Oversight and efficiency: Reverse logistics explained

IFS

Manage your returns more effectively and prepare for the circular economy with best-in-class reverse logistics

At IFS, we understand that service delivery goes well beyond the mere act of an on-site visit. To manage, track, and optimize the full service lifecycle of a business, you need to have oversight into all of the enterprise operations that run your business. Key to mastering service is mastering forward and reverse logistics, and no one does that better than IFS.

As organizations increase focus on managing and mitigating waste in their supply chain, it's beocming more important than ever to have oversight into every element of your part and product lifecycle. Best-in-class reverse logistics helps manage those disparate elements, across channels, dealer networks, and contingent workers, all in a single place, providing one source of truth for your enterprise. On top of that, smart reverse logistics means taking insights from the data of these operations and using it to improve operations across the whole business.

What are the key elements of reverse logistcs?

Service and Depot Repair: The act of shipping out an asset or part from a customer site for repair, and returning either that part, or a comparable replacement to the customer. There are a few variables to consider, some of which differ from organization to organization, branch to branch, or product to product. This includes things like whether a location is internally-owned or not, and whether there are any special considerations as to where parts are sent depending on their diagnosis. It's key to find a partner who can support not just the unique requirements of your business, but can be scaled as those requirements change.

Service Warranty Management: Warranty and contract management is typically a function that more broadly impacts the other elements of the reverse logistics, as well as the broader service mix. It's key to avoid penalties by actioning on contracts effectively, setting flags for specific time and turnaround expectations, and setting the conditions for remittance, returns, and remanufacturing. Moreover, you want your warranty process to be as frictionless as possible, in order to minimize any drags on revenue. You owe it to yourself to find a service partner who can handle a mix of OEM and third-party warranties, and a diverse set of contracts.

Returns Management: This differs from depot management as the logistics theoretically only move in one direction, but disposal, refurbishment, reselling, and so on add a layer of complexity to this process. Often, returns will happen in tandem with a replacement. Moreover, some returns, like assets sent to a lab for diagnosis, require a completely different type of follow-up than a refund. Making sure that all of those systems speak the same language, acknowledge one another, and transcend individual silos is key to getting returns right.

Service Parts Management: Especially with returns and contract management, new parts (and, alternatively, refurbished parts) are just as important to a business. Where are the origin points of parts for those on a job site? Are they in the warehouse, or on another technician's truck? How do parts get to techs on a job site? These are all questions unique to your business, which, again is why it's so important to find a partner that gives you the tools to succeed without compromise, and the inspiration to think of new ways to improve operations.

How can IFS best support my reverse logistics efforts?

Let's again break it down area by area:

Service and Depot Repair: In order to reduce costs, shorten repair turnaround time, and increase efficiency, organizations must be able to effectively manage and track items throughout the repair process. You can do all of this and more with IFS. Your business, customers, and vendors will have the ability to track items throughout the process and stay up to date with automated alerts. IFS provides you with 100% visibility into your service repair process. With our end-to-end service solution, you will be able to improve the level and quality of service while increasing customer and technician satisfaction with optimal operational efficiency.

Service Warranty Management: To manage warranties well, you need a closed-loop claims management process, which administers, processes and tracks all warranties throughout their lifecycle to improve customer satisfaction, increase product quality and reduce service costs. This is precisely what our warranty and asset management solution does. Through the automation of warranty claim handling and installed base asset tracking, IFS Field Service Management enables service organizations to create, administer, process and track warranties, claims and assets through their full lifecycles. As a result, third parties can submit valid claims and receive credits, customer service can verify coverage and initiate recovery, and field technicians can track asset history and replace in-warranty parts.

What does this mean in practice?

For service firms just starting out on mapping and managing their Reverse Logistics processes, this means the difference between understanding and optimizing your processes, and not. That understanding will be the differentiator in the future, offering the function and visibility to improve parts and depot management in the future, and use good, vetted data to take fuller advantage of new technologies as they become available.

For those firms with some capabilities to map reverse logistics, the key will be whether or not you have everything you need to future-proof your business. Reverse Logistics, as a function of an optimized field service organization, is more than just parts management. It's understanding the innate complexity of every step of your service process. If you're not mapping, evaluating, and reviewing it all, you're leaving your service business, and your customers, behind.

Returns Management: IFS Field Service Management helps you manage all of your reverse logistics business processes from return material authorizations (RMA) to routing, receiving, repairing, packaging, shipping and billing. The result? High-quality return processes, happier customers and more profitable service and repair operations. IFS Field Service Management is recognized as a clear leader in automating complex product service return processes including recall, refurbishment, teardown, reconditioning, and third-party servicing.

Service Parts Management: Inventory represents an essential yet costly component of service operations. In order to achieve optimum performance while keeping costs low, organizations must carefully balance stock levels, locations, spare parts, service levels and more. This is exactly what our IFS Field Service Management solution can do for your product-based business. You will have all of the functionality and capabilities necessary to centrally manage your entire inventory and logistics operation. IFS Field Service Management provides you with 100% visibility into your spare part inventory and field locations, including multi-bin stock maintenance and serial number traceability. You will also have full access to shipping and receiving, inventory and logistics, part costs and field demand, so that you can effectively increase turns and reduce obsolescence.

We'd love to show you how IFS can help you grow and transform your service business, save overhead and deliver for your customers.

To learn more, e-mail info@ifs.com, contact your local IFS office or visit our web site, IFS.com

Learn more about how our enterprise software solutions can help your business today at ifs.com.

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