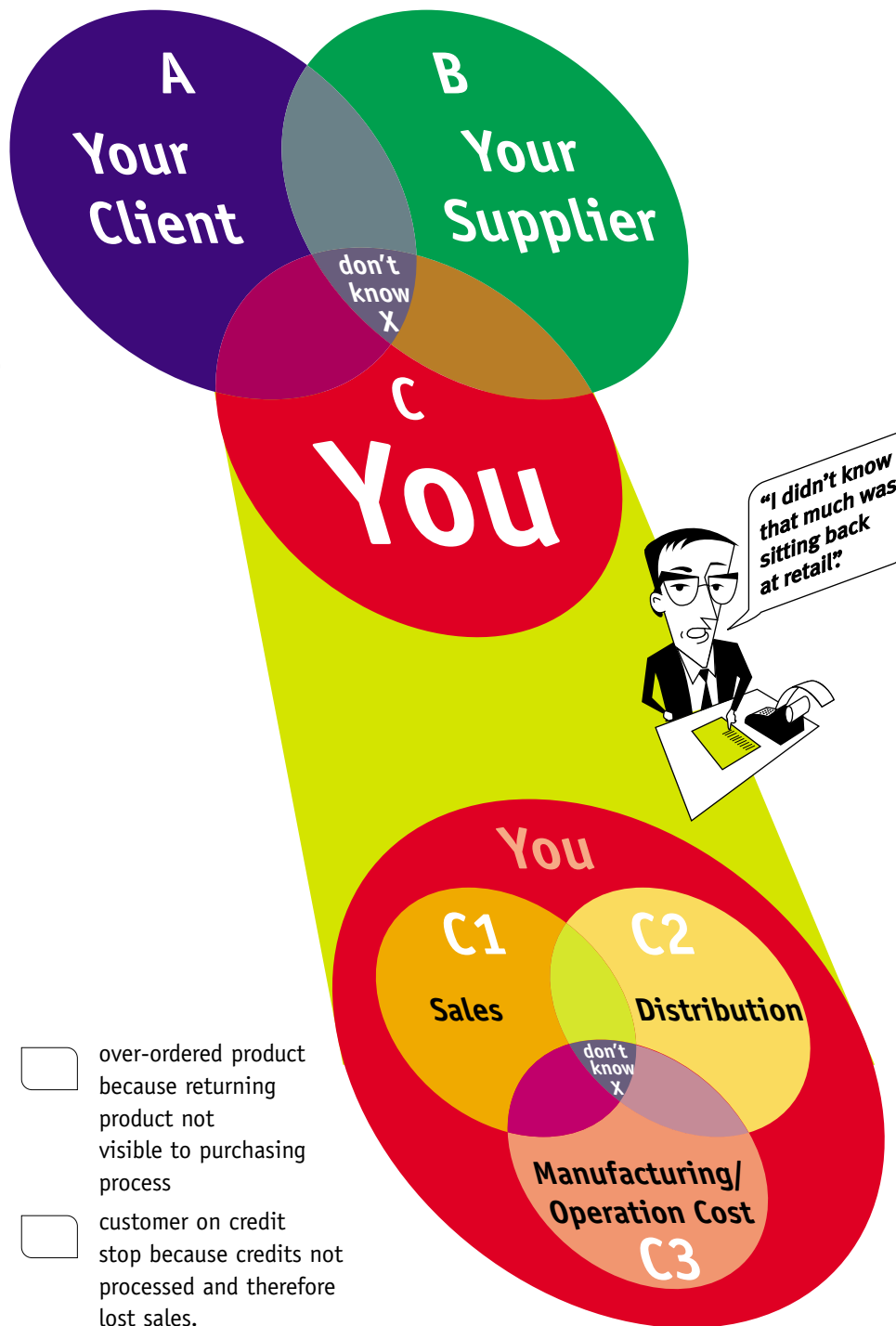




The Returns Cost Management Challenge

Of course you know what your returns costs are and it will take you but moments to place the cost centre against the suggested cost description to show who pays the bill for your returns management.

- 0800 toll fees for customer returns
- wages of the customer services staff involved
- transport from the customer to you
- labour cost for your inwards goods staff
- floor space/material handling equipment in your DC (% fixed costs)
- new packaging for product
- retail label removal/replacement
- repair cost
- transport to and from repair centre
- clerical time managing warranty claims
- clerical time issuing credits
- transport back to supplier
- cost of dumping useless product
- write-off cost
- special write-off cost for product which could have been sold if returned and processed in time!
- cost of claims staff



- over-ordered product because returning product not visible to purchasing process
- customer on credit stop because credits not processed and therefore lost sales.

