



### A Special Case Study on RMA Solutions

*"If retailers do not have a strategic vision of reverse logistics today, it is likely that they will be in trouble tomorrow,"*

Rogers and Tibben-Lembke,  
*Going Backwards: Reverse Logistics Trends and Practices.*

Despite the fact that returns have become a fact of life, most managers think that their current supply chain systems can handle product returns efficiently. Unfortunately, as companies ramp up their sales and shipments, the sheer volume of returns and potential disposition options overwhelms their infrastructure, making it impossible for them to handle the task efficiently. With returns approaching 20% of outgoing shipments, managing reverse logistics can be the difference between profitability and loss.

Receiving, inspecting and doing something profitable with all of these returns is no easy chore. Returns are a fact of life, and should be given the same management priority as marketing, manufacturing, distribution and customer service. A good reverse logistics system not only improves corporate bottom line, but it can also improve customer trust and confidence – critical in today's tough business climate.

In 2000, Symantec Corporation acquired Axent Technologies, an electronics company that specialized in enterprise class products and services for Network and Internet Security markets. Symantec's customers range from small companies to Fortune 500 large multinationals spread over 36 countries. As part of a strategy to offer the same level of service as their existing software products, Symantec incorporated DCL and its Supply Chain Management Services as a key part of their integration strategy for all Axent products.

Symantec recognized long ago that it wanted to sit above the supply chain, orchestrating and monitoring its daily performance, rather than sitting in the middle handling physical goods. The company warranted that its supply chain partner, DCL, not only provide operations but also provide visibility across the entire supply chain for all activities, giving them full access to information about their customers, issues and product dispositions. This allowed Symantec to focus on its core competencies — product development and marketing not supply chain management.

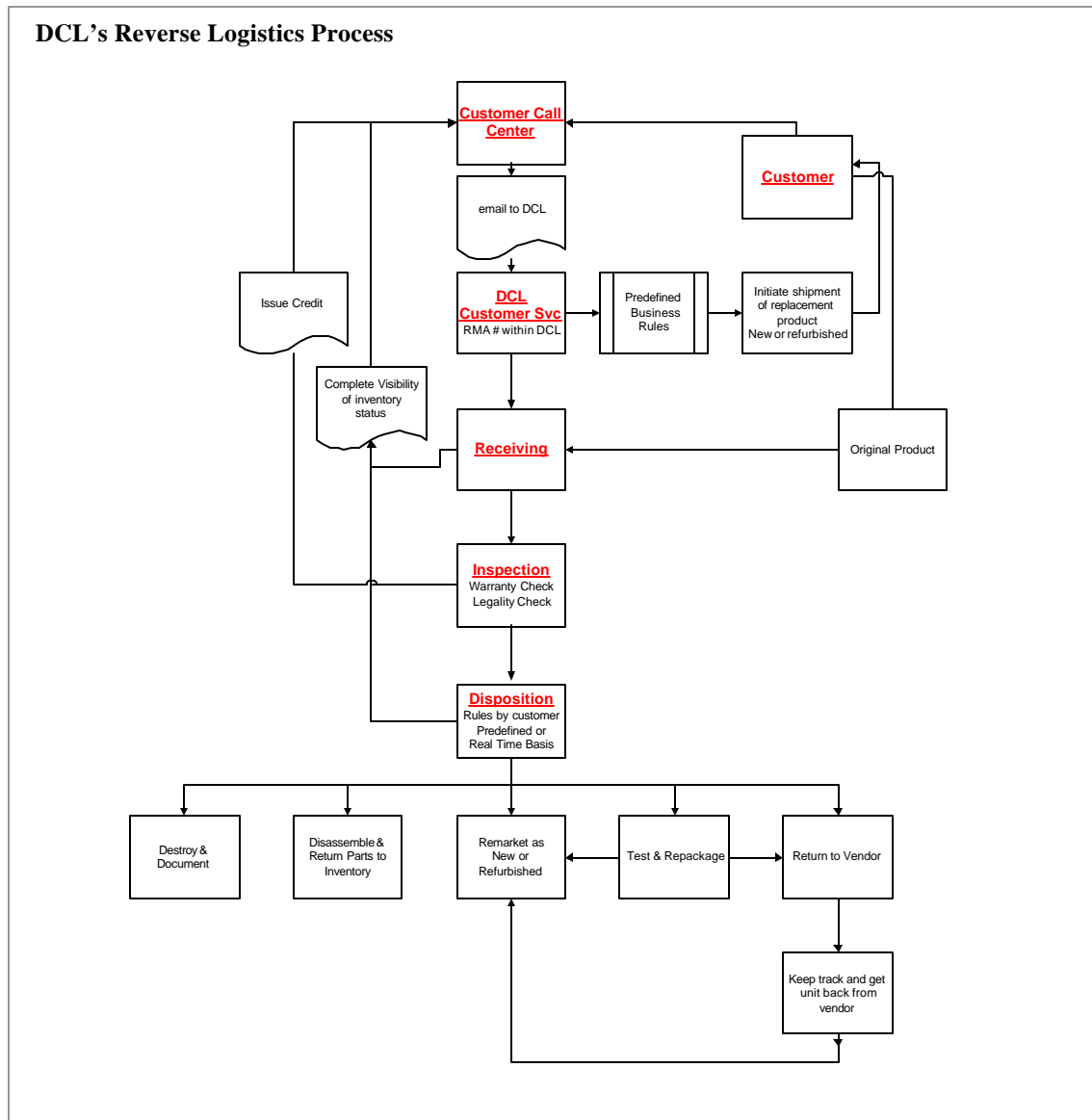
With the original emphasis on software distribution, reverse logistics did not play a critical role in supply chain logistics, but the addition of the Axent hardware line warranted a fresh look at the entire process. Symantec realized that they needed to keep a tight reign on returned goods and their disposition if they were to be competitive in the marketplace.

Internet Security is a very competitive marketplace where end users demand reliable equipment but also with no down time. There is enormous pressure for a rapid response time and for a quick turnaround of all customer requests including a provision to provide replacement hardware under certain contractual conditions. Furthermore, the cost of the hardware warrants that proper disposition be made of the incoming hardware whether it is fixed and put back in the inventory or, disassembled for spare parts. Either way, speed,



accuracy, and communications are key elements that have to be addressed during the entire process.

DCL developed a RMA process to accommodate Symantec's new operating realities. The following flow chart process maps the new DCL reverse logistics process and IT infrastructure to maximize the operating efficiencies of the entire process while providing full visibility within all functional departments in Symantec.



eFactory - DCL's web-based IT system, provides secure, comprehensive and timely information to all phases in the supply chain - customer material, manufacturing and



fulfillment. This IT system played a vital role in designing the new eFactory R5 process at DCL. Since reverse logistics includes a number of processes such as RMA's, warranty tracking, and vendor returns, the IT design had to be robust enough to handle the new business rules imposed by Symantec while being nimble enough to allow for quick disposition of the inventory. Credit authorization, normally a customer service activity, also had to be triggered at the warehouse or distribution center to speed up the overall process.

With the new eFactory R5 process at DCL, Symantec was able to quickly integrate the new hardware product lines efficiently into their overall distribution strategy. Some unique characteristics of the eFactory R5 process include tracking of actual manufacturing and shipping data for all returned goods, ability to discern warranty status and make disposition decisions on a real time basis, ability to track returned equipment to the original hardware manufacturer and, complete inventory management to assure that proper customer credit is issued.

Because returns are so labor-intensive, the success of any returns program is going to be dependent upon the ability of the people working to make quick and accurate decisions. DCL recognized that with an improved process and a unique IT infrastructure reverse logistics can be looked in a new light – not just a reality of doing business, but a powerful tool to improve customer trust and confidence while managing the corporate bottom line.

#### About DCL

*Founded in 1984, DCL has emerged as the leading provider of next-generation Supply Chain Services. More than a logistics company, DCL is a trusted business partner who reduces operating costs and improves end-customer service via a full menu of order entry/processing, call centers, warehousing, final assembly, fulfillment, and returns management. DCL's advanced IT infrastructure is Internet-enabled for complete integration with enterprise-level business systems; its customizable solutions enable companies of all sizes to focus on their core competencies. DCL currently serves some of the best-known names in the high-tech and healthcare fields.*