

Bottom-Line Benefits:

# Why B2B E-Commerce Needs a Robust Returns Management System



Your guide to more effective returns management in a world where **30% of orders find their way back to your facility**

# Introduction

**Managing the reverse supply chain is a challenge for any company, but those executing B2B ecommerce transactions face substantially higher reverse logistics obstacles.**

B2B buyers increasingly expect the same level of speed, ease, and autonomy when making a business return as they do when returning a personal item.

But unlike exclusively consumer-facing companies, B2B enterprises have added complexity when it comes to product returns...

➔ **Managing multiple returns and claim types from partners**

➔ **Rules and policy management for partners**

➔ **Warranties and repairs**

The problem is that many B2B brands handle the returns manually, rely on many separate point systems that integrate poorly, or use outside vendors to manage the returns aspect of the business. The global B2B market is booming and with up to 30% of all online merchandise sold finding its way back to your facility, it's time to button up these processes with a robust returns management system (RMS).

In this eBook, we explore the key returns challenges that companies conducting B2B ecommerce are facing, show how these issues can directly impact your business, and explain the value that a fully integrated RMS provides B2B companies of all sizes and segments.

## Common B2B Selling Models\*

### B2B2B

Typically a manufacturer, retailer, and another party in the e-commerce model.

### B2B2C

Bridges the gap between B2B and B2C businesses, whereas a B2B business sells to consumers through B2B partnerships, marketplaces or stores.

### Wholesale

A business buys bulk products from the manufacturer or a distributor at a volume price.

### Manufacturers

Sell products to other businesses and consumers directly from their e-commerce website.

### Distributors

Work with manufacturers to bring products to the market by selling them to retailers or consumers.

\*Many online brands operate in both B2B and B2C environments.

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# Managing the Online Returns Avalanche:

## Receiving Data, Policy Rules

**B2B ecommerce presents an exciting opportunity for brands to leverage a powerful channel to increase sales and grow the business. With B2B online sales projected to reach \$1.2 trillion in 2021—up from \$889 billion in 2017—companies will be processing more returns.**

Managing the behind-the-scenes of these returns can be difficult, cost-intensive, and time-consuming in a world where:\*

- ➔ **Up to 30% of B2B sales may be returned**
- ➔ **B2B transactions tend to be larger than B2C purchases, with products typically having many variants or custom options**
- ➔ **Online returns deliveries cost companies \$550 billion annually**
- ➔ **B2B ecommerce sales are expected to make up 17% of all B2B sales in the US by 2023**
- ➔ **Key reasons for returns include defective merchandise, procured the wrong item, and found a better price elsewhere**

The challenge for companies selling B2B starts with getting the returns into their management system. Channel partners send in returned items and data in many different formats. Few things are standardized, and so the seller spends an enormous number of resources and time manually keying in returns data.

Data accuracy is another significant problem. When returns information is arriving in different formats and via different channels, re-keying easily leads to data entry errors. Furthermore, if a B2B seller has a network of primary and secondary distributors, visibility into what was sold to whom is murky. Which partner sold which product? Is the return item a counterfeit? Is a full refund necessary, or was their product damage that should result in a partial refund?

\*Sources: [Forrester](#) and [Magento](#)

# Generating and Managing **B2B Returns**

According to [McKinsey](#), 70% of B2B decision-makers say they are open to making new, fully self-serve, or remote purchases in excess of \$50,000, and 27% would spend more than \$500,000.

Using an RMS, companies can streamline returns processing to save significant money, employee time, and gain total visibility into their returns network.

- ➔ **Absorb returns data from many different partners—automatically**
- ➔ **Set rules and policies for partners that standardize the returns process across the network**
- ➔ **Gain better network visibility to verify where products were sold, product registration, and their condition—protecting against fraudulent returns**



A leading global appliance company replaced a spreadsheet-heavy returns process with an RMS that standardized returns initiation for distributors. Very quickly, the company learned that some returned items were counterfeit products. By implementing a standard and very detailed returns process, the company caught the fake returns, identified customers who abused the policy, and saved significant money.



### **Generating an RMA.**

There are many steps in the returns management process, but perhaps none is as important as the return materials authorization (RMA). This is the first step in any returns process, where a customer lets you know they need to initiate a return.

Streamlining the entire process from start to finish can help you avoid fraudulent returns and speed up the time between receiving the return and when you can resell it and issue a refund or credit.



### **Managing the RMA.**

Once a customer initiates a return, each member of your team—from warehouse receiving to accounting—must be able to see what is going on so they can take the correct steps to verify, repair, restock, and issue account credits or refunds.

It's also important to have frequent communication along the way so customers (and internal team members) know what's happening and when they can expect the returns to be resolved.



### **Customizing RMA software.**

If you are using RMA software, it's important to customize the RMA process for an even more automated and faster experience. Every business is different, and how you handle returns depends on a lot of factors like your team size, facilities, and policies.

# Don't Let Returns Drain Your Bottom Line

Fortunately, the reverse business cycle does not have to be a drain on the bottom line. You can provide a more automated and standardized experience for partners that improves accuracy and profitability.

- ➔ **Automatically receive returned items and data in standardized formats**
- ➔ **Get a full view and detailed reporting on the returns network from an RMS**
- ➔ **Confirm whether a full refund is warranted**
- ➔ **Maximize the value of the refund by utilizing the open box market, sourcing other end users, leveraging liquidation sales options, or choosing refurbishment or recycling**

ReverseLogix customers have saved millions of dollars per year by avoiding over-crediting and vendor policy abuse.



A comprehensive reverse logistics technology solution can help you solve these issues and more. **With ReverseLogix's B2B Returns Module, companies get these key functionalities on a single, streamlined platform:**

- Branded B2B portal
- RMA initiation, single or bulk
- Overage/underage claims
- Approval workflows (multi-tier)
- Pre-authorization questionnaire
- Workflow routing based on return type
- Entitlements matrix
- ASN upload and/or email parsing
- Product and policy validations
- Warranty check
- Supporting documentation upload
- Image/video capture
- View queue of open, closed, or discrepant RMAs
- Automatic notifications (email)
- Track shipment information
- Customer service and partner access

**A modern, unified RMS lets your customers and partners return products in a standardized, uniform way based on how you want to do business.**

# Managing **Warranty Claim, Returns, & Repair Management**

B2B fulfillment errors are typically exponentially greater than those associated with B2C or direct-to-consumer shopping, due to the nature of the type and quantities of product ordered.

Mistakes can result in truck or trainloads of product being impacted, generating a myriad of complexities when managing returns, none of which are insurmountable and most of which can be addressed using a RMS.

A centralized, end-to-end returns management system creates visibility into a B2B company's warranty claim management, dealer returns, and repair network. No more pallets of product show up without visibility to exactly which customers, order details, and PO numbers were impacted.

When items arrive at your facilities or authorized service centers, the RMS automatically processes those returns.

Companies get data and reports that reflect the entire returns process—not pieced together from separate systems—because an RMS fully integrates with other supply chain enterprise software.

With better product tracking and network visibility, ReverseLogix helped a company find **\$9 million** worth of products, sitting in a warehouse, that could be resold.





## An RMS also handles:

**Dealer warranty claims management** enables dealer networks to initiate returns and handle entitlements, rules, and claims based on your requirements.



**Dealer Network Repair Management** ensures everyone is handling repairs and parts management in a standardized way based on your rules.



**Failure analysis** for parts and products that have been returned.



**End-to-end network visibility** that gives full visibility into returns and repairs, down to the individual SKU.



ReverseLogix also provides a branded, self-serve portal for customers to look up past orders, select items for return, issue claim requests, input details (i.e., pictures, reason codes, etc.), receive shipping labels, and submit pickup requests.

# Save Hundreds of Thousands of Dollars on **Returns Initiation**

One B2B brand saved over \$700,000 on lost and missing inventory while also improving its customer service levels. By using a centralized and integrated system to receive, grade, track items, and report on discrepancies, the company has high levels of visibility into its warehouse and 3PL facilities, minimizing lost orders.

Its RMS uses real-time return inventory tracking to determine whether items are lost during processing and identifies discrepancies. This, in turn, reduces the volume of lost items to an almost negligible number. (ReverseLogix conservatively estimates it is 1% for this particular customer, but the actual number of lost items and provided credits will be closer to the 0% mark.)

## Here's how these wins add up

### CURRENT CREDITS:

<b>Total Value of RMA Credits</b> .....	<b>\$12,655,488</b>
<b>Customer Calculated Lost Value percentage</b> .....	<b>6.6%</b>
<b>Reported Lost Item Value</b> .....	<b>\$838,868</b>
<b>Proposed Reduction: Lost Value at 1%</b> .....	<b>\$126,554.80</b>
<b>Example Estimated Savings in Lost Item Value</b> .....	<b>\$ 712,314</b>

The cost savings that an RMS provides is substantial. And as companies add new lines of business, customers, and/or facilities, these wins compound to create a solid business case for a returns management solution.

# Simplified, Reliable B2B Returns Processing

Many B2B companies mistakenly believe that customers prefer using traditional sales channels. However, as millennials move into authoritative buying positions and remote work conditions become more accepted, an online sales channel is essential for companies that want to maintain or grow market share.

In addition to the returns management and cost savings already discussed, ReverseLogix offers even more capabilities for facilitating, managing and reporting on the entire B2B returns lifecycle.

## Key functionalities include (but aren't limited to):

- ➔ Receive returned items from a customer or partner with the ReverseLogix processing portal. Warehouse or receiving associates can quickly review a full list of all completed and incoming RMAs, then receive, inspect, grade, and put-away your returns efficiently with no manual work required to log items in your system.
- ➔ Standardizing analytics, reporting, and processing across all locations to streamline the entire reverse logistics process, eliminating inefficiencies and reducing costs.
- ➔ ReverseLogix's centralized technology provides uniform access for both owned facilities and third-party partners to receive and process returns. Stay updated with real-time data available from all your facilities, anywhere.
- ➔ Business intelligence is centralized through the ReverseLogix platform. Data is pulled from the platforms integration with other supply chain systems and can be customized to the reports most relevant to your business. No more separate solutions, no more piecing together data points.
- ➔ Approvals, status updates, and any shipping information can all be sent digitally, reducing the burden on both parties in the transaction (through the portal chat, text, or email), to let customers know when an unexpected situation comes up and how you will resolve it.

As the only RMS provider offering a true end-to-end system, ReverseLogix takes a holistic approach to your current operations and enhances those activities with advanced, AI-enabled technology.

## Some of the key benefits you can expect include:

- ➔ **Minimized reverse supply chain costs with rules, approval policies and standardization across the network**
- ➔ **A seamless, end-to-end, digital returns management process**
- ➔ **Real-time insights and detailed visibility across your product catalog and individual SKUs**
- ➔ **Enhanced customer experience with automatic return updates and notifications**
- ➔ **Easier returns process with a fully-branded “consumer like” returns experience**
- ➔ **Improved speed for reorders and replenishment opportunities**



**The B2B landscape is changing and innovative brands that rely on ReverseLogix deliver a vastly superior customer returns experience, save employee time with faster workflows, and increase profits with 360° insight into returns data.**

Contact us today to learn more about how ReverseLogix can become the solution you need for all your B2B reverse logistics challenges.



**[reverselogix.com](https://www.reverselogix.com)**

#### **About ReverseLogix**

ReverseLogix is the only end-to-end, centralized and fully integrated returns management system built specifically for retail, ecommerce, manufacturing and 3PL organizations. Whether B2B, B2C or hybrid, the ReverseLogix platform facilitates, manages and reports on the entire returns lifecycle. Organizations that rely on ReverseLogix deliver a vastly superior customer returns experience, save employee time with faster workflows, and increase profits with 360° insight into returns data. For more information, visit [www.reverselogix.com](https://www.reverselogix.com)