



# REVERSE LOGISTICS magazine®

Serving Manufacturers, Retailers, and Service Solutions Providers



## How Technology is Reversing the Burden of Product Returns Page 8



# CONTENTS

Issue 16 Volume 1

8

## **COVER** How Technology is Reversing the Burden of Product Returns

*Gaurav Saran, CEO, ReverseLogix*

The supply chain has been under a microscope since COVID lockdowns began in the spring of 2020, and its weaknesses are glaringly apparent: Product delays, shipping constraints and labor shortages have left no industry untouched.

14

## **ARTICLE** Mobile Warehousing & Storage is the Solution to Supply Chain Woes

*By Sarah Johnson, EVP Mobile Warehousing & Storage, Milestone Equipment Holdings*

For nearly two years now, we've been eating, sleeping and breathing supply chain challenges. Ask anyone who works in the freight, transportation or logistics industries, and they'll tell you supply chain issues are not novel. In addition to the traditional obstacles that the supply chain has always faced, COVID-19 has brought about some additional factors that have contributed to the global slow-down.

20

## **ARTICLE** 5 Ways to Improve Your Returns Processing

*By Harold Baro, SVP & General Manager, SIMOS Solutions*

The pandemic has caused a surge in eCommerce, which means the number of returned merchandise retailers see each year is growing. If done incorrectly, returns processing can be an expensive and difficult business. But handling returns does not have to be a burden on your operation.

22

## **ARTICLE** Stop Returns from Becoming Returns

*By Robert Coolidge, President & CEO, Encompass Supply Chain Solutions, Inc.*

During the pandemic-related lockdowns of 2020, U.S. ecommerce sales totaled \$565 billion or 14% of all retail sales, according to the National Retail Federation. Returns from those sales doubled year over year totaling \$102 billion.

26

## **ARTICLE** Price Optimization: To Auction or Not to Auction?

*By Sébastien Ouellet, President, Restock Canada*

For retailers, liquidating customer returns or surplus inventory is a costly affair that they simply cannot afford to ignore if the business is to run smoothly. Companies rightly focus on optimizing recovery prices to reduce losses to a minimum. But what is the best solution to optimize recovery?

32

## **ARTICLE** The Growing World of Medical Device Repair

*By Paul de Voor, Senior Director of Operations, Sanmina Ft. Mill, South Carolina Facility*

The latest advances in medical devices and equipment are revolutionizing the way the medical community and patients manage health and disease. For patients waiting for results from blood tests or nasal swabs, highly complex fluid analysis equipment now provides results faster than ever.

36

## **ARTICLE** Navigating the Rise in Reverse Logistics

*By Brian Beetz, Director of Regulatory Affairs and Corporate Responsibility, Labelmaster*

Growing secondary market channels are opportunities to increase revenue and to become better stewards of the environment. Collaboration with third party logistics partners can help retailers gain the expertise, operations resources, and technology to navigate through the complexities and achieve results to strengthen their triple bottom line.

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## Right to Repair

### Right to Repair Notches Wins as Debate Heats Up

*By Nathan Proctor, Director, U.S. PIRG Campaign for  
the Right to Repair*

For decades, manufacturers have been gradually removing support for independent repair and locking down all manner of equipment. Over the course of 2021, reverse logistics advocates, consumer rights groups, tinkerers and fixers have been able to push back on this trend.

## View From Academia

### Product Return Management Strategies

*By Ali Shirzadeh Chaleshtari and Ehsan Elahi, Univ. of Massachusetts  
Boston, Management Science Department*

Huge economic impacts of product returns on the one hand, and their increasing trends on the other hand, vitally necessitates careful investigation and outlining of suitable strategies for managing product returns, especially in the e-commerce market.

PAGE 34

PAGE 40

## FEATURES

- 4** Message from the Editor
- 4** RLA Management Team
- 5** Industry Focus Committees
- 6** RLA Advisory Board
- 18** What's Up RLA?
- 44** Our Members
- 47** Ad Index

# 5 Ways to Improve Your Returns Processing

By Harold Baro, SVP & General Manager, SIMOS Solutions—RLA Bronze Member

ARTICLE



The pandemic has caused a surge in eCommerce, which means the number of returned merchandise retailers see each year is growing. Americans returned \$428 billion in merchandise to retailers last year according to the National Retail Foundation, which accounted for over 10% of retail sales in 2020.

If done incorrectly, returns processing can be an expensive and difficult business. But handling returns does not have to be a burden on your operation. Here are 5 quick ways to improve your returns processing operation.

## 1. Prepare your warehouse

Returns take up a lot of space and processing them efficiently means that they are just stuck wherever you have room. Take the time to plan out a space suitable for the process. Ideally, the space should be close to your inbound dock and have adequate staging areas to store and then process returns.

It should also be a place where supplies and equipment are easily located so that returns can be quickly processed and organized back into stock without disrupting your other warehouse operations. Putting thought into your returns space can cut down on extra steps and streamline the process.

## 2. Simplify

Take a look at your returns process. How many steps does it take to process a return and restock it? Are employees forced to take extra steps to find the barcode or return information? Streamlining and simplifying this process is an easy way to speed up your return times.

Many times the returns process is an afterthought and a process where man hours add up, costing additional dollars to re-handle. This is a work cell that if set up properly, and best practices are utilized, will yield savings and make a positive impact in your bottom line. Returns is an added cost, but there is no reason not to develop processes to keep those costs to a minimum while getting the returned items back into inventory for resale.

## 3. Plan for trash

Returns generate a lot of trash. Figure out the process for storing, sorting and removing trash and recycling. Doing so means that work is not hindered by a cluttered work area and nothing will get lost. An organized process leads to an efficient process.

## 4. Control restocking

Some of the best returns operations process returns and restock them within 24-36 hours. They can do this quickly because their restocking process is organized and straight-forward. Identifying and sorting items prior

to putting them in picking locations can reduce the time required to restock. Having enough storage locations that are well labeled, means that restocking can be quickly completed while reducing your restock labor.

**5. Partner with an output-based staffing company**

With returns processing, it's difficult to maximize efficiency and cost-savings when your operation is managed based on headcount. A staffing model where you manage your workforce based on output, not headcount allows you to manage staff based on the amount of returns that need to be processed or the inventory that needs to be shipped instead of worrying any people you need in your building.

With an output-based staffing strategy like SIMOS, your operation can reduce the number of steps in your production and increase efficiency quickly in your returns processing operation. Managing a workforce based on output means that you have budget certainty with your

returns. During peak seasons or changes in eCommerce markets, this can become critical to not losing valuable time and money on returns processing.

**AUTHOR**



Harold Baro is senior vice president and general manager of SIMOS Solutions, a labor management firm that specializes in improving the ways organizations staff and manage high-touch environments by providing engineering expertise, a

frontline workforce and management at a guaranteed fixed cost per unit while meeting quality and safety standards. He leads a core of certified engineers and experienced onsite workforce leaders who help optimize processes for budget certainty and increased efficiencies in distribution, fulfillment, reverse logistics and light manufacturing.

