

Case study on Reverse Logistics For Major Manufacturing Client

A major bluechip company requested ARISE to tender for the provision of an offsite Reverse logistic service in support of its manufacturing operation.

Each day as the Client manufactures computers various parts used in their manufacture such as Motherboards, memory, chassis, HDD, ODD etc. will fail during the test process. New parts are used by the repair technicians to fix these machines and the defective parts are then gathered together in a separate MRB area in the factory. The Client then must return these parts to their vendors to get Credit if the vendor agrees that the part was defective when supplied to the Client or if the vendor finds that the Client broke the part the vendor needs to report this finding to the Client. Prior to this tender this review process by the vendors took place in the Clients manufacturing building but it had many problems including poor reporting/ inventory issues and was taking up valuable manufacturing space.

ARISE developed a logistics process which provided a New Offsite Verification Laboratory called RLC (Reverse Logistics Centre) where each supplier was allocated test bench space in the ARISE building within line of sight of the Client's manufacturing operation. ARISE software developers created a unique software solution called TRAX to manage all movements of the parts during the process. These included movements from the Clients MRB area to the ARISE offsite location, the movements to/from the bench occupied by the Vendors Verification Engineer & finally movements back to the Client once verification was over. ARISE software Engineers also developed a unique software solution to provide the Verification Engineers with a database to record the results of their inspections & tests of the product and provide for this data to be used to improve the overall quality of product supplied to the Clients manufacturing.

Phase 1 of the process began with Desktop & Notebook products and it was extended to include server products in phase 2. In Phase 3 our Client redesigned the Reverse Logistics program to provide title to each supplier of the returned goods immediately back to them as they are shipped from the Client factory to ARISE. This change was a significant one for ARISE; instead of having one customer for this Offsite Verification Lab, ARISE suddenly had 60 customers and each one had their own requirements with regard to shipping product after verification, reporting & even invoicing. ARISE formed separate agreements with all of these customers including control files which managed the unique requirements of each customer. The ARISE TRAX system was reprogrammed to manage each customer as an individual account and provide for the unique management of each of these accounts while at the same time keeping the existing disciplines with regard to volume throughput, inventory integrity & reporting. There were in excess of 30,000 part movements per month. As a result of this project, ARISE achieved significant milestones for the Client ie,

80% Reduction in Inventory in the Process

80% Reduction in the time taken to complete Verification

100% Inventory Integrity for over 7 years

This large contract, its successful implementation & the fact that ARISE continues to be handling the contract, demonstrates ARISE's capability in working with Clients & bringing significant value add to the Client.