduce the anticipatory risk in a supply chain. Production can be fine-tuned or staged so that only the generic

parts shared by a firm's various end products are warehoused. Retailers can purchase and fulfill at a SKU level, as opposed to a category level. The firm reduces inventory pressures because goods are produced upon order receipt, reflecting only what is being demanded by the consumer. With a successful omni-channel strategy in place, postponement can shorten the window for order fulfillment, thus decreasing the rate of inaccuracy. Forecasting is more effective with a shorter order window, as illustrated by the graphic. By postponing, companies can leverage made-to-order capabilities to decrease the amount of necessary inventory. In some cases, it can be cost effective to ship a demanded good from a nearby distribution center or store.

Postponement as a strategy bridges the forward and reverse supply chain. An effective postponement strategy can limit the need for raw materials, reduce the amount of product sold into secondary channels (liquidation), and improve a company's green footprint.

Aligning Business Policies and Technologies to Support Omni-Channel

In addition to supply chain design and inventory visibility considerations, retailers must develop and deploy clear business policies and effective tools to support the increased inventory and order processing demands.

From a business policy perspective, the emergence of omni-channel presents a variety of opportunities to serve customers better, but these policies can also negatively impact the bottom line. Retailers must determine how to align allocation decisions and merchandising supply chain policies so that a clear set of rules for cross-channel product and promotional offers is presented to customers. These policies inform what fulfillment options should be considered to maximize the cost benefit trade-offs of omni-channel. Without clear policy guidance, cross-

on the investment in omni-channel solutions.

From a practical perspective, the implementation of omni-channel policies requires technology solutions that can make real-time decisions on what product and pricing offers to present and what fulfillment options to consider. Two key technology capabilities that must evolve are 1) Warehouse Management Systems (WMS) and 2) Order Management Decision Support (OMDS) systems. The integration of scalable, enterprise-level WMS and OMDS allows retailers to identify inventory across all micro and macro fulfillment points, execute orders from all points of origin, and direct returns based on the needs of the enterprise. A well-selected and properly engineered suite of applications will provide the network speed and agility necessary to meet the demands of omni-channel consumers.

The Role of Omni-Channel in the Reverse **Supply Chain**

The growth of omni-channel is seen as both a threat and opportunity to manage the return of products. The ease of return is now a competitive weapon utilized by both leading and reaching retailers. The rise of connected consumers enjoying 'risk-free' purchasing necessitates the development of comprehensive and robust returns processes. The creation of seamless shopping channels provides leverage to the consumer - no matter the purchase channel, a consumer now expects to return using the most convenient method. The challenges of implementing omni-channel for the forward supply chain are equally daunting from the prospective of returned goods.

This seamless shopping experience is a boon to retailers. There is considerable opportunity to upsell consumers through multiple channels on the forward supply chain. Data mining and advanced algorithms allow retailers to increase revenue by suggesting complimentary products and accessories. For example, Amazon recommends complimentary purchases to customers. If a customer buys a Canon EOS Rebel, Amazon suggests additional items – memory card, extended life battery, carrying case, and telephoto lens. These products are delivered to the consumer's door seamlessly, but what happens when the consumer is dissatisfied and wants to return each item? The camera may have come from Canon's channel priorities will come into conflict and logistics & distribution center in the Midwest, the battery shipped order fulfillment costs can skyrocket yielding no return straight from the manufacturer on the west coast, and finally the lens is from a secondary retailer's warehouse. to information and expertise that reduces the risk of The logistics of where to return each item and financial implications for the profit and loss centers of the retailer are incredibly complex. Layer in geography, culture, and industry variables and the complexity of returns increases. Reducing consumer confusion creates strong bonds between consumer and merchant.

Minimizing the cost of returns boils down to two primary focus areas:

- 1) Taking the steps to prevent returns early in the buying
- 2) Making the returns process simple and streamlined.

The good news for merchants is that they have an opportunity to reduce returns through a comprehensive omni-channel strategy. According to the Consumer Electronics Association, 50% of consumers will use a mobile device to help shop for electronics. Successful omni-channel retailers assist consumers with access

purchase. The retailers have multiple avenues to provide a high-level of intimacy to consumers, including subject matter experts in store, online chat, or social media forums. Highly engaged omni-channel retailers use the data collected to build extended rapport with consumers post-purchase. A retailer can reduce potential returns by including support with set-up, trouble-shooting, and doit-yourself repair and upgrades.

The challenge to manufacturers and retailers is finding ways to support new returns and secondary channel disposition outflow. Many omni-channel retailers create systematic workarounds to manage returns; they face the challenges of centralizing siloed back-end systems and processes into a system-wide IT environment. The benefit to the manufacturers and retailers for developing a comprehensive reverse supply chain to support omnichannel is the creation of a valuable secondary market (outlets, salvage centers, auctions, etc.) currently valued



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² Cheng, T.C.E., Li, J., Wan, C.L.J., Wang, S. Postponement Strategies in Supply Chain Management. International Series in Operations Research & Management Science, Vol. 143. 2010

in excess of \$400 billion annually.3

The Benefits of Omni-Channel Retailing

When retailers deploy a comprehensive plan, utilize the proper tools and applications, and focus on staff development and consumer engagement, they can recognize huge gains in revenue and margin through omni-channel retail.

"Among retailers, customer experience accounts for 47% of loyalty, while price and value contribute only slightly to capturing consumer loyalty."

- Forrester Research

In order for retailers to leverage the trends in omnichannel retailing in brick and mortar and online, the retailers must adapt, stretch, and engage.

Success in retailing, whether brick and mortar or online, is marked by fierce competitiveness and brand recognition. Success now has a third requirement – the need to focus on incorporating technology into the store and online experiences to further engage and personalize the shopping experience. The retail industry is realizing that in order to be successful, they must provide access and have a presence in every channel. The movement from a traditional multi-channel to the market required omni-channel ensures that consumers access the best

shopping experience, based on their unique needs and requirements.

When retailers deploy a comprehensive plan, utilize Omni-channel is the evolution of retailing...until the the proper tools and applications, and focus on staff next revolution is identified!



Paul Adamson is the Director and the Co-Lead of Spinnaker's Returns Management Consulting Practice. He has spent more than 20 years focused on the design, implementation, and optimization of returns management programs and

reverse logistics solutions for large public & private firms. Paul has lead projects that encompass new product development, design for repair, design for sustainability, field and depot repair, spare parts management, asset recovery, and life-cycle management.



Delana Lensgraf is the Research Content Specialist for Spinnaker's Supply Chain practice. An expert in international relations, Delana blends a unique skillset of global supply chain operations and corporate social responsibility. At

Spinnaker, Delana is responsible for driving thought leadership across the firm's four lines of business. In this role, Delana collaborates with practice leaders to publish innovative pieces on topics from Remanufacturing to Omni-Channel to Electronic Waste.

³ "Managing Retail Returns: The Good, The Bad, and The Ugly." Inbound Logistics. http://www.inboundlogistics.com/cms/article/managing-retail-returns-the-good-the-bad-and-the-ugly/. 20 July 2014.



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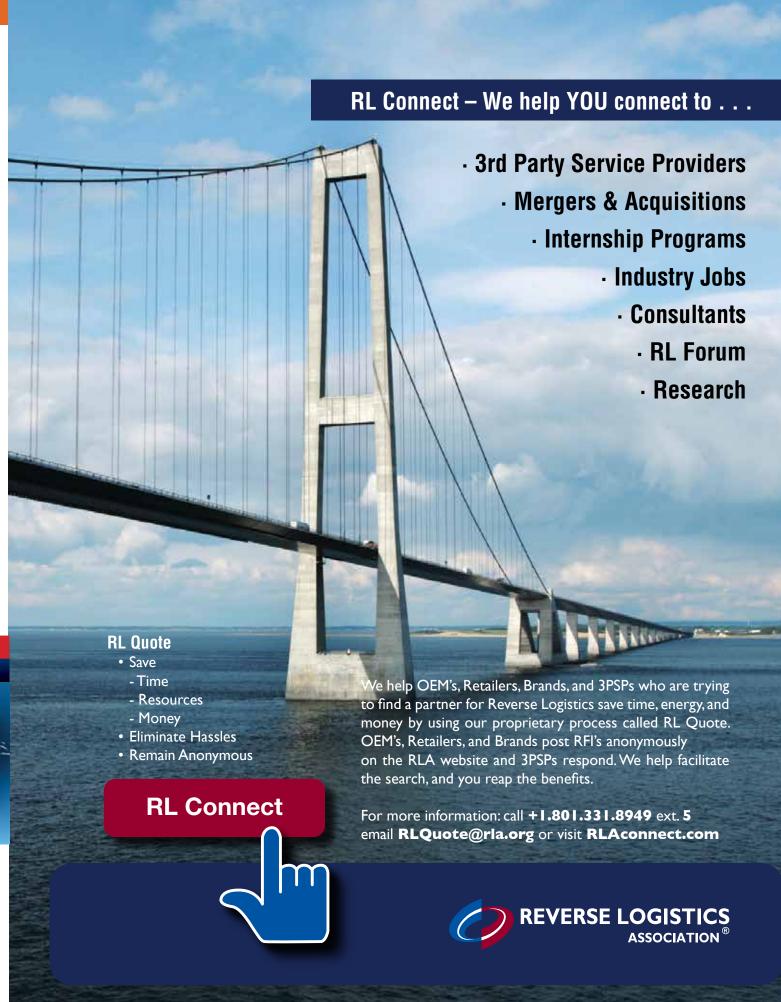
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Returning Thoughts

How to Setup Your 3PL Operations to Provide Reverse Logistics Services

by Paul Rupnow



that you handle and process their returns or you already understand that Reverse Logistics is an excellent opportunity to enhance the value added logistics services your 3PL Third Party Warehouse

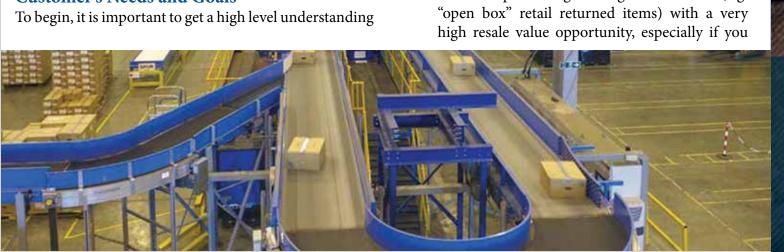
offers. So now it is time to think about how what is involved in processing returns and how you need to set up your warehouse operations. To prepare your operations to provide Reverse Logistics services you need to understand some of the key points related to the processing activities, the reporting and data exchange requirements, the software systems and the physical warehouse layout requirements for handling product returns. With the right planning and tools, you may find Returns processing much easier than you initially imagined and that the skills and talent required will integrate well with your current operations and skill sets.

Understanding Your Reverse Logistics Customer's Needs and Goals

By now, your clients have requested of your 3PL client's Reverse Logistics needs and goals along with the opportunity it can present your 3PL business and why you are well suited to provide the Reverse Logistics services.

> Your clients need your expertise to help them accomplish two goals:

- 1. Look after their Customers/Retailers: This means, when processing the returns, they need you to:
 - a. receive quickly
 - b. receive accurately, validate the returned item and condition
 - c. report on receiving so they can issue credits or provide exchange goods
- 2. Help Recover Value: Long gone are the days where you would resell a truckload of dusty inventory for pennies. Often the return goods that need processing are in good condition (e.g. high resale value opportunity, especially if you



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add some minor processing, such as:

- a. Triage develop rules and methods to sort for highest value-recovery processing
- b. Light processing such as visual inspection, minor testing, cleaning, repackaging, kitting or harvesting for parts ("un-kitting").
- c. Grading and consolidating "like" goods for next stage processing, shipping for further processing (repair or RTV Return to Vendor) or for final sale
- d. Shipping the "finished goods" that have been converted to the highest possible recovery value for its condition. These "finished goods" may be in the form of refurbished goods, "As Is" goods, or scrap depending on the outcome of the triage and processing.
- e. Reduced Transportation and processing costs
 if you already process your client's forward logistics, there may be an opportunity to

save significant transportation costs by also handling their returns, in addition to knowledge and other savings since you already know and understand your client's products and forward logistics needs.

With these client needs and goals in mind, you also need to keep in mind what you want: value added service that will generate higher revenue and profit per square foot of your precious space than your basic Warehouse and Logistics services. As an additional note, you may also find that returns processing seasonality is an opposite cycle to retail logistics, since it often lags by 1-3 months. This may provide an opportunity to be busy processing returns when your warehouse is less busy processing forward logistics orders.

Next month, for part 2 of this article, we will expand on the processing, triage, dispositioning, reporting, data exchange, software technology and warehouse setup and layout to operate a Reverse Logistics and returns processing operation at a 3PL Third Party warehouse.





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



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