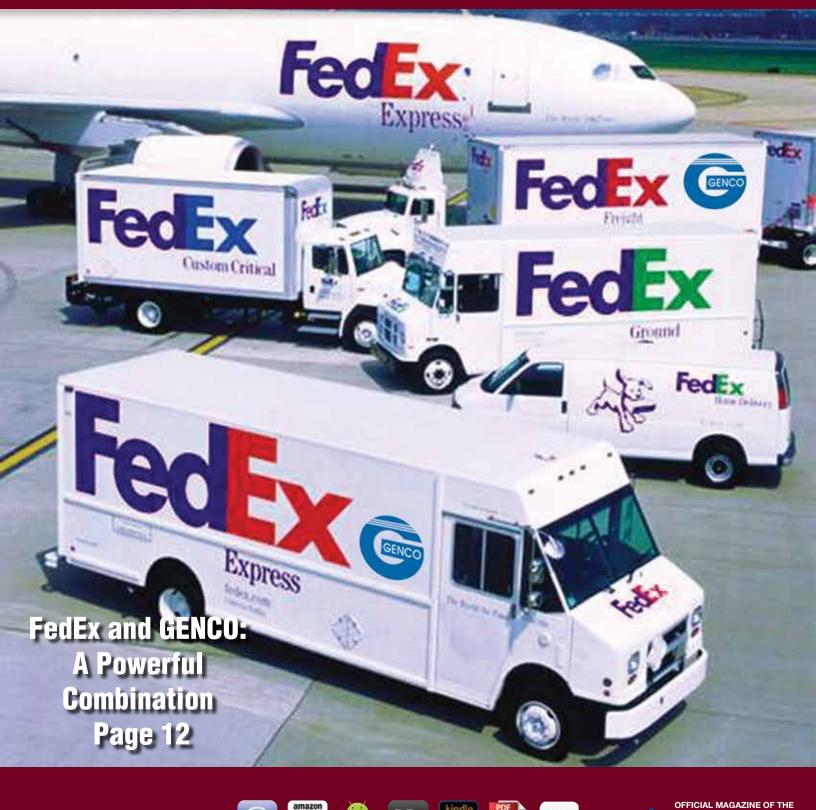


Serving the Health Sciences, Retail, and High Tech Industries



**Edition 73** 





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**REVERSE LOGISTICS** 

## **RLA@ T&LC Conference Education for Transportation Professionals**

Doubletree Resort Hotel in Orlando, March 23-25, 2015



#### Who should attend the conference?

Shippers, receiver, vendors, suppliers, 3PLs, risk managers, contract administrators, brokers, carriers, attorneys - anyone responsible for supply chain integrity; negotiating or reviewing logistics contracts, RFP's or rate quotes; shipment security and prevention of cargo theft; resolving freight charge disputes; and processing or recovering loss or damage (OS&D) claims.



Acclaimed as the best educational program in the industry, the sessions are presented by top experts and experienced practitioners who give you information and advice that you can take back and use in your every day business. The program includes General Sessions and Workshops touching on all modes of transportation and addressing a wide range of topics including loss prevention and mitigation of damages, contracts and risk management, the National Motor Freight Classification, new laws and regulations, shipping by air (parcel and air freight), reverse logistics, freight claims and a "meet the experts" session, as well as a transportation attorney panel where leading transportation attorneys will address current issues and recent court decisions.

In addition to a lineup of excellent speakers and panelists, the featured guest speaker at the Monday luncheon will be James L. Welch, CEO of YRC Worldwide. Tuesday's luncheon guest speaker will be Jack Van Steenburg, Chief Safety Officer and Assistant Administrator for the Federal Motor Carrier Safety Administration.





**REVERSE LOGISTICS** ASSOCIATION

#### Don't just take our word for it, see what other people are saying.

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#### Looking towards the future of reverse logistics

by Dr. Robert Gordon, Program Director, Reverse Logistics at American Public University

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Given the rate of change in technology, there is no doubt that our everyday lives are going to change as well as how business are run. Given what is happening today, there are two particular technologies that are going to impact reverse logistics worldwide. The first is the use of self-driving vehicles and the second is how technology will change how returns will be processed in the future.



#### The "Moneyball" Approach to Customer Returns and **Excess Inventory**

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**Editorial and Circulation Office** 441 W. Main Suite D Lehi, UT 84043-2024 Phone: 801-331-8949 Fax: 801-206-0090 editor@RLmagazine.com www.RLmagazine.com

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## **Message from the Editor**

#### **STRIVING FOR EXCELLENCE**

Last month, I wrote about achieving goals. This month is related to that in a different way. By understanding what type of thinker you are, you can better understand why or why not you are achieving the goals being set. To be the most productive, we set goals and make them happen and then start the process all over again with a new goal. We live a dream and life that we want and take personal leadership over our lives.

The number one type of thinker understands that when a big goal is set, that it has to be bigger than them or it's not a goal but simply a task instead. An example of this is if it's something that has been done before or there is no growth offered. An optimal goal is where you don't know exactly how to get it right away, have not experienced it yet, or it may be somewhat outside of your comfort zone. People are the only goal striving beings on the planet so when we're not

striving for excellence we are not growing. What we can do is arm ourselves with the tools, technology, and knowledge to overcome obstacles because these will always present themselves. One way to look at an obstacle is by viewing it in a positive light so that it's there for my benefit. It will also be a reminder to progress and can offer continued growth. You don't want to get rid of obstacles because they're there to help you grow and remind us that we can set a bigger goal.



There are three other thinkers that all have different ways to go about achieving their goals. The second type of thinker will set a goal that is not too outrageous but this person will doubt themselves and look at all of the challenges and obstacles. This causes focus to be taken from the goal itself and when the obstacle becomes bigger than the goal, the end result of completion gets smaller and less achievable. The energy and intention is then placed on all of the reasons of why not to complete the goal is no longer in sight. The third type of thinker is the type of person who has a lot of excitement of ideas, with the feeling of being able to easily accomplish everything in front of them. Once they hit an obstacle or challenge that becomes difficult, they'll go back and start on another goal instead of

accomplishing the original goal set out. This can also be referred to as having a spaghetti brain, where if you drew out the goals there would be lines going everywhere. The fourth type of thinker is the type of person that does not have goals or is on a resting period from just reaching a big goal. They are not taking risk or have become comfortable and tend to stay in this zone longer than intended. The value or benefit of not having a goal is that there are no obstacles or challenges but also no chance of moving forward and striving for excellence.

Thank you, Laura Teifel editor@rla.org

ur mission is to educate and inform Reverse Logistics professionals around the world. RLA focuses on the reverse logistics processes across all industries. industry at a moderate price. while offering ongoing updates No matter the industry High Tech, Consumer Electronics, Automotive, Medical/Pharmaceutical, Food and Beverage, Apparel, or other — our goal is to provide RL process knowledge to all industries. We want to educate everyone about the Reverse fulfillment (just to name a few) Sony and Jabil, along with small- solutions providers that were Logistics processes that are can be a little intimidating, to and medium-sized service previously unknown to them. common to all industries and

in developing and implementing new RL processes. We have been and will continue to provide our services to the retailers in a variety of settings

anaging the latest information in services such as repair, customer service, parts management, end-of-life manufacturing, service logistics, field service, returns processing and order say the least. Yet that is exactly

to be a catalyst for innovation what the Reverse Logistics RLA resources help advertise Association provides through our membership services. We serve manufacturers and on market trends, research, mergers and acquisitions and potential outsourcing opportunities to 3PSPs. We have gained the attention of 3PLs like FedEx, DHL, USPS and UPS. 3PSPs like Teleplan, Foxconn, Flextronics, Canon, 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



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- Mohan Kumar D, Hewlett-Packard
- Edwin Heslinga, Microsoft

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- Cintia Gates, Dell, Inc.
- Raymond Glynn, Arrow Value Recovery
- Maria Molina, PlanITROI
- Kenneth Turner. Hewlett-Packard
- Joe Walden, The University of Kansas





## **Message from the Publisher**

#### MEMBERSHIP STRENGTHENS EVERYONE

I know that many of you enjoy the benefits of a membership of the Reverse Logistics Association. But some of you don't realize the value that RLA brings for educational and networking! Please chat with others that are members and they will motivate you to become a corporate member. The Reverse Logistics Association monitors thousands of OEM, ODM, Branded and Retail companies worldwide who are looking for 3rd Party Service Providers in the Supply Chain. It is our objective to assist our members in reaching their marketing, networking and educational goals.

Since many of you have attended RLA Conferences and Seminars in the past, you might be eligible to upgrade your registration fee to a RLA Membership.

An Associate membership cost \$2,999, but you can upgrade for only \$2,000 to become a Conference Attendee to an Association Member.

A Bronze membership costs \$5,499, but you can upgrade for only \$4,500 to become a Conference Attendee to a Bronze Member.

You have 30 days from the date of the event to take advantage of this benefit, so act now to receive credit for your registration.

#### Here is a summary of RLA Member Benefits.

Solutions	Education	Information
Internship Postings	Conference Presentations	Weekly News Clippings
Respond to RFI's	Case Studies	Reverse Logistics Magazine
Community Networking	Reports, Research	RLA Committees & Chapters
Industry Job Postings	White Papers	RL World-Wide Data Base
Exhibit Expo / Fairs	Seminar & Workshops	Public Relation Announcements
Sponsorship Opportunities	Recorded Conference Video Presentations	

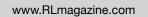
Below is a list of the RLA Events for the next year. The RLA@ Events gives our corporate members an opportunity to participate in the RLA Pavilion, so you can educate others on the Reverse Logistics process and show the solutions that your company offers.

#### **FUTURE RLA EVENTS**

Mar 23-25 RLA@T&LC Conf: Orlando – free to Corporate Members Mar 23–26 RLA@ProMat: Chicago - free to Corporate Members Jun 23–25 RLA@Logistics & Supply Chain Expo: Mexico City - free to Corporate Members Apr 8-9 RLA@Home Delivery World: Atlanta - free to Corporate Members Jul 1-3 RLA Conf & Expo: New Delhi Sep 15-17 RLA Conf & Expo: São Paulo Nov 17–18 RLA Conf & Expo: Paris Jan 6-9 RLA@CES: Las Vegas - free to Corporate Members Apr 4-7 RLA Conf & Expo: Atlanta

If Storopack were a Corporate Member, they could take advantage of RLA's exhibit/Private Meet Room space at other at RLA@ events at no-charge.

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



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

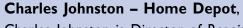


Dr. Mark Ferguson - University of South Carolina, Dr. Mark Ferguson serves as the Director of the Sustainable Enterprise and Development Initiative. Dr. Ferguson has worked in the reverse logistics area for over ten years; teaching classes on reverse logistics topics, consulting with companies and providing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



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 2012.

James H. Hunt IV – GENCO



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:

#### **REVERSE LOGISTICS ASSOCIATION**

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.



Monica Orlando Monica Orlando has over 15 years of experience in Supply Chain designing and managing a variety of complex processes spanning across Planning, Manufacturing, Logistic, Order Fulfilment and Inventory Management. As Director of Channel Operations Monica is responsible for all the supply chain aspects of distributing PCs and Printers to the North America HP Retailers/ Distributors, including the reverse logistic processes and programs.



Vijay Raisinghani, Google, Vijay is an 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. He has an indepth knowledge of supply chain system functionality, including planning, budgeting, forecasting, replenishment, transportation, and distribution. He has a passion and drive to inspire people and organizations to value every customer, escalate revenue and reduce cost.



Ian Rusher - Cisco Systems, 20 Years within Supply Chain Operations, of which the last 15 Years have been spent in reverse Logistics. Previous experience running 3Com EMEA Warranty/Service Repair Operations, Responsible for both Internal and 3rd party repair operational performance and Engineering support.



## **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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- Thomas Marcellino, Inmar
- •

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Co-Chairperson: Will Kyzer,

Anchorage Economic Development CorporationI

- Nathan Heidrich, AVC Corp
- Will Kyzer, Anchorage Economic Development Corporation

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- Charles Chappell, Genco
- Bharath Manoharan, ESC Rennes School of Business



www.

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- Jerry Schmidt, Asset Priority Sync, Inc
- Joe Walden, The University of Kansas

#### Join today at www.RLA.org

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# **ARTICLE**

## FedEx and GENCO: A Powerful Combination

by Sandy McCurdy, Senior Vice President, Strategic Planning & Communications, FedEx Ground and Ryan Kelly, Senior Vice President, Strategy, GENCO

It's no secret that companies across a broad spectrum of industry segments – from retail, electronics and consumer goods to healthcare, high-tech and government – are increasingly turning their attention to reverse logistics as a catalyst to drive supply chain optimization.

By improving reverse logistics processes, both business-to-consumer (B2C) and business-tobusiness(B2B) organizations of all sizes realize they have the potential to add as much as five percent to

the bottom line and, just as importantly, bolster customer satisfaction. In fact, the potential impact to profitability by implementing an optimal reverse logistics solution can be much greater than forward distribution – making it a crucial strategic tool in differentiating companies from the competition.

According to a January, 2015, report from IBISWorld, the U.S. reverse logistics industry is projected to grow another 18 percent, from \$6.1 billion in 2015 to \$7.2 billion by 2020. In an age where an estimated 15-20 percent of all online purchases are returned, the focus on reverse logistics will only continue to intensify.

#### **Best-in-class reverse logistics**

At FedEx, our customers in numerous market segments – especially retailers and e-tailers – have been requesting a more robust portfolio of dedicated reverse logistics capabilities to complement our forward-facing supply chain solutions. While our portfolio includes several



solutions to help our customers more efficiently manage their returns in-house, we have been receiving an increasing number of requests to offer outsourced dedicated reverse logistics services – to operate return centers and provide custom solutions to maximum recovery efforts.

With the percentage of product returns continuing to rise, it was clear that we needed to offer our customers true "cradle-to-grave" capabilities that can reduce their total cost of product ownership.

That's why the recent acquisition of Pittsburgh-based GENCO is such a perfect fit for FedEx. GENCO is widely regarded in the industry as the pioneer of reverse logistics as a professional discipline. Both companies have similar corporate cultures, and GENCO shares the



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• Djalma Barbosa, Dell, Inc.



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- Marcelo Cairolli, Arrow Value Recovery
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- Luciana Lacerda, Hewlett-Packard
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#### **NORTH AMERICA**

- Nathan Heidrich, AVC Corp
- Michael Geoffrey Omosa, NIT Rourkela
- Paul Rupnow, Andlor Logistics Systems Inc
- Tony Sciarrotta, Reverse It Sales & Consulting

FedEx commitment to making every customer experience outstanding and delivering exceptional service.

As Stifel Nicolaus analyst David Ross commented in a research note following the acquisition announcement, FedEx is buying a quality, complementary company with a strong industry position, keeping its leadership intact.

With the acquisition of GENCO, the leader in product lifecycle logistics<sup>®</sup>, FedEx has expanded our industryleading portfolio of transportation, e-commerce and business solutions to include world-class return center operations, return-to-vendor processing, recall management, liquidation and test, repair and refurbishment services.

GENCO currently operates more than 130 value-added warehouse operations and processes approximately half a billion returned items annually for a diverse range of customers in the retail, consumer and industrial, technology, healthcare, and government sectors. The company helps customers to improve cash flow, clear inventory, streamline operations, manage compliance with internal policies and vendor agreements, reduce labor hours and maximize the value for returned goods through a wide range of liquidation channels including GENCO Marketplace and nobetterdeal.com. In short, GENCO enables organizations to efficiently process and monetize returned products - and focus on their core competencies.

With the acquisition, GENCO customers now have access to the FedEx air and ground networks that cover more than 220 countries and territories, linking more than 99 percent of the world's gross domestic product



(GDP). This opens up the possibility of expanding to new markets around the globe.

#### More robust supply chain management capabilities

While FedEx has long had a presence in supply chain management, our current solutions are focused on forward logistics, particularly for customers with highvalue products or complex supply chain requirements. We have specialized in providing end-of-runway solutions for healthcare and high-tech companies that have mission-critical service parts and highly timesensitive inventory. We also provide solutions that utilize our extensive network of global distribution centers (GDCs) and forward stocking locations (FSLs) in more than 24 countries.

With the addition of GENCO, FedEx can expand our





## 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.



Paying attention to the environment is not just good for nature,



global third-party logistics provider (3PL) capabilities to a broader range of market segments – in particular retail and e-commerce. The combination of the two organizations is expected to result in more solutions and options that better meet each customer's unique supply chain requirements. We'll be able to create and customize business models that deliver a wide array of forward and reverse logistics services, including warehousing and fulfillment, transportation management, service parts logistics, contract packaging, product configuration, returns management, and liquidation.

As the reverse logistics market continues to grow, the goal of FedEx and GENCO is to continue introducing the innovative, integrated solutions our customers need to keep driving cost efficiencies - and adding to their bottom line.



Sandy McCurdy is Senior Vice President of Strategic Planning, Communications and Contractor Relations for FedEx Ground, headquartered in Moon Township, Pennsylvania.

Sandy joined FedEx Ground in 2000 with

more than 10 years of experience in financial planning and analysis. In 2007 she was promoted from Managing Director to Vice President of Finance. Her extensive knowledge of the financial world made her the ideal choice to become the Vice President of Strategic Planning in 2012 before assuming her current role in 2013.

Sandy is active in the community and industry. She serves as Chairman of the Board Elect to the Pittsburgh Chapter of the American Heart Association and is also a member of the Conference Board.

As an accomplished leader, Sandy attended the FedEx Executive Leadership Institute in 2003 and participated in the FedEx Excel Leadership Program in 2012. She has also been honored with the company's most prestigious award, the Five Star Award, on three separate occasions, and the FedEx Ground Leadership Award twice.

Sandy is originally from Moon Township, Pennsylvania. She earned her B.B.A. from Kent State University, and her M.B.A. from the University of Pittsburgh's Katz Graduate School of Business.

Sandy currently resides in Moon Township with her two children.



Ryan Kelly is Senior Vice President of Strategy at GENCO, headquartered in Pittsburgh, PA.

In this role, Ryan leads the strategic planning process, corporate development initiatives, and the integration of GENCO

with FedEx. Ryan is also responsible for managing the Marketing and Business Development functions within the company. A member of GENCO's senior management team, Ryan is a key strategic partner for all of GENCO's business units.

Ryan came to GENCO through its 2010 merger with ATC Technology Corp., for which Ryan was Director of Corporate Development, Planning, and Analysis. Immediately after the merger, Ryan was appointed Vice President of Strategy for GENCO. Previously, Ryan worked at Robert W. Baird & Company and J.C. Bradford & Company in their capital markets groups, holding positions in equity research, corporate development, private equity, risk management, and investment banking.

Ryan earned his bachelor's degree in business administration from Loyola University New Orleans and his MBA with concentrations in finance, accounting, and strategic management from the University of Chicago, Booth School of Business.

## 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.



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# **ARTICLE**

## Looking towards the future of reverse logistics

By Dr. Robert Gordon, Program Director, Reverse Logistics at American Public University



Given the rate of change in technology, there is no doubt that our everyday lives are going to change as well as how business are run. Given what is happening today, there are two particular technologies that are going to impact reverse logistics worldwide. The first is the use of self-driving vehicles and the second is how technology will change how returns will be processed in the future.

First, for logistics the use of self-driving trucks is going to revolutionize the transportation of materials from distribution center to retail outlet. If one were to take the efficiencies gained by the Wal-Mart WAVE system and combine it with the self-driving capabilities of the Mercedes designed Future Truck, one could have an amazing new truck that would change shipping. Selfdriving cars are not as far off as we might think as



## RLA@ Home Delivery World Conference Atlanta Convention Center at AmericasMart, April 08-09, 2015

## Join the Reverse Logistics Association at Home Delivery World 2015



Making your home delivery process faster, more reliable, and cost efficient while improving customer experience.

The 3rd annual Home Delivery World will bring retailers and grocers together to discuss their strategies and learn from their peers. The shippers in attendance are here to identify new ways to improve customer experience and retention through fulfillment, delivery, and reverse logistics programs.

The event will be combined with the Click & Collect and the Etail Show USA 2015 to address new models of customer engagement, pickup solutions, and omnichannel operations.rate quotes; shipment security and prevention of cargo theft; resolving freight charge disputes; and processing or recovering loss or damage (OS&D) claims.





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**RLA@ Home Delivery World 2015** Atlanta Convention Center at AmericasMart | Atlanta USA | April 08 - 09, 2015

DELIVERY



US, shows that this market will grow.

Although self-driving vehicles does not mean that there will be no one at the wheel, it does offer the benefit Second, for reverse logistics, there will soon be a of fewer accidents. Self-driving vehicles never get distracted, they never feel fatigue, and never drive at returns. Lowes and Nestle have reported that they will be anything less than 100%. This technology will certainly introducing robots as sales associates by the end of this

projections are estimating the self-driving car market will evolve over time and acceptance might be slow at first, be at 87 billion dollars by 2030. Mercedes has already but in time it will become a requirement. When seatbelts announced that a self-driving package will be available were first introduced as a safety device, the public was on their cars released by 2020. Given that level of tepid at their introduction. There was a similar situation anticipated growth, along with three major automobiles with the introduction of the first airbags. Over time, as the manufacturers conducing driverless car testing in the safety and value of these items were found, they became a requirement for all vehicles. Self-driving vehicles will likely follow the same pattern of acceptance.

technology revolution with regards to the processing of



## **Read the Press**



Early Bird Offer Expires on Europe 2015 600+ retailers & B2C delivery professionals in April?

Full Article

#### City IDA Unsure What Remains Route Genie Offers More Choice **At E-Waste Facility**

9 March 2015 – The city has not Market Place (GEDC) on Genesee Street to company left behind.

#### Full Article

#### Electronic Recycling Surges, **Turns Profit In Westchester**

ray tubes and the appeal of smart **Boom** televisions helped Westchester County's hazardous electronicyear.

Full Article

#### **Consumer Models Stuck In The** Stone Age

feel if you no longer owned your Economy

Full Article

**Remanufacturing Sector Could** Add Nearly £2bn To Scotland's Irwin Mine And Tunneling Economy 5March2015–Theremanufacturing Repairs Companies Friday | Home Delivery World industry in Scotland has the 3 March 2015 - Irwin Mine and potential to add nearly 2 billion to Tunneling Supply, an affiliate of 16 March 2015 - Will you be joining the nations economy, Environment Irwin Car and Equipment, has Lochhead Secretary Richard confirmed today. Full Article

In The Carrier Management Systems space at the Geneva 2014, results emerged from a Thomas Eggar LLP which looked at equivalent of 745 mid-sized cars determine what if anything the consumer views on retail deliveries. The findings indicate that retailers brand images are intrinsically linked to their logistics fulfilment. Full Article

## 9 March 2015 – Dying cathode- County Sees E-Waste Recycling

4 March 2015 – Thousands of pounds of waste have been recycled Environmental waste recycling numbers soar last by county residents since last March, but its not the traditionally gross, grimy trash. Full Article

UK Risks Losing Out On Over 6 March 2015 - How would you £3bn From The Remanufacturing (NYDEC) has announced that it own washing machine? Perhaps you 3 March 2015 – The UK economy relating to hazardous waste already use a community laundry in could be losing out on over 3 billion *Full Article* the name of resource efficiency, but by failing to fully embrace the this would spell the end of a highly commercial opportunities of the

convenient domestic amenity.

remanufacturing revolution, a new report warns today. Full Article

#### Supply Acquires Equipment

purchased Mescher Manufacturing Co. of Big Rock, VA, and Radford Remanufacturing & Assembly of Radford, VA.

Full Article

#### Liz Swafford: More Than 2.6 yet done an inventory at E-Waste 5 March 2015 - In September Million Pounds Recycled In **Dalton Last Year**

Enterprise Development Center survey commissioned by law firm 3 March 2015 - Whats the weight and saves enough energy to power 139 households for a year? Thats the 1,334 tons, or 2,668,020 pounds, of materials that residents in the city of Dalton recycled in 2014 through the citys curbside recycling program.. Full Article

#### **Retailers'** Warning! Enforcement **Initiative In New York**

2 March 2015 – Our retail clients with stores and warehouse facilities in the State of New York are warned that the State of New York Department of Environmental Conservation will begin enforcing regulations



year. Although this seems to be more related to sales, what people do not realize is this technology along with using the same technology for self-service checkout is going to revolutionize returns. Imagine instead of standing in the return line, one can go to a station designed to check a return seamlessly and generate a gift card for store credit.

The system would be the same as combining the customer service robot along with a self-checkout station. The self-checkout station would weigh the item being returned, as well as being able to scan the bar code and the bar code on the receipt. If everything comes up as correct, the checkout station could dispense a gift card with the correctly credited value. Just like with self-checkout stations, this would allow for a single employee to monitor several returns stations, effectively reducing costs and increasing efficiency.

Both of these changes are going to change how large retailers are going to conduct their logistics and reverse logistics. In both of these cases, the technology is still not



perfected; however, these changes are going to happen sooner that people think. Technology is moving faster as everyone is trying to apply technological solutions to everyday situations.



Dr. Robert Lee Gordon is currently an associate professor with American Public University System in Reverse Logistics Management program. He has four published books, three regarding

project management and one regarding reverse logistics in addition to dozens of articles. Dr. Gordon curates a Reverse Logistics topic at http://www.scoop.it/t/reverselogistics-by-robert-gordon2.

## The USA's only event for the entire home delivery chain

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Join us to gain industry intelligence, network with top retail, eTail, supply chain, and logistics decision-makers, and form new business relationships.

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Reggie Milligan Founder Mantry

Vice President, Marketing **SEKO Logistics** 



ASSOCIATIO

We're glad to have the Reverse Logistics Association as a Media Partner of Home Delivery World 2015. Members of the RLA can save 15% on their VIP conference pass with promo code XSJJ.

Visit the website to register now: www.terrapinn.com/homedelivery









Michael J. Ryan Executive VP, Parcel Solutions **ProStar Logistics** 

## The "Moneyball" Approach to **Customer Returns and Excess Inventory**

by Howard Rosenberg, CEO and co-founder of B-Stock Solutions

Most of us are familiar with "Moneyball," a book-turned-Oscar-nominated film about a Major League Baseball team's data-driven approach to assembling a competitive roster. The idea is that the historical wisdom of baseball insiders is flawed and that more analytical metrics of player performance can better predict team performance.

The same tactics can be applied to reverse logistics, specifically how organizations approach the sale of their returned, overstock and excess inventory slated for liquidation. Whether it's a team of MLB players or racks of customer returns in your warehouse, the answers to building a formula for success lie in the data.

Before we dive into data points though, let's discuss the reverse supply chain landscape and the transition that is slowly taking place when it comes to solutions for returned and excess inventory. Historically, there has been a lack of innovation for dealing with obsolete inventory, which has resulted in billions of dollars lost



## **RLA @ Logistics & Supply Chain Expo** Centro Banamex in Mexico City, Mexico, June 23-25, 2015

## Join the Reverse Logistics Association at Logistics & Supply Chain Expo



15:00 - 16:00 hts

Logistics & Supply Chain Expo es un evento líder en América Latina que congrega a los principales actores de la industria logística en México en torno a productos, servicios, innovaciones y tendencias de la cadena de suministro, logistica y manejo de materiales. Durante 3 días los proveedores más improtantes del sector se reúnen con clientes potenciales en una plataforma que incluye diversas actividades.

Logistics & Supply Chain and Expo is a leading event in Latin America that brings together the major players in the logistics industry in Mexico around products, services, innovations and trends in the supply chain, logistics and material handling. During 3 days providers meet with potential clients more important sector on a platform that includes various activities.





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# MONEYBALL







RLA@ Logistics & Supply Chain Expo 2015 Centro Banamex | Mexico City Mexico | June 23 - 25, 2015



by retailers and manufacturers; reactive approaches and traditional liquidation methods are among the problems. Over the past few years however, a subtle shift has taken place in how organizations deal with their returned and excess inventory: many are incorporating technologybased, data-driven liquidation programs into their overall business strategy. This includes customized B2B marketplaces that connect obsolete inventory directly to business buyers, enabling companies to create incremental revenue totaling hundreds of millions of dollars. Whether managed in-house or by a provider, a data-driven B2B online auction marketplace, when properly executed, can often increase recovery by 50% and sometimes much more.

So how do you sustain a successful B2B liquidation marketplace? Let's get back to the importance of data and take look at how to build a formula for success through bidder acquisition and retention, sustained competition, auction lot configuration and customer service quality.

#### **Finding the Right Bidders**

Having the right buyers is always the most important



**RLA@ T&LC Conference: Orlando** March 23, 2015

RLA @: ProMat 2015: Chicago March 23, 2015

**RLA@ Home Delivery World Atlanta** April 8, 2015

**RLA @ Logistics & Supply Chain Expo: Mexico City** June 23, 2015

**RLA Conference & Expo : New Delhi** July 1, 2015

**RLA Conference & Expo : São Paulo** September 15, 2015

**RLA Conference & Expo: Paris** November 17, 2015

**RLA Conference & Expo : Atlanta** April 04, 2016

## **Reverse Supply Chain-Risk Assessment Survey Questionnaire**

I am a post graduate student at the National Institute of Technology (NIT) - Rourkela, India, working on a research project on 'Design and analysis of reverse logistics in supply chain systems' under the supervision of Prof. Siba Sankar Mahapatra from the department of Mechanical Engineering.

Your assistance is critical to understanding the extents of the Risks involved in the reverse supply chain network and the measures carried out to mitigate those risks by the companies you represent or by various companies that undertake reverse logistics activities.

The survey will take approximately 20-30 minutes of your time to complete. It is possible to participate anonymously and answers will be treated confidentially. Only me and my supervisor shall view any of the raw data and no company data will be identified in our final thesis report. Should you have any questions, please call us at (+91)7750853518. If you wish to receive a copy of the survey results, please indicate 'Yes' in the questionnaire.

I sincerely appreciate your help in filling this questionnaire. Your prompt response is critical to completing this research work.

Thank you again for your kind assistance.

**Omosa B Michael Geoffrey** Mechanical Engineering Department NIT-Rourkela



## **Survey Questionnaire**



first step to maximize recovery. It's important to segment buyers by product category, condition code and ability to participate (financial ability, geographic location, etc.) in order to properly drive demand. Only by developing effective campaigns to target the right buyers at the right time, can a marketplace successfully scale.

#### **Generate Repeat Buyers**

Repeat buyers create a foundation on which to build a successful marketplace. There are many operational elements that contribute to success here. Building

customer loyalty programs that reward repeat purchases is one example. Marketing campaigns that target buyers based on their past bidding and buying history is another.

#### **Sustain Bidder Competition**

More bidder competition (among 'the right' buyers) means higher prices every time so continually investing in attracting new buyers through targeted demand generation programs is critical. Our data reveals a 300% increase in recovery rates as competition grows from under five bidders to more than 15 bidders.

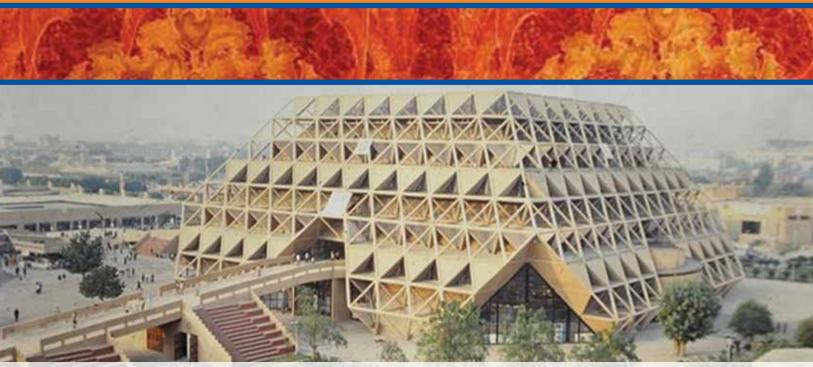
#### **RL Careers**



This is your place to post jobs\* within the Reverse Logistics Industry. If you are a job seeker or a hiring manager looking to staff positions within the Reverse Logistics Industry, this is the place for you. Contact RLA Connections for more information!

\*RL Solutions Careers is a service available to Bronze Members and above

## **RLA Conference & Expo: New Delhi** Pragati Maidan, New Delhi – July 01-03, 2015



#### 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.

A wide range of leading regional and global 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.



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RLA Conference & Expo : New Delhi 2015 Pragati Maidan | New Delhi India | July 01 - 03, 2015



#### **Optimize Auction Lot** Configuration

How auction lots are assembled is extremely important to maximizing recovery numbers. What works best here is very unique to every situation. There are thousands of potential variables to be tweaked and tested. What is required to succeed are the skills needed to figure out what those optimal configurations look like.

This takes years of experience that create 'pattern' generate better results across their businesses every day; it is only fitting that they use it to improve results recognition'. While there is an element of 'science' to it, there is also a considerable amount of 'art'. Y in the last mile of the reverse supply chain: liquidation.

#### **Offer Quality Customer Service**

A customized, private-label B2B liquidation marketplace promotes a direct relationship between you and your buyers; and with that comes the responsibility to provide them with a great buying experience. By offering quality customer service that includes resolving retailers, have leveraged B-Stock Solutions' technology the inevitable disputes that will crop up amicably an quickly, you'll reap benefits in the form of better prices. of consumer returned and excess inventory. For more

As the relevance and importance of incorporating reverse logistics programs into overall business strategy \*This article has been drafted by Howard Rosenberg continues to mature, so should the way we determine exclusively for Reverse Logistics Magazine what constitutes success in the world of liquidations. The best run retailers and manufacturers use data to

## **PRODUCT LIFE CYCLE**

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#### **Supply Chain**

#### FORWARD LOGISTICS

New Product Development	Material Management	Manufacturing & Distribution
<ul> <li>Design Development</li> <li>Technology Roadmaps</li> <li>ASIC Development</li> <li>Mechanical Design</li> <li>PCB Layout</li> <li>Prototyping</li> <li>New Product Introduction</li> </ul>	<ul> <li>Vendor Relations</li> <li>Planning</li> <li>Procurement</li> <li>Inventory Planning</li> <li>Component Fabrication</li> </ul>	<ul> <li>PCB Assembly</li> <li>Box Assembly</li> <li>Volume Manufacturing</li> <li>Integration</li> <li>Configuration</li> <li>Final Testing</li> <li>Distribution to Customer</li> <li>Customer</li> <li>Fulfilment Transportation</li> </ul>

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#### **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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Howard Rosenberg is co-founder and CEO of B-Stock Solutions, the largest network of private-label B2B liquidation marketplaces. Hundreds retailers including four of the top five U.S.

and service offerings to sell billions of dollars worth information please visit http://bstocksolutions.com.



# ARTICLE

#### How Simon and Schuster benefits from working with Norbert Dentressangle:

- Reduced overhead in their claims department
- Refined processes to ensure credit is issued on actual returns, not just claims
- Added 540,000 square feet to bring on additional distribution clients
- Gained the ability to trend and record returns data previously unavailable to them
- Improved distribution through the ability to push 30,000+ pallets to Norbert Dentressangle for distribution to end customers



1275 NW 128th Street Clive, Iowa 50325 800.636.6171



## Helping Simon & Schuster, Inc. **Chart New Territory**

in Reverse Logistics

#### **Our Customer:**

Simon & Schuster, Inc. is one of the largest English-language publishing houses, responsible for more than two thousand titles annually under 35 different imprints.

#### The Challenge:

In 2002, Simon and Schuster (S&S) was actively seeking a partner to design and implement a solution to effectively and efficiently handle all of their domestic book returns. Prior to partnering with us, S&S Customer Financial Services utilized many associates to handle the staggering task of tracking, completing, and issuing credits for the return of 42 million whole books. Additionally, S&S was looking for a partner to handle the intense programming surrounding credit recognition and issuance to their clients. Their goals in partnering with a third-party logistics (3PL) provider to handle returns were to gain the ability to utilize space in their own facilities to handle new clients and to change their returns practices, enabling business rules to be fully utilized and tracked for compliance at the store level.

#### **Our Solution:**

Back in 2002, a fully implemented, process documented return center was uncharted territory for the publishing world. In addition to providing warehouse space and labor, we ultimately needed to demonstrate a thorough understanding of S&S's processes and provide no advanced notice or consistency of return a completely customized solution. This process took thoughtful development over six months of intensive summit meetings, analysis, and creation of the programming required to meet a day-one operational requirement. What began as a drawing on a sheet of a paper turned into the first-of-itskind, total return center.

The value of books returned to S&S is dependent on whether or not they can be re-sold. Upon intake, books are processed and classified as either 'keep' (for resale) or 'kill' (destroy/ recycle), based on their condition. In order for our solution to be truly effective, it had to be both efficient and delicate when handling the books marked for retention. Our engineering group partnered with W&H Systems to craft a wireless conveyance and sortation system to handle the books with care. Staffing was ramped up two months in advance with a crew that worked directly with S&S. This provided an

outstanding startup transition, and Norbert Dentressangle began processing whole book returns during S&S's busiest quarter.

Publishers are unique in that they require by their retailers. Our proprietary system provides S&S users the ability to cull data for discrepancies with a single mouse click. This ensures credit is being issued only for merchandise that was actually returned, versus what their clients said they returned. We have given S&S the ability to capture and record non-compliances from carriers to carton weights. By working with our own transportation group, we are able to track the shipments between the distribution centers and the return center.

Norbert Dentressangle handles all aspects of the returns operation from scheduling inbound carriers to outbound shipment execution to the certified destruction of all books unfit for resale. We also provide S&S value-added services such as book inspection, re-jacketing, and re-pricing, and oversee the recycling of all paper and cardboard resulting from the destroyed books.

## **RLA Conference & Expo: São Paulo**

## Expo Center Norte in São Paulo, Brazil, September 15-17, 2015



We are pleased to announce the RLA Conference & Expo: São Paulo 2015! Companies from all over the world and especially South America & Central America along with many other international delegates will be in attendance.

ODMs, OEMs, Branded Companies and Retailers will be looking for 3PSPs that can manage Reverse Logistics in South & Central America.



RLA Members can contact Felecia@rla.org if you're interested in volunteering your time to educate attendees about the process of Reverse Logistics:





RLA Conference & Expo : São Paulo 2015 Expo Center Norte | São Paulo Brazil September 15 - 17, 2015

## sQRrI Codes Released and Evolving

by Kenneth Jacobsen, Co-chair of the RLA Standards

Conference in Las Vegas in February, the RLA Standards Committee released their list of standardized label fields to be used on products to facilitate reverse logistics processing. Called sQRrl codes for Standard QR codes for Reverse Logistics, these labels are designed to supplement bar codes and UPC codes with additional information for manufacturers, logistics professionals, recyclers, refurbishers and consumers. QR code technology can communicate up to four thousand characters of information. Modern bar codes offer one-fourth

the capacity. Most products today have multiple bar codes. Why not combine them all into one scan-able label. What additional information would you want to find? There is still room!

In his keynote address, Tom Maher, Vice President of Global Service and Parts discussed some applications for this label. He reported that Dell has a problem with fraudulent returns. Counterfeit products are often difficult to identify. Encrypted labels both on products and on subassemblies would help address this problem. Vejay Raisinghani, Vice President for Reverse Logistics at Google, commented that these labels will help with documenting the repair and refurbishing cycle. Others

At the 2015 Reverse Logistics Exhibition and like GoPro and Intel concurred that this was an attractive feature.

> A deficiency in our schema was noted by many. Our initial list of sixty fields did not include fields to expedite transportation. Customs and D.O.T. processes are often slowed down over documentation. Much of this information could be placed onto a scan-able sQRrl code label. We have always considered our project to be a dynamic process and expect that before long we may have over 1000 fields defined in our protocol. Our standard is designed to be open to all suggestions and be technologically agnostic. It works because, as a trade association, we can arbitrate field designation and promote best-practices. Each manufacturer chooses which fields to implement and how many labels they require. In this case, a sQRlr code label might be on the packaging and contain the appropriate information for transportation logistics beyond that provided by the UPC codes.

We have added the following new fields to our schema:

We are open to suggestions for additional field labels. For a complete listing of our protocol, visit http://rla. org/qr-code-listing.php. At the bottom of the list is a form to suggest additional fields.

Customs/	DOT Official (TR for T	ransport)	
TR 3C	Schedule B	xxxx.xx.xxxx	Export Classifications: Hrmonized System
TR 3D	HTS	xxxx.xx.xxxx	Import Classifications Harmonized Tariff Schedu
TR 3E	NMFC	xxxxxx.x	Type of Product shipped by LTL carrier
TR 3F	Freight Classes	xxxx.x	18 classes of freight
TR 40	ECCN	nAnnn	Export Control Classification Number
TR 41	Hazmat	x.s	Classes of hazardous materials.
TR 42	Country of Origin	AA (internet)	Country Code of origin
TR 43	Sub-assembly Origins	AA, AA	Country Code of origin for subassemblies
TR 44	CoM	AA	Country of Manufacture
TR 45	Value	xx.xx	For customs
TR 46	Currency	Pull down	



ARTICLE

Mr. Jacobsen is the Vice President of Business Devellopement for Connexus: a silicon valley software startup focused on warranty management. He was responsible for the creation of the InfraRed Data Association (IrDA)

and for the establishment of the PCMCIA. He has

provided technology brokering services for HP, Toshiba, and Lockheed. He was part of the Pocket Intelligence Program at SRI, International and has been involved in numerous startups. Most recently, he was a Director of the Global Software Entrepreneurial Training Program at Oulu University in Finland.

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## **Returning Thoughts Reverse Logistics Software Case Study** at a Third Party Service Provider

#### by Paul Rupnow

items get processed.

Vivitech Solutions is a Reverse Logistics Service the receipt to process a credit for the retailer. They will Provider (also known as 3PSP or specialty 3PL). Vivitech helps consumer product manufacturers to process product returns from retailers with the main goal of recapturing the highest value possible from the returned inventory. Each day Vivitech receives thousands of mixed individual return items from big retailers. These returned items are typically open box goods in a variety of conditions that consumers have returned to the retail store, but could not be put back onto the store shelves. Vivitech must process each item to ensure its manufacturing clients have detailed data about

#### then stream each item to a special workflow to ensure they can assess and prepare the item to recapture the highest resale value. Their clients, the manufacturers, also require visibility of the inventory at each step as the

Vivitech uses Reverse Logistics Management Software (an RLMS) to manage all of their returns processing. An RLMS is a special niche software application for best practices Returns processing. An RLMS typically provides modules for in depth handling for the key areas of returns management such as: RMAs, an RMA

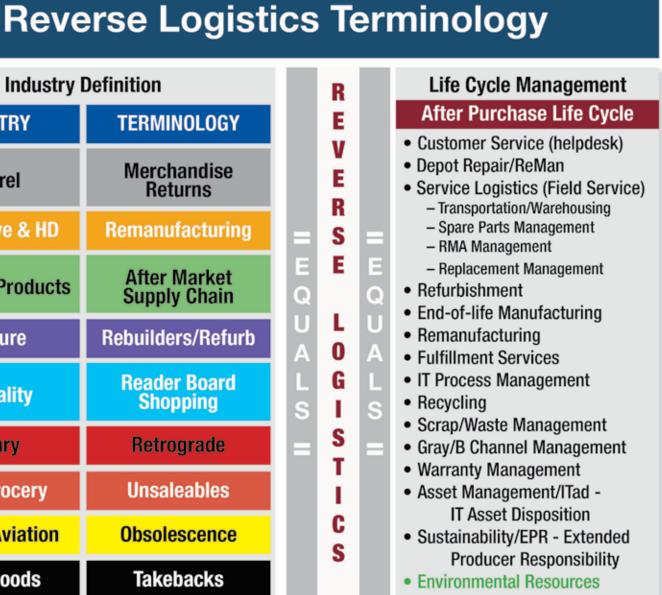




Industry Definition				
INDUSTRY	TERMINOLOGY			
Apparel	Merchandise Returns			
Automotive & HD	Remanufacturing			
Consumer Products	After Market Supply Chain			
Furniture	Rebuilders/Refurl			
Hospitality	Reader Board Shopping			
Military	Retrograde			
Retail Grocery	Unsaleables			
Space & Aviation	Obsolescence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

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customer portal, "Smart" Receiving, disposition, sorting, refurbishing, repairing, shipping and inventory management. RLMS's are designed for manufacturers, 3PL Third Party Logistics companies and 3PSP Third Party Reverse Logistics Service Providers. Many share data or work with corporate ERP or accounting systems to enhance the special needs and workflows of high volume returns processing. Some are web based so that all parties involved in managing the returns process can have instant knowledge with real time access and visibility.



"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"....



Often, consumer product returns get bulked together by the retailer and sold as a batch either by the retailer or by the manufacturer at a low bulk price. This is often thought to be the easiest method to disposition returned items. However, with many higher value consumer products there is a much higher profit opportunity. Vivitech uses the RLMS to enable them to separate the bulk returns and stream each item down its highest value path, without much additional effort or cost. Depending on the condition and the data collected at the time of receipt or as the unit is tested or processed, the Vivitech business team can set up rules and workflows for each item, without the need for a programmer. These rules help guide the team to the best next step, so that some items will be sorted for repackaging, while others will be repaired, and others that may be a lower value or beyond economic repair can be just sold "as is". "The net effect of these custom tailored workflows is a much higher selling value and profit for our clients" says Richard Chemel, VP of Business Development at Vivitech. "In addition, by processing the returned items, we are adding value to them and managing the optimal secondary market resale channels rather than liquidating them. As a result, our clients are also able to control their brand, since they can better control where and how the products are sold into the secondary retail market."

"With the data we collect as the units get processed in the RLMS and with the real time reports and visibility, we can work together with our clients to continually evaluate the workflows for each product, to improve recovery and to reduce touches and costs. Our RLMS is an essential tool for the success of our Reverse Logistics operations."



#### ReverseLogistics Professional Business Insights and Strategies for Managing Product Returns www.ReverseLogisticsProfessional.com

Paul Rupnow - Director, Reverse Logistics Systems, Andlor Logistics Systems Inc.

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

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## RLA WORKSHOPS: TUESDAY, NOVEMBER 17, 2015

