

# REVERSE LOGISTICS magazine®

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



## Why remanufacturing is Essential to the UK economy

Page 14

REMANUFACTURING/REVERSE LOGISTICS  
APRA/RLA CONF & EXPO ITALY  
SCHEDULE INSIDE

Edition 63



OFFICIAL MAGAZINE OF THE  
REVERSE LOGISTICS  
ASSOCIATION®

# RLA Conference & Expo RIMINI, ITALY

**Over 200 Remanufacturing & Reverse Logistics Professionals will be in Attendance with 46 Exhibitors showcasing their products and services**



## The Largest European Reverse Logistics & Remanufacturing Event of the Year

### Location:

The Beautiful Coastline of the Italian Riviera  
Rimini, Italy

### Venue:

Milano Marittima

### Date:

Conference & Expo - May 21-23, 2014



RLA Workshops  
May 23  
See page 37 for details

This event is a collaboration between APRA (Automotive Parts Remanufacturers Association) and RLA (Reverse Logistics Association). We are bringing together the best of both: APRA which is Remanufacturing and RLA which is Reverse Logistics.

Networking will be an unsolicited theme throughout the conference and don't miss out on the facility tour. There will be several presentations on Remanufacturing & Reverse Logistics given by Reverse Logistics & Remanufacturing professionals, leading academics and interactive panel discussions. Be sure to visit the Exhibition Hall where OEMs and Branded companies can identify future service partners among the many exhibitors showcasing their Reverse Logistics & Remanufacturing solutions.

**For more information, visit: <http://www.rltshows.com/italy.php>**



**REVERSE  
LOGISTICS  
ASSOCIATION**  
CONFERENCE  
& EXPO

# RLA Conference & Expo Schedule

**Wednesday - May 21**

**9:00 - 9:30**

**Welcome Remarks -**

**Reman in General and Reman Mega Trends**

Peter Bartel, Chairman of APRA Europe

## REVERSE LOGISTICS SESSIONS

**9:30 - 10:30**

**PANEL: WEEE/Basel and what lies ahead for product reuse and end of life management**

Gailen Vick, Executive Director  
Reverse Logistic Association

**11:00 - 11:30**

**Competing through Improved Returns Management**

Ivan Russo, PhD, Verona University

**11:30 - 12:00**

**Remanufacturing: Towards a Resource Efficient Economy**

Laura Owen, Manager Policy Connect

**Specific Aspects of Reverse Logistics for Remanufactured Parts in the European Automotive Aftermarket**

**12:00 - 12:30**

Peter Bartel, Chairman of APRA Europe

## TECHNICAL SYMPOSIUMS

**9:30 10:30**

**BU Drive (30 Min): Reman of Turbochargers**

Prof. Dr.Ing. Carsten Bucker  
Managing Partner of BU Drive

**SERMEC (30 Min): Reman of Heavy Duty Transmissions**

Giovanni Ricci - SERMEC

**11:00 - 11:30**

**CTDI (30 Min): Reverse Engineering**

Niall Kilcullen - VP Sales CTDI

**11:30 - 12:00**

**ATP (30 Min): Reman of Electronics/ECU**

Malcolm Morris - OEM Sales Manager ATP

**12:00 - 12:30**

**Litens/Atech (30 Min): Belt System of Combustion Engines**

Thorsten Seibel

**LUNCH**

**12:00 13:30**

**SERMEC**  
Dramatically Different



**VISIT SERMEC DURING THE APRAS ITALY EVENT  
MAY 21ST - 23ND, 2014**

### REASONS FOR A PLANT VISIT AT SERMEC:

Visit probably one of the most professional and technically advanced remanufacturing plants in the world!

**Following product groups are remanufactured by SERMEC:**

- Electric power steering
- Hydraulic power steering boxes for: cars, light commercial vehicles, heavy duty trucks, buses and industrial machineries
- Electro-hydraulic steering pumps
- Transmissions (automated, automatic and manual gearbox; with and without hydraulic operation)
- Differentials and rear axles
- Retarders (electric and hydraulic)

SERMEC is Official Service Partner (technical standard certified) of the most leading manufacturers in the above mentioned products categories.

We strongly recommend to book this plant visit. You will learn that SERMEC is "dramatically different"! Also because of their latest 5 million Euro investment in 4 additional new remanufacturing lines (including cleaning and testing) for transmissions and other powertrain units!



### PLANT VISIT SERMEC

RicciGroupin San Piero in Bagno, ITALY

**13:30 - 18:30**

### GALA COCKTAIL RECEPTION & DINNER - LEPALME HOTEL

**19:30 23:00**



**REVERSE LOGISTICS ASSOCIATION™**

CONFERENCE & EXPO

# RLA Conference & Expo Schedule

Thursday - May 22

## REVERSE LOGISTICS SESSIONS

9:00 – 9:45

**(Re)Designing Support Supply Chain to Deliver Higher Customer Satisfaction at a Lower Cost**

Francesc Gomila

Manager, WUR Central Business Operations - HP

9:45 – 10:30

**Hearing the Voice of the Customer in Our Supply Chain**

Helene Dupeux

Emerging Operations Director - Dell

Timmy O'Dwyer

Executive Director, Emea Service Parts - Dell

## MARKETING SYMPOSIUM

9:00 – 10:30

**Borg Automotive (20 Min): Economic Trends of Reman in Europe**

Soren Toff-Jensen

Founder & President - Borg Automotive

**FTS (20 Min):**

**Future Importance of Turbochargers in the After Market**

Mariangela Viglino

**F. Weiland (20 Min):**

**Heavy Duty Remanufacturing, the Other Hidden Giant?**

Fernand Weiland

Vice Chairman - F. Weiland

## UNIVERSITY SYMPOSIUM

9:00 – 10:30

**Uni Bayreuth (30 Min): Next Product Opportunities + New Cleaning Technologies**

Stefan Thäter

M. Eng.

**Fraunhofer (30 Min):**

**Landfill Mining**

Dr. Jörg Nispel

**BREAK**

10:30 10:45

## REVERSE LOGISTICS SESSIONS

10:45 – 11:45

**PANEL: Europe Chapter Report**

Charlie O Shaughnessy

Global Returns Manager - Intel

Thursday - May 22 (continued)

## MARKETING SYMPOSIUM

10:45 – 11:45

**abh (20 Min):**

**Calculation Market**

**Volumes of Reman**

Michael Borgert

**Reverse Logistic Association (20 Min): The Reverse Logistics Story**

Gailen Vick

Executive Director - Reverse Logistic Association

**COEmarketing (20 Min):**

**Mobile Internet Devices Create New Demands for Web Strategies**

Gregor Schlingschröder

Executive Director - COEmarketing

## UNIVERSITY SYMPOSIUM

10:45 – 11:45

**TU-Berlin (30 Min):**

**Networking for Competitive Remain**

Thomas Guidat

Research Associate and Doctoral Student

**Sulzer (30 Min):**

**Plasma Coating Solution for Reman**

Dr. Peter Ernst

Head of Automotive Venture

**LUNCH**

11:45 13:15

## REVERSE LOGISTICS SESSIONS

13:15 – 14:45

**WORKSHOP: Successful Outsourcing: RFQs, Contracts and SOWs**

Gailen Vick

Executive Director - Reverse Logistic Association

**DINNER**

20:00 23:00

Friday - May 23

**EXPO HALL OPEN**



**REVERSE LOGISTICS ASSOCIATION™**

CONFERENCE & EXPO

# CAN'T MAKE THE CONFERENCE IN PERSON?

**REGISTER FOR LIVE STREAMING FROM YOUR HOME OR OFFICE  
OR CHECK OUT RLA VIDEOS FOR PURCHASE ONLINE**

## Live Streaming:

[https://rltshows.com/attendees\\_register.php?show=italy2014#](https://rltshows.com/attendees_register.php?show=italy2014#)



## RLA Videos Online:

[http://rla.org/productcats.php?cat\\_group=VID&VID\\_display=true](http://rla.org/productcats.php?cat_group=VID&VID_display=true)



The screenshot shows the Reverse Logistics Association website. The top navigation bar includes links for Company, News, RL Education, Awards, RL Surveys, Events, Webinars, Committees, Memberships, and RL Solutions. The main content area is titled "Videos - Las Vegas 2014" and lists several video presentations for sale. Each listing includes a thumbnail, a title, a date and time, and a description. The first video is "Feb 12 10:00 - Welcome" by Darren Vick, Executive Director of the RLA. The second is "Feb 12 10:15 - Engineered for Success" by Don Patch, Director of Global Logistics at iRobot. The third is "Feb 12 12:30 - 'Leaning Out' Your Returns Processes" by Don Patch. Each video is priced at \$125. A sidebar on the left contains various product categories and a search bar.



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## Cover Article



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### Why Remanufacturing is Essential to the UK economy

by Caroline Spelman

The renaissance of British manufacturing has created an outstanding opportunity for remanufacturing, but the full potential for UK remanufacturing has not yet been realised.

To explore this potential, I have chaired an All-Party Parliamentary Sustainable Resource Group report focusing on the potential for remanufacturing.

## Statement



### ITI and RLA Position Statement for Basel Conventions

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## Articles



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### New Careers in Reverse Logistics

by Dr. Oliver Hedgepeth, Program Director for Reverse Logistics Management at American Public University

Reverse logistics is everywhere, and goes by many names. For example, reverse logistics professionals handle the food and automobile recall problems you see on the news.



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### Consider Culture When Expanding Reverse Logistics

by Kate Lee, Fronetics Strategic Advisors

Discussions around the importance of culture in reverse logistics typically focus on the need to establish an organizational culture which not only supports reverse logistics, but also recognizes the importance of a holistic approach to reverse logistics.



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### What's New in the Food Transportation End of Things?

by Dr. John Ryan

New Laws, Enforcement, Reconditioning and Food Recalls

## Feature Articles



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### Returning Thoughts

by Paul Rupnow

Reverse Logistics Success Quotes to Help Build Your Business Case for Improvements



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### Reverse Logistics Talk

by Jennifer Bilodeau

Developing Technology Strategies for Reverse Logistics

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**Editor** – Felecia Przybyla  
**News Media** – Alex Spasic  
**Technical Director** – Matt Gwilliam  
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For more information on the Board of Advisors, go to [RLA.org](http://RLA.org)

**Editorial and Circulation Office**  
441 W. Main Suite D  
Lehi, UT 84043-2024  
Phone: 801-331-8949  
Fax: 801-206-0090  
[editor@RLmagazine.com](mailto:editor@RLmagazine.com)  
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## Articles



### Reverse Logistics Offers Many Benefits to Corporations

by Bill Johns MBA, MPA

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Once a niche in supply chain management, reverse logistics is emerging as a supply chain corporate strategy supporting everything from environmental sustainability to bottom line profitability.

## Video



### What is the Reverse Logistics Association?

by Reverse Logistics Association

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# Message from the Editor



This edition of the Reverse Logistics Magazine has a cover story on Remanufacturing, which fits perfectly as we are heading into our Largest [Remanufacturing/Reverse Logistics Conference & Expo next week in Italy](#), in collaboration with APRA. The week is full of several speakers and topics, as well as plant visits, exhibitors, and several networking opportunities. If you can't make it all



the way to the beautiful coast of Italy for the event, we invite you to take part from your home or office by registering for the [Live Streaming option](#). If you're not able to sign up or attend the Live Streaming, you still have the option to purchase the [RLA Videos of the presentations](#) after the event as well, so don't miss out on some great educational content. View the schedule for this event on pages 3-4 of this edition.



Also, included in this issue is an article on Food Transportation written by Dr. John Ryan, an expert in the Food and Transportation industry. There are also many other educational articles on Reverse Logistics as a growing industry. We enjoy seeing the content that comes our way to be considered for the Reverse Logistics Magazine, and we are still always looking for great educational content and case studies to include in our upcoming editions, so if you have something you feel would be good content for our magazine, please don't hesitate to contact me

Thank you,

Thank you,  
Felecia Przybyla  
editor@rla.org

## CORRECTION

Edition 62 page 24 Column 2 Paragraph 2 should read:

The panel glass is sent through the CRT process to be converted in to the sand-like material described above. Once the lead is properly removed, the panel glass can continue on through the CRT process to be converted into the new sand-like material.

## OUR MISSION

**O**ur 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.

**M**anaging the latest information in services such as repair, customer service, parts management, end-of-life manufacturing, service logistics, field service, returns processing and order 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.





# Reverse Logistics Association Focus Committees

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- Kenneth Turner, Hewlett-Packard



# Message from the Publisher



## AUTOMOTIVE RL IS CHANGING - FAST

This last year while I was visiting the automobile industry in Detroit and Dearborn, Michigan, I was able to take a tour of the Ford Motor Company museum. One of displays shared how farmers who purchased the Ford Tractor banded together to share data on part replacement and enhancements. Today that exchange is one of the oldest processes of Reverse Logistics since [Ford's introduction of the tractor back in 1917](#). When the early adopter's purchased these farm tractors, not only was there a huge increase in productive, but the economic cost of the equipment demanded that the maintenance life and part support be extended well beyond anything that had been seen before. Voilà, the formation of associations like the Automotive Parts Remanufacturers Association, which makes it very fitting that we are collaborating with APRA in Rimini, Italy this month for a Symposium, Conference & Expo on the Remanufacturing and Reverse Logistics processes.



*A 1917 Fordson Model F tractor*



*Sustainability is important, A 1917 Fordson Model F tractor*



**BASEL CONVENTION**  
*the world environmental agreement on wastes*

One of the discussions that we will be having at the conference at our European event is on the Basel Convention. If you haven't heard about this movement, please give yourself a crash-course on the subject. No matter what your philosophic or political position is, the Basel Convention is going to or already has made an impact on



your life. So join us along with over 150 RL and Reman Professionals in person or link our [pod-cast streaming data](#) of the conference so that you can be prepared for the future directions and sharp turns in policy regulations that are coming to Reverse Logistics. Also, take a look at the 40 plus exhibitors that will be presenting solutions for your company.



The major changes in the automobile industry are just around the corner. Just think, driver-less electric cars & trucks are coming soon. Imagine having a company that remanufactures disc-brakes, now contemplate re-writing your business plan to revamp your operations to support the future disc-brakes that are mostly inductive based for the use of back EMF for generating energy for the batteries!! Or hiring/training factory workers to remanufacture electrical/electronic systems that guides the navigation of vehicles. Yes, RL processes are changing very fast!

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

## Board of Advisors

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



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



**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.



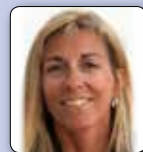
**David Moloney, Google**, David Moloney, as Senior Manager of Reverse Logistics & Business Systems, is an operational leader with technical focus, a technical leader with operational focus: "I flip between both roles as circumstances require. I build operations for consumer electronics startups: business 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.



# Reverse Logistics Association

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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IESEG school of management

- Yann Conchaudron, IESEG school of management
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- Bob Ragsdale, Pervacio
- Dave Showalter, CRS Recycling / Services
- Sandra Walls, AVPOL International
- Larry Worden, EcoAsia Technologies, Ltd.

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

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Regional Focus continued on to page 17



# Why Remanufacturing is Essential to the UK economy

By Caroline Spelman, All-Party Parliamentary Sustainable Resource Group

**The renaissance of British manufacturing has created an outstanding opportunity for remanufacturing, but the full potential for UK remanufacturing has not yet been realised.**

To explore this potential, I have chaired an All-Party Parliamentary Sustainable Resource Group report focusing on the potential for remanufacturing.

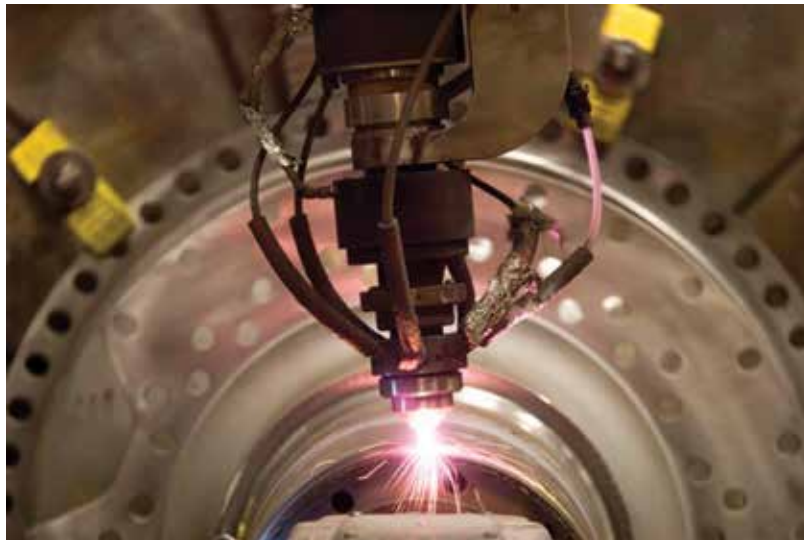
The key areas explored in this report are the economic and environmental benefits of remanufacturing, the challenges that the UK still faces regarding the uptake of remanufacturing, and the ways in which these challenges can be overcome.

So, why should we be focusing on remanufacturing? The answer is very much in the numbers: we found that the UK's remanufacturing sector is valued at £2.4bn, with the potential to increase to £5.6bn. This will simultaneously create thousands of skilled jobs in the sector.

Remanufacturing is a global industry in which the UK is currently lagging behind. The United States is the largest remanufacturer in the world, with a remanufacturing sector valued at \$43bn (£26bn), employing 180,000 people. Looking at these figures, the opportunity is clearly here for the UK to make more of its remanufacturing sector and become a global leader in this field.

So, how can we harness this opportunity? Key opportunities to incentivise remanufacturing must be taken. Manufacturing was outlined in the 2014 Budget, where Chancellor George Osborne made reference to

America, which will see the creation of five million manufacturing jobs by the end of this decade. He noted that Britain's manufacturing sector is growing and jobs are being created but raised concerns that Britain has 20 years of catching up to do in this sector. To help encourage this, promises were made to back businesses which invest and export, and to support manufacturers in all regions of our country. America is also the largest remanufacturer in the world with remanufacturing sector valued at \$43 billion (£26 billion). The UK can close this gap. To do this, remanufacturing needs the same support as outlined in the Budget for manufacturing.



Alongside the economic opportunity is a strong environmental one. Evidence outlined in the report states that remanufacturing uses 85% less energy than manufacturing, equating to a saving of over 10 million barrels of crude oil. With climate change increasingly on the political agenda, remanufacturing has the potential to save 800,000 tonnes of carbon dioxide each year, roughly equivalent to the annual emissions from cars.

Many market and regulatory impediments need to be overcome in order for remanufacturing to be taken up successfully. Firstly, from the outset, products need to be designed with remanufacturing in mind. This is currently more difficult than it seems, due to the prescriptive nature of design briefs often fed down from management within companies, which do not always allow for innovative design.



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

16-18 de Septiembre

Patrocinado por la Asociación de Logística Inversa

- Profesionales mundialmente participan en este evento
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Patrocinado pela Associação Logística Reversa

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Regulatory barriers also hinder the uptake of remanufacturing significantly. Of particular importance is the regulation surrounding the legal definition of waste. As it stands, the ‘Current Guidance on the Legal Definition of Waste’ does not mention remanufactured products and as such they are not exempt from those products classified as waste. This is especially unhelpful to the uptake of remanufacturing, as there is no globally accepted legal definition of remanufacturing. Market dynamics, consumer concepts and international trade are all affected by this. If consumers are not aware of what a remanufactured product is, and that it is at least as good as a new product and comes with the same guarantee as that of a new product, it is easy for them not to trust it. This same lack of trust exists on an international scale when it comes to trade. Many countries, such as Brazil, China and Russia, do not distinguish remanufactured products from used products. As such, no imports of remanufactured products are accepted. This is why one of the report’s key recommendations is that we need a globally accepted definition of remanufacturing to overcome these crucial barriers.

Remanufacturing is an area which cuts across several Government departments, and needs to be addressed as such. We need a cross-departmental Committee to be established, led by the Department for Business, Innovation and Skills, but supported by the Department for Environment, Food and Rural Affairs, to ensure cross-party collaboration and policy alignment.

There is an opportunity to address the barriers through the creation of one or more Centres of Excellence for those sectors where remanufacturing can have the largest impact. Remanufacturing is not a one-size fits all approach and is sometimes not the best approach either environmentally or economically. However, for those

product types that fit the criteria for remanufacturing, education is key to its successful uptake; a Centre of Excellence, linked to a University, will provide a unique opportunity to share best practice.

Despite the barriers, there are some businesses which have recognised the potential for remanufacturing and incorporated it into their business models. For example, Caterpillar, as a leading manufacturer of construction, mining and military equipment, realised the competitive advantage that remanufacturing can achieve over its competitors. It is not just large corporations that are realising the value of remanufacturing: some SMEs, such as the office furniture company Orangebox, also remanufacture their products. These companies demonstrate that remanufacturing can make business sense.

We need to recognise the value that remanufacturing can have to the UK’s economy and environment. It can provide jobs, increase resource efficiency and result in reduced waste, as well as driving the development of a circular economy. The barriers to this opportunity need to be dismantled, however, I am confident that, if we tackle these barriers, remanufacturing can bring significant gains going forward.



Rt Hon Caroline Spelman is a Member of the UK Parliament and a former Secretary of State for the Environment in the UK Government. For more information on the APSRG’s remanufacturing project, please visit the website at: [www.policyconnect.org.uk/apsrg](http://www.policyconnect.org.uk/apsrg)





# Reverse Logistics Association Regional Chapter Committees

## REGIONAL CHAPTERS

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Chairperson: Craig Plowden, Revlogs (Pty) Ltd

- Yann Conchaudron, IESEG school of management
- Craig Plowden, Revlogs (Pty) Ltd

### APAC

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- Tony Sciarrotta, Reverse It Sales & Consulting



## INFORMATION TECHNOLOGY INDUSTRY COUNCIL (ITI) AND REVERSE LOGISTICS ASSOCIATION (RLA) POSITION STATEMENT FOR BASEL CONVENTION:

### Recommendations of the INFORMATION TECHNOLOGY SECTOR for Basel Convention ACTION ON USED ELECTRICAL AND ELECTRONIC EQUIPMENT (EEE)

**MAY 15, 2014**

*The Basel Convention. If you are not familiar with this movement, it's time to familiarize yourself with it. [Here is an Overview](#) to better understand the purpose and need for this movement. No matter what your philosophic or political position is, the Basel Convention is going to or already has made an impact on your life. So join us, the Reverse Logistics Association, the Information Technology Industry Council, and all the many other individuals, groups, associations, companies, and partners to change life in this world. By educating yourself, your company, and taking part in this movement, you will be prepared for the future directions and sharp turns in policy regulations that are coming to Reverse Logistics.*

**OVERVIEW.** Under the auspices of the [Basel Convention](#) – a global treaty designed to regulate cross-border movements of hazardous wastes – 180 global governments are in the advanced stages of negotiating interpretive guidelines that threaten to restrict and control trade in most used electrical and electronic equipment (EEE). While the objective of this initiative is significant – to stem the serious human health and environmental impacts that result from the illicit global trade in “e-waste” – numerous developing country governments, joined by the environmental activist community, are pushing to classify *all* used EEE devices and components destined for repair, refurbishment and reuse as “hazardous wastes.” The only acknowledged “exception” to this proposed approach would be for used equipment that is individually tested and determined to be fully functional prior to export.

Should this approach prevail, it would compel global industry to completely revamp legitimate product logistics systems, including those for asset recovery, warranty repair, service contracts, and routine repair and refurbishment operations. Used equipment classified as “hazardous waste” would be subject to numerous trade bans, or stringent notice, consent, tracking and other requirements that can be expected to impose significant new compliance and logistical costs. The collective costs to aerospace, automotive, heavy industry, high tech and electronics and other global sectors would be astronomical, and would do little to address the actual challenge of illicit e-waste shipments. Since 2006, the [Information Technology Industry Council](#) (ITI) has led private sector engagement in the Basel Convention negotiations on electronics on behalf of our high tech and electronics membership. ITI is advancing an approach that would allow legitimate shipments for reuse, repair and refurbishment to continue provided appropriate documentation and other assurances are demonstrated.

**SUMMARY.** The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal is designed to control and restrict the movement of hazardous wastes across international borders. Governments negotiated the treaty to address the widespread practice of advanced economies “trading” hazardous wastes to poorer, less-developed countries in order to avoid strict and costly domestic environmental management regulations.

At its heart, the Basel Convention is a waste control treaty crafted to address the complex issues involving hazardous wastes generated in one country and exported for recycling or disposal in another. Basel approval procedures involve a bureaucratic and often lengthy government-to-government notice and consent process. While Basel does not currently ban the shipment of hazardous wastes from developed to developing countries, a pending amendment (not yet in force) may ban all such shipments in the future.

In 2006, Parties to the Basel Convention launched an initiative on EEE. These governments are now at a critical stage of drafting *Technical Guidelines on Transboundary Movements of Electronic and Electrical Waste (E-waste), in Particular Regarding the Distinction Between Waste and Non-waste* (Guidelines). The Guidelines are intended to inform the approach governments will take toward expanded regulation of international movements of used and end-of-life EEE. The Guidelines will also define the universe of used EEE that governments are to consider “hazardous wastes” for purposes of the Convention and its strict trade controls.

The practical implications of a decision by the Basel Parties to expand the Convention’s reach to include used EEE as waste are significant and include: substantial increases in operational, shipping and compliance costs; new trade and logistical barriers leading to substantial delays; and, decreased revenue from the resale of used equipment and components. Government-to-government notice and consent processes governing hazardous waste shipments can take months to complete, leading to significant asset depreciation costs of 2% or more per month. Additionally, industry estimates that shipping used EEE as non-hazardous waste versus used product increases transport costs by 15-20%; shipment as hazardous waste increases transport costs by 300%. The cumulative costs to impacted global industries would easily reach into the billions of dollars. Such an outcome will discourage current re-use and repair activities.

**Information Technology Sector Position.** The tech sector strongly supports the important work of governments and stakeholders to improve the collection and environmentally sound recycling of end-of-life equipment. Our members are encouraged by the recent progress made in the negotiations toward the development of criteria and assurances for distinguishing legitimate shipments of used goods for reuse (e.g., warranty returns, shipments for repair or root cause analysis and lease returns) from shipments of “e-waste” that is improperly claimed to be non-waste.

**The IT sector collectively requests that governments support mechanisms that would enhance the Convention’s controls over actual “e-waste” while avoiding new approaches that threaten to disrupt environmentally sound and economically beneficial trade flows in used equipment and parts destined for legitimate repair, refurbishment and reuse.**

## KEY POINTS

The IT sector continues to view legitimate repair, refurbishment and reuse of equipment and parts as critical to reducing the generation of e-waste, conserving material resources and expanding the ability of all global communities to access information and communications technology and needed medical equipment.

Governments should ensure that the Guidelines make clear that used equipment and parts managed for continued use are not “wastes” that may be subject to the Convention’s controls and trade bans. We are confident that assurance mechanisms in the form of documentation, transparency, and packaging can distinguish legitimate shipments for reuse from illicit shipments of e-waste.

We continue to view the following legitimate operations as the movement of product (e.g., non-wastes) that should remain outside any Convention restrictions that may be placed on e-waste:

- Warranty Returns (both customer-to-business and business-to-business warranty returns)
- Shipments of Used Equipment for Refurbishment and Repair
- Exports for Root Cause Analysis
- Exports of Equipment under Lease
- Intra-company Transfers of Used EEE

**CONCLUSION.** The tech sector urges the Parties to continue working toward the development of Guidelines that will ensure the environmentally sound management of used e-waste while also promoting a common understanding among governments that products shipped, for example, for legitimate servicing, refurbishment, repair and reuse are not wastes. Appropriate documentation and other assurances are sufficient to verify that used equipment exported for repair and reuse is not e-waste destined for recycling or disposal.

# New Careers in Reverse Logistics

by Dr. Oliver Hedgepeth, Program Director for Reverse Logistics Management at American Public University



Reverse logistics is everywhere, and goes by many names. For example, reverse logistics professionals handle the food and automobile recall problems you see on the news. They manage recycling of household waste. The warehouse manager charged with creating new revenue from scrap wood, plastic, and paper from unloading cargo is a reverse logistician. There is also the customer service representative at the local retail store who helps you replace that toaster you are returning because the color is wrong.

Whether it is referred to as recalls, recycling, reuse, return, or sustainment, these activities are all forms of reverse logistics. Reverse logistics is big business, and the website of Reverse Logistics Association (RLA) lists just some of the many types of jobs available.



The interesting thing about this field is that the jobs are at many organizational levels. Companies are creating new job titles such as VP of Returns and VP of Recalls. There are executive positions arising from the need to convert manufacturing waste into new revenue streams.

While some schools offer degree programs in reverse logistics, professionals who take even a single course can gain important skills. For example, an American Public University student who is a warehouse manager realized during a course that the wood pallets and packaging material from incoming supplies could be sold to a vendor who turns that waste material into new products. Her subsequent efforts helped lead to a promotion to recycling manager.

Success stories are everywhere. So, where to look? When you apply for that new career, and you have completed a few courses in reverse logistics or have that BA or MA degree in your hand, be sure to tell potential employers that you can help develop ways to generate new streams of revenue.

I am always interested in learning about more professionals and companies that are succeeding with reverse logistics. Let me know about your ideas, your entrepreneurship, or your position in reverse logistics.



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

RFID Metrics, examines how we define problems such as reverse logistics.

# Read the Press



## **APRA/RLA Remanufacturing/ Reverse Logistics Conference & Expo 2014**

13 May 2014 – APRA and RLA have collaborated their efforts in creating the Largest Remanufacturing & Reverse Logistics Conference & Expo to be held May 21-23 in Italy.

[Full Article](#)

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## **NASA To Investigate Recycling And Remanufacturing In Space**

13 May 2014 – US space agency NASA is funding a project that will investigate the possibility of recycling and remanufacturing in space.

[Full Article](#)

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## **Workflow Process Improvements Could Save Field Service Organizations Big Bucks**

12 May 2014 – According to survey findings released by Honeywell and The Service Council, 38% of field service organizations expect to save 30 minutes or more per technician per day by changing and improving workflow processes.

[Full Article](#)

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## **GENCO Marketplace Re-launches Online Direct-to-Consumer Store For Bargain Shoppers --NoBetterDeal.com**

12 May 2014 – GENCO, the leader in delivering product lifecycle logistics((R) )olutions, announced today that the company's wholly owned subsidiary, GENCO Marketplace, has re-launched its online direct-to-consumer store—NoBetterDeal.com—with enhancements that improve the user experience for bargain shoppers seeking to purchase high-quality surplus inventory and retail returns at below wholesale prices.

[Full Article](#)

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## **NASA ISS Field Maintenance Training Program**

9 May 2014 – DynCorp International (DI) aircraft mechanics are collaborating with NASA in an innovative training program to teach astronauts how to complete basic aircraft maintenance before taking off on space missions. The ISS Field Maintenance Training program takes place at Ellington Field in Houston, Texas, where seven U.S. astronauts as well as a few from international space agencies, have completed the more than 300 hours of aerospace vehicle and systems maintenance training.

[Full Article](#)

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## **Blue-chip PE Firms Like Tata Capital, CX Partners, Multiples Alternate Asset Look For Deals In Rs 12,000-crore Online Retail Space**

8 May 2014 – NEW DELHI: A number of the India's blue-chip private equity firms, which have stayed away from investing in the country's rapidly growing consumer internet sector, are now scouting for opportunities buoyed by the solid growth shown by companies in the space.

[Full Article](#)

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## **Reverse Logistics: How To Turn Necessity Into Commercial Opportunity**

6 May 2014 – As e-commerce has grown, so too have returns – particularly for brands selling products in a range of colours, shapes, and sizes.

[Full Article](#)

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## **CWG Solutions Adds Highly Experienced Team To Expand Its Portfolio Of Industry-Leading Wireless Services**

6 May 2014 – Communications Wireless Group Solutions (CWG), a leading wireless lifecycle services supplier, is strengthening their team and will now provide multiple solutions and new revenue streams throughout the full product lifecycle. CWG has recruited a team of accomplished wireless industry veterans to offer a full portfolio of wireless solutions for both original equipment manufacturers and communications carriers both domestically and internationally.

[Full Article](#)

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# Consider Culture When Expanding Reverse Logistics

By Kate Lee, Fronetics Strategic Advisors

Discussions around the importance of culture in reverse logistics typically focus on the need to establish an organizational culture which not only supports reverse logistics, but also recognizes the importance of a holistic approach to reverse logistics. While this discussion is important, there is another culture discussion – one which is critical to success and, one which is, more often than not, forgotten. This forgotten discussion is on the significance of culture when taking your reverse logistics operations international.

Recognizing the importance of culture is critical to success when taking your reverse logistics operations international. If you assume that you can box up your operations, unpack them in a different country, and then move forward with a business as usual mindset, chances are you will not be able to attain the level of success planned and you may even fail.

Culture defines a place. Culture is one of the reasons we love to travel – to learn about and to experience language, art, people, food, traditions, and environments that are different from those which we are used to. Ironically, these differences are often given little or no consideration when establishing and running operations in a new location.

Taking the time to understand a new culture is necessary. Taking the time to understand how to set up and run operations with and within this culture is vital. The challenges, hurdles, headaches and failures that will be realized by ignoring or working against a culture are avoidable if you escape the common pitfall of jumping in headfirst – with blinders on.

A survey by Deloitte and arvato found that the biggest challenge seen by global players in high tech reverse logistics is the increasing importance of emerging markets. Specific challenges cited by respondents included: finding reliable partners, establishing an efficient network, different legal and tax structures, and

customs regulations. I agree that these “challenges” need to be taken into consideration, but that understanding the culture also needs to be added to the list.

Mainstream Global stands out as a company which has made culture a priority and realized growth and success as a result.

In addition to operations in the United States, Mainstream Global also has locations in Mexico and in South America. When the company expanded operations beyond the United States it took the time to understand the local culture in each of the areas they planned to establish new operations. Furthermore, the company took the time to understand the needs of the local market and made smart hires – hires who understood the essential role culture plays in success.

In 2010 Mainstream Global was recognized by the Initiative for a Competitive Inner City as one of the 100 fastest growing inner city businesses; the five year annual growth rate for the company was 34 percent.

Article originally appeared on Electronics Purchasing Strategies in March 2014.



Kate Lee is the Director of Research and Marketing for Fronetics Strategic Advisors, a management consultant firm, that works with clients in the supply chain, logistics, electronic distribution, electronic asset disposal, and their related after-market industries. She has nearly 20 years of domestic and international experience working with

a range of people from senior executives at Fortune 100 companies to academics to refugees. She has experience in content development, business intelligence, demand generation, qualitative and quantitative research, social media, and in forging strategic partnerships.

# 11th Annual RLA Conference & Expo Singapore

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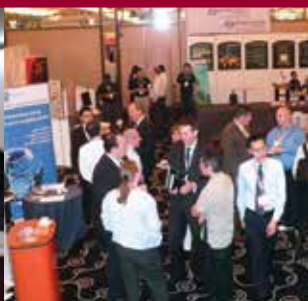
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RLA's APAC Committee to present three full days of Reverse Logistics. Starting on Tuesday December 9, including 3 days of Conference Sessions, Exhibition, and Workshops.

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)**

# What's New in the Food Transportation End of Things?

By Dr. John Ryan

## New Laws, Enforcement, Reconditioning and Food Recalls

If your company transports food products, either forward or reverse for reconditioning or recall purposes, you need to be aware of changes to food transportation laws. These new laws allow the Food and Drug Administration (FDA) to work with homeland security, customs and border protection, the Center for Disease Control (CDC), the EPA, USDA, DOD, DOT and the Federal Trade Commission to cause significant tightening of logistics procedures in the food transportation end of things.

This combination of federal, state and local enforcement capabilities is being established because the FDA will not have the budget to enforce food transportation laws without enlisting the help of other agencies. Put simply, what money the FDA has in its coffers is shared in order to greatly broaden enforcement powers.

Food recalls and controlling food involved in recalls for reconditioning or shipment inventory control purposes have long been subjects of consumer and legal concern. Many food recalls result in the collection and disposal of the rejected or “adulterated” foods at the end site which is usually a distribution center, market or restaurant. In such cases, collection and disposal might not require returns or the need to provide reverse logistics. The food is simply dumped in a trash bin for disposal. Other recalls may cover the need to return food products in order to change or update labels that might have been incorrectly applied during some process.

But rejected foods may also be “reconditioned” and

returned to distribution channels. Reconditioning is a salvage and rework process that is similar to most industries. Food is returned to an operation, and relabeled, repackaged, strained, cleaned, recooked or otherwise reprocessed to make it consumable.

Foods requiring the shipment or return to some processing or distribution point fall under food new food safety transportation laws and rules. In general, foods transported under sanitary and temperature controlled conditions are usually perishable and often packaged in a manner that exposes the food to environmental conditions during transportation processes. Boxes of tomatoes open or partially open is a good example of perishables exposed to environmental conditions. Another example is a plastic bag of carrots if the plastic bag is slotted to allow moisture evaporation. In both cases the food is exposed to adulterants.

What is adulteration? Here is a partial list:

- Pests (Bug parts, bird droppings, etc.)
- Bacteria
- Food Residues (testing reveals the container contains old food particles)
- Intentional Adulteration (Lapses in security that allow someone to contaminate the food)
- Economically Motivated Adulteration (EMA) – e.g. reefers are turned off to save fuel
- Foreign Matter/Objects (Dirt, glass, wood, etc.)
- Radiation
- Paint chips, mold, any other residues (from the trailer or container, etc.)
- Spoilage (food is rotten, defrosted, etc.)





# 12th Annual RLA Conference and Expo Las Vegas

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



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## The FDA's "Proposed Rules on the Sanitary Transportation of Human and Animal Foods"

Don't let the name fool you. There are a couple of big issues involved that focus on the prevention of food adulteration through sanitation and temperature control practices.

If your company is involved in moving food, especially perishables, there are some new and critical issues you need to become aware of. The Food and Drug Administration (FDA) is involved in the translation of the Food Safety Modernization Act (FSMA) into rules to be used to support federal, state and local food safety enforcement efforts.

While the FDA and the USDA have previously issued "guidance" for the transportation of foods, the passage of the FSMA in 2011 requires the FDA to develop and publish rules focused on food transportation. The publication of "Proposed" rules in January this year has added significantly to the previous guidance documents. The new rules will become law and have legal impact which guidance documents do not. While the proposed rules are currently in the comment period, their publication requires food transporters to pay some attention to what is likely to impact future logistics and reverse logistics operations.

The rules focus on food shippers, carriers and receivers. That pretty much covers all logistics and every food supply chain link. If your company moves or causes food to move internationally, interstate or intrastate by truck or rail you are covered. The FDA estimates some 84,000 companies are involved. The FDA does not distinguish between forward or reverse food movements but they do distinguish between food intended for human consumption in the US and food that is not intended for



human consumption. If there is any chance the recalled or returned food could end up on someone's table, it is covered by the rules.

There are a couple of big issues involved. First, protection of food from adulteration through sanitation of the loading, unloading and transportation tools and equipment and people is required. Sanitation implies that a company not only protect perishable foods from contaminants, but that trucks, trailers, containers and other devices used to transport food be adequately cleaned prior per sanitation procedures and that records of the cleaning must be maintained for at least one year. Sanitation also implies that some type of testing such as ATP (adenosine triphosphate) testing is conducted to validate and verify sanitation process integrity is also performed and results recorded.

The purpose of the rules is to "establish requirements for shippers, carriers by motor vehicle and rail vehicle, and receivers engaged in the transportation of food, including food for animals, to use sanitary transportation practices to ensure the safety of the food they transport."

The rules cover all practices concerning cleaning, inspection, maintenance, loading and unloading of, and operation of vehicles and transportation equipment to ensure that food is transported under the conditions and controls necessary to prevent contamination and other safety hazards. Of equal importance, shippers, carriers and receivers must have records that can verify implementation of preventive practices.

### Specifically, the proposed rule establishes requirements for:

- Vehicles and transportation equipment;
- Transportation operations (includes movement,



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## Two New FDA Issues for Food Transportation

### 1. The FDA Food Safety Modernization Act (FSMA) “Proposed Rules on the Sanitary Transportation of Human and Animal Foods”

Don't let the name fool you. There are a couple of big issues involved that focus on the prevention of food adulteration through sanitation and temperature control practices.

If your company is involved in moving food, especially perishables, there are some new and critical issues you need to become aware of. The rules focus on food shippers, carriers and receivers. That pretty much covers all logistics and every food supply chain link. If your company moves or causes food to move internationally, interstate or intrastate by truck or rail you are covered. The FDA estimates some 84,000 companies are involved.

The rules focus a great deal on the “shipper” (a person who initiates a shipment of food by motor vehicle or rail vehicle) and “carrier” (a person who owns, leases, or is otherwise ultimately responsible for the use of a motor vehicle or rail vehicle to transport food (private truck fleets, private fleet truck drivers, contracted drivers, distributors, leased vehicles). The idea is that the shipper must prevent adulteration by specifying the correct sanitary and temperature controlled conditions. Carriers that are hired by the shipper are then responsible for assuring that the specifications are met.

### 2. “Operational Strategy for Implementing the FDA Food Safety Modernization Act (FSMA)

Explosive food distribution systems dictate the need to significant changes in the way laws and the FDA address food safety issues. The FDA Operational Strategy lays out how they will proceed as they implement the FSMA.

#### The FDA will:

1. Focus on whether systems are working effectively to prevent food safety problems
2. Leverage resources of multiple federal, state and local partnerships (increase enforcement)
3. Build robust data integration and information sharing systems
4. Provide education and assistance (be proactive and call the FDA before they call you)
5. Implement changes to FDA resource planning and deployment
6. Conduct in-depth environmental assessments
7. Enable stronger produce safety standards
8. Respond to outbreaks
9. Take action against violators
10. Require documented assurance that food importers take proper steps to prevent problems

More details can be found at: <http://www.SanitaryColdChain.com>

- loading and unloading);
- Training (driver temperature monitoring, as well as food safety and food handling);
- Records; and
- Waivers.

### Design of vehicles and transportation equipment used in transportation operations must consider and be deemed “adequate” for each of the following inspection items:

- Materials
- Workmanship
- Temperature monitoring where required
- Corrosion resistant
- No flaking or chipping
- Meet industry standards
- No surface delamination, blistering, distortion, pitting
- Wood containers/pallets used to hold raw meat/poultry are not cleanable
- Hoses, pumps cleaned after use
- Pallets in good repair (no damage to food) require pallet control measures
- Proper maintenance of equipment and utensils used to handle food

### What's not covered by the new requirements?

- Shelf stable food (can't spoil easily – canned goods, pasta, etc.)
- Small businesses (under \$500,000 in annual income – be careful here if your customer is a big business.
- Transportation of raw farm commodities being moved on the farm (harvest to packing)
- Compressed food gasses
- Live food animals (animals being shipped for slaughter)



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The rules focus a great deal on the “shipper” (a person who initiates a shipment of food by motor vehicle or rail vehicle) and “carrier” (a person who owns, leases, or is otherwise ultimately responsible for the use of a motor vehicle or rail vehicle to transport food (private truck fleets, private fleet truck drivers, contracted drivers, distributors, leased vehicles). The idea is that the shipper must prevent adulteration by specifying the correct sanitary and temperature controlled conditions. Carriers that are hired by the shipper are then responsible for assuring that the specifications are met.

### What You Might Want to Work On

If you aren't sure of where to start, here is a brief list for you to begin working on:

1. Develop preventive transportation operation sanitation and temperature control requirements, procedures and work instructions that are designed to prevent adulteration.
2. Specify compliance to company procedures and work instructions in a “contract of carriage” between the shipper and carrier

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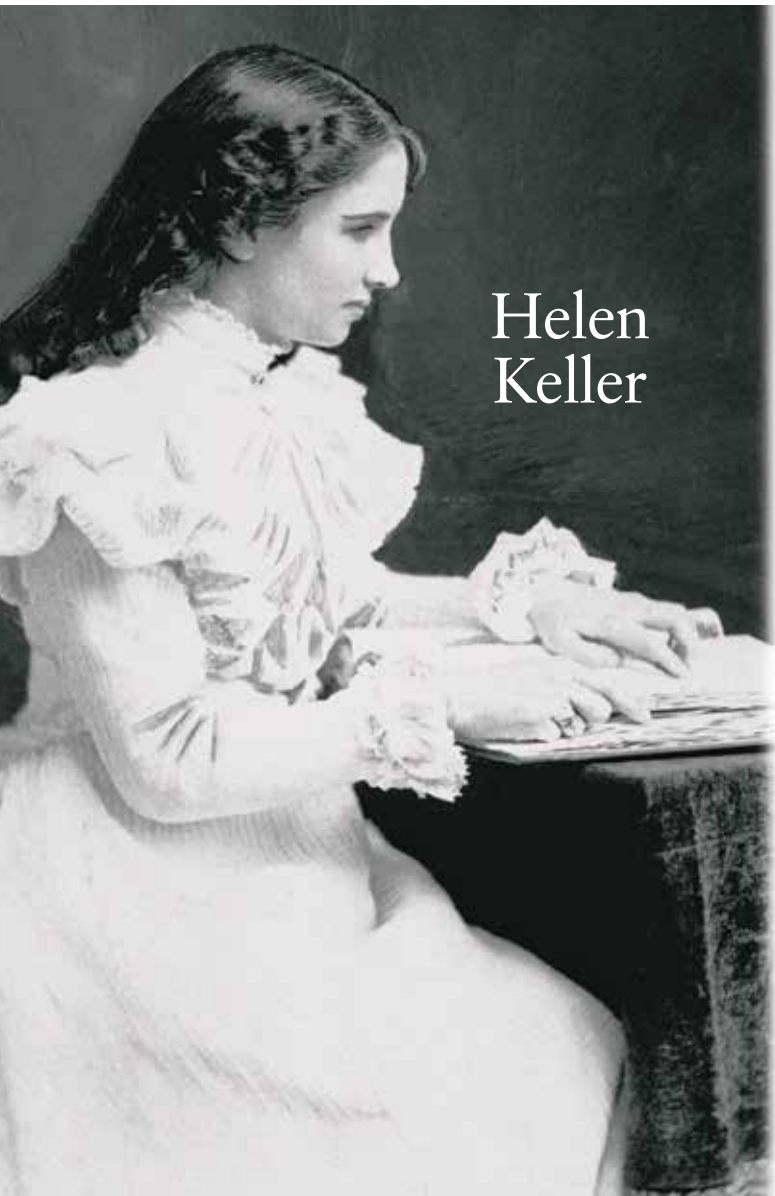
36<sup>th</sup> Annual Conference & Exhibition

3. Carriers should be qualified and certified with regard to their ability and willingness to comply
4. Carrier and food shipper load and unload employees and drivers should be trained in terms of food safety, safety problems, sanitary transportation practices, driver awareness of temperature controls and abuse, contamination and vehicle sanitation and sanitary food handling.
5. Rank carriers and making sure you have the records/data to prove carriers are in compliance.

These new food transportation rules will be supported by a number of federal, state and local agencies. No segment of the food supply chain will be excluded. Companies that begin to establish practices to meet the new requirements will also be ahead of the competition in terms of meeting their customer's requirements. Time is not on your side and recall prevention is more important than recall reaction.



Dr. John Ryan is the president of TransCert.com and holds a Ph.D. in research and statistical methods. He has recently retired from his position as the administrator for the Hawaii State Department of Agriculture's Quality Assurance Division where he headed up Hawaii's commodity inspection, food safety certification and measurement standards service groups. His latest book published is "Guide to Food Safety and Quality during Transportation: Controls, Standards and Practices" is now offered by Elsevier Press. Dr. Ryan's Company tests new cold chain technologies and certifies food and drug transporters to TransCert standards. For more than 25 years, he has implemented quality control systems for international corporations in the United States and around the world.



Helen Keller

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# Reverse Logistics Offers Many Benefits to Corporations

by Bill Johns, MBA, MPA of Bluewater Consulting

Once a niche in supply chain management, reverse logistics is emerging as a supply chain corporate strategy supporting everything from environmental sustainability to bottom line profitability.

Several forces are combining to drive interest in reverse logistics including: the pressure for profitability, volatility in the fuel markets, community interest in sustainability, changing customer needs, and rising levels of regulation.



Other factors also come into play. LTL trailer load utilization can be anywhere from 30 to 80% and at times, even lower when certain transportation moves lead to deadheading are factored into the equation.

Reverse logistics offers a way to help alleviate poor utilization and deadheading issues. Ideally, reverse

logistics programs will keep trailers full while also providing continuous moves. Some carriers have milk runs involving simple raw materials (RM) and finish goods (FG) exchanges.

Many times this can also include returning specialized pallets and racks, recyclables, cages, and totes.

Mike Dewey is a Cincinnati-based home brewer who decided to get serious after his favorite local brewpub closed about five years ago. Today Dewey's Mt. Carmel brewery is still a small brewing company but it does much higher volume.

Dewey sends growlers out on pallets and has to take return on the pallets. A typical load of 16 pallets at \$20 each represent \$320 in needed cash flow. He uses about 40 pallets per month.

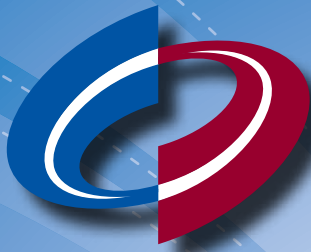
More small brewers in the market makes for a more competitive business situation. A dollar saved is as important as a dollar earned. Shipping and logistics costs are important areas in which every small businessman needs to control costs.

He said he's looked at a variety of shipping options and settled on OneMorePallet, a Cincinnati-based discount freight shipping site that helps small businesses reduce shipping costs by filling unused truck space.





# 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.



OMP's Pallocator™ system instantly matches pallet shipment needs to excess available space at great rates with national, name-brand carriers. If delivery timing can be flexible, savings can be big – up to 50% off already discounted retail prices.

OneMorePallet enables small businesses to save money and time on freight shipping, regardless of their volume, and helps carriers fill their truckloads and operate more efficiently, resulting in improved profitability.

“We used one of the top tier brokerages but OMP was able to save us 25% off the discounted shipping rates,” Dewey said.

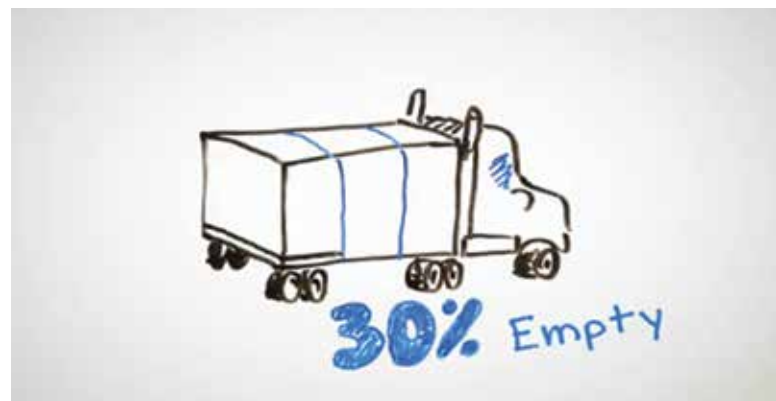
Also among the items that may be returned include MRO tools and equipment which support manufacturing and are also often found in the automotive, boating, aerospace and defense industries.

Several options may be explored to reduce the potential for deadheading, including finding ways to manage both the inbound and outbound of a shipping node or identifying collaborative and synergistic opportunities in the proximity of an existing customer. There are, however, numerous variables at play in the development of these opportunities – scheduling, flexibility, synergy, cargo limitations and competition.

One of the best avenues to pursue in the development or expansion of a reverse logistics program is to plot the data from your company, your customers and their respective value chains. With this complete, you have the potential to look at geography-based, industry-based, synergy-based pursuits to locate opportunities.

Another example of an emerging focus of reverse logistics is the shipment of returns, defective parts or discontinued merchandise. Customer satisfaction is a key element in corporate strategic planning. The ability to efficiently take returns on defective or damaged products cuts the cost of sustaining this emphasis on customer satisfaction. Due to the unstructured nature of the returns process, companies need to have flexibility in their return shipping solutions.

The rapid introduction of new generations of electronic products provide a fertile ground for encouraging consumers to join in the benefits of reverse logistics. Combined with regulations that prohibit or limit the disposal of electronic products in landfills, there is a powerful incentive to fine tune the return process.



i-wireless is a Cincinnati-based retailer that sells cell phones and service. On a semi regular basis i-wireless needs to ship disabled cell phones back to the manufacturer or a location from which the used product can be evaluated for salvage or repurposing, said Kris

# Upcoming 2014 RLA Workshop



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### **13:15-14:45 WORKSHOP: Successful Outsourcing: RFQs, Contracts and SOWs**

Gailen Vick, Executive Director - Reverse Logistic Association

For both OEM's and Service Providers this workshop focuses on what OEMs and 3rd Party Service Providers (3PSPs) need to consider when assembling a RFQ proposal or response. Followed by how to protect your business through the service contract and setting performance metrics when its time to sign the contract



Topics include:

- Expectations in Constructing the RFQ Response
- What the 3rd Party Service Provider Needs to see in the RFQ
- Writing the Contract: Are you sure your business is protected?
- Best Practice: Selecting a Vendor
- Assembling the RFQ
- SOWs & SLA's: What should be in them?

### **14:45-16:15 WORKSHOP: RL Sustainability**

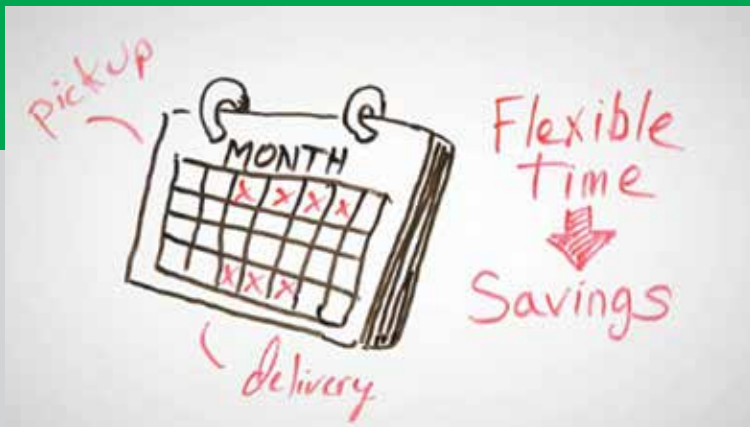
Gailen Vick, Executive Director - Reverse Logistic Association

The workshop will address some of the most important issues involved in RL Sustainability:

Topics include:

- Renewable Energy - all support functions for Wind and Solar (repair, reuse and upgrades)
- Developing Green politics to lower energy consumption
- Protection of Corporate Image and Branding when employing Corporate Giving
- Collection of Reusable materials for energy development
- Developing Green Public Relations while supporting
- Branding when using Green solutions
- Corporate Social Responsibility

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understanding that compliance can lead to lower costs and increased productivity.

Reverse logistics can include recycling of packaging and leftover resources found in used containers. As population increases and resources become more scarce, the value of recycling and repurposing resources becomes more apparent. Efficiency in the supply chain eliminates waste and supports green initiatives that can provide differentiation and competitive advantages in crowded markets.

Berry, senior warehouse manager.

The typical shipment by i-wireless of this old equipment occurs semi-regularly and requires about one pallet or less. Finding the best shipping rates on such small loads required a great deal of time searching load boards and other sources, said Berry.

OneMorePallet™ lowers small business freight costs by filling unused truck space. OneMorePallet™ can save shippers money while also linking carriers to reverse logistics opportunities. Not only does OneMorePallet™ support reverse logistics programs - it also supports overall sustainability and green supply chain initiatives.

‘We were challenged to find low cost shipping until OMP came along. My group spent too many hours chasing carriers to find the best price for LTL shipments,’ Berry said.

Another important advantage of elevating reverse logistics into the strategic planning process is the issue of environmental sustainability. Compliance with environmental regulations is the most often cited reason for undertaking sustainability improvements. Leading edge thought on reverse logistics has now evolved to an

Implementing a strategic reverse logistics program can offer both reduced costs and increased customer value. It is necessary that the value to be obtained through reverse logistics is understood and evaluated in the broadest perspective by senior management as a part of the strategic plan.

Implementing a reverse logistics strategy and operational plan needs to start with the realization that there are significant corporate, environmental, and business development opportunities within your value chain. Once you have identified those opportunities and your supply chain group has a good plan, seek an executive sponsor within your organization.

By plotting your shipping and logistical nodes, gain an understanding of your transportation moves and their frequency, you can start looking at synergies and opportunities within your “value chain” which includes your own organization, your partners, your suppliers, and also your neighbors.

The key is to realize there are multiple opportunities with reverse logistics especially in returns management (including recalls), obsolescence and damage claims,

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refurbishing / upgrading of products, MRO of equipment, container movements (racks, crates, totes, etc.), and sustainability / recycling initiatives including the proper and optimal disposal of waste. Many of these opportunities can be found through synergies and location.

Once a reverse logistics initiative commences, you and your organization will need to be flexible in making adjustments to your organization (change management), your supply chain (capacity constraints), and measurement (metrics and financial benefits). Determining what success looks like is based on your own internal views, benchmarks, and participants of your reverse logistics value chain. Likewise, there might be additional financial and community impact / "green supply chain" opportunities available in secondary markets of products, recyclables and reusable components, and waste. Equally impressive is that

these reverse logistics benefits can be shared financially (either through additional revenues, savings, or credits/rebates) or through public relations and brand awareness initiatives associated through sustainability. The time is optimal more than ever to develop a reverse logistics program for your company and community.



Bill Johns, MBA, MPA is known as the Supply Chain Guy™ and has 25 years in supply chain management covering all aspects of sales, technology, operations including reverse logistics, and executive management. The Supply Chain Guy™ holds an MBA in supply chain management from The University of Tennessee and is Founder and CEO of Bluewater Consulting®, a boutique international professional services firm.

# PRODUCT LIFE CYCLE

## Supply Chain

## AfterMarket Supply Chain

### FORWARD LOGISTICS

### REVERSE LOGISTICS

#### New Product Development

#### Material Management

#### Manufacturing & Distribution

#### AfterMarket Customer Service

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

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

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

- 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



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# Returning Thoughts

## Reverse Logistics Success Quotes to Help Build Your Business Case for Improvements

by Paul Rupnow

When building a business case to improve your Reverse Logistics or get funding on technology or software to improve your Reverse Logistics operations, it is often very helpful to have good quotes, references, success stories or case studies to back up your proposal. Below I have assembled a number of excellent quotes and references you can use to help others understand the opportunity you are presenting:

**Inbound Logistics Magazine:** “As companies strive to wring every cent out of their logistics costs, they’re increasingly taking a hard look at their reverse logistics practices. And no wonder -- they may find a motherlode waiting to be mined.” In the article *Getting Started in Reverse Logistics* by Leslie Hansen Harps.

**Harvard Business Review:** “Even with reverse supply chains, forward thinking pays big dividends” in the article *The Reverse Supply Chain*.

**Forbes Magazine:** “bottom line impact can be a huge one” in the article *The Reverse Side of Logistics: The Business of Returns*

“Our primary goal is not so much Best Practices, but rather to eliminate “Bad Practices”; and

“To Maximize Bottom Line, Drive Every Return to its

Highest and Best Use”, Dan Gilbert when he was Vice President of Reverse Logistics for Cisco RLA Vegas 2006

“At least a 40% processing saving resulted by Companies who had mapped their Reverse Logistics processes” and



“These companies also experienced a 20% higher recovery rate on returned products.” Research results presented by Professor James Stock, University of South Florida

“Price Erosion is the silent killer.” Grey Williams VP Supply Chain at Logitech. “Logitech uses an “Excess index” that calculates the cost of doing nothing, i.e. how much money the company stands to lose by not properly dispositioning its returned/excess products.”

Remember: “it’s about recovery, not about cost” “If somebody will process for \$.10/unit less but cannot properly execute a RTV for a \$500 item, you didn’t save \$.10, you lost \$499.90.” Rob Saper OfficeMax VP Supply Chain Logistics at RLA Vegas 2013

Impact of an online retail customer’s return experience:  
- 85% of customers WILL NOT shop with you again if the return process is not convenient





-95% of customers WILL shop with you again if the returns process is convenient. Harris Interactive study

Building a Reverse Logistics project business case is a challenge. Hopefully some of the above quotes will help you craft your plan or build your case. Feel free to send me (paul@andlor.com) your results, experiences or quotes for a future article.



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*Business Insights and Strategies for Managing Product Returns*

[www.ReverseLogisticsProfessional.com](http://www.ReverseLogisticsProfessional.com)

**Key Metrics:**  
 “Once we began using these four simple metrics, Days/Time to Issue RMAs, Days to issue Repair Estimate, Days to Repair, = total repair time, we achieved a reduction of over 75% of time within 18 months and significant increase in customer satisfaction.” iRobot, Don Patch, Director of Global Logistics, iRobot RLA Vegas 2014.

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

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

# Reverse Logistics Terminology by Industry

## Industry Definition

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



## Life Cycle Management

### After Purchase Life Cycle

- Customer Service (helpdesk)
- Depot Repair/ReMan
- Service Logistics (Field Service)
  - Transportation/Warehousing
  - Spare Parts Management
  - RMA Management
  - Replacement Management
- Refurbishment
- 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

# Reverse Logistics Talk

## Developing Technology Strategies for Reverse Logistics

by Jennifer Bilodeau

Reverse logistics management focuses on the movement of a returned product to recapture value by quickly making decisions on how the product will be managed and re-enter the supply stream. Strategic planning to implement technology that will tightly control inventory, manage returns, develop a competitive advantage, while minimizing operational costs is the challenge. “Today’s Enterprise Resource Planning (ERP) systems have outpaced organizational readiness for product recalls” (Persaud, 2012).

A reverse logistics information system must be flexible. Unlike forward logistics, reverse logistics will touch upon more areas throughout the supply chain. When developing automated technology to capture information, it is critical to consider how that information will be used and how it will benefit or impact different organizations. Early efforts in tracking returns were simplified, often to the cost and capabilities of technology. At one point of sale there may have been a sticker system in place identifying returns to go to the vendor, returns for salvage, or returns for disposition. With the lower cost of technology and increased capacity to manage data, an organization can truly reap benefits to reduce costs associated with returns.

Companies often overlook returns management in developing a technological and communication plan. By

examining the organization’s existing return program, a strategic plan can be implemented achieving their specific goals to manage, improve upon, and reduce cost of managing returns, excess or obsolete goods. If a recall were to occur, how would an organization identify where the product is? If a retailer was receiving an inordinate amount of returns, how could they reduce those returns? If a repair facility wanted to improve customer service, how could they plan their operations to reduce response time?



### Recall Management

Tight controls over inventory, developing a tracking system to identify where a product has been throughout the supply chain most sensitive when a recall is initiated as a result of public safety or health concerns. A company must effectively identify defective products to

limit the financial impacts and liabilities that may be associated in the return process. Integrating return or recall activities into a business strategy is the most effective way to create a plan that captures the data required that can quickly identify where a product is at any given time. Developing strategic commitment by sharing responsibility throughout the supply chain is the most effective supply chain management. The components in a product can be handled by multiple people throughout the supply chain from procurement of raw material, manufacture, and distribution. This

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Emails provide press releases related to OEM/ODM and Branded Companies, Third Party Service Providers and other organizations involved in Reverse Logistics. Four categories of news include: Read the Press, Money Talks, Industry Events and Technology Spotlight. News covers all areas of RL including Aftermarket Service, Warranty Management, Asset Disposition, FieldService, Remarketing, Data Destruction, Regulatory Requirements and e-Waste disposal, just to name a few.

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The screenshot shows the top portion of an email newsletter. At the top left is the Reverse Logistics Association logo. To its right, it says "RL Weekly" and "Editor: Pawel Pazyra". Below this is a purple banner with the text "Reverse Logistics Weekly News Clippings" and an image of newspaper clippings. Underneath the banner are links for "Share these Clippings" and "Unsubscribe", followed by the date "November 27, 2013". The main content is under the heading "Read the Press" and lists several news items, each preceded by a small icon. On the right side of the newsletter, there is a small promotional image for the "11th Annual RLA Go and Expo Las Vegas" with the text "America's ReverseLog February 11". At the bottom, there is a section titled "RLA Committees" with a list of committee meetings.

REVERSE LOGISTICS ASSOCIATION™

RL Weekly  
Editor: Pawel Pazyra

Reverse Logistics  
Weekly News Clippings

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November 27, 2013

**Read the Press**

- § Optoro Gets More Funding, Adds Board Member
- § Interpol Cracks Down on Illegal E-Waste Trade
- § Exeter Has The Worst Recycling Rates In Devon, New Figures Reveal
- § Microsoft Steps It Up to Fix Faulty Xbox One Consoles
- § Arrow and Infosys BPO Plan to Jointly Market IT Asset Lifecycle Management Services
- § Recycle E-Waste
- § First e-waste factory launched in Egypt
- § Recycling can help the public feel good about plastics
- § Hyundai Warranty Now Quoted by Aftermarket Insurer Companies at Auto Company Website
- § High-Tech Company Interest in Near-Shoring Grows as Supply Chain Strategies Shift
- § Simplifying the Holiday Returns Process with Reverse Logistics
- § Premier Aftermarket Exhibition was the Venue for Several Exciting Models' Debuts and Presentations

**RLA Committees**

- § Europe - Wednesday, November 27, 2013 9:00 AM
- § Sustainability and Environmental Management - Wednesday, November 27, 2013 3:00 PM
- § Latin America - Tuesday, December 03, 2013 11:00 AM

11th Annual RLA Go and Expo Las Vegas  
America's ReverseLog February 11



number increases when handling import or export goods.

Developing cooperation throughout the supply chain, data gathered could identify procurement, distribution, or collection strategies that could limit the impact of recall. By capturing data that could ultimately identify low quality, or potential risks in the distribution of product.

Service providers are beginning to look at recall management tools, to reign in active customers. In a case study (Stone, u.d.) discussed a dental office managing patient files, educating patients on the necessity of the annual screening, as well as carefully recording inventory used in the event of a manufacturer recall to notify patients quickly who came in contact with the product. The recall system for health service providers is designed to reduce lost revenue, increase quality of care, and limit liability in the event of a product recall. The commitment to capturing data into the system was critical to developing and managing patient relationships. The study determined that many patients do not return for the annual recall visits because it is commonly referred to as a cleaning that offered no value as patients considered they clean their teeth daily and do not require the service. By capturing detailed data and using an automation system to generate consistent messages in the patient billing, reminder notices, phone calls, and any other communication system to include a specific reason for the visit increased response and quality of care. The data captured can help the patient realize that the “cleaning” will entail checking on specific fillings, evaluate the amount of bleeding, perform oral cancer screenings, or other specific care issues captured by the database. As patient retention increases, management is

able to determine hiring needs. Often the hiring practices have been based on scheduling during the busiest times leaving periods throughout the year where staff is paid and little revenue is generated. “Many offices do not know how much hygiene time they need” (Stone, u.d.). The database system can help the office determine when hiring additional staff, is appropriate as the patient base grows.

## Returns Management

The options to handle a return are limitless and can include liquidation, donation, resell auctions, private resale, and destruction. Each option presents its own unique set of circumstances that an organization will need to examine to establish parameters to automate technology to expedite returns re-entering the supply chain. Risks to consider might be quality control of repairs to protect the brand and perceived values of the branch. Donations can be costly depending on an organization's tax strategies and could potentially increase operating costs.

Setting up decision trees to maximize recovery and identify trends that can be mitigated. “Making the right choices requires the ability to define the expected outcome, use the correct technique or combinations of the techniques for each situation, then deliver the results” (Returns Management Inc., n.d.). By capturing data consistently that identifies who is returning the product and the reason for return, a company can easily identify opportunities for improvement.

Is the return valid? Nintendo faced a return rate that appeared to be higher than normal. Nintendo had concern that some of the returns were outside the warranty period and that consumers were registering products



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when there was a malfunction. Nintendo responded to challenge of gaining better control of returns by encouraged retailers to register the merchandise at the point of sale by developing a bar code. The process was facilitated by easily scanning a barcode on outside of the box at the point of sale. The retailer was enticed to train staff to comply by offering a \$.50 rebate for each registration they completed. The new data supplied let retailers know whether or not the product was still in warrantee at the time of the return. “After implementing this system, Nintendo experienced an eighty percent drop in return rates” (Rogers & Tibben-Lembke, 1999)

Keeping control over inventory, managing assets, and developing communication and technology plans to manage inventory will reduce the financial impacts of returns management. It is just as important to identify the reason for the return as well as analyzing how to handle the return. In planning automated systems to capture information, the return should be taken one step back in the supply chain to re-introduce the produce to the supply chain recapturing value. “A key to successful returns management is an asset recovery program that reduces losses or even generates revenue” (Biederman, 2006).

# LL Bean

LL Bean is an industry example of controlling returns, managing customer relationships, as well as protecting the LL Bean brand through vendor management because the organization has a consistent process in place to capturing the reason for return. By capturing return reasons data could potentially identity the need to re-

design a product, packaging, or include a simpler way to disassemble a product for easy replacement of parts that are known to wear out. If there are a significant number of returns as a result of poor quality, a trend could be identified indicating the manufacturer is not meeting the organizational standards.

Consider the quickest path to re-introducing a return to the supply chain. An organization may want to implement a support desk to identify the concern. If a consumer bought an all-in-one printer, scanner, fax, and copier and the scanner was not working, how could data is captured to eliminate that return? A customer support center identifying the problem and capturing data would benefit reducing the number of support calls or returns. As customer service troubleshoots the problem, data could be captured identifying the solutions which work. Once the problem is identified, management can examine the data determining the need for call and may uncover confusion in the instruction manual which would require clarification, or possibly a need to improve the drivers for the unit to be updated.

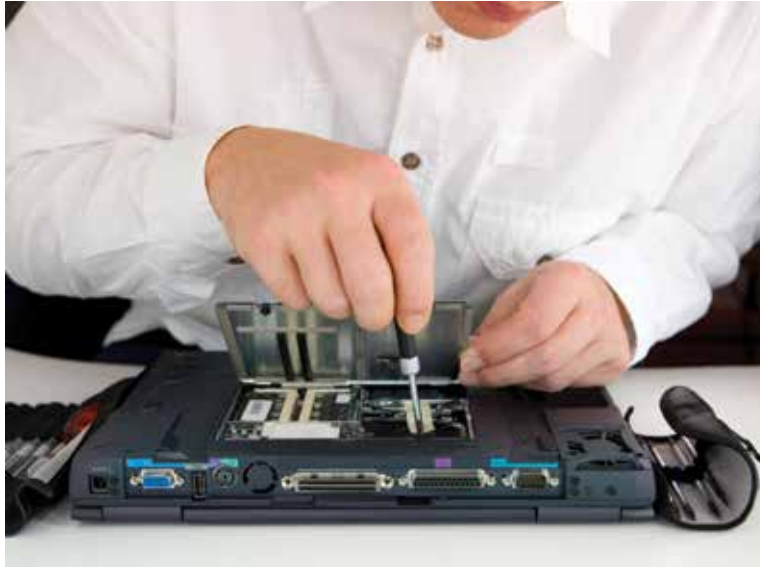


## Repair Facilities

“A number of decisions including return collection center locations, mode of transportation to be used, control systems, and just-in-time policies, will not only influence the forward logistics network, but also the reverse logistics network” (Madaan & Wadhwa, 2007).

To reduce repair time, tight control and adherence to processes and maintenance of an inventory system should be consistent. Maintain tight control, inventory samplings and mini-audits conducted at regular intervals will ensure control over inventory is maintained ultimately reducing costs associated with excess stock as well as increasing the quality and efficiency of the facility. In a case study, the military identified exposure to counterfeit parts

that infiltrated the supply chain which has “threatened National security, the safety of our troops, and American jobs” (Shaughnessy, 2012). The problem America faced could not solely be blamed on the Chinese for the manufacture of substandard parts, but could be traced to a continued lack of consistency with inventory control and accountability. Different organizations within the military have different levels of commitment surrounding inventory maintenance and control. Property accountability managers often spend a significant amount of time trying to obtain accurate paperwork, records, and facilitating reconciliations. Without commitment and support from the top levels encouraging compliance with the process and clearly communicating the goals for tight inventory control, frustration and resistance could work against the effort leading to gaps filled with low inventory, excess inventory, error, damage, theft, loss or the opportunity for counterfeit parts and



substandard quality of the repair. Although the military manages a database for tracking and accountability of equipment that is consistent, the processes in managing and capturing data as well as identifying location of the equipment are not. Some military units may have bar code scanners while others will manage inventory manually with pen/paper and checking items off from a master report. An organization overseeing a repair facilities across many different business divisions, must think about planning operations to eliminate inconsistencies and implement automation that will focus on decreasing the time a product is not operational.

By establishing organizational objectives and an acceptable wait time for a repair, data can be used to identify customer clusters to optimize location and warehouse of repair personnel. Data can also help anticipate and plan for common repairs, coordinating physical parts and labor to expedite the process and

## Industry Events



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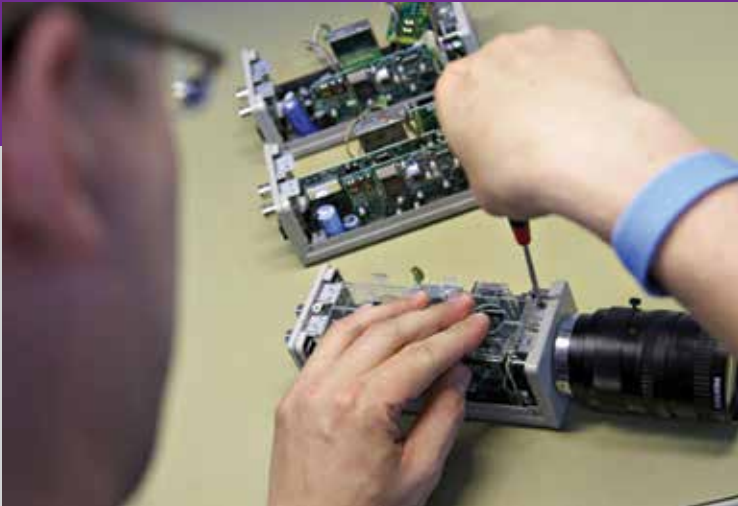
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### **Reverse Logistics Workshops: 2015 International CES**

January 8, 2015

### **RLA Conference & Expo: Las Vegas 2015**

February 2-5, 2015



increase customer service. Amini, Retzkaff-Roberts, and Bienstock (2005) conducted a study involving the planning, design, and implementation of medical laboratory devices. The company identified parameters for repair to minimize risk to the laboratory guaranteeing a six hour turn around on repairs for most customers with exceptions being those in remote areas making compliance with the standard economically unsound or impossible. The company designed a self-diagnostic tool in the equipment that would expedite the process. The tool would determine the cause for the repair reducing down-time.

Controlling inventory data as well as dispatch data were the two challenging parts to coordinate to meet the six hour repair window. By identifying common repairs, managing inventory and storage of parts decisions were made as to what parts could be stored at a customer site, warehouse, or repair technician's vehicle. The data was taken apart and examined using many "what if" scenarios valuating costs and identifying an optimal path to gain the most value for the least expense.

## Conclusion

Strategically planning what information to capture can enable an organization to more effectively manage operations. In a reverse logistics process, drilling down data will help identify key challenges to improve efficiencies in the organization. The ability to reorganize data, take it apart, and look at it from a different perspective can also prove effective in



increasing operational effectiveness.

Good data management and the commitment to follow the processes in collecting data will identify opportunities in any organization to increase revenue, manage returns, and determine how a return can be managed to maximize recaptured values.

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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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