

Case Study

Growing the Remanufacturing Industry Through the Core Return Process



{ Highlights }

- The Client wanted to invest in a remanufacturing program to broaden their coverage and to increase market share.
- For the Client to support and to promote future growth in their remanufacturing business, the Client needed a more automated core management process.
- To make these advancements, the Client implemented SRCL's Reverse Logistics Management System (RLMS®).
- Since implementing RLMS®, the number of cores returned has increased each year.
- Remanufacturing sales in 2016 grew to three times the remanufacturing sales in 2013.

The Challenge

The Client wanted to invest in a remanufacturing program to broaden their coverage and to increase market share by adding remanufactured parts to their products offering. However, to have a successful remanufacturing program, dealers must return core frequently. As of 2013:

- ◆ Dealers returned an average of 11 cores a month.
- ◆ An average of nine dealers participated in returning cores each month.

The Client knew their limited amount of returns could not support a remanufacturing program, nor could it promote future growth in its current state. However, dealers were reluctant to return core. The Client's core return process had little automation and relied heavily on manual work from the dealer. Additionally, crediting and inspection was often ambiguous, causing frustration and discrepancies in the crediting process.

For the Client to support and to promote future growth in their remanufacturing business, the Client needed a more automated and open core management process.

The Solution

The Client invited SRC Logistics, Inc. (SRCL) to analyze their current core management process and to identify barriers that restrict growth in remanufacturing business. The following factors were identified as opportunities for improvement:

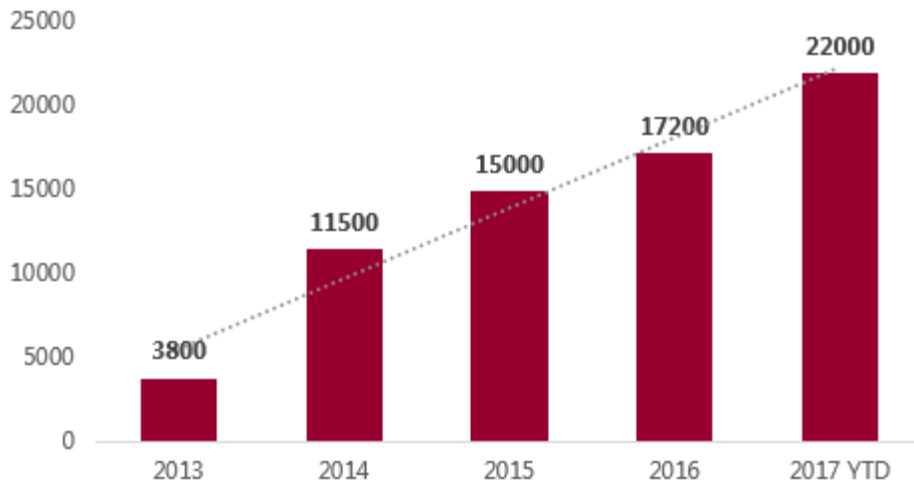
- ◆ Visibility on returns and core eligibility
- ◆ User-driven design and system automation
- ◆ Credit and inspection detail on all core returns

To make these improvements, the Client implemented SRCL's Reverse Logistics Management System (RLMS®). RLMS® is a customizable, comprehensive core management web application that caters to the Client's needs without compromising dealer requirements. To optimize dealer satisfaction and to enable high core returns, this web application automates processes that were previously manual, such as shipping returns, printing part labels, and viewing core eligibility, while also offering real-time visibility, detailed inspection reporting, and credit detail. Because of the program's visibility and ease-of-use, these features promote dealers to return core which assist in supporting and growing the Client's remanufacturing business.

The Results

After gathering the program requirements, the Client implemented RLMS® and introduced the system to their dealers in October 2013. Since implementing RLMS®, the number of cores returned has increased year-over-year.

Total Cores Returned by Year



Additionally, the number of dealers returning core and remanufacturing sales also increased exceptionally since implementing RLMS® in 2013.

7k

RLMS® is installed and reaches 7,000 of the Client's dealers across the United States.

6x

Dealers returned 22,000 cores in 2017, six times the number of cores returned in 2013.

3x

Remanufacturing sales in 2016 grew to three times the remanufacturing sales in 2013.

About SRC Logistics

SRC Logistics, Inc. (SRCL) provides third-party logistics services and specializes in reverse logistics related to the remanufacturing industry and core management. With over 30 years of experience, we are dedicated to helping customers sell more parts and whole goods through custom remanufacturing programs and core management assistance.

SRCL offers several services that help customers grow.

- Core management
- Reverse logistics
- Transportation management
- Distribution
- Warehousing
- Customized IT solutions



Contact SRC Logistics



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