

# Returns Management Tactics from Philips

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A great deal of Reverse Logistics success can be achieved by focusing on Returns prevention. Philips Consumer Electronics began its Return rate reduction initiatives by understanding what was causing the Returns and seeking ways to avoid or prevent Returns.

This case study written by Tony Sciarrotta from Philips is a must read of all Reverse Logistics professionals.

If the returns do not arrive, you will not incur any cost to process them. Philips Consumer Electronics wisely looked at the root causes of their returns. Without changing their reverse logistics processing operations, they were able to save \$100 million dollars per year and reduce their returns by 500,000 units.

The article How Philips Reduced Returns by Tony Sciarrotta from Philips in Supply Chain Management Review outlines in detail some excellent ways to reduce your returns, such as:

1. Improving Ease of use
2. Enforcing returns policy and gate keeping
3. Working with the Retailers, since they do not want to handle returns either
4. Appointing a reverse logistics leader and creating a cross-departmental team

This is a required reading article for all Returns managers!