

ReturnPro's Reverse Supply Chain Efficiency Cuts Returns by 30%

Industry
Home Improvement

Solutions
SaaS, Supply Chain

Why ReturnPro

Ability to streamline reverse logistics processes, reduce operational inefficiencies, cut costs per unit, and improve overall productivity through the use of advanced reverse warehouse management software and optimized facility layouts

Learn how a national home improvement retailer recovered 30% of returns management costs monthly by eliminating inefficiencies at every touchpoint.

Challenge

In Q1 2022, one of our major retailer clients approached us with a goal to reduce returns costs per unit by 30%.

This was a significant challenge because the client's returns volume decreased—as a result of post-COVID consumer changes—which increased the impact of fixed processing fees such as warehousing, software, leadership, and support functions.

Opportunity

We knew we needed an aggressive approach to meet our client's savings goals, so we reimagined every aspect of our reverse warehouse management process. We believed we could meet their objective by redesigning facility layouts, reducing travel and touches, improving productivity, and minimizing operational expense. We also knew we could make real-time changes through our ReturnPro Reverse Warehouse Management System (RWMS) software and rapidly implement them at our Reverse Logistics Centers. of their returns process. Furthermore, the retailer did not receive any reconciliation or marketplace data to make sense of the recovery value.

Solution

Our solution focused on leveraging our client's enhanced product categorization at the store level to intelligently route product through our returns centers.

Prior to these changes, we received all returns in mixed pallets, which meant our team had to sort through each product, organize them in one of 15 disposition zones, and re-sort eligible items into pallets by the vendor. With over 700 vendors, this two-touch method was time consuming and labor intensive.

Following the categorization changes, we began receiving two pallet types—liquidation and non-liquidation. These designations allowed us to quickly and efficiently sort the liquidation units into sellable pallets. For non-liquidation pallets, we identified the client's top 15 vendors and created a new system to receive these products. Using our ReturnPro (RWMS), we quickly deployed an enhanced inbound sorting logic, eliminating 66% of second touches.

Improving sorting efficiency and reducing redundancies allowed us to consolidate operations into one shift at each of our three sites, significantly reducing labor costs without impacting daily operations. In fact, both productivity and operational quality rose after we implemented advanced KPI tracking to monitor teammate performance across all metrics. This strategy led to improvements in our cost per unit, pallet quality, inventory accuracy, shrink, and return to vendor processing time.

Impact

23%

headcount reduction

99%+

inventory reduction accuracy

50%

in transportation cost
savings annually

30%

cost reduction per unit
(exceeded the client's 18% reduction goal
ahead of schedule)

32%

operational expense reduction

Continual Improvement

We exceeded our client's objectives for the entire year in only six months. However, we are always looking for ways to work leaner and more efficiently. We continue to track performance, improve sorting logic, and look for opportunities to cut costs while outperforming our operational goals.

Your partner for intelligent returns management solutions

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