

# Reverse Logistics Management Systems Software State of the Art



Las Vegas 2009

## Moderator:

Michael R. Blumberg, CMC  
President, Blumberg Advisory Group

## Panelists

- Paul Bruce; VP, Global Services, Flextronics
- Lisa Perry: Solution Architect, Clear Orbit
- Dick Kluis: VP, Product Development
- Paul Rupnow; Director, Reverse Logistics Software
- Leonard Schneerman: SVP & CTO, DEX
- Seshagiri Singaraju, Materials Manager, Sun Microsystems
- Steve Teel: President, Service Central

# Blumberg Advisory Group

## Strategic Analysis of the State of the Art for Reverse Logistics Management Software

December 2008  
Blumberg Advisory Group

Sponsored by:

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### Business & Strategic Advisory Service:

- Strategic & Business Planning
- Benchmarks & Best Practices
- Systems Design, Evaluation  
& Recommendation
- Mergers & Acquisitions

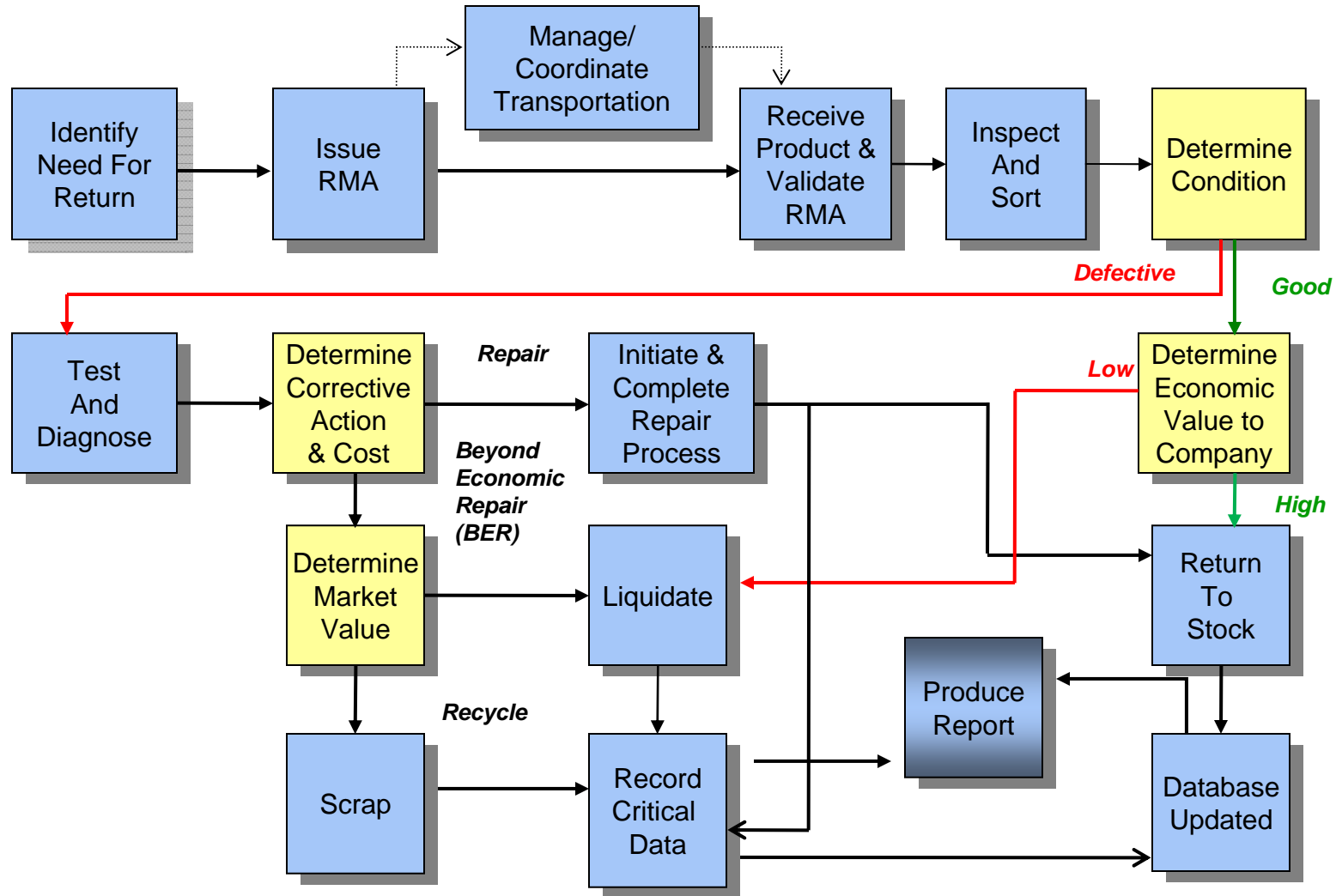
# Key Features of a Reverse Logistics Management System

- Provide Real-Time Visibility, Tracking, and Control throughout the Reverse Logistics Supply Chain
  - Parts/Material
  - Labor
  - Data
- Ensure availability of RL resources
- Plan and Manage RL Events
- Facilitate Optimization of Closed Loop Supply Chain Process
- Interface and Integration with enterprise systems and databases:
  - Corporate
  - Customers
  - Suppliers

Source: Blumberg Advisory Group

# Typical Reverse Logistics Process Flow For Electronic Products

Source: Blumberg Advisory Group



# Basic and Advanced Functionality within the RLMS State of the Art

## Basic

- Warranty and Claims
- Returns Management
- Disposition and Asset Recovery
- Repair Center
- Inventory and Warehouse
- Business Analytics & Reporting
- Customer Web Portal

## Advanced

- Recall Management
- Field Service
- Critical / Spare Parts
- eWaste and e-Recycling
- Regulatory and Compliance
- Transportation
- Liquidation

# Key Benefits of RLMS

- Cost reduction
- Administration consolidation
- Protected Income
- Liability protection
- Resource reservation
- Time saving
- Customer Experience Improvement

# Key Challenges

- Disparate and fragmented systems managing various aspects of RL supply chain through-out the end-user's organization
- Components of RLMS feature functionality embedded in different systems
- Needs and requirements vary by industry and market segment
  - Returns management
  - Aftermarket support
- IT platform and databases differ between and among suppliers, customers, and providers
- Status quo lends itself to:
  - Unique and complex requirements from company to company
  - Requirements for integration and interfaces among and between multiple applications to single, create end to end solution

# Solutions

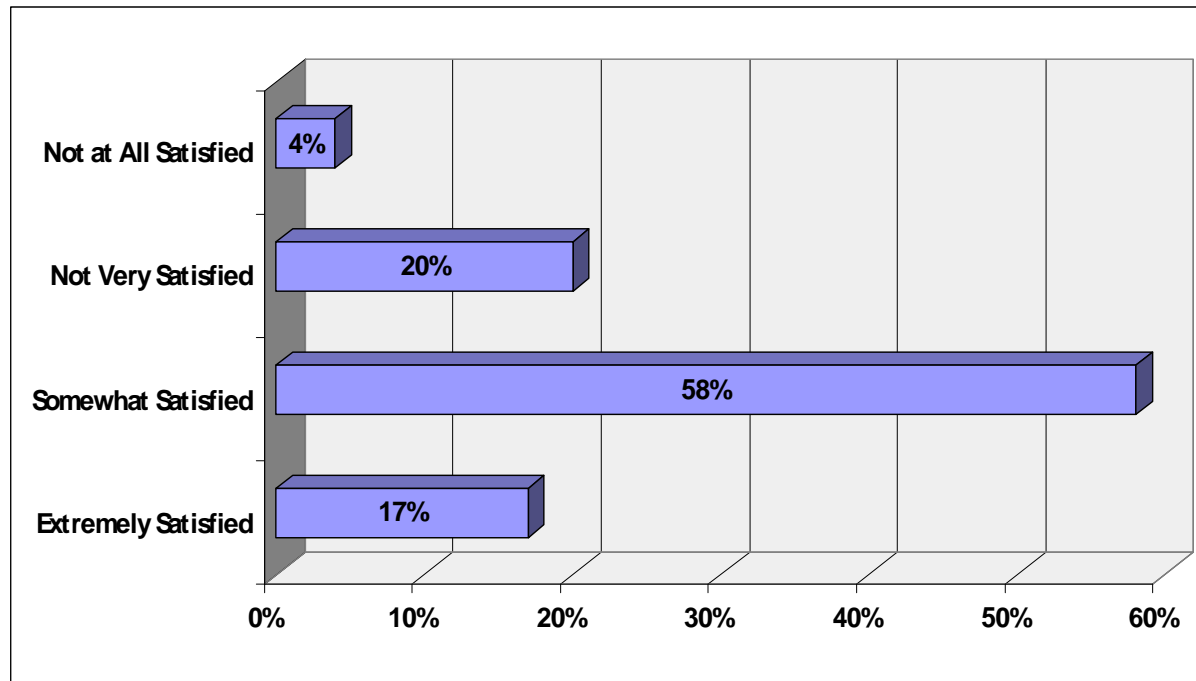
- Make versus Buy versus Outsource
  - Full or Semi-Customization
  - Add on modules
  - Full Scale Replacement
- Types of Providers
  - Enterprise System Vendors
  - Point Solutions
  - 3PRL Providers with RLMS applications
- Types of Applications
  - On Demand
  - On Premise

# Types of System Company use to Manage Reverse Logistics Operations

<b>Enterprise Resource Planning (ERP)</b>	<b>41%</b>
<b>Customer Relationship Management (CRM)</b>	<b>26%</b>
<b>Field Service Management System (FSMS)</b>	<b>17%</b>
<b>Supply Chain Management (SCM)</b>	<b>22%</b>
<b>Enterprise Returns Management (ERP)</b>	<b>11%</b>
<b>Enterprise Reverse Logistics Management</b>	<b>9%</b>
<b>Warranty Management System</b>	<b>26%</b>
<b>Warehouse Management System</b>	<b>36%</b>
<b>Customized specifically for Reverse Logistics</b>	<b>44%</b>
<b>Other</b>	<b>10%</b>

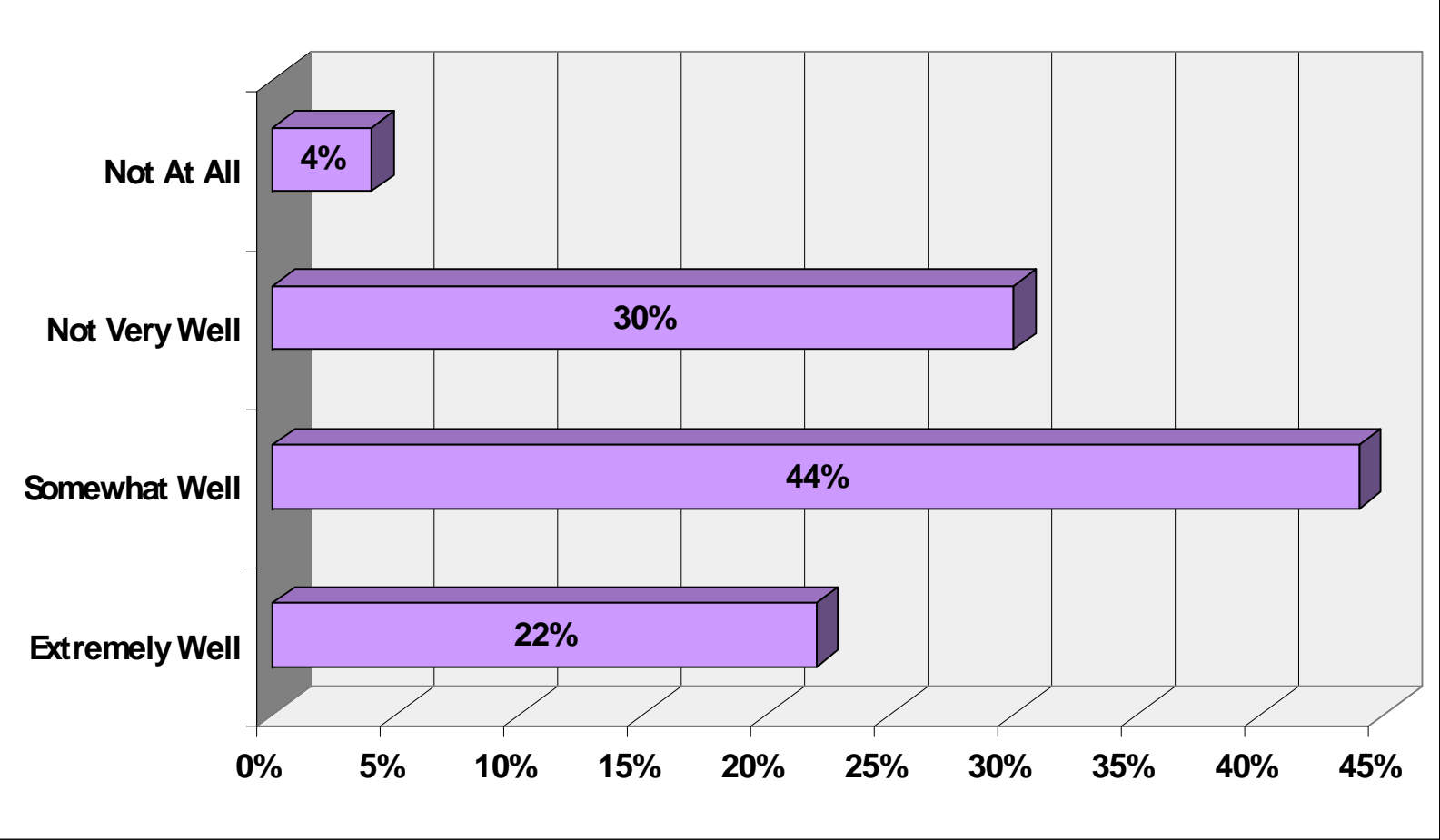
Source: Blumberg Advisory Group

## Overall Satisfaction with existing RLM S Functionality



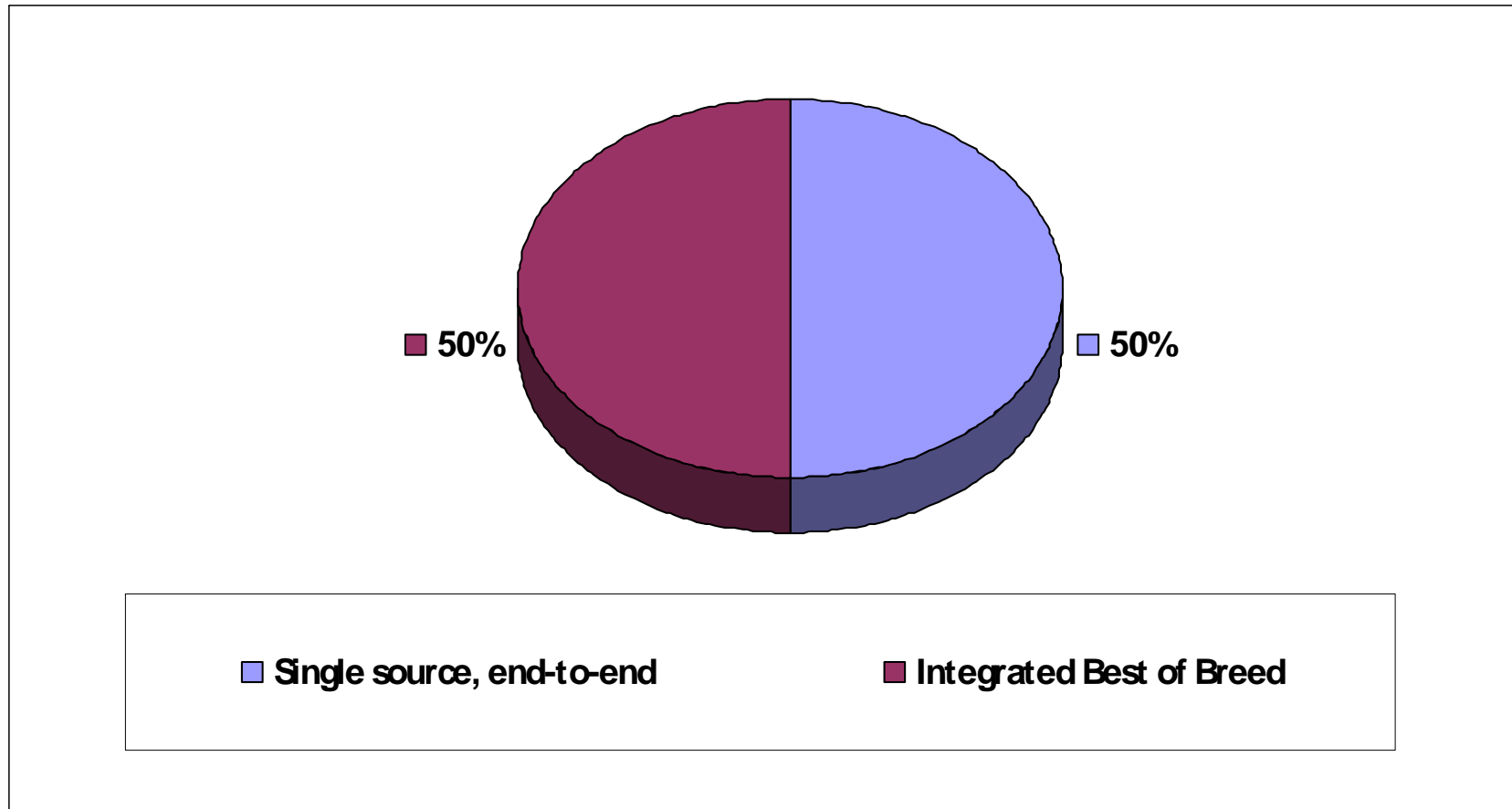
Source: Blumberg Advisory Group

# Stakeholders Understanding Needs of Purchasing Or Upgrading Existing System Functionality



Source: Blumberg Advisory Group

# Preference for Single Source, end-to-end Solution Or an Integrated Best of Breed Solution



Source: Blumberg Advisory Group

# Anticipated Benefits From Implementation of a State of the Art RLMS Solutions

( Percent Improvement)

Parameter	Median	Average
Improved Customer Satisfaction/Experience	20.0	26.6
Improved Productivity of R.L. Personnel	20.0	26.6
Improved Service Quality /Less Defects	20.0	28.2
Improved Operating Efficiency	20.0	29.0
Improved Tracking of Data &Performance Metrics	30.0	39.6
Faster Turnaround Time	20.0	28.8
Improved Cash Flow	20.0	27.7
Less Manpower Needed	10.0	20.0
Improved Regulatory Compliance	15.0	23.4
Improved Service Utilization Levels	17.5	28.0
Reduced Costs as a Result of Better Planning	20.0	27.1
Reduced Costs for Processing Returns	20.0	27.7

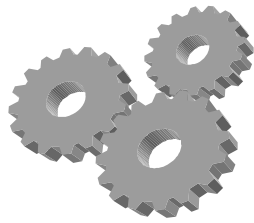
Source: Blumberg Advisory Group

# Summary

- Market Segmentation and strategic orientation of end-user determines requirements for specific RLMS functionality
- Significant advancements in customer satisfaction and service productivity and efficiency can be achieved vis-à-vis implementation of state of the art RLMS solutions
- Benefits of RLMS are measurable and quantifiable
- Market Research validates need for end-to-end, fully integrated and/or best of breed solutions

Q&A

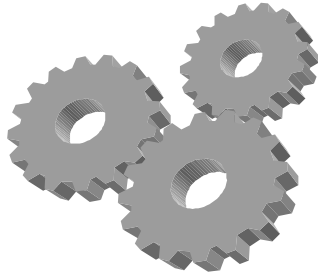




# RLA - IT Committee

- ✓ **Mission Statement:** Provide education and awareness of IT solutions and trends, relating to the needs of the Reverse Logistics (RL) Process.
- ✓ **Representation:** Users, Vendors, Educators, and Consultants, with expertise relating to IT requirements and/or solutions pertaining to RL.
- ✓ **Sub Committees:** Created whenever there are interested participants. Each Sub Committee will be led by a member of the IT Committee.
- ✓ **IT Committee Leadership:** Chairperson and Co-Chair elected by the committee members annually
- ✓ **Meetings:** Conducted monthly by teleconference. Charter voted on annually





# Goals for 2009

- Create a *framework* of IT needs in the Reverse Logistics (RL) arena
  - Focus on multiple industries and matrix them against available IT solutions
  - Develop a tool to deliver this *framework* to RL professional
- Develop relationships with Forward Logistics associations
  - Leverage standards and frameworks within the Forward Logistics industry
  - Correlate with Reverse Logistics IT *framework*
- Develop a set of trends
  - To assist RL Vendors develop products
  - Focused to meet the future needs within RL processes
- Utilize the media to promote RL IT Standards
  - i.e. RL Magazine, RL Newsletter and news releases into RL News Clippings
- Leverage work from other RLA committees



# How Can I Get Involved?



- Fill out interest form
- Contact a Committee Member during the show
- Email RLA and they will get us in touch with you

Member	Company	IT Sub-Committee	Email
Anne Patterson	FreeFlow	Forward Logistics	<a href="mailto:Anne_Patterson@Freeflow.com">Anne_Patterson@Freeflow.com</a>
Tom Johnson	Cisco	Needs Framework	<a href="mailto:tomjohn@cisco.com">tomjohn@cisco.com</a>
Leonard Schneeman	DEX	IT Trends, Needs Framework	<a href="mailto:lschneeman@dex.com">lschneeman@dex.com</a>
Lisa Perry	Clear Orbit	Needs Framework	<a href="mailto:lisa.perry@clearorbit.com">lisa.perry@clearorbit.com</a>
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John Rinehart	Intel	Needs Framework, Forward Logistics	<a href="mailto:john.e.rinehart@intel.com">john.e.rinehart@intel.com</a>
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Lee Sacco	Oracle	IT Trends	<a href="mailto:lee.sacco@oracle.com">lee.sacco@oracle.com</a>