

UKWA member iForce has launched a service which is thought to be the first of its kind in the outsourced logistics sector - a refurbishment and remarketing arm that will deliver an increase in financial returns to its clients.

Mark Kiteley, who will head up the new operation, explains how the process will work

Profiting from the '3Rs'

This new business within the iForce Group is responsible for adding value to the company's existing reverse logistics offering through a service that will refurbish and remarket clients' returned products. This service, which is thought to be the first of its kind in the outsourced logistics sector, will be offered to new clients and as an embedded service to existing iForce clients.

The new business sector is headed by Mark Kiteley, who has designed a quality refurbishment process that turns a returned product into a saleable item of the same standard of operational quality as it had when manufactured. Although consumer electronics are the predominant sector for iForce's refurbishment and remarketing service it can equally be applied to any high-tech product.

For over a decade, iForce has been developing its expertise in reverse logistics by managing the returns of product back via its Saltley returns processing centre in Birmingham, or at one of a number of its dedicated client facilities, and then either selling it on or disposing of it as directed by the client.

With the new service, rather than simply sell on raw returned product for a client to a jobber for a nominal fee, iForce can now add value by refurbishing that stock for a fixed cost, which means the client knows what will be charged for every saleable item. iForce will then sell the refurbished items at a good price with an iForce warranty, allowing



it to return a greater financial benefit to the client.

The first refurbishment line has been established at iForce's Saltley returns processing centre and the company has identified areas for similar facilities at other sites. The first technician was hired in the first week of September and product began rolling off the line a week later.

Returns requiring refurbishment arrive on pallets and leave the line boxed 'as new' ready for remarketing. The refurbishment technicians have a quality process for each product to ensure it is as good as new when it leaves. If at any time in the process repair work has to be carried out, the operative makes the technical decision and when fixed, carries on with the process. Any product that can't be repaired will have all its useable parts recovered and the rest will be scrapped in accordance with the WEEE Directive and the recovered credits for precious metals returned.

The objective of the refurbishment facility is clear: to achieve the highest possible yield with the highest quality and reliability factor built in. The technicians' work is measured through pro-



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ductivity and returns satisfaction ratings.

Reclassifying the refurbished product and giving it a new serial number will ensure it does not re-enter the service loop of either the manufacturer or retailer; they will never see the product again.

iForce then manage the onward sale through the remarketing arm of the process. This will involve iForce's existing Buy-force™ platform, the B2B auction web site (www.buy-force.com) that currently trades large tranches of returned stock for existing iForce clients. Buy-force™ will now also be offering individual items to online shoppers as a B2C site. iForce's customers can tap into the company's efulfilment expertise to provide a direct channel for these products.

This service also provides a direct channel for clients wishing to sell their excess and end of line stock, which can no longer be sold through their primary retail channel and would normally be sold to a jobber.

iForce can take this product and through its service element, add its own warranty, thus relieving the manufacturer / retailer of the ongoing responsibility of that stock, while prolonging its sales life to deliver ongoing financial benefits for the client.

Mark Kiteley commented: "Up to 85% of all returned product can be refurbished and remarketed making this very environmentally friendly and sustainable for both us and our clients. The product leaving the refurbishment process is as good as new. The end customer gets a bargain – at least 20% discount on high street retail prices – and still receives the same consumer protection provided by any retailer, such as the Distance Selling Regulations and the Consumer Protection Act."

He continues: "Returns are inevitable for retailers and manufacturers and while companies have started to manage this asset to gain some value back; having a solution in place to gain the optimum value from those returns simply makes good sense. Through our new service, iForce can deliver back the optimum value for the returned product as opposed to a nominal amount gained by sending a raw return on to a jobber as an unknown."

Clients can also gain valuable data from the process. A manufacturer can be informed of an inherent fault if, for example, a high percentage of returns have the same problem. For retailers, iForce can analyse the different acceptance criteria for returns from a number of store locations. For example one store in a network may never send back remote controls for the returned TVs. Retailers can then enhance their acceptance criteria according to the statistical feedback. Other issues can be passed on as they come to light.

Mark Hewitt, CEO of iForce, commented: "With refurbishment and remarketing now part of our repertoire alongside our returns processing offering, for both existing and new clients, iForce now offers an holistic reverse logistics solution – in essence the '3 Rs' – returns, refurbishment and remarketing! The new services add further value to our specialist logistics operations as we can take return stock from any customer then catalogue, sort, refurbish and remarket it. In addition to offsetting the cost of the returns process this will deliver even greater margin straight onto the client's bottom line."

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