Automated
Returns Handling

kardexremstar

Increased returns

With the explosion of e-commerce, many online retailers and distributors are discovering their returns handling leaves a lot to be desired. An unmanaged, uncontrolled returns process not only puts tremendous strain on available space and labor, but the associated return handling costs are staggering.

An automated returns handling system provides a predictable and repeatable process to handle the complex reverse logistics returns require – reducing time, labor, space, costs and most importantly increasing customer retention and satisfaction.

Returns processing

Operators trained in quality control inspect and test the returned item(s). Based on a variety of factors – including the condition of the item, its age, visible defects or damage, seasonal category and others – returned items are then assigned a disposition destination. Classifications might include:

Restock
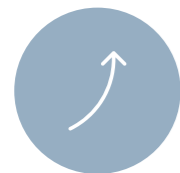and return to inventory for immediate sale

Repackage
for re-sale in a secondary channel, such as a discount retailer

Repair,
refurbish or remanufacture – particularly for electronics such as mobile phones and tablet devices

Return
to supplier, vendor or manufacturer – most frequently seasonal items

Recycle,
reclamation or disposal for high-tech devices that utilize rare earth metals

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Once returned items have been inspected and assigned a disposition destination, things tend to fall apart for many returns operations. Inundated with a potentially overwhelming number of discrete items, managing their sortation and routing can be a real challenge. Boxes and totes of returned items can quickly overwhelm both the space allotted for their temporary storage, and the labor assigned to their management. Sending an operator to physically return one item to its stock location can be a time-consuming and ergonomically fatiguing task.

Automating returns handling

A combination of software, put walls and Horizontal Carousel Modules to handle reverse logistics can provide:

▪ A significant reduction in inventory costs

▪ A significant reduction in returns handling time

▪ A significant reduction in the amount of labor required to process returns

▪ A significant reduction in the amount of space required to house returned items

▪ Fast and simple sortation of items per their disposition destination

▪ Faster crediting of customers leading to higher customer satisfaction

Picking process

- The returned item passes through a manual inspection process where a disposition category is assigned.

- The returned item is placed in a tote and routed to the automated sortation area.

- Upon arrival, the barcode on the returned item is scanned using a fixed mounted scanner.

  >> This triggers the WCS to pass the item information to the HCMs' inventory management software to determine a put location.

- A put light beneath a cubbyhole position on the put wall illuminates.

- The operator places the item into the cubbyhole as directed by the put light, confirms the put transaction with a confirmation button and moves to the next scan.

  >> The HCMs' inventory management software is in continuous, real-time communication with the WCS.

- On the other side of the put wall, there are three operators per put wall positioned to pick items from the put wall as pick lights located beneath each cubbyhole illuminate.

- The operator picks the item from the put wall as directed by the pick lights and confirms the pick transaction using a confirmation button.

- As the operator picks an item from the put wall as directed by the pick light, the carousel spins to present the correct location for storage of the item.

  >> The HCMs' inventory management software decides where to put an item based on a variety of factors, including what other inventory is already in each carousel and the items' sizes.

- A put light on the HCMs illuminates to indicate into which storage bin the item should be placed.

- The operator places the item in the correct bin location as directed by the put light and confirms the put transaction using a confirmation button.

  >> Bins can be different colors to indicate a different disposition destination (yellow for internal restocking, blue for return to vendor, red for recycling).

- When a pre-determined number of items is reached within a dispensation category, a task can be assigned to retrieve inventory from the carousel and return to inventory stock or return the inventory to a vendor.

  >> Items can also be picked from the carousel to marry with items picked elsewhere, saving the effort of returning the item to stock.

Why consider ASRS for returns handling

While some retailers have looked to restrict liberal returns policies to try to curb the rate of online returns, that can be a risky strategy, since many consumers examine return policies when making buying decisions. An efficient returns handling process can minimize operational costs without having to change policies in a way that could harm topline growth – both a cost saver and a competitive advantage.

An automated returns handling solution will help get returns under control and allow you to scale operations as e-Commerce (and returns) grow – reducing time, labor and space allocated to manage returns.

Time & labor savings
Driven by inventory management software, automated storage and retrieval systems (ASRS) can pinpoint the exact location to put or store the returned item for future use. This eliminates the wasted time spent looking for the right location to store the returned goods. This speeds the value recovery of the item to your bottom line and reduces the amount of labor required.

Efficient use of space
ASRS makes use of wasted vertical ceiling height and aisle space. Condensing returns into a single compact returns management area reduces the overall square footage a typical rack and shelving returns area requires - making room for more valuable operational activities.

Leverage returns for new orders
Inspected, undamaged, unopened goods can be stored in the ASRS and the SKU can immediately be made available for picking - leveraging returned items for new orders.

Scale to accommodate future growth
As e-commerce and related returns increase, ASRS can be scaled to accommodate more storage and throughput. Additional units can be added, pick-to-light technologies upgraded and returns software processes enhanced.

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