Let us make your life easier.

Improve your brand loyalty while creating additional profits with our suite of aftermarket services

Reverse Logistics & Repair  Service Parts Logistics  Distribution & SMI  Product Transformation

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A more convenient way to handle returns.
Now that’s smart!

We are excited to announce that FedEx SmartPost® is now offering a return service for your customers. You and your customers can both enjoy cost- and time-saving benefits on all return shipments.

FedEx SmartPost® Returns is easy as 1-2-3:
1. Print out a prepaid return label and include it in your customers’ shipment.
2. When a return is needed, instruct your customer to affix the return label to the return shipment.
3. Your customer can place the return in their mailbox, drop it off at a local Post Office, at a USPS collection box or even take advantage of a free package pickup by the USPS.

To learn more, go to fedex.com/us/smartpost/returns

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Three years ago, Cisco implemented foundational changes in the Reverse Supply Chain space to develop and build an end-to-end solution that would enhance both the customer experience and unlock the value from product returns. The focus would include changes in Asset Recovery, Receiving and Disposition, Recycling, and Order Management processes. A major challenge for the team was to create flexible and scalable solutions to address customer satisfaction.

Bad Economy May Not Be So Bad for Third Party Service Providers
by Michael Blumberg

Most people want to know how the current economic state of affairs will affect the business they are in and their personal fortunes. The Reverse Logistics & Aftermarket Service Industry is not immune to this situation.

Avoiding the Pitfalls of International Returns
by Tom Stanton, AFMS

This is the third in a series of articles on international returns. In the first article, the topic discussed was the problem of not preparing for potential returns of previously exported merchandise. And the second article focused on country of origin and classification. This installment is a short summary of the information provided in the first two articles.

To address customer satisfaction.

To create flexible and scalable solutions.

This survey, consists of two questionnaires: one from the customer perspective (OEM/retail) and one from the 3PSP perspective. The questions are similar for comparative reasons. The results enable us to provide state-of-the-art information on returns volumes, returns causes and processes and RL services. By taking this survey you make a significant contribution to the body of knowledge.

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The founding economy around the world has everyone wondering what will happen next. In the past the only time I heard about Greece was someone’s vacation plans, now everyone talks about Greece as a financial burden, who would have thought? I was in Brazil last month and I found the economy there was growing at an unbelievable rate!

Is the economy getting better or worse? Depending on whom you ask, existing government administrations say better, opposition parties say worse! But no matter what is happening, now is the time to cash in on the demand for Reverse Logistics vendor services & solutions.

Back in 2008 I stated, “Now is the time for companies to be ramping up marketing efforts to increase visibility and gain attention of manufacturer and retailers. I constantly hear that many manufacturers and retailers want to outsource programs.” So don’t slow down, it is time to accelerate your marketing efforts and finally outsource that program this is costing you too much.

That is what we are doing here at RLA, we are increasing our support services in order to be meet the increase demand from our members. I want to announce 2 new support solutions,

Kurt Walker, Director of Special Events is developing educational networking events in the form of seminars & workshops, while at the same time managing our international speaker’s bureau.

Kelli Ray, Manager of Marketing & Advertising for Reverse Logistics Magazine, is developing a series of marketing solutions for companies to gain exposure on a global basis, while promoting products and services.

Gailen Vick
RLA President
ReverseLogisticsAssociation.org

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 – Tech, Consumer Electronics, Automotive, Medical/Pharmaceutical, Food and Beverage, Apparel and others – our goal is to provide RL process knowledge to all industries so that 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 services to the industry at a moderate price.

Managing the latest information is services such as computer repair, return parts management, end-of-life manufacturing, service logistics, field service, returns processing and order fulfillment is just to name a few, can be a little intimidating, to say the least. Yet that is exactly what the Reverse Logistics Association provides through our membership services. We serve manufacturers and retailers in a variety of settings while offering ongoing updates on market trends, research, mergers and acquisitions and potential outsourcing opportunities to 3PSPs. We have gained the attention of the leading companies such as 3PSPs like FedEx, DHL, UPS, and UPS. 3PSPs like Teleplan, Foxconn, Electrolux, 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 our membership services, RLA Connect services and our publications – RL Magazine and the Weekly News, ERP Magazine and iJournal – we help OEMs, ODMs, Branded and Retail companies find service partners and solutions providers that were previously unknown to them.

Our Mission

Message from the Publisher

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Our Mission
Reverse Logistics Association

Industry Committees

Focus Sub-Committees are set up to provide a standing forum for Reverse Logistics Professionals to meet on a regional and global basis and discuss common challenges.

Reverse Logistics issues at the RLA Conferences & Expo. Focus Sub-Committees educate the industry on reverse logistics:

- "Best Practices"
- Consumer Satisfaction Issues
- Regulations on a Worldwide & Regional Basis
- Processes that can Reduce Costs

Industry & Focus Committee Advisor - Kurt Walker, Reverse Logistics Association

Apparel
Chairperson - Matt McGrath, Carolina Logistics Services
- Pete Carfrae, AKS Consulting

Automotive
RLA Advisor - Lyndsey Turner
- Austin Rappe, Innmar
- Charles Chappell, DEX
- Dave Vikartofsky, Advanced Technical Services
- Kurt Witek, YRC Reverse Logistics

Appliances - White Goods
Chairperson - Jesse LaRose, ESE Solutions
- David Lick, Seagate Technology
- Gary Gear, Toshiba
- Glenn Gruber, ModusLink
- Wes Stott, DEX
- Doug Pratt, Iomega
- Kevin Arna, OneNote Digital
- Vladimir Gatti, Pandisco Information
- Herman Goemans, Sprague Magnetic Europe
- Mike Joyce, Tech-Ed Networks
- John McGurk, GlobalWare Solutions
- Edward J. Higgins, MasterWorks International
- David Liscum, Hyper Microsystems
- Herman Goemans, Sprague
- Daniel Silva, FlexLogics
- Paul Knight, CNE Direct, Inc.
- John Driscoll, DDI
- Tom Steiber, West

Digital Imaging & Video
Chairperson - Larry Mayo, Precision Camera & Video
- David Liscum, Hyper Microsystems
- John McGurk, GlobalWare Solutions
- Don Kaufman, Amazon.com
- Edward J. Higgins, MasterWorks International
- John McGurk, GlobalWare Solutions
- Dan Gardner, ATC Logistics & Electronics
- Pete Carfrae, AKS Consulting
- Dick Kluis, Servigistics
- Vibhore Arora, Infosys
- Jeff Seaman, SCI Group
- Jake Ducowy, CertiCell
- Sreenathsa, The Service Solutions
- Scott Hertel, UPS
- Larry Worden, CertiCell LLC
- Blake Vaughn, Brightlight
- Ted Garham, Ecotec

Home Improvement
Chairperson - Dan Gardner, ATCLE
- Larry Mayo, Precision Camera & Video
- Bill Kenney, OnProcess
- Joseph Tarantino, Sprint Nextel
- Bill Kenney, OnProcess Technology
- Chris Griffin, Sprint Nextel
- Silveira Guerra, Keylab - Nokia
- Ishan Irani, TPG
- Dave Vikartofsky, Advanced Technical Service
- Andy Chuang, ZyXEL Communications Corp
- John McGurk, GlobalWare Solutions
- Don Kaufman, Amazon.com
- Edward J. Higgins, MasterWorks International
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- Blake Vaughn, Brightlight
- Ted Garham, Ecotec

Telecom
Chairperson - Gary Cullen of 4PRL
- John McGurk, GlobalWare Solutions
- Don Kaufman, Amazon.com
- Edward J. Higgins, MasterWorks International
- John McGurk, GlobalWare Solutions
- Dan Gardner, ATC Logistics & Electronics
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- Sreenathsa, The Service Solutions
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- Larry Worden, CertiCell LLC
- Blake Vaughn, Brightlight
- Ted Garham, Ecotec

Food & Beverage
Chairperson - Bruce Stevenson, RIMS Inc
- Carl Dubose, PepsiCo
- Oliver Hedgespay, University of Alaska
- Stacie Perez, HJ Heinz
- Lori Kenschmidt, ConAgra Foods
- Sharon Joyner-Payne, Carolina Logistics
- Tom Marcelino, Innmar
- Misty Hicks, Americold
- Gene Bodeheimer, GENCO
- Joe Warden, University of Kansas
- Ted Anderson, CH Robinson Worldwide

Home
- Mattress, Bed & Furniture
- Jewelry & Watch

Medical/Pharmaceutical
Chairperson - Michael Blumberg, St. Louis Advisory Group
- Robert Ticknor, Services Innovations Group
- Dan Gardner, ATC Logistics & Electronics
- John McGurk, GlobalWare Solutions

Medical/Electronics Best Practices
- Eric Miller, Agogio Management Consultants
- Jeff Seaman, SCI Group

Sporting Goods
Athletic/Outdoor Gear & Apparel
- Pat Sullivan, Innmar
- Doug Houle, DHL
- John McGurk, GlobalWare Solutions

Focus Committees & Regional Focus continued on page 37
Profitable trade show returns begin with proper planning and that must include the all too common error of insufficient attention and action on post-show activities. In fact, the Center for Exhibition Industry Research reports that up to 80% of the leads gathered at a show are not followed up. Amazing. And the reason usually traces to a failure to plan well. (You have heard the adage, if you fail to plan, you plan to fail. So true. While it may be convenient to put the responsibility for exhibitor success onto the show, there are often major procedures omitted by the exhibitor and opportunities missed. There are hard won rules, guidelines that must be followed in order to ensure a successful show, regardless of all other factors. As you are already at the show reading this article, I will address the post-show key factors which all revolve around a system, without which, there is scant time to follow up properly considering there was generally already a backlog of activity even before you left for the show.

“Better Boothmanship” requires that attention is paid to the “rhythm” of the entire trade show process, or what I refer to as “the trade show intensity curve”. There is quite a bit of excitement and energy prior to the show; the preparation, design, literature to create, prospects to invite to the booth, etc. And then there is the intensity as the show begins and increases, reaching a peak after which the intensity begins to fall off, when in fact, the intensity should continue on and through the connecting to all leads, the follow ups and the sales!

• Following standard “Boothmanship” procedure, the leads obtained at the show would have reminder notes either on the back of the business card or a notebook wherein the data is stored with full info on the nature of the conversation with the prospect as memories often fade. The business card would be stapled onto the page of the book and all pertinent data written below the card.

• Some companies have employed the procedure of having an assistant or even an outside call center make the follow up contact call directly after returning home. This prospecting type call would then determine the level of continued interest and if there a call is warranted from the sales person, it is turned over to the sales rep thus ensuring rapid response. Note: The prospect has met with many others who may be providing the same products or service. The name of the game is “firstest with the mostest”.

• All leads are followed up, at minimum by email. None are ignored. A visitor to the booth may have seemed disinterested but perhaps that was simply the start of negotiation. A decision to wait could change in a moment based on some environmental of business factor. Any salesperson knows the liability of making any kind of assumption or attempting to pre-judge. All booth attendees should get a follow up email within 48 hours with a thank you, re-statement of the offer and any other personalized comment you may wish to make.
• Do not get caught in the “excuse trap”; “well everyone is just returning so I will wait” or “I am really backlogged, I will get to it next week” or “they have plenty to read from the literature I gave them, if they are interested they will call me”. These incorrect assumptions are very costly and negate all the hard work that was done to create the leads.

• The leads, broken down into A, B or C or 1, 2, 3, in terms of potential and the priority leads distributed. There is also the system of breaking down the leads into categories, such as those who need an info pack, those who should be called, etc. and making the priority the category.

• The leads are recorded in a database which then can be reviewed a month later, 6 months and even years. If an attendee you met became an account even a year later, the credit would still go to that show and therefore would reflect well on the ROI for that show. Without such tracking, this data is lost.

• A “debrief” is done by any and all employees or execs connected to the show providing key data on what worked well and should be written procedure for the future, what did not work well and is in need of improvement and a review of statistics overall.

There are several KEY factors to a successful and profitable show. Leave out any one, and the results are less than expected. Pre-show planning; personnel training; logistics for the show; at show procedures and post show activities, well executed are what “Better Boothmanship” and improved show profitability are all about.

Arte Maren is an expert in maximizing trade show efforts and was a recent presenter at the RLA Las Vegas trade show. He conducts training in trade show planning and execution as well as customer service, sales and company organization. He can be reached at 727 643 4638 or arte@artemaren.com.
Establishing good relationships with our customers depends on quality interactions, involving unique and easy to use systems and processes. The reverse logistics cycle is a key touch point for customers - a foundation process that provides opportunities to influence and improve customer loyalty. Providing the winning customer experience is more challenging when the customer can’t return the product and get their money back right away. When a Return Material Authorization (RMA) needs to be created and approved, it can take a longer time for the customer to receive their money back.

Cisco has a complex forward supply chain—a wide range of products, most of which are customized to meet customers’ specifications, and a large number of acquisitions that use different systems and processes. This complexity is also seen in the Reverse Supply Chain and needs to be considered when building the Reverse Supply Chain.

Three years ago, Cisco implemented foundational changes in the Reverse Supply Chain space to develop and build an end-to-end solution that would enhance both the customer experience and unlock the value from product returns. The focus would include changes in Asset Recovery, Receiving and Disposition, Recycling, and Order Management processes. A major challenge for the team was to create flexible and scalable solutions to address customer satisfaction. Cisco partnered with a new supplier to meet the following objectives.

- Providing end-to-end data integration and visibility
- Improve recovery rate of material after RMA booking
- Create global footprint for reverse supply chain
- Provide better operational ownership and accountability
- Consolidate recycling vendors to provide cost effective recycling
- Reduce brand protection and grey market risks
- Maximize reuse opportunities, both internal and external
- Optimize asset recovery and reduce potential leakage
- Improve process efficiency and problem resolution (80% of time spent on 20% of the volume)

As part of the initiative to build end-to-end reverse supply chain, Cisco partnered with a new supplier. Selecting the right supplier makes a huge difference when building a distributed solution. At Cisco, an extensive RFI/RFQ and bidding process of prospective suppliers was conducted.

Cisco’s reverse supply chain manages weekly product returns averaging less than 1% of the weekly ship volume. This averages 30,000 product returns per week, excluding products from returned Total Cost of Ownership by as much as 30%.

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### IMPLEMENTATION HIGHLIGHTS

**Delivery on the Reverse Logistics Transformation charter is a long-term, multi-phase initiative.** The initial phase laid the foundation for the end-to-end vision and delivered a globally consistent, scalable and reliable process with connected system(s) for Inbound Logistics, Receiving/Disposition, Inventory Management and Value Recovery of returned products. The benefits of the initial phase included enhanced customer experience with real-time supplier integration, streamlined end-to-end processes for increased efficiency, and the ability to support aggressive time to market strategies by leveraging the existing business to business (B2B) interfaces, resulting in reduced Total Cost of Ownership by as much as 30%.
To solve this problem, Cisco decided times when customers needed more reminder to return the material, and other times when the customer needed a analysis, it was discovered that there less after the RMA booking. After doing locations. As mentioned earlier the of product returns in transit to receiving in alignment with Cisco’s philosophy of social responsibility. An extensive process analysis was done to identify disconnects and gaps. The results were organized into major process families and associated processes:

**INBOUND LOGISTICS:** Management of product returns in transit to receiving locations. As mentioned earlier the material recovery rate was very much less after the RMA booking. After doing an analysis, it was discovered that there are times when the customer needed a reminder to return the material, and at other times when customers needed more help in the return process – identifying the return location, label printing etc. To solve this problem, Cisco decided to create Proactive Asset Recovery capabilities to help the customer in returning the material. This capability will help connect Cisco with customers and maintain all records of each touch point with the customer. Tools provided by multiple vendors were evaluated but none of them were addressing the requirements. The decision was made to create a tool, which will assign open RMAs to agents, build contact lists, keep track of customer touch points, and help facilitate conversations with customers.

By creating this tool, product return rates increased dramatically to over 80% and Cisco was able to recover more products from the customer. It enhanced customer satisfaction and also helped Cisco in reducing brand protection and grey market risks.

**RECEIVING & DISPOSITION:** The primary objective with this process is to preserve as much of the product’s functional value as possible instead of driving product to its lowest use scrap. Process analysis steps included identifying the best scenarios for extending product life and then implementing the systems that will enable the collection, sorting, and channeling of products for best and highest upcycle. Numerous combinations of these properties taken into consideration before the final disposition sub-inventory is decided.

**INVENTORY MANAGEMENT:** Manage inventory of Damaged Goods (DGI)/ Finished Goods (FGI) and management of the Purge/Scrap process. Interactions with partners are built on industry standard B2B messaging to facilitate receiving, disposition, inventory and order management. By design and process improvement the messaging issues are minimized so the Cisco Enterprise Resource Planning (ERP) and partner Warehouse Management System (WMS) are in sync all the times. To ensure further process integrity, an offline interfaces were built to compare inventory in both systems and keep it in sync to minimize issues in the follow- on processes.

One of the most difficult challenges of recovering value through reverse supply chain is product mix. Along with the traditional difficulty in forecasting customer demand, there is the added complexity of unknown and extreme volatility in the supply chain. This is amplified in a high product configurability environment, making larger inventories holds necessary. A Maximum Inventory Product Mix Management solution was created with the goal to maximize the number of customers that can be satisfied while minimizing inventory. The tool does so by setting a maximum inventory holding level for each product, calculated by taking the difference between forecasted supply and demand based on historical data, and adding a Safety Stock level over a given planning cycle. Amazing in excess of the.

“Maximum Level” would be recycled instead of being received into inventory, allowing the business to run as close to run rate as possible. By implementing such a solution in the reverse supply chain, maximum value is delivered while controlling the overall operating costs.

With changes in this process family, it helped Cisco to increase end-to-end data visibility and increase product reuse opportunities while carrying only required level of inventory in the warehouse.

**ORDER MANAGEMENT:** This process is for internal order fulfillment from the returned product inventory. One of the reasons for product returns in this process family, and largest by volume, is Stock-Rotation. In this return scenario the product returned is brand new, sealed and can be deployed or reused without going through any testing and re-packing. Cisco has built a tool for users to request inventory from returned materials. Internal customers place their request on the tool, and a complex set of rules allocates inventory to match demand. The engine allocates inventory to the customer in multiple passes before generating the final allocation plan.

With changes in this process family, it helped Cisco to increase end-to-end data visibility and increase product reuse opportunities.

**RECOVERY MANAGEMENT:** Manage inventory of Damaged Goods (DGI)/ Finished Goods (FGI) and management of the Purge/Scrap process. Interactions with partners are built on industry standard B2B messaging to facilitate receiving, disposition, inventory and order management. By design and process improvement the messaging issues are minimized so the Cisco Enterprise Resource Planning (ERP) and partner Warehouse Management System (WMS) are in sync all the times. To ensure further process integrity, an offline interfaces were built to compare inventory in both systems and keep it in sync to minimize issues in the follow- on processes.

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**FIGURE 2 - CISCO’S REVERSE SUPPLY CHAIN**

1. Electronic acquisitions such as Linksys and Scientific Atlanta. Cisco recycles about 22 million pounds of return material in alignment with Cisco’s philosophy of social responsibility.
2. An extensive process analysis was done to identify disconnects and gaps. The results were organized into major process families and associated processes.
3. **INBOUND LOGISTICS:** Management of product returns in transit to receiving locations. As mentioned earlier the material recovery rate was very much less after the RMA booking. After doing an analysis, it was discovered that there are times when the customer needed a reminder to return the material, and at other times when customers needed more help in the return process – identifying the return location, label printing etc.
4. To solve this problem, Cisco decided to create Proactive Asset Recovery capabilities to help the customer in returning the material. This capability will help connect Cisco with customers and maintain all records of each touch point with the customer. Tools provided by multiple vendors were evaluated but none of them were addressing the requirements. The decision was made to create a tool, which will assign open RMAs to agents, build contact lists, keep track of customer touch points, and help facilitate conversations with customers.
5. By creating this tool, product return rates increased dramatically to over 80% and Cisco was able to recover more products from the customer. It enhanced customer satisfaction and also helped Cisco in reducing brand protection and grey market risks.

**FIGURE 3 - REVERSE SUPPLY CHAIN CONTRIBUTION**

- **$147 million net contribution for FY09**
- **$8 million cost center**

- **2005**
- **2006**
- **2007**
- **2008**
- **2009**

**FIGURE 4 - OPERATING EXPENSES**

- **119%**
- **44%**

- **Decreased Operating Expenses (As a percentage of value recovered)**
- **Increased Re-use of returned product**

- **<5%**
EMERGING MARKETS: As Cisco expands business in an emerging market, we have to align returns processes accordingly. Understanding the local market regulations and extending current processes/capabilities in order to meet demand of local markets will be pivotal.

- Acquisition Strategy: Cisco is big on acquiring companies that enable us to accelerate our market and industry leadership position. To date Cisco has completed over 135 acquisitions. When Cisco acquires a company, the challenge is to integrate the return vendor in Cisco Reverse Supply Chain. A flexible architecture is needed to support the rapid onboarding of new vendors from acquisitions.

- Web Services: Cisco faces the challenge of distributed business process execution and maintenance, because of multiple systems involved in the return transaction. Cisco is building a web-service to execute business logic in one system.

In closing, end-to-end data visibility, reduced transaction time and operating expenses resulted in customer satisfaction numbers to go up. Cisco will continue to improve Product Returns by providing better tools and processes and further enhancing customer satisfaction.

Product returns occur for many reasons – distributor inventory rotations, proactive Trade-In and Upgrade programs and warranty returns, are some of the ways products get introduced to the Reverse Supply Chain. In many enterprises the challenge of managing returns is looked upon as a burden when in fact, if planned and done properly, it can be an opportunity to create a positive experience for the customer and can set a foundation of re-use and cost avoidance that saves the organization unneeded spend. By concentrating on the Reverse Process, one can actually enhance the overall customer experience while unlocking the true value of the product.

Product Returns should be viewed as an opportunity and a commitment to the development of a robust set of policies and processes that delivers an increased positive experience for customers and a platform for overall cost improvement. It must be understood that the customer experience does not end with the sale of the product and its subsequent use, but is in fact extended through the return process. The idea that returns equal undesired costs does not always hold true. By unlocking the value of returns, the process could lead to profit and internal cost reductions.

For more information contact us at: North America (FAX), F: 800 723 1466 Global: +1 416 488 5400 email: dhlinfo@americas.dhl.com www.dhl.com

Using proprietary processes, failure analysis, data analytics and software we can significantly reduce your returns and warranty costs and protect your brand.

Bob Anderson – Senior Operations Manager, Global Logistics, Cisco Systems. Bob has 16 years of High Tech Industry experience in Reverse Logistics, Manufacturing Planning and Supply Chain Management. Over the last five years he led the team that transformed Cisco’s Global Reverse Logistics approach and footprint.

Mudit Agarwal – Solution Architect, Customer Value Management, Cisco Systems. Mudit has over 13 Years of industry experience in Reverse Logistics, Customer Relationship Management, Unified Messaging and Telecom. He has expertise in software development lifecycle, solution architecture, building and managing architecture roadmaps. Over the last 4 years at Cisco, he has been leading solutions architecture efforts, providing solutions and helping business grow in Reverse Logistics, Access Management, Risk Management areas.

Interested in Networking?

RLA Seminars are one-day events held around the world that bring RL professionals together to address specific industry topics pertinent to OEMs, Retailers, and 3SPs. 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 will be:

Lexington, Kentucky • August, 2010
Facility Tour Sponsored by:

Lebanon, Tennessee • October, 2010

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DHL offers a full suite of services for returns & repair programs. Our solutions allow you to optimize the reverse supply chain for improved efficiency.

www.RLmagazine.com • Edition 22  Reverse Logistics Magazine

We don’t just repair returns. We prevent them.
The Reverse Logistics Association held its inaugural Latin American Conference and Expo April 14th-16th in Sao Paulo, Brazil—and it was a resounding success!

Attendance blew away all expectations with over 230 registered attendees and over 125 companies represented! Companies like Dell, HP, Motorola, Correios, Philips, Teleplan, and Cisco all participated to discuss RL issues on an international platform, and many new international relationships were made. RLA is excited to go back to Brazil for the 2nd Latin American Conference next year!
POLICE USE NEW TOOLS TO BUILD CASE AGAINST "THE RICHMOND GIRLS"

by Detective Sean Smith

The economic downturn means business is busier than ever for law enforcement. The reasons are obvious; as unemployment has increased and the job outlook has grown worse, more people, even normally law-abiding citizens, are growing increasingly desperate and are turning to crime.

As a Sacramento, California Sheriff’s detective assigned to the Sacramento Valley Hi-Tech Crimes Task Force, these crimes are dealt with every day. In the past few years, criminals at all levels – from simple shoplifters to those involved in organized retail crimes – have been taking advantage of the latest technologies as they go about their business. Fortunately, technology that has been developed has become our most valuable asset in leveling the playing field. One unique technology employed is an online product database called SIRAS P.I., which has been developed by a company, called SIRAS, and is provided free to law enforcement agencies.

SIRAS is the pioneer in retail point of sale electronic product registration, and the database contains hundreds of millions of product serial number transaction records that were developed through the company’s
An integrated margin recovery solution from the reverse logistics and B2B product liquidation leader.

ongoing partnerships with retailers and manufacturers. While this database company doesn’t collect any consumer information at all, the information it provides in its detailed product transaction records has proven instrumental in linking products, indisputably, to specific crimes, and helping apprehend and convict criminals.

California’s Sacramento Detective Task Force first learned about this tracking database in late 2007, when the task force was investigating a case now known as “The Richmond Girls.” The group was made up of six women in the Richmond, California area who were buying credit card products, indisputably, to specific crimes. The detectives to do something rarely experienced, and that was to return the merchandise to the retailer from which it was stolen. Finding the rightful owner is a tremendously gratifying feeling. Technology has certainly served the criminal element well, often times giving them the upper hand. But it is also providing law enforcement with the tools to fight these crimes and put the perpetrators behind bars.

Detective Sean Smith is a Sacramento, California Sheriff’s Detective assigned to the Sacramento Valley Hi-Tech Crimes Task Force. This task force, commanded by Sacramento Sheriff’s Captain Jim Cooper, comprises more than 40 different law enforcement agencies in the Sacramento region.

While building the case against the two female suspects, two more women were apprehended in a similar manner at another mass-market retailer. And, in the course of the expanding investigation a storage facility was discovered, rented by one of the suspects. Inside, more than $80,000 in merchandise was found, including a computer.

SIRAS P.I. Helps Establish Ownership
One of the most difficult aspects in building a prosecutable case in this type of crime is determining the ownership, or the transaction history of any recovered merchandise. If no owner can be established, it’s difficult to prove that a crime has occurred, which then makes the case almost impossible to prosecute.

Hoping for the best, the computer’s serial number matched a number in the tracking database. Because the computer — and many of the other products recovered were registered with the retail point of sale database, investigators were able to quickly determine where and when the computer had been purchased, thus establishing the original ownership and the item’s transaction history. The detectives were then able to contact the retailer for the transaction payment detail, which revealed that the computer had been purchased with one of the fraudulent credit cards. The investigators also tracked several other products found in the storage facility against the serial number database, helping identify the retailers from which they had been fraudulently purchased and enabling action with other retailers.

While discovering all the information on the computer was important in developing the case, SIRAS P.I. was fundamental in helping to tie the entire case together, leading to the conviction of all six Richmond girls. The database enabled the link to these products directly to the retailer. Linking the product to the retailer resulted in the fraudulent tender and other additional evidence, making the case very solid.

It also allowed the task force detectives to do something rarely experienced, and that was to return the merchandise to the retailer from which it was stolen. Finding the rightful owner is a tremendously gratifying feeling. Technology has certainly served the criminal element well, often times giving them the upper hand. But it is also providing law enforcement with the tools to fight these crimes and put the perpetrators behind bars.

ALTERNATIVE THINKING ABOUT PRODUCT FULFILLMENT: Connect People, Not Just Systems.

Alternative thinking is looking at the entire product, sales, and service ecosystem to drive change and achieve critical outcomes. Such as greater efficiency, lower costs and improved service.

It’s turning data into the knowledge that links customers with what they need and you with a more holistic view of what they want next.

It’s finding new ways to manage both forward and reverse logistics with fulfillment services that enhance your customers’ experience.

It’s working with HP’s world-class supply chain organization where you’ll find innovative ideas that will help you reach your goals to reduce freight and labor costs while lowering returns and improving sales.

Technology for better business outcomes. hp.com/enterprise/crm

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The Hotel Okura Amsterdam is a five-star, luxury hotel located on the banks of the Amstel Canal, close to the financial, cultural, and entertainment district of Amsterdam. Hotel Okura Amsterdam received the Green Key for meeting the strict demands that this international sustainability label maintains for the hotel/conference category. The Green Key is the most important international sustainability label for companies in the tourism and leisure industry.

Monday morning sessions start with the Welcome Address by Gailen Vick, President of RLA. Speaker sessions will commence after lunch and continue throughout the day and also on Tuesday. Post-conference workshops will be held on Wednesday, June 16.

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The Reverse Logistics Lifetime Achievement Award recognizes outstanding individuals whose pioneering spirit and demonstrated inventiveness throughout their careers has improved our society and inspired others.

It is with deep regret that we notify the world of the passing of Jo van Nunen. Jo passed away the week of April 10th, 2010.

Dr. Jo van Nunen

Jo van Nunen was the chairman of the Department of Decision and Information Sciences of the RSM Erasmus University. The program leader of the research program on logistics and information systems, which is a joint program with the Technical University Delft and Erasmus University Rotterdam also, having been the scientific director of a national research program on “Transition to Sustainable Mobility” and of the Academic Centre for Transport. His research focuses on close loop supply chains and ICT applications in logistics. Many of the research projects he was involved with are co-operations with private companies and governmental organizations. As can be expected logistic organizations in the Port of Rotterdam are an important source of inspiration for this research.
Over the last few months there has been much uncertainty and speculation about the future of the world economy. Most people want to know how the current economic state of affairs will affect the business they are in and their personal fortunes. The Reverse Logistics & Aftermarket Service Industry is not immune to this situation. Fortunately, our firm conducts an annual assessment of the size and forecasted growth rate of key market segments within the Reverse Logistics & Aftermarket Service Industry. This information provides our clients with critical input for developing market plans and evaluating alternative business scenarios. Our assessment is based on an elaborate and proprietary econometric model developed by Blumberg Advisory Group which takes into account bottoms-up and top-down market sizing and forecast techniques. More specifically, the model involves an empirical analysis of secondary data sources with respect to historical & forecasted GDP (i.e., U.S. Department of Commerce, International Monetary Fund), Forward Logistics Expenditures (e.g., Council of Supply Chain Management Professionals, Donald Bowersox, Gap Gemini, etc.), product shipments and installed base characteristics (e.g., Frost & Sullivan, CEA, TIA, Research & Markets, etc.) and on-going primary research (i.e., surveys, observations, audits, benchmarks, etc.) conducted by Blumberg Advisory Group on the relationship of reverse logistics spend as a function of forward logistics, product sales, GDP, and installed base characteristics. The model is sensitive to changes in GDP but not dependent on it.

Our most recent assessment was completed the beginning of this year (2009). It examines historical and forecasted data on the size of the market for the years 2008 to 2012 within the High Tech & Consumer Electronics Industry. Our analysis shows a Worldwide Market of US $677 Billion in 2008. Service Bad Economy May Not Be So Bad for Third Party Service Providers by Michael R. Blumberg

Over the last few months there has been much uncertainty and speculation about the future of the world economy. Most people want to know how the current economic state of affairs will affect the business they are in and their personal fortunes. The Reverse Logistics & Aftermarket Service Industry is not immune to this situation. Fortunately, our firm conducts an annual assessment of the size and forecasted growth rate of key market segments within the Reverse Logistics & Aftermarket Service Industry. This information provides our clients with critical input for developing market plans and evaluating alternative business scenarios. Our assessment is based on an elaborate and proprietary econometric model developed by Blumberg Advisory Group which takes into account bottoms-up and top-down market sizing and forecast techniques. More specifically, the model involves an empirical analysis of secondary data sources with respect to historical & forecasted GDP (i.e., U.S. Department of Commerce, International Monetary Fund), Forward Logistics Expenditures (e.g., Council of Supply Chain Management Professionals, Donald Bowersox, Gap Gemini, etc.), product shipments and installed base characteristics (e.g., Frost & Sullivan, CEA, TIA, Research & Markets, etc.) and on-going primary research (i.e., surveys, observations, audits, benchmarks, etc.) conducted by Blumberg Advisory Group on the relationship of reverse logistics spend as a function of forward logistics, product sales, GDP, and installed base characteristics. The model is sensitive to changes in GDP but not dependent on it.

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segments covered in this analysis include depot repair, warranty & returns management, liquidation, eWaste, and service parts logistics. The US represents 20% (US $132 Billion) of the world market (figure 1).

While the overall RL market may appear to be operating in the dull drums, the outlook for outsourced or 3rd Party Reverse Logistics (3PRL) Services is quite bullish. It is expected to grow by a Combined Annual Growth Rate (GAGR) of 10% between the years 2008 and 2012 (figure 2). In fact, the 3PRL segment will grow at the expense of the captive or in-house segment as OEMs continue to outsource and/or out-task critical RL activities and functions as a strategy to reduce cost and improve efficiency in light of no-growth market conditions.

The above macro-economic analysis is consistent with micro-economic data that we have been observing from many individual companies to date. As such, our forecast methodology is consistent with actual industry performance. Despite highly publicized bankruptcies, lay-offs, and downsizing strategies among OEMs and Retailers, we have observed that Third Party Service Providers

Total = $677 Billion

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<thead>
<tr>
<th>Region</th>
<th>Percent</th>
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<tr>
<td>North America</td>
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<td>134</td>
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<tr>
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FIGURE 1
WORLD ELECTRONICS REVERSE LOGISTICS MARKET (i.e., IT, TELECOM, MEDICAL, MILITARY/AEROSPACE, CONSUMER ELECTRONICS, ETC.)
(3PSPs) continue to win new business in this current economic climate. However, sales cycles are taking longer and there is increased cost pressure of 3PSPs. The fact of the matter is that products sold into the market still require Reverse Logistics & Aftermarket Support even if sales decline and financial performance requires the OEM/Retailer to cut back. Third Party outsourcing provides OEMs and Retailers with a low cost option which may even be more efficient and higher quality than their own organization.

Given the market outlook, OEMs and Retailers are advised to aggressively find opportunities to reduce cost and improve the quality and efficiency of RL operations vis-à-vis business process outsourcing and subcontracting relationships. For 3rd Party Reverse Logistics Providers the market is expected to become intensively competitive as providers vie for greater share of OEM/Retailer RL dollars. The establishment of a strong value proposition, knowledge of market requirements, and the availability of bundled, value-added service programs will be just a few of the critical keys to success in this market over the next 2 to 3 years.

Michael R. Blumberg is a Certified Management Consultant (CMC) and President & CEO of Blumberg Advisory Group, Inc. His firm focuses on providing strategic and tactical assistance to client organizations for improving the overall profitability and quality of aftermarket service operations. Mr. Blumberg has established himself as an expert and industry authority on Reverse Logistics and Closed Loop Supply Chain Management. Mr. Blumberg also serves as a Chairman of the Reverse Logistics Association’s Medical/Pharmaceutical Focus Committee.

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Global Reverse Logistics Survey

The Reverse Logistics Association and Open University Netherlands/Rotterdam School of Management are about to start a Global Reverse Logistics Survey. This survey is conducted on five continents across different industries and concerns different types of returns. It will be held in three parts. Please watch your mail in the next couple of days for the link to the survey. You are cordially invited to participate in our global RL survey. As a reward you will receive a summary of results, providing a reverse logistics survey. This survey is conducted about to start a Global Reverse Logistics Survey.

Flash Global Logistics Continues Expansion

Pine Brook, NJ—14 April 2010—Flash Global Logistics continues to move aggressively to support its client’s reverse logistics needs. Flash systems are electronic nota fiscal compliant to allow for filing within the Brazilian fiscal system.


Flash Global Logistics, leader in single source mission critical parts and products, announces growth of its Brazil Operations to include 26 forward stocking locations in Brazil, a Distribution Center, tri-lingual Command Center, and a tracking system as a legal entity for import and export of parts and products. Flash systems are electronic nota fiscal compliant to allow for filing within the Brazilian fiscal system.


Glenville electronics recycler purchased by NH metal refiner

Jabil Aftermarket Services is a world-class provider of end-to-end reverse supply chain solutions to some of the world’s leading OEMs and ODMs. Visit us online or schedule an appointment to find out how we can deliver real value to your business.

Read the Press

Global Reverse Logistics Survey

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Flash Global Logistics Continues Expansion

Pine Brook, NJ—14 April 2010—Flash Global Logistics continues to move aggressively to support its client’s reverse logistics needs. Flash systems are electronic nota fiscal compliant to allow for filing within the Brazilian fiscal system.


Flash Global Logistics, leader in single source mission critical parts and products, announces growth of its Brazil Operations to include 26 forward stocking locations in Brazil, a Distribution Center, tri-lingual Command Center, and a tracking system as a legal entity for import and export of parts and products. Flash systems are electronic nota fiscal compliant to allow for filing within the Brazilian fiscal system.


Glenville electronics recycler purchased by NH metal refiner

Jabil Aftermarket Services is a world-class provider of end-to-end reverse supply chain solutions to some of the world’s leading OEMs and ODMs. Visit us online or schedule an appointment to find out how we can deliver real value to your business.

Integrated Repair, Warranty and Logistics

Jabil Aftermarket Services is a world-class provider of end-to-end reverse supply chain solutions to some of the world’s leading OEMs and ODMs. Visit us online or schedule an appointment to find out how we can deliver real value to your business.

Making Reverse Logistics Green and Profitable

26 April 2010-Italian researchers have developed a logistics model that could allow old equipment from refrigerators to mobile phones to be recycled more efficiently under product take-back regulations. They outline their approach in the International Journal of Logistics Systems and Management.


Spare Parts Management

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Chairperson - Michael Sheth, CEO/SVP Consulting Inc.

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Sustainability and Environmental Management

Chairperson - Jade Lee, Supply-Chain Services

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Committee Members:...
There have been many studies that have attempted to size the reverse logistics market in the world today. One of the main struggles of such an effort is that there is no real consensus on the definition of reverse logistics, thus there is constant discussion about which functions that a company engages in actually fall under the RL label. A company may have an executive VP of returns, but potentially neglect recycling or re-use issues on that same level. There are many people within a company engaging in what are considered RL functions, but they’re not coordinating efforts or resources, or worse they are competing for resources. Bringing those functions together is the purpose of this paper - to explore the benefit of a new executive level position over reverse logistics.

In an economic climate where companies are using words like “strategic value,” “profit maximization” & “environmental profitability” with their shareholders, ignoring the RL issue by consistently placing it subordinate to planning, forward-logistics, and marketing functions seems to defy reason. I doubt there would be a company today who would not jump at the chance to capture an additional 5% profit to their bottom line. This figure is the reality now of properly coordinated and executed RL models. The problem is that companies simply refuse to execute on the fact that better RL management can be as important, or possibly (depending on case) more important to the profits of a venture as is solid design, marketing or flawless to-market execution. One major flaw in the RL model is that there are so many competing voices within the RL space - Director of customer service, Director of returns, reclamation manager, recycling & sustainability manager, CSR, corporate giving, green initiatives, disposition management, recall managers, packaging, remarketing, 3PL/3PSP outsourcing…you get the idea: myriad people functioning separately - usually reporting to different VPs within the company, and doubtless with much overlapping of responsibilities, redundancy, and confusion. A model of this situation might look something like this:

Unfortunately, too often it’s only after some significant failure that a company sees the problem of such an incongruent structure and finally considers the value of a functioning RL model within their enterprise. There are many examples of this, from a company incurring federal environmental penalties resulting from improper disposal, or angry and lost customers because of unsatisfactory failure remediation, to a public campaign for sustainability countered by a lack of execution of green initiatives. It’s time that companies think about a cohesive strategy to bring seemingly disparate functions together within their model.

Consider if all the different parts of the RL machine are actually reporting and coordinating under the more rational singular umbrella of an executive over everything RL - imagine the efficiencies that could be captured, the streamlining that could occur if all these pieces which feature RL functions are coordinated by reporting to a single EVP of Reverse Logistics. This executive could then coordinate with other executives across the corporation. (See Figure 2)
McAfee apologizes for crippling PCs with bad update

Computerworld - McAfee Inc. apologized late Thursday for crippling thousands of customers’ computers with a flawed update the day before.

Reports, confirmed and anecdotal, put the number of affected PCs in the thousands, the majority of them business machines. Only systems running Windows XP Service Pack 3 (SP3) were cloaked by the bad update, but it’s the newest version and Gartner Inc. analyst John Pescatore estimates that it has a 50% share of the enterprise market.

Computers crippled by the update crashed and rebooted repeatedly and lost their network connections – a symptom that forced support technicians to work on downed PCs individually, thus dragging out the time required to resuscitate machines. Early Thursday, McAfee made available a semi-automated tool, dubbed “SuperDAT Remediation Tool,” that’s designed to restore a crippled computer. SuperDAT can be downloaded using a link on this support document.

http://www.computerworld.com/s/article/9175940/McAfee_apologizes_for_crippling_PCs_with_bad_update

Consumers finding bulk deals online

Fiyaz Keshwani has always been one to barter and is never happy paying full price when shopping. So when he found out he could get movie tickets at almost half off by jumping through a few hoops, he figured it’d be worth a little hassle for a great deal.

The 27-year-old from Edmonton turned to the Internet, collected money from dozens of fellow movie fans online and arranged to buy 1,500 tickets directly through Cineplex Odeon at wholesale prices.

Companies like Costco and Sam’s Club have long been known for leveraging the power of bulk buying to get lower prices. Now, consumers are turning to the Internet to find better deals by buying in big numbers.

Simoes said group buys are a no-brainer — if you can get them to work.

“There’s a lot of merit behind a group buy,” he said.

“If you can get six or seven guys buying tires and you can save $150 or $200, why not get a much better deal?”

Avoiding the Pitfalls of International Returns

by Tom Stanton

This is the third in a series of articles on international returns. In the first article, the topic discussed was the problem of not preparing for potential returns of previously exported merchandise. The second article focused on country of origin and classification. The following is a short summary of the information provided in the first two articles.

PART 1 SUMMARY: CUSTOMS AND CUSTOMS BROKERS:

When returns happen without any preparation there are extra costs and potential penalties involved. As explained in the first article, U.S. Customs and Border Protection has been around for a long time. Their mission is to protect the United States from prohibited imports and exports and protect the commerce of the United States from unfair competition from foreign countries. Customs manages imports through the work of Customs inspectors and import specialists. The inspectors are on the front lines reviewing information about shipments and the import specialists work in the background setting inspection criteria and reviewing the documentation after provisional release of the merchandise under Customs bond. Customs brokers, who contract with Customs to help the public understand and comply with Custom laws, must pass a test on the Customs laws of the United States. This includes detailed studies on the country of origin and classification of imported merchandise.

PART 2 SUMMARY: COUNTRY OF ORIGIN AND CLASSIFICATION:

In last month’s article details were presented on country of origin and classification of merchandise. The country of origin of merchandise is important because trade agreements are made to treat the goods of our trading partners differently. For some countries with very low standards of living we allow their goods duty free entry into the U.S., and for others, minimal duties. Countries who are not our trading partners, such as Cuba and North Korea, duties are applied in the 50% to 90% range, or embargo importations completely. In some cases, goods are imported that are the product of two countries, such as items made from wood grown in Thailand then processed in China into walking sticks. China becomes the country of origin of the finished item provided. U.S. Classifications are made up of ten digits. The first six include the chapter (first two), heading (first four) and subheading (first six). The remaining numbers allow for statistical separation of products.
REJECTED MERCHANDISE

U.S. law allows for free reentry of rejected foreign merchandise on a duty free basis, provided that the importer was the original importer within three years of the previous importation, and the goods were rejected because they did not meet sample or specification of the country of origin. If the goods were returned as part of an exchange or upgrade program they would not qualify for duty free entry under this exemption. The complete details of this program are specified in 19 CFR 10.8a.

TEMPORARY IMPORTS

If one has foreign goods imported for further manufacturing, or upgrade, one may qualify for temporary entry of goods, that are intended to be repaired, altered or processed. Perhaps the goods are being imported for a test, show, or a scientific purpose, and could be exempt for those reasons. Goods of a foreign origin can also be imported temporarily by making entry into a bonded warehouse. All three of these options require import and export entry documentation, and are therefore more expensive than a standard import entry.

TEMPORARY EXPORTS

There is one further provision that allows foreign goods exported for trade shows that are open to the public, or for scientific purposes, to reenter the United States duty free. One useful method along this line is a Carnet, which is a Customs bond that allows duty free entry of merchandise into foreign countries and back into the United States if both countries are signatory to the program.

CONCLUSION

If one’s importation is American goods, returned for repair, or upgrade, and one can prove the origin is U.S., there should not be a problem with entry into the U.S in terms of duty charges. However, if one has foreign originated goods, or goods which were claimed on duty drawback, one should work through the options ahead of time on what type of entry one will be making. The list provided here is not a complete list of the options or exceptions applicable, but the common ones are included.

Tom Stanton is a Certified Customs Specialist and licensed Customs Broker with the National Customs Brokers and Forwarders Association. Tom keeps up-to-date each year with new regulations and compliance requirements, such as 10/2 import requirements, that go into effect January 2010. Tom is also an ex-international traffic manager and an international small package consultant with more than thirty years experience. He can be reached by email at tom.stanton@afms.com or by phone at 503-246-3521. In addition, Tom is known as the “Transportation Doctor” and has several videos available on YouTube.

The Reverse Logistics Association and Open University Netherlands are conducting a survey on Global Reverse Logistics.

The survey will take approximately 15-20 minutes of your time to complete. It is possible to participate anonymously and answers will be treated confidentially. It is very important that many people fill out the questionnaire, because only then can you provide us with a good overview of current reverse logistics practices. Please take the time to complete this survey and, if you like, enter the drawing for an iPod, BlackBerry Smartphone and other prizes. If you are interested in the results of this study, you can provide your e-mail address at the end of the survey to receive a summary.

The preliminary findings of this survey will be presented at the RLA Conference & Expo in Amsterdam on June 14, 2010 at 14:30 (2:30pm). These findings will be presented by Dianne Hofenk and Dr. Harold Krikke of the Open University of the Netherlands.

The goals of the survey are:

- to benchmark and compare volumes and reasons of return for different types of returns across different industries
- to identify how returns are handled and how to add value
- to identify which RL services are needed now and in the future by customers, i.e. OEMs and retailers
- to identify which RL services are offered by 3PSPs as well as which new services are being developed for the future
- to analyse gaps between customers demand (OEM/retailers) and services (to be) offered; hence new market opportunities for 3PSPs

Declining volumes and tough competition force companies to seek new sources of income. Few however consider reverse logistics as a strategic option.

ENVIRONMENTAL VALUE

As part of corporate social responsibility, proper returns handling helps to create goodwill, and protect the environment. Also good returns management helps to comply with regulations and warranty, and especially EU directives on producer responsibility (e.g. WEEE directive).

CUSTOMER VALUE

Customers increasingly expect proper returns policies as a part of a total service. This concerns the end-of-life returns under producer responsibility but also consumer and warranty returns. Moreover, reverse logistics is needed for replenishment of consumables, which generates revenue.

SOURCING VALUE

Manufacturing and re-manufacturing are an integrated process, in which reverse logistics acts as a supplier for the production department. Recovered components and modules are put back on the market as good as new. Also the service department uses recovered spares instead of new ones. Economics savings are huge.

INFORMATION VALUE

Returns are the mirror of the forward supply chain. Mistakes in sales actions, design failures or wrong incentive schemes become visible through reverse logistics.

The goals of the survey are:

- to benchmark and compare volumes and reasons of return for different types of returns across different industries
- to identify how returns are handled and how to add value
- to identify which RL services are needed now and in the future by customers, i.e. OEMs and retailers
- to identify which RL services are offered by 3PSPs as well as which new services are being developed for the future
- to analyse gaps between customers demand (OEM/retailers) and services (to be) offered; hence new market opportunities for 3PSPs
Having a section of your business most are interested in is the stability. Be a part of your business. What outcomes from having this opportunity government. There are many positive contrary it is not impossible or crazy Regardless of what anyone says to the government. On becoming a contractor to the US share with you my personal take government is for you? Let me I know is looking for a way to grow or a defense contractor…? Clearly doing business with the government is very, very complex. The most recent copy I tested my strength to lift was only ~1800 pages of pure non-poetic prose. Because of the complex nature of doing business, getting started on any level will help you learn the correct things to pay attention to regarding success in the relationships and will also help give you a suite of contacts that can mentor you. In addition the government solicits specific obligation for spending with supplier partners. These obligations set targets from large business it contracts government solicits specific obligation that can mentor you. In addition the other elements (usually price) are for performance being released before issue. It relates to contract sections for performance being released before other elements (usually price) are fully defined. Another new word to learn-CAGE Code. One of the first things your business must have is the assignment of a “Commercial And Government Entity (CAGE) code. This code then updates your “Trading Partner Profile (TPP)”. You get all of that from Central Contractor Registration (www.ccr.gov). Before you logon and attempt to become a registered contractor, you will need some information.

- Service and repair
- Cable and Harness build up
- Engineering Services
- Transportation, warehousing and logistics
- Metals fabrication and assembly
- Machining and Casting
- Waste processing and recycling

With that information at your side, a cup of coffee (or iced tea) and 45 minutes, should get you started to becoming a real government sub-contractor. Next step is get you company nomenclature aligned. The government culture has an entire language that will be baffling, at least at first. For example, a key issue prime contractors struggle with is “contract definitization”. My spell checker does not think this is a word, but I assure you contract definitization is a very real issue. It relates to contract sections for performance being released before other elements (usually price) are fully defined. Another new word to learn-CAGE Code. One of the first things your business must have is the assignment of a “Commercial And Government Entity (CAGE) code. This code then updates your “Trading Partner Profile (TPP)”. You get all of that from Central Contractor Registration (www.ccr.gov). Before you logon and attempt to become a registered contractor, you will need some information.

- Business ownership and structure/ incorporation
- Banking information
- Tax payer information
- Business NAIC code and DUNS number

With that information at your side, a cup of coffee (or iced tea) and 45 minutes, should get you started to becoming a real government sub-contractor. Last point of advice that I would give you personally are two fundamental thoughts to keep in mind. Be aware of the power of your location. Being near to the prime contractor is a huge benefit. It makes the inspection/ quality process much easier, your turn time will be much faster and your costs will be lower. I would also strongly encourage you to not bid on any work as a sub-contractor that you cannot cashflow for at least six months. This type of work can be very slow paying at times. The last thing you want is to complete some work and then be calling for payment. Not good form to communicate the strength of your company into this new offering. After you win a few bids and have some experience regarding your Customers’ pay cycles you can adjust your cash reserves

This is not meant to be a definitive guide, just an appetizer to get you started. Any web query will provide tons of information you can use to further your awareness and success. Get your CAGE Code, and get started.
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Despite an economically challenging year, a lot of progress was achieved by Reverse Logistics professionals in 2009 to mature, understand and improve our industry. Especially noteworthy, were the great leaps by third party Reverse Logistics service providers (3PSPs) with new and better outsourced service offerings, likely prompted by a recessionary environment and a need for their customers, the manufacturers, to monitor costs much more closely.

So what lies ahead for the year of 2010? To find the answer to this I interviewed a number of Reverse Logistics executives and have assembled the key topics that recurred in many of my conversations. Interestingly, the focus continues to be on many of the key Reverse Logistics issues we all know and love, but many of these recurring issues are maturing and evolving to new levels.

1. REDUCE RETURNS

When I started in this industry over ten years ago, the primary focus for most returns handling departments was on managing warranty and defect returns. While these defective returns still remain, many Reverse Logistics managers have now also been tasked with the important task of handling of retail returns which are typically higher in volume and for some industries like electronics and consumer goods, the returned products are in valuable resalable condition with a NTF (No Trouble Found) rate that can reach 80% or 90%.

For 2010, retailers and manufacturers are continuing to work together much more cooperatively to reduce store returns by finding ways to improve the customer experience, both before making a purchase and after opening the box at home, with a goal to reduce the number of products returned at the store level.

Manufacturers are also working cooperatively with retailers to negotiate an allowance in lieu of returns. This reduces handling, turn around time and logistics costs. Additionally, this creates an opportunity for third parties who specialize in the resale of open box items that will result in higher value recapture.

2. INCREASE VALUE RECOVERY

As the market has been maturing, there are a lot of sophisticated partners, options and channel alternatives to resell processed or unprocessed returned goods. More manufacturers are realizing that a huge contributing factor in recapturing a higher value is the ability to process and sell the returned goods quickly. More emphasis on disposing of the goods locally or working with the local retailer who has the returned goods, can help speed the value recovery and increase the amount of cash recaptured (not to mention the reduction in logistics costs and the related transportation carbon footprint). Speed and working locally can net your company a higher profit and provide your CFO with a few pleasant surprises for a change.

3. GLOBAL REVERSE LOGISTICS PROCESSING

Many manufacturers are working hard this year to roll out their Reverse Logistics programs to their worldwide operations. These initiatives are often providing significant challenges. Many of the global regions are much less capable in key reverse logistics areas such as logistics and technology. The result is large increases in cycle time due to issues such as slower transport, a need to consolidate to reduce higher transportation costs, or slower end to end processing. Other challenge factors include customs, inventory overflow of both defective and replacement items, and the need to understand or report to meet local regulatory requirements.

4. RECYCLING AND SUSTAINABILITY

Corporate initiatives for recycling and sustainability are leading to new requirements and actions for the Reverse Logistics teams. Challenges for this year will be finding recycling partners who can recover value out of product and help the manufacturers reduce the corporate impact or footprint of handling, logistics and separation. Additionally, Reverse Logistics managers need to ensure their recycling efforts are meeting a myriad of rapidly changing laws and regulations around the world.

5. REVERSE LOGISTICS COST CONTROL

The recession has put downward pressure on manufacturer’s margins. However, Reverse Logistics costs are often not easy to reduce. Many manufacturers are seeking opportunities to move portions of their reverse logistics costs to less expensive repair providers or regions.

Additionally, with the volume reductions resulting from the recession, many Reverse Logistics leaders are having difficulty maintaining the solid processes and partner networks that were developed prior to the recession. The challenge will be to carefully manage the infrastructure that was designed for pre-recession volumes, without tripping their reverse supply chain.

In the face of the challenges outlined above, this year promises to be a strong year for Reverse Logistics teams. Senior corporate executives are really starting to understanding of the value opportunity available from a well managed reverse logistics operation. Good technology and software is available to process, capture data, measure, monitor, and manage more effective reverse logistics processes. And lastly as the industry matures, there are a lot of very talented reverse logistics professionals available to lead, manage, service or advise on significant improvements for your operations and for our industry. 2010 is shaping up to be a strong year for Reverse Logistics.

Good luck!

Paul Rupnow - Editor of www.ReverseLogisticsProfessional.com
Also Co-Chairman of the RLA IT Solutions Committee
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