

What is your Success Rate in Recovering Warranty Credits from your Suppliers (Return To Vendor)

Contributed by Paul Rupnow
Wednesday, 17 October 2007

Are you leaving easy money un-recovered? Processing returns for many companies also involves requesting a credit from your manufacturing partners for parts or components your purchased from them for use or resale. Most companies refer to this as Return To Vendor (RTV) processing. Yet a Warranty Week survey and study is suggesting that most companies fail to achieve a 100% success rate in recovering these warranty credits.

Our Reverse Logistics goal here is to recover the highest value from our returned items. It would seem to be an essential part of the process to request a full warranty credits from your supplier for the original products purchased (components or finished goods items that are then re-sold).

clipped from www.warrantyweek.com

"Does your business entity recover credits for returned defective parts under warranty from suppliers?" Eighteen people responded, and surprisingly, only five said no. Perhaps there needed to be a second question asking about the success rate of these supplier recovery efforts? For while most companies may make the attempt, we'd suggest that there is far less than a 100% success rate.

It would seem that you may find some easy profit by focusing some attention to the Return To Vendor area of your Reverse Logistics processing.