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## **JANUARY RETURNS | HOW TO AVOID A NEW YEAR NIGHTMARE**

*Getting returns and reworkable repairs back into the sales cycle fast*

Every year, gift returns and repairs in January are at an all-time high, while new sales tend to be at an all-time low. “More than at any other time, the new year period is the time to work smartly in order to ensure that you don’t wipe out great December profits with poor return supply chain efficiencies,” says Grant Marshbank, chief operations officer of supply chain specialists, VSc Solutions.

According to Marshbank, a lot of money can be lost through poor route planning and theft during the return process. “But, with a top warehouse management system and a good route optimisation tool in your arsenal, 2015 could see the best January your company has had in a while,” he says.

### ***Planning to succeed with a route optimisation tool***

Maximising January profits starts with having a process in place to deal with return volumes. “Not only will your vehicles be doing deliveries to stores – they’ll also need to do collections,” he notes. This has implications for one’s route planning, as well as the amount of stock that can be delivered at any given time, considering the fact that vehicles will also need to plan to take returns. “A *route optimisation tool* can coordinate the best routes for vehicles considering all of these factors.”

### ***Pilfer-proof your operation through greater visibility of stock***

Reasons for returns range from damaged packaging to products that need repairs. “And with greater volumes of stock returning on trucks to the warehouse, it’s easy to lose track of all of the items being moved around – which in turn increases the risk of theft,” says Marshbank.

Technology makes it possible to scan items being collected by each vehicle at various delivery points. This information may then be integrated into a *warehouse management system* that enables users to verify whether all returned stock has in fact arrived back at the warehouse.

“The real-time technology makes it possible for those receiving the goods at the warehouse to scan and check each item being returned, making it virtually impossible for items to go missing in transit.”

***Aim for a quick turnaround time***

Once the returned goods are back in the warehouse, companies need to aim to get them ready to sell again in as short a space of time as possible. “This means assessing them to see if they need to be repaired, repackaged or simply moved to the front of the queue for saleable goods that are about to leave the warehouse,” says Marshbank.

This is particularly important considering goods that have a shelf life. “Every day these goods are back in the warehouse, they’re impacting on your bottom line, so it’s important to get them back on the shelves as soon as possible. That is why a good warehouse management system is critical to streamline the process because it enables staff to allocate items to the correct bays, ensuring that they’re the first items that leave the warehouse again to fill orders.”

“It is clear that efficiency at each step of the returns process is key,” concludes Marshbank. “Failing this, companies stand to see their December profits eroded in the month that they can least afford for this to happen.”



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