



Change is Continuous. Our job is to help you lead.

The world is changing, and so are our businesses. Whether you are a retailer, manufacturer or third-party logistics provider, e-commerce and omni-channel retail continue to drive tremendous change in how consumers purchase goods, with exponential increases in the volume, risks, and costs associated with the management of returned products.

The returned goods market, and the coming wave

The returned goods market in 2016 was estimated to be a \$554 billion dollars ticking time bomb for the retail sector, representing return rates up to 40 percent¹.

With a projected annual growth rate of 7.5%, returns in 2018 was an estimated \$640 billion dollars¹. Managing this flow of returned goods requires a flexible solution that can accommodate seasonal fluctuations.

With customers expecting free returns, the escalating costs of returns for manufacturers and retailers represent challenges, and forward-oriented logistics supply chains have struggled to adapt. The market is seeing a reported 20% growth in logistics costs for e-commerce purchased items².

To improve the development of solutions to address the growing concerns of product returns, companies are taking many different approaches. Some manage reverse logistics within their own infrastructure by adding automated processes. Others have established new reverse logistics functions within their organizations. Most, however, choose to outsource reverse logistics management to third party logistics providers.

Unveiling hidden opportunities and bridging innovative solutions

Waste Management's Supply Chain Solutions bring innovation to reverse logistics solutions so that our clients can reduce operational costs, deliver environmentally compliant programs, ensure brand protection and make our world sustainable for future generations.

Part of that innovation is in unveiling hidden costs and transforming them into cost-reducing opportunities. Our solutions aim to identify and reduce:

- Multiple touch points resulting in increased labor costs
- Lengthy disposition process resulting in increased carrying costs
- Sell through rate
- Transport and shipping costs
- Warehouse and storage costs
- Tracking returned goods costs

As one of the largest materials management companies, Waste Management can bring solutions and resources to any North American logistics footprint.

Aligning with an experienced and well-resourced partner is critical. We can help you turn the challenges of returned products into opportunities to become an industry leader.

¹ <https://www.wsj.com/articles/what-stores-do-with-90-billion-in-merchandise-returns-1518777000> ² <http://www.postalvision2020.com/wp-content/uploads/2018/09/2-815-900-session-1-slides.pdf>

How you benefit



Environmental Compliance

- Comply with regulations for regulated materials—even those “hard to manage” items
- Gain visibility to the circular life of your returned goods



Indemnification

- WM provides an indemnification backed by our \$21 billion asset base, which protects our customers in the performance of our services.



Cost Control

- Generate positive financial returns for your returned goods
- Redesign your processes to reduce costs of handling returned goods



Reuse, Reclaim, Repurpose or End-of-Life Solutions

- Optimized disposition choices
- Leverage emerging technologies to drive greater value
- Access capabilities to deconstruct and up-value material components

Why Waste Management



Expansive Vendor Network

A positive return solution for materials.



Embedded Expertise

On and off-site support from industry experts.



Customized Solutions

On-demand or permanent service support with flexibility to support your digital platform and seasonal needs.



Centralized Support

One company provides enterprise-wide solutions.



Transparent Reporting

State-of-the-art online reporting of supply chain activities.



Proven Record

Certified waste expert oversight and a track record of environmental compliance.

Case Studies

PROGRAMS	SOLUTIONS	RESULTS
Large U.S. Retailer Compliance Assurance	<ul style="list-style-type: none"> Reclassified >100,000 products into expanded profiles; 12% of which were previously incorrectly reclassified Staffed 4-5 dedicated professionals onsite Developed compliance program Established dark store program Handled reporting to DOT and EPA Implemented recycling programs and training. 	<ul style="list-style-type: none"> Received indemnification
International Electronics Accessories Manufacturer Returned Product Recycling	<ul style="list-style-type: none"> Intercepted Return to Vendor products at earlier point in reverse logistics chain Determined qualified products for program and identified flow to recycle or disposal 	<ul style="list-style-type: none"> Transportation cost reduction Cost savings by bypassing labor to segregate materials Cost savings by minimizing storage requirements, which also freed up valuable space
Large U.S. Retailer Turnkey Product Destruction	<ul style="list-style-type: none"> Developed solution to have 176 containers picked up from ports, materials disposed of, and containers returned in a condensed time frame Managed and expedited all logistics (landfill determination, profiles, transportation) to receive duty drawback 	<ul style="list-style-type: none"> Returned all empty containers ahead of schedule and under budget Maximized duty drawback to offset most/all cost
Large U.S. Chemical Company Regulated Material Destruction	<ul style="list-style-type: none"> Implemented third party logistics program, unifying stakeholders in one streamlined process Provided customer indemnification for disposal Managed entire process: profiling, disposal facility selection, logistics, invoicing, and reporting to the EPA Ensured materials are disposed within 30 days of disposal request receipt 	<ul style="list-style-type: none"> Increased operational efficiencies Complete, comprehensive, and timely reporting to protect brand Minimized storage costs
Large U.S. Logistics Firm Emergency Disposal	<ul style="list-style-type: none"> Client refrigeration warehouse had mechanical issue contaminating ice cream products with ammonia Provided Single Point of Contact to manage the event – cradle to grave Provided transportation and disposal of frozen food waste utilizing WM and 3rd Party services (refrigerated trailers) >20 waste loads over a 2 week timeframe 	<ul style="list-style-type: none"> Ongoing EH&S compliance support to client Detailed and customized reporting (shipment & spend) Certificates of Destruction for all products destroyed (landfilled) Product security with use of sealed refrigerated trailers Consolidated invoice