

Case Study: Handling Product Returns in a Consumer Electronics Company

Client Background:

Our client, Wireless Gear (not their real name), is a leader in the consumer electronics industry providing wireless communications gear for PCs and laptops. They are extremely successful within the industry and have experienced 100% + growth in both sales and staff in each of the last two years prior to 2007. As sales and their worldwide distribution channels have increased, so have their product returns (most of which were of a 'no fault found' type), and they were becoming desperate in finding an effective returns management solution.

The Before Picture:

Their first approach to returns management was manual-based with; spreadsheets, email and a home-grown MS-Access program. This approach was initially adequate since there was a small amount of returns and the number of customers remained small but, by the summer of 2007, the home-grown system had proved to be too slow and error-prone. It provided no visibility to either management or the customer and it provided poor tracking & reporting. The handling of returns was too slow and too expensive. The Director of Quality for Wireless Gear described their returns management as – “It’s a nightmare!” The main reason for these problems was that the data was not centralized - it was on each service reps PC as a client access program and Excel spreadsheet - one sheet per RMA.

Management decided that they needed to improve their reverse logistics approach, especially with regards to returns management, to improve customer service and increase efficiency. They tasked their IT department to provide a solution for returns management that would provide visibility to both management and customers, with centralized storage of returns information for tracking, reporting and analysis, and which was flexible enough to meet their dynamic returns processing needs now and into the future. They gave IT a budget and schedule to meet.

The IT group came back initially with 2 options:

- 1) Develop a web and data-based solution in-house, or
- 2) Have their ERP provider extend and customize their RMA module to meet their return needs.

IT approached option 2 first. Their ERP (Enterprise Resource Planning) provider explained that their RMA module could be extended, via custom programming services, to meet their returns management processing needs for a price that was almost 10 times higher than their original budget. After close examination of the ERP RMA module, IT realized it was also, very limited in capability (especially in managing their unique processes) and was difficult to extend and configure - essentially requiring costly custom programming for each and every change. It was decided this approach was too expensive, would take too long to develop and was of too high a risk. They simply did not have the time or money to follow such an approach.

IT then decided to develop the application themselves within the original budget and schedule. They assumed the application would be simple to develop as it would be a web-based application with a SQL server database. They had in-house resources with the necessary knowledge and experience and it was assumed web-based development & website design was simple. Once begun, the budget and schedule were quickly exhausted and the solution was still far from complete. IT realized during development that the solution would have to be very capable and configurable to meet their needs for returns management which were complex and in a constant state of flux. The original budget only allowed for a custom programmed solution to an initially defined set of requirements, but as the requirements changed and grew, the solution had to be redesigned and recoded almost from scratch as it was not based on a **foundation** that was both configurable and extensible. The IT department realized that to build a **foundation** necessary to meet their return management needs, it would easily take 4-5 times the original budget before actual data and workflow configuration, testing and deployment could be initiated. THEY NEEDED ANOTHER OPTION...

IT then came up with **Option 3** - find an off-the-shelf web-based solution, preferably ASP hosted, that was built upon a solid foundation that allowed for changes to process, workflow, data and reporting requirements that was very configurable requiring little to no custom programming. Hopefully also find a vendor with a solid core of known manufacturing clients successfully using their solution. The solution needed to be feature rich in returns management functionality. As well, the web based solution provider must also be able to provide a high level of expertise with regards to configuring and developing a complete solution. The **'Best Case Scenario'** would be if they were also, able to provide a 'turnkey' solution at the original budget cost and within a specific timeframe.

With a search in Google Wireless Gear found **FrontLinesReturns**.

Going forward with FrontLinesReturns:

To summarize, Wireless Gear's return management requirements were as follows:

- 1) To centralize return information providing easy tracking and reporting capability,
- 2) To provide visibility to management on the status of RMAs across several repair facilities,
- 3) To provide their clients with the ability to go online and see the status of their returns, anytime from anywhere,
- 4) To obtain an easily re-configurable solution to meet changing RMA management needs,
- 5) To reduce the number of calls and emails associated with each RMA,
- 6) To reduce turnaround times on returns,
- 7) To obtain external expertise required in configuring and developing a complete RMA solution, and
- 8) To obtain a cost-effective, low-risk solution with a quick implementation cycle.

We are now engaged with Wireless Gear and are currently, in development of a complete 'turnkey' solution for them. The implementation schedule is both much quicker than was originally scheduled and is designed to come in under budget.

With our extensive experience in working with manufacturers to help them configure and deploy FrontlinesReturns, we can meet specific processing, data and reporting needs much more quickly. With Wireless Gear, we visited their offices and worked with them to completely specify both their requirements and the configuration details, as well, a few enhancements were also defined.

The Bottom Line: With FrontLinesReturns Wireless Gear is on track to have all their returns management requirements met, with a 'turnkey' fully developed and tested system well within their budget and timeframe constraints.

Conclusion:

FrontLinesReturns unique approach meets and / or exceeds the returns management needs of manufacturers, providing them with an extremely flexible and configurable returns solution which requires little to no custom programming. In today's tightening profit margins, reverse logistics, specifically returns management is proving to be the key area where manufacturers are able to successfully enhance their profitability. FrontLinesReturns helps you 'Plug the Profit Leak' caused by inefficient, inaccurate and inconsistent returns management.

FrontLinesReturns provides manufacturers with a low-cost, low-risk, hosted, web-based solution built on SQL server database enabling companies like Wireless Gear to obtain a highly effective reverse logistics solution rapidly with very little risk and at low cost.

Both of the approaches, building it in house or expanding to an ERP's RMA module were proven to be very ineffectual by Wireless Gear and we have found this to be quite true within the manufacturing community as a whole.

FrontLinesReturns is being used by a variety of manufacturing companies ranging from small through to Fortune 500 organizations, providing them a non-invasive, rapidly deployable, highly configurable and affordable Returns Management solution. We invite you to go to our website at www.FrontLines247.com and view both the testimonials and case studies of manufacturers successfully utilizing both our FrontLines Returns and Global Support solutions to better understand where we can be of benefit to your manufacturing organization.

For more information about this [case study and other case studies](#) or to arrange a time for an online demonstration please email Mark Taylor, Director of Business Development at mark@frontlines247.com.