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

lenovo  
Returns Center, Whitsett, NC:

## Bold Work-Out Page 12



Edition 60



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RL Magazine will publish 12 issues annually — 12 new digital editions!  
Reverse Logistics Magazine welcomes articles and abstracts.  
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## Message from the Editor

It was a great week with so many RLA Members in Las Vegas joining together to be educated on Reverse Logistics Best Practices, 3PSPs showcasing their RL Services and Solutions, and several companies finding new business to better their company Reverse Logistics. Our Keynote Speaker from iRobot, Don Patch, Director of Global Logistics, gave a great keynote address on Engineering for Success, where we saw some fun robot usage and innovation, and useful information on creating for RL success. I always enjoy meeting new members and putting a face to the names of the many Members I get to associate with daily throughout the year.

The energy at this year's event was there, as always. Everyone was busy as many RL professionals were networking and meeting continually throughout the week. I've never seen our Private Meeting Rooms being used as often as they were this year – which was a great sign that our economy is improving and companies are better understanding Reverse Logistics and the importance it plays in their business.

I am excited for this month's edition, covering the Lenovo Returns Center in Whitsett, NC. This group also came and gave a great presentation at our Conference last week in Las Vegas proving to our members what a little (or a lot) of time, motivation, ideas, and teamwork will do to improve your Reverse Logistics practices. Continue reading through this edition to find additional educational articles on Reverse Logistics, as well as webinar information, other RL events, and RLA information and tips.

Thank you,  
Felecia Przybyla  
editor@rla.org



## OUR MISSION

Our mission is to educate and inform Reverse Logistics professionals around the world. RLA focuses on the reverse logistics processes across all industries. No matter the industry — High Tech, Consumer Electronics, Automotive, Medical/Pharmaceutical, Food and Beverage, Apparel, or other — our goal is to provide RL process knowledge to all industries. We want to educate everyone about the Reverse Logistics processes that are common to all industries and

to be a catalyst for innovation in developing and implementing new RL processes. We have been and will continue to provide our services to the industry at a moderate price.

Managing the latest information in services such as repair, customer service, parts management, end-of-life manufacturing, service logistics, field service, returns processing and order fulfillment (just to name a few) can be a little intimidating, to say the least. Yet that is exactly

what the Reverse Logistics Association provides through our membership services. We serve manufacturers and retailers in a variety of settings while offering ongoing updates on market trends, research, mergers and acquisitions and potential outsourcing opportunities to 3PSPs. We have gained the attention of 3PLs like FedEx, DHL, USPS and UPS. 3PSPs like Teleplan, Foxconn, Flextronics, Canon, Sony and Jabil, along with small- and medium-sized service providers have found that

RLA resources help advertise their services to a regional and global audience. OEMs like Microsoft, HP, RIM, and Sony, along with Retailers like Wal-Mart, Canadian Tire, Tesco and Best Buy all participate at our events. Through RLA Events, RLA Connect services and our publications — RL Magazine and the Weekly News Clippings email — we help OEMs, ODMs, Branded and Retail companies find service partners and solutions providers that were previously unknown to them.

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# Message from the Publisher



## NEW NETWORKING TOOLS

My staff and I have returned from the largest RL event in the world, RLA Conference & Expo in Las Vegas. We had over 500 people attend, which accounted for 234 companies. Networking was the unsolicited theme throughout the conference from our RLA Community that gives

everyone updates in the palm of your hand, to one another's schedules, to our evening receptions.

Some of you might have noticed that in each session the video screen had a red blinking light to indicate that the session was being recorded. We have employed a filing system for recording each of our sessions for the last 2 years. But what you might not be aware is this same Cisco WebEx system allows RLA to stream our conference & workshop sessions around the world. Most if not all of our sessions had RLA members and customers watching and hearing the sessions live at their office/home. We started to experiment with "streaming video" over a year ago, but this was the first time we made it commercially available to our clients.



**LIVE VIDEO STREAMING:** If travel or cost restrictions are overwhelming, look at our low cost Live Video Streaming Solution. Sessions at the RLA Conference & Expo: Video and audio will be streamed live into your office or home; this includes all general sessions, case studies, panels and tracks. Register now for the video streaming service.

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For the question and answer section of the presentations, now for the first time we get questions via those who are watching live. You might have experienced this in our committee meetings or Webinars in the past. Again it is the same Cisco WebEx system that makes it possible. If you would like to relay the details to a colleague of what was said in a session you attended, then just order the recorded session.

If the RLA Conference & Expo in Amsterdam is too far a reach for you to attend, consider "streaming" the conference live to your team at the convenience of your offices.

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:



**James H. Hunt IV – GENCO Technology Services,** Jim is the Senior Vice President, Business Development for GENCO Technology Services. He has responsibility for account management, new business sales and solutions development. He joined GENCO in July 2012.



**Charles Johnston – Home Depot,** Charles Johnston is Director of Repair and Returns at The Home Depot Chuck was with WAL-MART for the past 14 years and his responsibilities include Returns, Imports, Exports, Tires and Printing and Mailing Distribution.



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



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



**David Moloney, Google,** David Moloney, as Senior Manager of Reverse Logistics & Business Systems, is an operational leader with technical focus, a technical leader with operational focus: "I flip between both roles as circumstances require. I build operations for consumer electronics startups: business model, process, legal framework, international expansion, NPI, PLM, sourcing talent, forward logistics, contact centers, reverse logistics, wireless certification, online and backend systems, knowledge management, sleeve rolling-up."



**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.



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



**Susan Wackerman – Hewlett-Packard Company,** Susan Wackerman is currently a Sr. Operations Manager in the Americas Supply Chain for HP's Imaging and Printing Group. In her position, Susan is responsible for the Recycling Operations for HP Americas and the Returns Operations / Remarketing for HP Americas Imaging and Printing Group.



Dad's been behind him for 65 marathons.

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

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## Bold Work-Out

by Rob Bromley

**Lenovo is engaging teams in dramatic, rapid improvements beyond traditional continuous improvement with a focus on reverse logistics at its National Returns Center**

Lenovo, the world's leading computer manufacturer, is redefining the reverse logistics process for its North American region. The company's Returns, Refurbishment and Repair operation, part of the National Returns Center (NRC) in Whitsett, NC, is leveraging complex reverse logistics processes into a multi-million dollar asset recovery. Lenovo has implemented creative and innovative process improvements in Whitsett to establish the model for Lenovo Returns Centers worldwide. Lenovo uses resources around the world to ensure a successful returns process that is scalable for the demands of today and for future business opportunities.

As a consumer do you ever think about that product you opened, reconsidered and then returned to the store, after you have your refund in hand? Are you just happy to have your money back and ready to buy something else? Did you assume the store clerk puts it back on the shelf and voila, it's ready for the next customer to buy? Easy, right? No big deal...life goes on for everyone. Well, those of us in the returns business know that it's just not that easy!

With Lenovo's rising market share in North America and its tremendous success in the Retail sector, its NRC operation has experienced significant growth over the past three years. The NRC team is four times the size it was just three years ago.



Return volumes are up year over year in line with the total volume of sales. Statistics show return rates are better but with the boom in sales come higher volumes for the NRC team.

So it just goes back in the racks like you thought, right? What's the challenge in that?

The challenges, as is common in the returns business, are many and complex due to multiple customer channels, products and returns processes.

Lenovo's NRC has established high level operational metrics to guide the team and help measure the success of the returns operation in meeting Lenovo's overall business objectives. There are three key operational metrics for its NRC team:

- 1) Cycle Time: Dock to Stock
- 2) Quality: Refurbished product to internal and external quality measurements
- 3) Efficiency: Cost

While there are other metrics that Lenovo tracks for the NRC Operation, these three key metrics drive the operation day to day. Lenovo's North America inventory team tracks metrics related to the age and value of inventory returned to the NRC. Lenovo's sales

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**New Technologies** – The technologies for Reverse Logistics are evolving everyday. The best way to stay ahead of the technology curve is to allow the industry experts to evaluate your objectives and offer alternative solutions.

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Help

teams track available inventory for re-sale in a number of channels. At the end of the day, if the NRC team executes on its three key operational metrics, the other Lenovo teams, such as Inventory, Excess and Obsolete Management are assured to get the results they need to be successful.

Now imagine that product you returned and its journey to find a new consumer. After it goes back to the store clerk it's joined at the store with other returned products. The store contacts Lenovo to request a Return Authorization (RA) for those products. Once enough returns have accumulated, they'll be sent to the retailer's distribution center or to a third party returns management company. After all returns have been collected they'll be organized by RA and sent back to the NRC in Whitsett, North Carolina.

When the products arrive they are received, credit processed, placed into inventory, refurbished and/or repaired and then listed in appropriate sellable condition, i.e. redistributed, refurbished, scratch and dent, etc. Lenovo then advertises on the Web to find new consumer homes for units that were supposed to just "go back on the shelf".

So there you have it, a bit longer journey for that returned product. A little more involved than you may have thought but ultimately the Lenovo NRC team has been successful in getting a new consumer home for returned products and realizing the benefit to Lenovo in the process.



EVP Gerry Smith

In 2013, Lenovo's Americas Group President Gerry Smith asked, "How do you go from good to great?"

The NRC team decided to utilize Lenovo's Lean Six Sigma (LSS) culture, believing this would provide solid improvements and yield 10%+ process improvement. Where did the team start with LSS?

- Forecasted product output for better Sales visibility - done via a production control model for the returns inventory to help plan and anticipate what will be available to the Sales and Outlet teams. Operations are now flexible enough to handle all products that Lenovo sells in North America, with no restrictions on what can be returned, refurbished and re-sold.
- Inventory value reduction - achieved through

planning and priority setting to focus on the reduction of excess and obsolete inventory first, with significant wins already realized.

- Improving yield through Refurb & Repair Operations – accomplished through multiple LSS projects which enhanced the operation and increased the yield of higher valued finished goods.

Like many successful businesses, Lenovo leveraged Lean Six Sigma and LSS tools to enable modest improvements in its Reverse Logistics Operations. Successes since 2008 include:

- Creating Lenovo proprietary Shop Floor Control systems
- Creating operation flexibility to handle all brands, models and platforms of products
- Creating universal packaging to support multiple platforms and models
- Creating alternate work schedules to implement a seven day per week operation, in lieu of adding space or equipment costs
- Creating in-house Test capabilities for refurbishment of all systems
- Creating multiple re-sale vehicles (Web, Lots, Brokerage and Retail)

Lenovo's NRC team ultimately was successful, but the level of success was just...good. What is the answer to be GREAT? The NRC answer was....**BOLD WORK OUT!**

Lenovo implemented a new evolution to continuous improvement by engaging cross-functional teams in a new event called Bold Work Out. Lenovo's Bold Work Out name takes its roots from GE's Work Out program that developed by Jack Welch in the early 1990s. The program, based in LSS, is composed of several speed driven steps that take improvement to aggressive goals within ninety days of start of the event. Lenovo's desire to implement a "Bold" version of Work Out in its NRC



# Reverse Logistics Association Regional Chapter Committees

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### NORTH AMERICA

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- Tony Sciarrotta, Reverse It Sales & Consulting





began in September 2013 and successfully concluded that December with a BOLD celebration.

Bold Work Out has been successful across several of Lenovo's in-house factories in Mexico, China, Brazil and the U.S.--most recently with the new U.S. Assembly Operation also located in Whitsett, North Carolina.

Bold Work Out has six guiding principles:

- **Executive Support** - Direct Involvement
- **Expert Guidance** - Champion support and guidance
- **Talent and Skill Development** - Specific skills developed
- **Team Engagement** - Involvement at All Levels
- **Complete cooperation** - Guaranteed success
- **Bold Targets** - Aggressive results

"Together we do more!" explains Mario Bofill, Western Operations LSS Black Belt for Lenovo, as he kicks off another Bold Event. Bofill explains, "A consistent message that I hear from teams is, 'This isn't easy'". Bofill continues, "**Trust** the process you are executing" "**Believe** in yourself that you can do the activities" and "**Believe** in your team for together you will achieve your goals". Successful completion of Bold Events in multiple Lenovo locations worldwide provides confidence in the program.

Bold delivers success through three key strengths: Engagement, Speed and Execution.

#### Engagement

- Where leadership engagement & empowerment is required
- Where an issue impacts people from many functional areas at many levels
- Where there are multiple opportunities for improvement
- Where a forum for dialogue and change builds systemic thinking and breaks down organizational boundaries

#### Speed

- Where you get, or need to get, results quickly
- Where changes can take place within three months
- Where "on the spot" decision making is required
- Where concentrated time and the pressure of a deadline gets rapid results

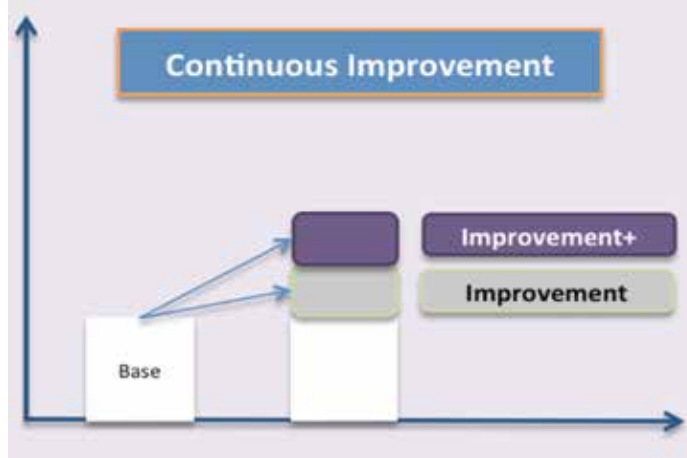
#### Execution

- Where results exceed our normal incremental approach
- Where gaps can be closed through addressing issues that stand in the way of meeting goals
- When needing to identify the "right things" to go work on – and then doing it
- Where concentrated decision making and empowerment is needed to resolve issues – with clear lines of accountability for actions

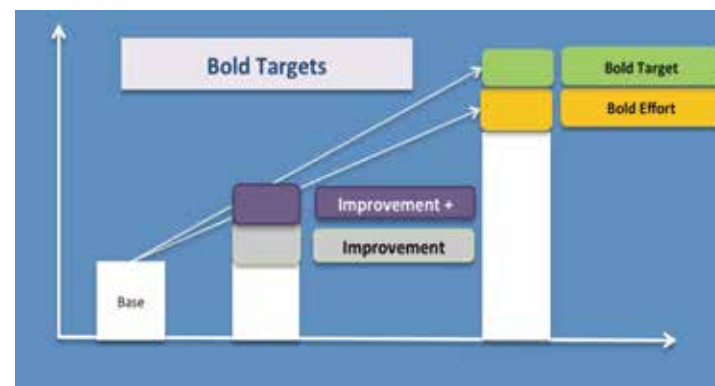
The benefits of Bold Work Out include:

- Increased **speed** and quality of decision making & results
- Gives a "voice" to all colleagues
- Teams cut across **barriers** of functions, organization & hierarchy
- Creates passionate **ownership** for results by the team
- Drives innovation & **BOLD change**

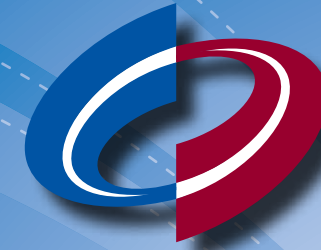
Typical continuous improvement events such as Kaizen, Quality Circles and LSS focus on improvements and stretch goal opportunity.



With **Bold Work Out**, "We do more"!



# WHAT IS THE REVERSE LOGISTICS ASSOCIATION?



## REVERSE LOGISTICS ASSOCIATION®



To view this video without iTunes:  
<http://www.youtube.com/watch?v=lmqPO4r5XF4>

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.

So how did the NRC team do with its new Bold Work-Out program?

The NRC team divided into three teams of BOLD team colleagues. The first team included the Refurb Rock Stars who focused on improved efficiency of Refurbishment. The second team, known as the Cycle Time Assassins, focused on cycle time reductions. The third team, called Nucleus 10 (10 members strong), jumped in to quality improvements.

To ensure the main event Bold would be successful, several days before the smaller team of facilitators, team leaders and specialists worked through a two day target setting session.

The first day of target setting, Tony Pulice, Site Director; Mark Kerr, Senior Manager and Rob Bromley, Functional Manager, all addressed the team and expressed strong support for the coming sessions and future Bold Work Out event.



Bold Facilitator, Mario Bofill and NRC's Engineering and Quality Manager, Will Lawrence, continued the message of "Be Comfortable being Uncomfortable". They helped facilitate the discussion the first day which resulted in 150 ideas for improvement!



The second day, the NRC Team established the initial Bold Targets and direction. This group would then help lead the extended Bold Work Out teams to achieve 30, 60 and the final 90 day targets!

The teams presented their Bold plans to Muzzi Palmieri, Lenovo's Western Operations Executive Director. He

provided great support and encouragement to the team as well as extending the challenge to go even more Bold with their targets!

So now it was time for the big event and so with additional cross-functional team colleagues joining the teams Day 1 of the event was starting. With Senior leadership represented by Muzzi, Tony and Mark helping kick off the WOW, all gave inspirational words and shared their energy with the teams. Focus and energy and the feeling of being uncomfortable were really present as there were huge targets and so much to learn and know in the coming days. The senior leadership agreed to cooperation and to help in breaking down any barriers that would block the ability for the teams to achieve success.

Mario Bofill stepped in and acknowledged the strong work the leaders, facilitators and specialists had put in to this point. The NRC's senior Manager, Mark Kerr noted that he had "goose bumps" from the energy he was feeling. "Wow" was the overriding theme of the first day as support, direction and expectations were created for the Bold Work Out team.

So the teams probably went home full of ideas, fears, but also enthusiasm which made sleep a little difficult. Day two of the Bold Work Out starts and movement was obvious out of the gate with the team activity. The three teams began to measure and define how their ideas would improve their process. The focus was on automation, environmental components and more creative ideas. The teams were able to advance forward by quantifying and categorizing the ideas for their 30, 60 and 90 day targets.

And then there was Muzzi...."I challenge you to be even Bolder!"



Amedio "Muzzi" Palmieri,  
Lenovo's Executive Director of Western Operations

Day three the momentum was at warp speed! The teams took Muzzi's challenge of "being bold" and identified more ideas to improve the process. The total number of ideas jumped from 150 to 657. The teams had truly embraced bold and the commitment to "WOW" was obvious by from the demonstrated excitement, passion and ownership.



Team colleagues shared their ideas with their peer groups out in the Returns Center still working on the Returns, Refurb and Repair operations. The excitement was shared and the unknowns of what was being committed by the Bold team explained to the extended teams. Now the "WOW" was taking form and the stir on the floor also was generating more ideas!

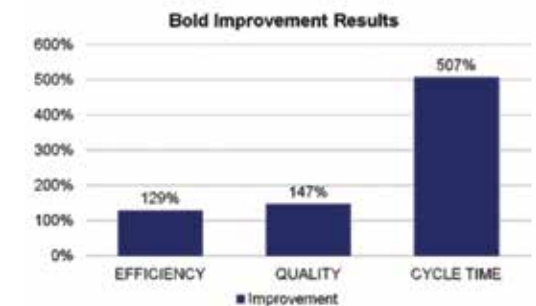
The final day of the Bold Work Out event, the teams presented their ideas to the leadership team. Joining Tony Pulice, Muzzi Palmeiri and Mark Kerr was Kim Davis, Lenovo's Executive Director of Fulfillment. This would be her first exposure to the NRC's Bold Work Out. The teams presented their progress, ideas and the

expected improvements to support their bold targets. Were the ideas approved? Would the team get the senior leadership support?



Tony Pulice, Plant Manager, gave the thumbs up, Kim was very pleased and Muzzi exploded "Heck Yeah!"

Lenovo's National Return Center was BOLD! The Dock to Stock cycle time journey was improved by more than 5 times! WOW! The refurbishment operation improved efficiency in that process by 100%. Finally, the Quality team improved product quality by 147%. BOLD!



## RECYCLE A PHONE, ADOPT A TREE.



In late 2007 NEWtrees was formed as a joint initiative by WWF Indonesia, Nokia and Equinox Publishing. In that time Nokia has sponsored the planting of more than 130,000 trees in Sebangau, Rinjani and Chiliwung National Parks, Indonesia. Applying geo-tag technology using HERE maps people monitor the trees growth in an innovative way while helping re-forest these protected national parks.

If you are interested in helping out with this program, bring your unwanted cell phone to the next RLA event and look for the Nokia drop box to donate your phone, plant a tree, help protect our environment.



REVERSE LOGISTICS ASSOCIATION CONFERENCE & EXPO



So think again about that product you returned now. Look at the journey and experience the Lenovo team has put in to ensuring this unit gets “put back on the shelf”.

### Leader Testimonial

My Bold Work-Out experience is one that I would call nothing short of amazing, as a certified Lenovo Lean Six Sigma Professional (Certified Black Belt from North Carolina State University) with over 10 years experience. I am currently the Western Operations Lean Six Sigma Manager responsible for Lean initiatives within our Monterrey Mexico, Itu Brazil and Whitsett NC plants (which comprises from training to Bold Work-Out events).

This past year I was tasked with implementing Bold Work-out within our region (which has been very successful within our China facilities). And I have to be honest; my first impression of Bold W-O was “just another rebranded Kaizen effort”. As I’ve done Kaizen events and the results were pretty much always the same results. You get people in a room for 3 – 5 days, then you schedule a meeting with the sponsoring leader, then you implement with minimal monitoring. Compounded with the fact of achieving targets of 100% or greater with plant colleagues leading the effort... as an engineer the concept seemed irrational.

Well I couldn’t have been more wrong about Bold Work-Out. The methodology of management allowing plant colleagues to “take control” of a process, then presenting of ideas to management for approval is well “Bold!” My experience as the Bold champion is one of complete astonishment, I witness plant colleagues “grow” as they are given a “voice” to express their thoughts and ideas on how a process should be defined (not as the engineer defines the process). And management becomes a “sponsor” and a receptor of ideas and at the end both groups become “one” with a single voice and message. The truly remarkable thing is that now the plant culture has been



changed “forever”, you now have colleagues that now have a voice and are not bashful about coming up with new ideas or asking of when is the next event. This is truly an amazing transformation to lead and witness and I look forward to the next event.....

### Colleague Testimonial #1

The BOLD workout has been an exciting experience for the receiving and refurb operations here at Lenovo’s USFC. We have identified many opportunities to enhance efficiency, quality and overall customer service in a short timeframe and with a relatively small financial outlay.

I came to Lenovo seven months ago, during the company’s expansion to a multi-shift operation in their Refurb/Repair department. With my past experience in small lot manufacturing and production inventory planning, I expected to quickly understand the processes at the National Return Center. I quickly realized that Reverse Logistics was a completely different creature than the supply chain with which I was familiar. I jumped at the chance to learn the processes better by participating in the BOLD Workout.

For the Workout, management had identified three major improvement focus areas - received goods processing, refurbishment and overall process quality - and a team was created for each area. Non-management colleagues were chosen to lead each group, and were given initial training in goal setting, communication, team motivation and business case creation.

The Workout teams were chosen from colleagues throughout the NRC, including floor workers, team leads and test engineers. These teams were blended with people from all shifts and departments to enhance site-wide collaboration.

The success of the BOLD Workout depended primarily on eliciting process enhancement ideas and commitment from all of the colleagues in the NRC. This was achieved by management’s encouragement of “no holds barred” idea brainstorming, quick test case implementation approval, and expedited financial backing based on ROI projections presented to them by the teams.

To me, the greatest benefit of the BOLD Workout has been the greatly enhanced communication and teamwork

## Conferencia y Exposición de Logística Inversa en São Paulo Brasil

5-6 De agosto de 2014

Patrocinado por la Asociación de Logística Inversa

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

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**MARQUE SU CALENDARIO AHORA**



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## Conferência e Exposição sobre Logística Reversa no Brasil

De 5 a 6 de Agosto

Patrocinado pela Reverse Logistic Association

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

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

Venue:  
**Hotel Novotel São Paulo Jaraguá Convention**

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[www.RLashows.org](http://www.RLashows.org)

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August 5-6, 2014

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between all shifts and departments. With common goals, created and agreed upon by the employees themselves, there is energy and engagement that cannot easily be measured by financial analysis or reports. However, it can be seen every day in the quality and pride in our work, and a commitment to the Lenovo DO mentality.



### Colleague Testimonial #2

“BOLD WORKOUT was eye-opening career experience as well as personally enriching. It was entirely about building, developing and applying more effective leadership skills; not just in terms of the more commonly thought of team model, but self-leadership as well... Better self-awareness has led me to more effective decisions and responses based on valid, purposeful objectives versus emotion or pre-programmed thinking. Consequently, I am able to be more aware of the moment and adapt my leadership style accordingly.



The BOLD WORKOUT are much more than “motivational seminars”. BOLD is indeed a profound and inspiring experience for anyone truly interested in effective personal and professional leadership development.”

### Colleague Testimonial #3

After attending my first “Bold Work Out” two words come to mind, teamwork and motivation. I choose these two words to describe it because of the sheer amount of anxiety and feeling of being overwhelmed

when you first set your goals. With that being said the only way you push through it is by motivating each other as a team. Each one of your team members bring a unique view and skill to the table and by motivating each other’s ideas we were able to come together with many big and “BOLD” ideas. Overall with the conclusion of the Bold Work Out not only did I leave this experience with new ideas, but with new appreciation for my team.



This article submission on behalf of Lenovo is an exclusive story for the Reverse Logistics Magazine.



Rob Bromley  
Operations Manager  
Lenovo National Returns  
Center since January 2011

Bromley has 12 years of progressively responsible roles in Manufacturing Management with Tier 1 and 2 Automotive Component Suppliers. I have 5 years of operations leadership with Dell Computers and 3 years of Reverse Logistics Leadership with Lenovo Computers.

Bromley has LSS experience, Quality Circle Training and Kaizen Event training and facilitation. Bromley is from Statesville, North Carolina and a graduate from Appalachian State University with a BSBA degree in Business Management. Bromley lives in Burlington, NC with his wife and 5 children.

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- Sales Executive, Advertising

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



## How to hire efficiently AND get the best people

by Andrew Cowan

Anytime there's a need to hire someone with unique experience for a key role defining the ideal candidate is a must. Start by writing down the "must haves" and then the "would be great if they have" skills the role requires. An experienced recruiter, (internal or external) should then be able to give feedback as to the likelihood of finding such a person and what the compensation range is at any given time. Careful planning and research on the front end of the recruiting process ensures that recruiting efforts are productive and efficient.

Reverse Logistics expertise is a unique area that calls for specific experience. Your recruiting efforts should be viewed the same way. Your recruiters must know your space, including competitors, key executives, know the nuances of the industry, the skill sets that are transferable, the ideal sources from which to pull candidates, those to avoid etc. They'll know the jargon, the competitors, the business trends that are impacting the space, technologies, competitors, acquisitions-everything relevant that helps identify a few highly qualified candidates.

For instance, knowing the differences between Solution Engineers, Industrial Engineers, Automation Engineers and Operations Directors for example comes with

the experience of having talked with hundreds of candidates and clients over years of recruiting. Most veteran recruiters have the benefit of years of experience and relationships that help them help develop quality candidates quickly for their clients.

In today's candidate driven market speed to hire is more important than ever. The best candidates are those that are happily employed, being productive, and not in "job search" mode. This also means though that most quality employees have recovered from the economic upheaval that crippled the US in 2008 have landed positions they enjoy and are financially better off than they were a few years back.

Millions of "baby boomers" are retiring from the workforce and not being replaced by younger workers-there are just far fewer of them as a generation. This effect is already impacting the availability of workers- there are fewer of them to fill positions and this is not projected to change for many years. Given high demand and many choices, today's workers are more selective, slow to change jobs, expecting clear increases in opportunity, career pathing and compensation when considering a job change.



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#### PRESENTATIONS

The meat of conference is where you get data, case studies, opinions and best practices from industry practitioners, consultants and educators who share their expertise, experience and knowledge.

#### PEER-2-PEER DISCUSSIONS

These small group discussions are open-ended so you can express your opinion, ask questions, exchange ideas and get immediate feedback on logistics issues. Come prepared to share!

**TOURS** of local facilities allow you to see how others are doing things.



For up-to-the-minute conference information and registration, visit [www.werc.org](http://www.werc.org)

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There's a "talent war" brewing as companies, recognizing the realities of today's job market, start increasing compensation offers, developing compelling benefit programs and other "perks"- all designed to woo an otherwise recalcitrant worker to join the team. Companies that win the best candidates (who're often receiving multiple offers from competing companies) are the ones that have fast, smooth interview processes and a means of identifying the best candidates quickly and fast tracking the offer and hire stages in order to get them before the competition does.

The days of months long multi step interviews are waning and good recruiters and hiring executives recognize this- no one wins if a process takes so long that a candidate loses interest or is hired by a competitor that's more nimble.

To that end, companies that consistently win the best candidates also have developed a "buzz"; a short story of why they're special; why they attract and retain the best people. Everyone in the company in fact, knows this story



and it becomes their brand to the employment market. Think of a Google, Amazon, Apple and other similar examples. These are all companies with a brand cachet- people want to work there, and as a result they attract the best candidates. Every company looking to hire the best people should have the equivalent of a Top Ten list- the ten reasons why working there is going to change an employees career path or provide an opportunity to make a dramatic impact to the market, the world etc.

More than ever before today's employment market is about speed, quality, opportunity, "selling" to candidates and not thinking there's an endless supply of candidates desperate for jobs- that market ended two years ago. Now candidates need to be "wooed" with what they're most interested in; quality, career pathing, life/work balance, options to work from home for high travel and sales related positions Companies that "get it" are the ones winning today's war for talent!



Andrew Cowan led business development for Aon Consulting, Zurich-GE and NEW/Asurion for 15 years, selling extended service plan programs, reverse logistics and call center services to big box retailers and manufacturers. I opened my recruiting firm four years ago and focus on placing sales, operations and logistics people with reverse logistics, 3PL's and extended service plan companies. We also place sales, underwriting and warranty related positions with OEM's and specialty insurance companies. I have an MBA from George Mason University. We're located in Englewood, New Jersey and work nationally.

## Read the Press



### Get Paid For Junk

19 February 2014 – The pace at which technology changes renders gadgets obsolete in no time adding to the worlds ever-growing electronic junk pile. Doomsayers paint a picture of e-waste mountains enveloping mankind, but if Karma Recycling has its way, it could end up saving the planet from such a catastrophe.

[Full Article](#)

### North American Class 6-8 Remanufactured Powertrain Components Sustained By Entry Of Sophisticated Systems

18 February 2014 – The entry of advanced class 6-8 powertrain systems that comply with new emission regulations will drive revenue for the North American remanufactured replacement components market over the next five to seven years. While intensifying competition from suppliers of new replacement parts will affect unit shipments for some products, the environmentally friendly image of remanufactured engines, transmissions, clutches and turbochargers will support ongoing demand among major truck fleet operators.

[Full Article](#)

### Carlsberg Circular Community Formed To Rethink Packaging

18 February 2014 – Carlsberg and selected global suppliers have joined forces to rethink the design and production of packaging material, to develop the next generation of packaging products that are optimized for recycling and reuse, while at the same time, retaining or improving their quality and value.

[Full Article](#)

### Jaguar Land Rover Eyes Remanufacturing As First Engine Plant Opens

17 February 2014 – Jaguar Land Rovers (JLR) first dedicated engine plant could see engine remanufacturing become part of an increasingly closed-loop oriented business strategy, the company has said.

[Full Article](#)

### Caterpillar Invests \$14.8 Million To Expand Its Plant In Corinth, Mississippi

17 February 2014 – Caterpillar will invest \$14.8 million to expand its plant in Corinth, Mississippi, enabling the firm to produce C175 remanufactured engines and create 30 jobs. The Corinth facility is Caterpillars lead facility for large engine remanufacturing worldwide.

[Full Article](#)

### McMillon Challenges Wal-Mart And Suppliers In Ongoing Sustainability Push

17 February 2014 – In his first public forum as CEO of Wal-

Mart Stores Inc. Doug McMillon challenged employees and suppliers to innovate, saying he would push the envelope in testing these new ideas that will drive the retailers future growth. McMillon and several top executives took the stage in Bentonville on Monday (Feb. 17) for the retailers annual Global Sustainability Milestone Meeting.

[Full Article](#)

### Flipkart Rolls The Dice: Opening Up eKart To Competitors

14 February 2014 – Flipkart is opening up its logistics arm eKart Logistics to other operators and is currently running a pilot programme with an intention to roll out these services in the next few weeks, reports Economic Times.

[Full Article](#)

### E-Waste Systems To Open Recycling Unit In Ohio

14 February 2014 – E-Waste Systems Inc. will open an electronic waste recycling facility in Cincinnati.

[Full Article](#)

### Caterpillar Adding 30 Jobs In Corith For C175 Engine Refurbishings

14 February 2014 – Caterpillar Inc.s Corinth plant is expanding to produce C175 remanufactured engines.

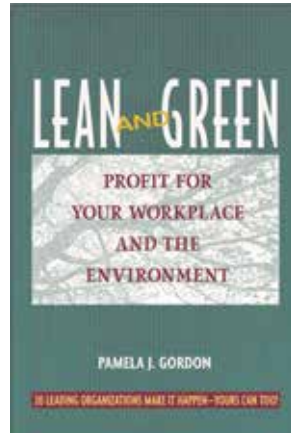
[Full Article](#)

## Design for Environment Training Leads to Lean and Green

by Pamela J. Gordon, President, Technology Forecasters Inc., (Republished from TrainingMag.com)

**Design for Environment training is good for people, profit, and planet. And now it's gone virtual.**

Consider this story from Texas Instruments (TI). I interviewed TI's VP of Worldwide Facilities, Shaunna Sowell, for my book *Lean and Green: Profit for Your Workplace and the Environment*.



“We showed our designers a list of 50 chemicals—from 10,000 chemicals that TI uses for everything from washroom soap to glue in desk drawers—we wanted to remove from our process. We thought it would take six to 12 months to design out as many of the 50 chemicals that were possible to avoid. The design team came back to us in two months saying, ‘We found substitutions for 49 of the chemicals, but it’ll take a year for the 50th.’ We were stunned and asked, ‘How did you do it?’ They replied, ‘Look, this early in the design we have lots of choices; we know what is good for processes, but we didn’t know what worked for the environment and health. We care, too, but we just didn’t know which chemicals were on the list.’”

Sowell thought, “We could have done this earlier. In two months of work that cost TI next to nothing, we designed out significant costs for the next 10 years.”

Sowell’s ‘aha’ moment is at the heart of Design for Environment training. Design for Environment methodologies save businesses time and money, enhance careers, and help the environment—in short, they are “good for people, profit, and planet.”

### What Exactly Is ‘Design for Environment’?

Design for Environment (known by the acronym “DfE”)

is both an executive corporate strategy and a methodology that product launch teams can use every day. People trained in DfE know how to minimize use of chemicals that can damage land, sea, and air. They dramatically reduce their products’ and operations’ use of Earth’s limited, non-renewable resources. Finally, they make smart decisions for design, manufacturing, packaging, shipping, use, reuse, repair, and recycling—all benefiting the environment, workers and communities, customers, and the economy.

Tellabs, Inc., a tech company whose stated purpose is to “enrich people’s lives by innovating the way the world connects,” is a great example of the benefits of DfE. Several years ago, it faced an increasing number of environmental regulations concerning product composition, design, and packaging. Management desired help in setting strategies to meet future regulatory requirements. We conducted DfE training for Tellabs’ engineers in Asia, Europe, and North America. With this training, Tellabs engineers have generated cost savings in manufacturing, use, and reuse and/or recycling stages.

Jesse Kevan, who was Tellabs’ global environmental compliance manager at the time, said “TFI helped us meet and exceed our environmental goals profitably.”

### One DfE Example

Many of you have heard of the “3 Rs” when it comes to environmental conservation: Reduce, Reuse, and Recycle. (A fourth “R” sometimes used is for “Rot,”

Dematerialization = REDUCE materials



## 11th Annual RLA Conference & Expo Singapore

September 23-24, 2014

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

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



RLA’s APAC Committee to present two full days of Reverse Logistics. Starting on Tuesday, September 23, with RLA Workshops and continuing on Wednesday with sessions and exhibition.

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

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



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

meaning composting waste.) DfE training teaches that the first R—Reduce—should be prioritized above the others. Just think: Minimizing products' materials (hardware, fabric, metals, plastics, paper, packaging, etc.) means less mining, less processing, less mass to transport and store, less to power and cool, less to reclaim, and less to recycle. And it's simple—with some smart techniques you'll design products with far less mass while still meeting customers' requirements perfectly well (probably better).

After all, what do your customers really *want*? More *stuff* to store, clean, fix, move, and dispose of? Or are they seeking *value*?

So, the DfE principle of dematerialization means delivering better value in smaller packages...benefiting the manufacturer, customer, and the environment.

### Going Virtual

But does traveling around the globe to provide or receive training—with air travel's high carbon emissions—make sense for the environment? We didn't think so. In 2012, we decided to bring the best of our DfE training



online—while still making it as interactive as possible. From surveying engineers and other members of product launch teams, we learned that none of them had ever taken a virtual DfE training course, but that 4 out of 5 said it's important or moderately important today to receive DfE training for their professional development.

We used the survey to make decisions about length of the training modules (most wanted 30- or 45-minute modules), independent learning (81 percent wanted to complete the training alone, instead of in a room with colleagues), and how to certify completion (2 out of 3 thought it would be moderately or very important professionally to receive a certificate). Finally, the survey helped us prioritize emphasis on certain DfE topics: They wanted to leverage the training for improved environmental performance, product reliability, customer satisfaction, regulatory compliance, and the financial bottom line.



One challenge was migrating the two hands-on portions of the in-person training to the online version. In the in-person training, we time teams to disassemble products, then have them report back on how the products could have been better designed for higher “end-of-life” value (achieved through economic reuse and recycling). Another exercise—also in teams—involves conceiving of a product that has just about all the elements of the DfE checklist we provide; the competitive spirit is strong on this one! For the online version, we designed eight interactive exercises that allow trainees to manipulate data for different environmental results. These interactive exercises, a quiz, links to videos, case studies, articles, and a user forum allow us to expand the instruction exponentially. The competitive spirit still applies to the virtual version: “What did you get on the quiz?” “I manipulated the sample data perfectly the second time I tried.” “Our team used 80 percent of the DfE principles in our design the following week!”

Now that the virtual training is available, trainees say

they appreciate that they can take the training anywhere, anytime; use the online forum to share ideas with others; receive updates; and see that people hired in the future can readily receive the same training as current employees.

When we sat down to develop DfE Online, I shared with my colleagues my vision for this newly accessible virtual training: “The training will be so widely used that any



product not designed with maximum environmental benefits would have no chance of success in the marketplace.” May it be so!

**Keynote, author, and thought leader Pamela J. Gordon** wrote the book

on *Lean and Green*, <http://www.bkconnection.com/ProdDetails.asp?ID=1576751708>, for the tech industry, co-developed design for environment training *DfE Online*, and formed the Executive Think Tank on Supply Chain—mapping a successful, responsible future for the tech industry. Since 1987, she has been CEO of Technology Forecasters Inc. (TFI), a strategic consulting firm helping tech companies thrive through best practice supply chains and profitable sustainability. For more information about DfE Online, visit <http://www.TechForecasters.com/DfE-Online>. Gordon recently was named among the Top 10 Women of Sustainability and appointed judge for CleanTech Open. She is also an instructor at the University of California Berkeley Extension and guest expert on radio/TV.

## Reverse Logistics Terminology by Industry

Industry Definition		REVERSE LOGISTICS	Life Cycle Management	
INDUSTRY	TERMINOLOGY		After Purchase Life Cycle	
Apparel	Merchandise Returns	E Q U A L S	<ul style="list-style-type: none"> <li>•Customer Service (helpdesk)</li> <li>•Depot Repair/ReMan</li> <li>•Service Logistics (Field Service)                             <ul style="list-style-type: none"> <li>–Transportation/Warehousing</li> <li>–Spare Parts Management</li> <li>–RMA Management</li> <li>–Replacement Management</li> </ul> </li> <li>•Refurbishment</li> <li>•Screening/Count Auditing</li> <li>•End-of-life Manufacturing</li> <li>•Remanufacturing</li> <li>•Fulfillment Services</li> <li>•IT Process Management</li> <li>•Recycling</li> <li>•Scrap/Waste Management</li> <li>•Gray/B Channel Management</li> <li>•Warranty Management</li> <li>•Asset Management</li> <li>•Sustainability</li> <li>•Environmental Resources</li> </ul>	
Automotive & HD	Remanufacturing			
Consumer Products	After Market Supply Chain			
Furniture	Rebuilders/Refurb			
Hospitality	Reader Board Shopping			
Military	Retrograde			
Retail Grocery	Unsaleables			
Space & Aviation	Obsolescence			
White Goods	Takeback's			



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“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”...



## 2013 Data Security Special Feature

by Marc Rosenblatt, Veracity Network, Inc.

### Properly Recycling Retired Electronic Equipment Reduces Likelihood of Data Security Lapses

Digital data—much of it confidential and protected—is being gathered more rapidly and in greater volumes than ever before. Digital photos and videos, electronic medical records, email and text messages, Internet documents and searches, online commerce and banking, and posts to social media sites are some of the sources for this data.

Technologies, such as cloud-based computing, file-sharing applications, and mobile devices, increase employee efficiency and customer convenience, and have made it easier to collect, store, access, and transfer this vast amount of information.

The 2.5 quintillion bytes of data created each day represent tremendous opportunities for enterprises to perform analysis, gain insight, and make connections that allow doctors to detect and treat disease, police departments to better identify and prevent crime, and utilities to anticipate system demands. But equal to the opportunity this data represents is the risk of severe economic and legal penalties, fraud, and identity theft in the event the data is compromised. This means the need for digital data security—from the time the data is collected until the time it is destroyed—affects every organization and has never been more critical.

### Why Data Security Matters

The Privacy Rights Clearinghouse reports that in the United States 26,474,373 records were compromised by the 671 data breaches made public in 2012.<sup>2</sup> The typical breach costs U.S.-based companies \$194 per compromised record, resulting in an average total cost of \$5.5 million per incident, according to research conducted by privacy think tank Ponemon Institute for their 2011 Cost of Data.



Breach Study: United States.<sup>3</sup> Contributing to that hefty tab are legal defense fees, regulatory noncompliance penalties, data breach notification costs, revenue losses from increased customer turnover, and the expense of repairing a damaged reputation.

Stipulating how sensitive information must be handled and preventing the potentially devastating consequences of a data breach are central to the numerous privacy regulations in effect throughout the world. These measures compel organizations to protect personal identifiable information in all its forms, including electronic data, or be subject to substantial fines. In the United States, there are several privacy regulations intended to safeguard confidential information, including the Health Insurance Portability and Accountability Act (HIPAA), the Fair and Accurate Credit Transactions Act (FACTA), the Identity Theft and Assumption Deterrence Act (ITADA), and the Gramm-Leach-Bliley Act (GLBA). More than 46 states, as well as the District of Columbia, Guam, Puerto Rico, and the Virgin Islands, have passed legislation that requires owners of personal information databases to notify affected individuals in

the event of a data security breach.<sup>4</sup> Canada has two federal privacy laws, the public-sector Privacy Act and the private-sector Personal Information Protection and Electronic Documents Act (PIPEDA). Together these laws regulate how federal government agencies and departments as well as private enterprises collect, use, and disclose personal information.<sup>5</sup> Alberta, British Columbia, and Quebec have separate provincial personal information protection acts that are substantially similar to PIPEDA. Several provinces, including New Brunswick, Newfoundland and Labrador, and Ontario, have passed regulations that specifically address the collection, use, and disclosure of personal health information by health care providers and organizations. These laws have also been recognized as substantially similar to PIPEDA.<sup>6</sup>

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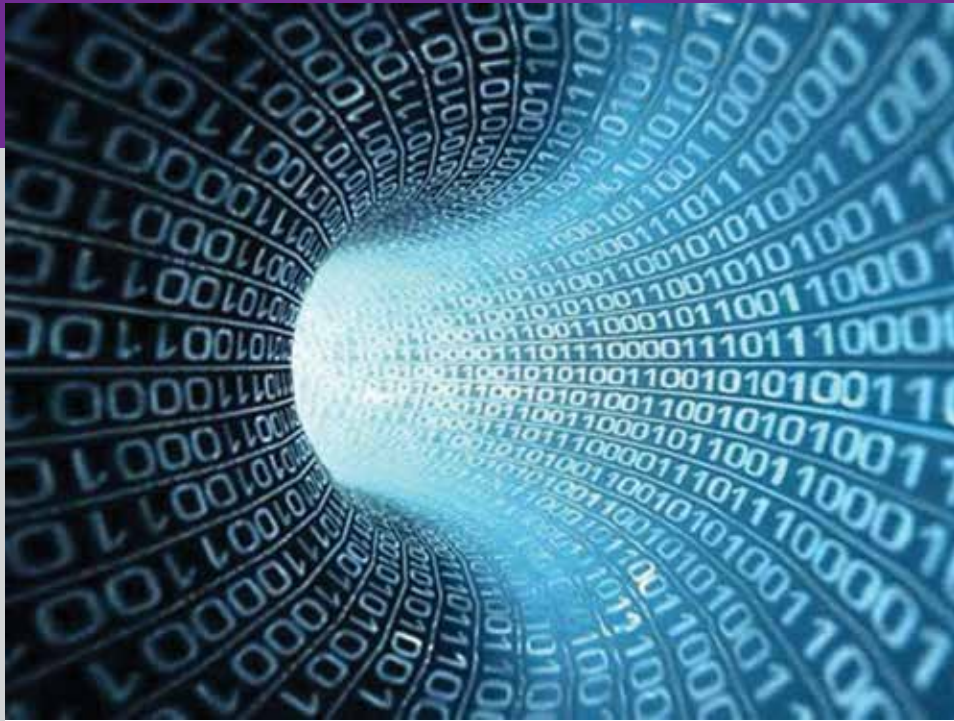
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### Copier and printer hard drives are two places where data lurks. Here are a few more.



#### Computer and server hard drives

For corporate data security experts, protecting the data on these devices is the foundation of their data security policies and procedures. Most people are aware of the significant data security risk posed by failing to eliminate information from computer and server hard drives and understand the need to destroy the data on these devices.

#### Solid-state drive-equipped devices

Devices equipped with solid-state drives offer improved durability, energy-efficiency, and speed over those equipped with conventional hard drives. More recently, desktop and laptop computer manufacturers have taken advantage of the benefits of solid-state drives to make their devices faster, lighter, and more reliable.

Solid-state drives look like traditional magnetic hard drives, but the data they contain cannot be destroyed by the same methods used for standard hard drives. Solid-state drives require special processing to ensure all data has been removed. For instance, an absence of magnetic components makes solid-state drives impervious to degaussing. Also, currently available hard drive wiping techniques may give the appearance of complete data erasure during verification, but recoverable data may remain due to the unique recording, storage, and organizational characteristics of this technology.

#### Cell phones, smartphones, and tablets



The consumerization of business IT continues to gain momentum, but the growing number of employees who are allowed to use their own mobile devices, such as smartphones or tablets, to connect to corporate networks, email accounts, or file-sharing applications can put confidential data at risk. Whether company- or employee owned, mobile devices

have computing power and data storage capacity that rival some desktop and laptop machines and their size and popularity make them vulnerable to loss and theft, substantially increasing the data security risk posed by mobile technology. Unlike computers and servers whose contents are subject to strict security protocols, retired, broken, or employee-owned mobile devices sometimes fall outside the scope of these policies, setting up the possibility of a data breach.

Also keep in mind that many smartphones and tablets are equipped with solid-state technology, making them subject to the same data erasure challenges as other devices using this technology to record, store, and access data.

### How to Get Rid of Data, Completely

As the information organizations collect and store increases in quantity and value, the importance of safeguarding that data needs to inform every decision they make about the disposal of their electronic equipment. To preserve the trust of those whose privacy they have promised to protect and to ensure compliance with state and federal regulations, it is essential for these organizations to work with electronics recyclers that take data security as seriously as they do. This checklist will help companies assess whether recyclers have the infrastructure in place to satisfy their data security needs.

#### Certification

Responsible and secure reuse and recycling hinge on two principles: knowing who will handle old electronics

and knowing how they will be handled. Recyclers that have achieved R2, e-Stewards, and National Association for Information Destruction, or NAID, certifications are committed to conforming to recycling industry best practices that regulate environmental and worker health and safety management systems. Certified recyclers are also dedicated to following the latest standards that regulate information destruction and the secure handling, warehousing, and transportation of electronics. Choosing a certified recycler can also minimize the irregularities in environmental protection, worker safety, and security procedures that can result in potential liability concerns for companies sending equipment to be recycled.

#### Observation

Certification delivers assurances that retired equipment will be processed in a manner that protects employees and the environment from harm, but it should not be the only measure by which a possible recycling partner is evaluated.



Contracting with a third-party service provider, such as an electronics recycler, does not relieve a business of its obligation to protect data, so conduct a site visit to observe firsthand the physical security measures in place and confirm that employees have been background checked and drug screened.

### Where Data Lurks

The actions of hackers and negligent employees or contractors were responsible for exposing more than 8.2 million records in 315 data breach incidents made public in 2012, according to the Privacy Rights Clearinghouse.<sup>7</sup> With so much at stake, most data security efforts are justifiably directed toward protecting electronic equipment currently in use. These devices are subject to clearly defined security procedures that protect the equipment and the data they contain from intrusion, loss, and unauthorized access.

On occasion, computers and other electronic devices marked for recycling fall outside those established security protocols even though they may still contain easily accessible data that can leave an organization vulnerable to a data breach incident. This data exists not just in computer and server hard drives that have been declared obsolete or redundant, but across a wide array of devices, including copiers, printers, scanners, and fax machines. Two office workhorses—copiers and printers—often have hard drives that store readily obtainable data and can be the unexpected source of a data breach. A lesson Affinity Health Plan, a New York-based not-for-profit managed care plan, learned in April 2010 after having to notify more than 400,000 current and former customers and employees that their personal information might have been breached because of the unerased data found on the hard drive of a previously leased copier.<sup>8</sup>

## Money Talks



**E-Waste Systems, Inc. Signs \$30,000,000 Contract**

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**Contec Buys Return Management Specialist**

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Also, determine how hazardous wastes are managed, watch equipment teardown procedures, and examine the equipment used to shred and separate e-waste. Confirm that a recycler's shredders will reduce electronic equipment, such as hard drives, sufficiently to ensure that neither the device nor the data can be reconstructed.

Electronics contain many different types of metal and plastic, as well as hazards such as batteries and mercury bulbs. This means most recyclers depend on downstream vendors to completely process electronic waste. For a company concerned about data security, who a recycler does business with is just as important as how they do business, so request the names and locations of a recycler's downstream partners and find out if the recycler conducts regular, on-site audits to ensure these vendors handle materials according to the same environmental, safety, and security standards as the primary recycler.

### Protection

Locate a recycler that not only provides data destruction methods that comply with National Institute of Standards and Technology Special Publication 800-88 Guidelines, but also performs verification of that destruction to be certain all confidential information has been removed from a device. Verification is especially important if a company intends to reuse or resell its IT assets. Realize the data destruction process is only as good as the technicians performing it, so check that a recycler has documented policies that cover employee training on the use and calibration of data destruction equipment and software.



Every organization has different data security requirements so understand which data destruction methods will best meet those needs. Reselling IT assets? Data erasure through overwriting—a process that replaces sensitive data with nonsensitive, random data—allows hard drives to be resold or reused.

This process not only overwrites data on the file allocation table, but on all addressable locations. For maximum security, a minimum of three overwriting passes need to be performed. No plans to repurpose hard drives? A degausser's powerful electromagnetic field will destroy data and render a drive useless. These hard drives can

then be shredded and the resulting material separated and recycled. Regardless of the method of data destruction, request certificates of destruction to demonstrate that all equipment and data were handled responsibly.

Additional security comes from choosing a recycler that owns its facilities and offers an unbroken chain of custody from collection to transportation to destruction of old electronics. The farther equipment containing confidential data moves downstream, the harder it becomes to protect that data. For this reason, establish from the beginning who will have access to equipment and how it will be handled from the time it is picked up until it is processed. A recycler that is able to provide a complete range of recycling services internally eliminates reliance on subcontractors to process an organization's retired electronics, which improves accountability and streamlines reporting.

As soon as retired electronic equipment leaves a company's premises, any intact data residing on that equipment becomes vulnerable to exposure and can subject that company to a potential data breach incident. This is because companies remain responsible for the security of collected data even after the donation, retirement, or sale of the equipment containing that data. For those organizations with exceptional data security and regulatory compliance needs, locate a recycler that can provide on-site data destruction services. In these situations, a recycler will send technicians equipped with a portable degausser and hard drive crusher to a customer's location, where a company representative can witness hard drives being removed, degaussed, and crushed. The destroyed hard drives are then typically transported in locked containers to a facility for shredding. Need to ensure maximum protection of a company's data and reputation? Inquire about the availability of mobile shredding equipment.

The conscientious collection and analysis of data will continue to yield new insights that will very likely lead to greater efficiency, innovation, and productivity in every industry. But the liability, privacy, and security issues associated with managing the data collected from customers, employees, patients, and students have raised valid concerns. An organization's ability to thrive in this climate will depend on its ability to effectively protect that data. With an awareness of the special risks presented by some data-bearing devices and an understanding of the best methods for diminishing those risks, a company can develop a comprehensive data security policy that will not only protect data throughout its life cycle, but also provide peace of mind to all those who have entrusted their information to a company.

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Sean Magann, VP of Sales and Marketing, Sims Recycling Solutions, Americas, is responsible for advancing all of Sims Recycling Solutions' commercial endeavors in North America. In addition to heading both national and regional sales efforts, Sean is in charge of marketing and positioning Sims Recycling Solutions' various services to customers. He has more than 15 years of commercial experience related to processing precious metal-bearing materials.

Prior to joining Sims, Sean worked for Xstrata Recycling from 2002 to 2011, and was part of the team that successfully opened Xstrata Recycling Malaysia. He then managed Xstrata's Asian operations, which included responsibilities on the board of directors.

He is a graduate of the University of California, Berkeley and received an MBA from Santa Clara University.

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# Amazon Drones and Reverse Logistics

By Dr. Robert Gordon, faculty member at American Public University



The recent announcement on 60 Minutes by Amazon's CEO Jeff Bezos to use drones to deliver products via his proposed Amazon Prime Air is sparking the interests of professional logisticians around the globe. What's most compelling is that Amazon's announcement doesn't address potential benefits to the reverse logistics field that drones can offer in the near future. In fact, Amazon might be missing out on a huge potential market.

Imagine being in the field and needing equipment (say a radio) to be repaired. Rather than follow the traditional channels of returning products to a depot for repair and then either waiting for the repaired item or a replacement to be shipped out—a drone could carry the item back directly to the depot and then have the replacement returned directly to the service person in the field.

Not only does this have the potential to drastically reduce the return and replacement cycle time, but the entire process is also far more environmentally sound. Battery powered, green drones would replace the inefficient internal combustion engine vehicles that are currently used in the delivery and return process. Furthermore, drones could free up personnel that could be deployed in other areas rather than driving materials to and from the field.

Consider the following real-world example. A person takes a car to a garage to be given a routine tune-up and

brake service. This service might include small parts like spark plugs, gaskets, cables, brake pads, and the like. Most garages do not keep these parts on hand. They often must send a driver, or they have a delivery made to get the needed parts. In addition, disks and drums might need to be serviced at a machine shop. Imagine the efficiencies if all these parts were sent and received by drones.

The movement of green drones throughout the city would not be limited by traffic and would be far less polluting than trucks going from place to place. This application of forward and reverse logistics would greatly reduce emissions as fewer service vehicles would need to be on the road.

Based on this game-changing news, reverse logistics professionals need to start thinking about the potential of this new technology now. The applications are limitless and drones are sure to have a huge impact on the reverse logistics of the future.



Dr. Robert Lee Gordon is currently an Associate Professor with American Public University System in the Reverse Logistics. 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/reverse-logistics-by-robert-gordon2>.



# PRODUCT LIFE CYCLE

## Supply Chain

## AfterMarket Supply Chain

### FORWARD LOGISTICS

### REVERSE LOGISTICS

#### New Product Development

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

#### Material Management

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

#### Manufacturing & Distribution

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

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#### 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
- Sustainability
- Environmental Resources

Product Lifecycle Management graphic created by RLA





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# Returning Thoughts

## Omni Channel Retail Reverse Logistics Part 2: Challenges and Tips

by Paul Rupnow

In my Part 1 article, “Preparing your Reverse Logistics for Omni Channel Retailing (Part 1)”, we introduced the Omni-Channel. Omni-Channel Retailing is “the evolution of multi-channel retailing, but is concentrated more on a seamless



approach to the consumer experience through all available shopping channels, i.e. mobile internet devices, computers, bricks-and-mortar, television, radio, direct mail, catalog and so on”. (Definition from Wikipedia). For the customers, this translates to a consistent and positive experience, no matter what part of the retailer you are dealing with, since all channels should have full knowledge of your activities, experiences and history with each channel. For Returns, this should mean an easy positive experience as well. However, how will these improved experiences impact the Reverse Logistics for the Retailer?

Pressure from competition is forcing retailers to use returns as a competitive weapon. In this Part 2 article I have assembled a quick list of some tips and challenges that I have uncovered in my research that will help you prepare your Reverse Logistics operations for the Omni channel.

### The Challenge of Unwanted or Unplanned Returns

With Omni Channel multi-channel selling, comes multi-channel returning. The Omni Channel offers multiple return options: in store, via carrier, via drop points. All return locations must be equipped with the tools and data to

disposition the products quickly and effectively.

As an example, online purchases can now be returned to a store location. But is the store ready for these returns? For instance your store may stock 1,000 SKUs, but your online store has 10,000 SKUs. So when an online item is returned to a store, what is the best method of disposition? Can the store sell that product on their shelves? Do they even have the product and pricing information to scan the item at their checkout counters?



The store needs to know what to do with this returned e-commerce inventory. You need to watch that these returns do not increase costs, slow processing, or reduce recovery.

The store managers P&L performance evaluation often includes the impact of returns. Will these online returns now be included in the store P&L when these returns are not within the managers control? Plans need to be made to ensure you keep the store managers happy and enthusiastic about recovering value from *all* returned items.

### Reverse Flow Visibility

With multiple return channels, as discussed above, you need to define and plan your return channels and then have a pre-determined disposition plan for each item in each channel. With these plans in place, now you must monitor and manage the returns flow. Monitoring the speed of flow and minimizing “dwell” time is critical to get the returns back quickly and enable them to be sold again.

Inventory Planning for “To Be Returned” items is especially critical *before* you receive the return.

You must monitor the Cost of “To Be Returned” Inventory In-Transit. The cash flow impact can be huge! Especially if your return rates are high. For example, some e-commerce clothing return rates are in the 20%+ range. That results in an incredibly high value of returning inventory in transit.



## RETURNS

Related to this “To Be Returned” inventory will be your stock levels. You may have lots of stock, but it is in the field awaiting return. This will be especially critical for high demand items, where low stock available means a lost sale to a competitor. You need to ensure rapid returns, to avoid lost sales opportunities. The uncertain amount of “To Be Returned” inventory can also create a forward supply chain issue. How much new stock do we order from manufacturer to fill our customer needs, without purchasing excess/overstock at end of season/end of life of product because we could not properly plan the level of Returns? Reverse Flow Visibility and planning is critical.

### Reducing and Avoiding Returns

Omni Channel Retailers are becoming much more proactive about an ongoing relationship with customers after the sale or after they leave the store. Some retailers are setting up help lines for customers who have just purchased an item and are facing difficulties or remorse. Some retailers have even set up collaborations with the manufactures to provide a “Warm

Transfer” from their helpline to the manufacturer who can support with technical advice, spare parts, and exchanges, thereby avoiding returns.

### Omni-Channel Returns Processing: an Evolving

Challenge Omni-Channel Retail is a positive evolution for customers to make purchases and develop lasting relationships with retailers. It is up to us, as Reverse Logistics Professionals, to ensure the Reverse Logistics challenges are tackled efficiently and effectively. The tips and issues above are only a starting point to expose you to some of the issues and some possible solutions. Omni-Channel will be an ongoing challenge so please send me (paul@andlor.com) your challenges, tips and solutions, so we can collaborate and share your wisdom with other Reverse Logistics Professionals.



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## Industry Events



**RLA @ Supply Chain & Transportation USA**  
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**RLA @ I WORKSHOP PARANAENSE DE LOGÍSTICA REVERSA**  
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**RLA @ Home Delivery World 2014**  
April 7-8, 2014

**RLA @ Home Delivery World UK 2014**  
April 29-30, 2014  
**Conf & Expo: Amsterdam 2014**  
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**Conf & Expo: São Paulo 2014**  
August 5-6, 2014

**Conf & Expo: Singapore 2014**  
September 23-24, 2014

# Reverse Logistics Talk

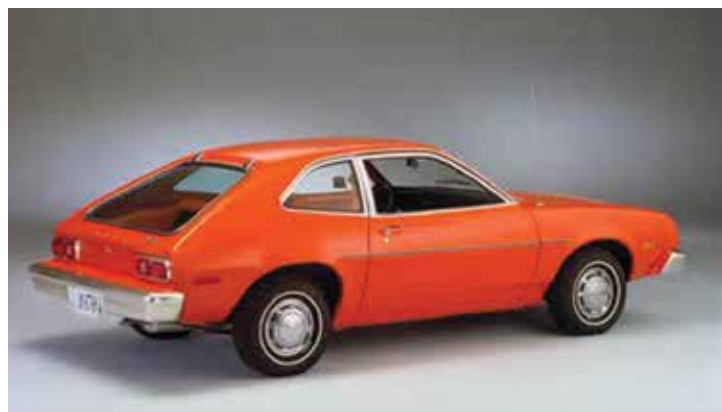
## Collaboration: The Future of Reverse Logistics (Part 1)

by Jennifer Bilodeau

Historically, reverse logistics can be dated back throughout history where unwanted items would be reused or recycled into new items. Early settlers used whatever they had to make life easier such as the women who made quilts from old clothing and rags. Montgomery Wards, an American furniture shop, established in 1872 was the first company to have a 100% customer satisfaction or your money back guarantee (Liu, u.d., p.15).

World War II was plagued with shortages across the supply chain. The government created the first recycling program. "Economizing initiatives seemed endless as Americans were urged to conserve and recycle metal, paper, and rubber" (World War II Rationing, u.d., para. 11). The automotive industry was forced to recycle and reuse parts for vehicles as a direct result of the materials shortages associated with World War II.

The first major product recall involved the Ford Pinto in 1978. The designer, Lee Iacocca, wanted to build a competitive compact, low cost vehicle. There was a considerable safety risk that caused the gas tank to explode when there was a rear impact on the vehicle. Iacocca was known for saying "safety does not sell" (Casotti, et al, 2004, slide 9). Although the vehicle failed



safety tests and a solution to prevent gas tanks from exploding was a one dollar piece of plastic to reinforce the bolts, it was rejected placing priority on reducing the weight and of the vehicle. Several law suits brought by victims and their families involving injury and wrongful death impacted the way the industry viewed safety, risk mitigation, and recall management improving accountability and communication throughout the supply chain.



Historically we can find many examples of re-use and recycling, however, it was not recognized as a reverse product or material flow until the 1970's. Prior to the seventies reverse product flows was lumped with green or environmental logistics. Returns management continued to evolve recognizing the complexities of the reverse flow compared to that of forward flows (Bilodeau, 2013, para.2). Reverse logistics began to separate from forward logistics and was defined as "the process of planning, implementing, and controlling the efficient and cost effective flow of raw materials, in-process inventory, finished goods, and related information from the point of consumption to the point of origin for the purpose of recapturing value or proper disposal" (Rogers and Tibben-Lembke, 1998, p.2).

Reverse logistics continues to evolve improving



## Turn Green into Gold

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

transparency across the supply chain, efficiencies by reducing risk, cost, and environmental impacts across the supply chain by focusing on developing collaborative relationships.

### Approaching Reverse Logistics

Defining reverse logistics has been an evolutionary process. The complexities associated with the reverse flow of goods extend into many operational areas within an organization that can significantly impact the forward flow of goods. "In a traditional supply chain, a non-optimized management process results in the production of less than optimal output, which leads to solid and hazardous waste, as well as additional operating costs throughout the supply chain" (Weeks, et al, 2010, p.1090). Operations managers often do not understand the full impact across the organization from waste reduction and recycling programs because it is often difficult to quantify returns on investment. Some of the cost savings are projected such as transport savings, reduced energy costs, and understanding other benefits from effective returns management decisions. A reverse logistics specialist can be dedicated to research and determine quality control, customer service, warranty repair, warehousing, or other financial implications throughout the returns process.

The Department of the Army launched a Reverse Logistics Process Action Team who was tasked with measuring velocity management (VM) and defining



process methodologies for define, measure, and improve (DMI) initiatives (Banks, u.d., para 5). The initial progress was compared to skeet shooting, constantly



aiming at a moving target. This is a fair assessment as the variables of reverse logistics are constantly changing whether they are associated costs, environmental regulations, or consumer demand.

The military defined the beginning of the reverse logistics cycle at the point of property turn in, however it was more difficult to define where the reverse cycle ends. Manufacturers and retailers face similar issues throughout the supply chain as they examine reutilization programs, repairs, maintenance, warranty management, as well as many other aspects associated with the reverse flow of goods. The military faced a unique challenge that a private manufacturer should consider while negotiating terms of lease products. Government contractors often act as a third party furnishing equipment to perform specific tasks and whose costs may be absorbed by the government customer further complicating ownership, handling, and disposition issues at product end of life. At the end of the product lease, consider the financial implications of independent disposal, refurbishment, or resale of the used equipment. Some leased items may provide the most value having the vendor manage disposal and salvage, while other items might have after market value worth considering. When approaching reverse logistics, it is important to examine the organization and develop a plan to find the most cost effective way to manage and reduce returns.

Product returns fall under many different categories making the approach to examining the issues an organizations faces much more challenging. Product returns can be for any reason making it important to capture this information to determine return trends for process improvements. Returns management should begin with a clear written policy that identified product life cycle, and what point is a consumer not eligible to return that merchandise. Without a clear guideline, there will be a point where the costs will outweigh the benefits.

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



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

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RL Certification program is organized by the RL Certification Committee



Consider how strategic communication of policies and collaboration will impact organizational efficiencies throughout the product life cycle.

When approaching a reverse logistics operation, it is beneficial to take the return one step back in the supply chain throughout the reverse flow to find the optimal point to reintroduce the product back into the forward supply chain. This process is used to recapture the most value. Products with short shelf lives such as seasonal merchandise or quickly changing technology rely of the speed decision making and expedited handling to reduce costs of managing the returns.

### Cooperative Relationships Sharing Data

Larger organizations are beginning to understand the power of collaboration across the supply chain. Kellogg's reduced the amount of unsaleables by 75% in an effort to not only reduce returns but increase profitability (Carolina Supply Chain Services, 2006, p.2). Before implementing any changes, two years had been spent collecting data. "Kellogg's and Carolina Supply Chain Services (CSCS) developed a plan to collect data for Kellogg throughout the supply chain and at the customer, including warehouse, retail store, and reclamation centers" (Carolina Supply Chain Services, p.4). Identifying all critical points in the supply chain will help improve decision making processes.

A level of trust must be developed for collaboration to function as it is. It is important to institute cross divisional teams not only to keep them vested in the project, but to benefit from the way they interpret the data relevant to their division. "Kellogg's and CSCS senior level managers worked together to gain knowledge about each other's operating processes, including knowledge of CSCS's complete audit processes and Kellogg's processes and internal structures of the Kellogg's organization" (Carolina Supply Chain Services, 2006, p.4). Examining various interpretations of data relevant to different areas across the organization both internal and external will help in the development of scorecards to measure decisions and opportunities to reduce returns.

Separate scorecards were developed by Kellogg's addressing potential improvements in manufacturing, plants, and distribution as well as marketing, sales, and quality control. Tools were created to measure and identify improvements in manufacturing and defect free shipments. Older equipment was identified using the methodology that identified production error in the manufacture of the food. The scorecard approach was able to identify the profitability to replace or repair the

older equipment. In a second area, Kellogg's recognized "sweating" in the frozen food cases at the customer's warehouse which weakened cardboard packaging and damaged product. In this situation, Kellogg's was able to assist their customer by providing data that reflected optimal storage temperatures for better control and continued monitoring temperatures to assist their customers as an ongoing continuous improvement strategy. Multiple improvements were made in packaging and shipping from improvements to adhesive that was failing with routine retail handling, to secondary packaging that caused creasing the food containers as well as increased product exposure to the elements. When implementing improvements to packaging, a gold star was placed on the improved packaging to quickly identify and compare products during random audits in retail and warehouse locations. Marketing found the gold star promoting best quality packaging was a marketing tool to improve sales (Carolina Supply Chain Services, 2006, p.7-11).

Wal-Mart implemented new policies in their procurement strategies to recapture values from returns and excess merchandise. If the manufacturer wants to reclaim merchandise, they must pay for costs associated with transport. If the manufacturer chooses to have Wal-Mart liquidate or dispose of their product, Wal-Mart keeps all profits earned and charges the manufacturer for disposition costs (Greve Davis, 2010, p 8). With increased customer demands, it is important to share and manage data.

Some of the challenges faced in the military has been an ongoing disconnect between various military inventory



and financial databases. Different data collection systems provide different functions such as Unit Supply Logistics (ULL), Standard Army Maintenance Systems (SAMS), and Standard Army Retail Supply Systems (SARS). Although each system addresses inventory

in different stages throughout the supply chain, they do not communicate with each other. "Disconnects in data management are further exacerbated by separate systems between quartermaster, ordinance, and transportation" (Banks, u.d.). With data manually moving from one information system to another, there is more room for error and created an inconsistency throughout the supply chain resulting in lost man hours, increased repair times, and increased operational costs. Other challenges surrounding data inconsistency issue is evident in the military's Total Asset Visibility (TAV) which is designed to track RFID items as it moves from point to point throughout the shipping process. "The item is also entered into the Logistics Support Activity data center (LOGSA) which does not use RFID tag numbers, but document ID numbers creating confusion when trying to access records" (Banks, u.d.). Although there are instances where government supply chain processes may face issues of regulatory control, security concerns, or other operational issues that may justify multiple data sources, a private company with more flexibility in their supply chain would find rare situations where benefits of

utilizing independent systems would outweigh potential cost savings.

Strategic data management planning and collaboration will help the organization to develop consistency throughout a complex returns process. Data collected might identify the reason for return is the inability for the customer to use the product. This information could be used to redesign the product, implement a toll free number to troubleshoot set up, or create a pictorial image of set up procedures to reduce the likelihood of the return. Ultimately, consistency in returns handling will expedite the reverse logistics flow, recapture more value, reduce returns handling costs, and improve customer satisfaction.

Data management will act as communication tool between manufacturer and retailer improving gatekeeping identifying the validity of the return and ensuring proper credit is issued as a result of the return. Without a system designed to act as a gatekeeper and help customer service representatives at the point of return to stay within established parameters, the costs could

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start exceeding the benefits. Many game manufacturers have offered on-line upgrades, free access to private social media communities and other added bonuses for the customer to register the product right away and create a cohesive inventory control system (Sims3 Login Community, u.d.). Establishing communication policies, no matter what the product may be, outlining the returns policy is setting expectations throughout the supply chain and significantly reduces the likelihood of a customer returning a product after the warranty period has expired.

Data is critical in any organization because a manager cannot manage what is not measured and tracked. Good business decisions come from good data management. "Tracking data across all operations, where returns or recycling infrastructures may not be fully developed, allows for lessons learned" (General Motors News, 2012, p.3) and collaboration to improve material management in the reverse supply chain.

### Automation Facilitating Communications

Data management and automation of processes will drive the management of returns developing a closed loop supply chain. It is important to identify what data should be collected, and limit decision making to those are in a position to see the big picture through data analysis, and provide tools to assist with gatekeeping of returns. Return policies and procedures are often confusing and not communicated outside the area which is directly involved with returns. It becomes more problematic across the supply, especially at the point of collection in retail outlets where employee turnover is traditionally high. When considering a strategic automated communication plan, many aspects should be considered identifying criteria associated with product

quality, servicing instructions, transport costs, potential profit recovery, and potentially hazardous material risks. Additionally, data capture forms can bring improved and consistent reverse logistics operations by encouraging customers and service or repair representatives to capture why the product was returned. Identifying return trends for further analysis will be essential for continual process improvements.

Automation will help facilitate transparency in the supply chain, provide real time data for continual process improvements, and communicate information providing guidance across the supply chain when the information is needed. "Strategic communications should be developed to define rules, acceptable action, and decision points on whether to accept or reject the return" (Norman, 2007, para.6). The benefits of automated decision making are at the initial point of return. The ability to manage high turnover staff providing the tools to quickly and consistently assess the return and isolate the item for testing, repair, refurbishment, decommissioning, as well as ensure compliance with environmental laws. Well managed data and documentation collected will be the backbone of decision-making throughout the reverse logistics cycle. "An item is assigned a document number that remains with it until it reaches the reverse pipeline



endpoint and leaves the system" (Diener, 2004). As the item takes one step back in the supply chain, a decision point can be communicated on how to manage that item. Information can be transmitted from the document numbers that will help develop consistency in how returns are managed.

It is important communicate a sustainable culture not only to demonstrate commitment to reverse logistics and sustainable business models, but to engage employees and build a desired culture. This will reinforce the



policies and procedures and help employees contribute to continuous process improvements to reduce waste and recapture value. Collaborating across divisions with employees has proven effective with General Motors (GM). "An employee identified an opportunity to

reduce costs by utilizing recycled cardboard packaging into Buick Verano and Lacrosse headliners to provide acoustic padding that reduces noise in the passenger compartment" (General Motors News, 2012, p.4). Another employee initiative included "mixing plastic caps that protect vehicle parts during shipment with other post-consumer plastics like bottle caps to make air deflectors for Chevrolet Silverado and Sierra pickup trucks" (General Motors News, 2012, p.4)

The customer should be considered while implementing communication strategies that reflect consistency and clear communication throughout the supply chain. In one case study, an electronics manufacturer failed to quantify the weight of return management decisions that would impact that customer. The high tech electronics manufacturer decided that they wanted to send customers replacement items quickly, but did not trust their customers implementing fraud prevention without quantifying the impacts or likelihood of fraudulent returns. The manufacturer required a consumer to provide a credit card number to facilitate the return

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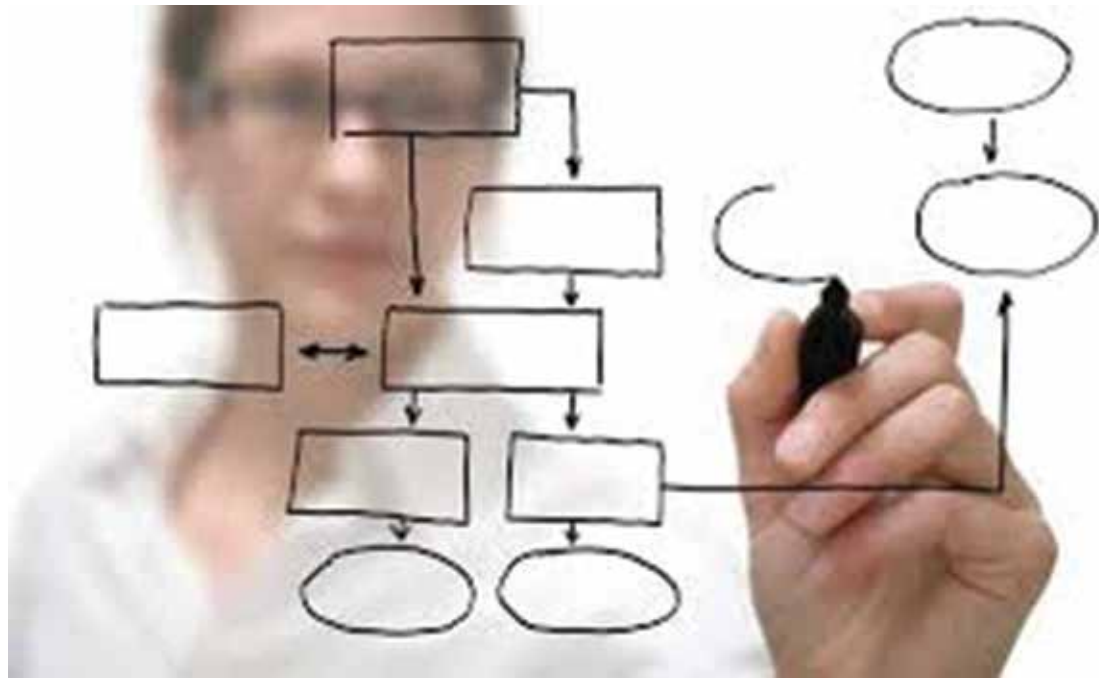


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## NEW WEEE DIRECTIVE PART 2\_Q/A

The WEEE Directive seeks to reduce the impact of waste equipment by encouraging those who manufacture, use and dispose of equipment to achieve this in the best possible manner. But legislation on electrical and electronic equipment has proved difficult to implement and enforce by market actors and public authorities. The Commission proposes measures to address these difficulties and reduce the cost of putting into effect the revised WEEE Directive. For the January webinar, Erwan showed us the big lines of the challenges that the implementation of the New Directive brings into RL Process. But this is a complex matter and there are still many questions you would like to ask. Erwan will review some of them during this webinar. He will be supported by Luca Campadello, a mechanical Engineer working for one of the biggest companies in Italy that manages the transportation and treatment of end-of-life appliances. Since 2012 he is Technical expert of the Italian's National Committee at CENELEC TC111X (environmental aspects for electrical and electronic products and systems) and project leader for the development of the Technical Specification for the general treatment of WEEE developed under the mandate of the EU Commission after the publication of the WEEE Directive 2012/19/EU.



and the card would be credited if the damaged unit was returned within a specified period of time. This alienated customers who may have received the item as a gift, used a pre-paid credit card, or cash payments. Customers complained claiming they were not credited the charge when the item was returned and some were billed multiple times for the same return creating a poor customer experience. The company failed to conduct a risk analysis to determine the level of fraud they could expect, and failed to mitigate that risk by building the cost of the return in their pricing as a form of customer self-insurance. These were drastic measures for a fraud rate of less than 1% creating a “self-fulfilling prophecy where their customers distrust them as they distrust their customers” (Blumberg Advisory Group, 2013, para. 2-4).

Web based technologies will play a significant role, to facilitate communications. Each organization throughout the supply chain may use varying internal data management systems that are effective in their line of work. Creating a common, standard platform that can communicate information while customizing the data entry, business rules, or organizational needs will be essential to the success of managing returns and creating new opportunities to improve efficiencies. Data sharing across the supply chain can be used to keep supply chain partners working efficiently, controlling inventory, reducing excess or out of stock items, and more closely manage demands for promotional items ensuring products are available when the consumer needs them. Web-based technologies will help control unauthorized product returns as well as provide shipping

and packing labels to ensure the return is managed and shipped correctly.

Retailers are facing new challenges with returns. Lawsuits against retailers for hazardous material handling violations have included claims of improper storage, transportation, and disposal of bleach, paint, pesticides, batteries, light bulbs, and other products that may contain hazardous materials. While the forward supply chain, any company handling hazardous material is required to have designated HAZMAT personnel who have training and are qualified to classify, package, mark, and ship hazardous materials. In the reverse flow, returns are more complex and it can become costly and problematic to train personnel in hazardous material handling due to high employee turnover. When it comes to returns and the reverse logistics process, retailers and consumers may be mishandling returns containing hazardous materials unknowingly. Web based technologies providing real time assessment, shipping, and handling instructions to the customer or retailer providing proper handling instructions will help mitigate these risks.

Many industries are looking to outsource returns management activities which are placing a higher demand for web-based solutions that will span multiple organizations across the supply chain, multiple time zones, and multiple work shifts to provide information on demand. “Nearly 70% of telecom and utility companies currently outsource repair/refurbishment functions with 44% who rely on partners for asset recovery functions” (Norman, 2007, para. 19-20).

Integrated solutions will help organizations to adopt collaborative communications technologies that will drive decision-making processes and consistency throughout the supply chain. Value can be extracted from reverse logistics processes by optimizing, tracking, and reconciliation inventory while providing decision-making support features. Cloud computing is beginning to evolve within reverse logistics providing manufacturers, and logistics service providers delivering their goods, better control and visibility of returned or refused products with ease in a collaborative system. These systems are designed to facilitate efficiency in collaboration and communication “complimenting SAP, Epicor, Infor, Unit 4, Microsoft Dynamics, and Warehouse/Transportation Management Systems” (Percepentat, 2010). The cloud communicates internal data externally with more ease. A partner in the supply chain is not faced with delays of their partner supplying reports, working with the data to integrate it into their systems, or manually analyzing those reports to capture the information they need. This type of collaboration will maximize service levels as well as identify potential risks that would warrant product improvements or redesign.

To be continued .....

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Jennifer Bilodeau, a Reverse Logistics specialist, formerly supported the Department of the Defense in day to day management of both inbound (return) and outbound distribution of goods throughout the command. She was recognized for exemplary performance throughout the base relocation effort working with internal/external stakeholders managing multiple projects assessing tangible goods for movement to new facilities, acquiring replacement items, as well as recapturing value from left behind products. In this role she oversaw reverse logistics operations including repair and warranties, secondary markets, deconstruction and re-utilization of parts, as well as final disposition instructions.

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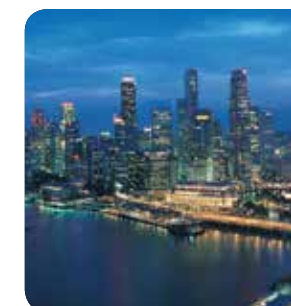
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# 12th Annual RLA Conference and Expo Las Vegas

## World's Premiere Reverse Logistics Event

February 2015



## Hundreds of Reverse Logistics Professionals will be Represented as Speakers, Sponsors, Exhibitors, and Attendees

Make plans now to join us for the 12th Annual Reverse Logistics Conference and Expo in February 2015 at the Rio Hotel and Casino.

Monday offers pre-conference workshops with our RLA Charity Golf Tournament. Tuesday adds more workshops along with industry reports and then in the evening, our Awards Gala. Wednesday opens with the keynote address followed by sessions presented by Reverse Logistics professionals, leading academics, and industry leaders.

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



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