

Technology Leader Drives Profitability with Record Asset Recovery and Cost Reductions

Challenge

Asset recovery is integral to this Fortune 500 technology company's cost-savings strategy. The faster they can recover defective assets from customers, the more equipment they can refurbish and the less they need to spend on repurchasing.

The company was recovering 91.5% of assets within 60 days, yet even that best-in-class rate wasn't sufficient for this global leader. They wanted to increase recovery to 94%, but lacked the technology required to optimize their processes. Even with adding more employees, they weren't able to boost the return rate.

"We were spending more on staff to get inventory returned than the inventory was worth. Plus, we didn't have enough visibility into key processes to gain insights into how to improve them," said the director of the company's global support delivery strategy.

Solution

The company believed outsourcing asset recovery might help achieve their goal, and engaged OnProcess Technology for a pilot project in France.

OnProcess specializes in complex service supply chain operations – the flow of people, parts and services following the sale of a product. OnProcess' domain expertise, purpose-built technology platform and embedded analytics-driven process improvements help clients quickly optimize and scale operations, grow revenue and profitability, and deliver unparalleled customer experiences.

OnProcess' pilot was successful in demonstrating what could be achieved in a much larger-scale program. Thus, rather than conducting more pilots in additional regions, the Fortune 500 company decided to roll out OnProcess' asset retrieval managed services program throughout EMEA. The roll-out took place during a two-month period in 2013. Today, the engagement supports 31 countries in 16 languages and helps drive the recovery of more than 250,000 parts annually.

► Profile

This Fortune 500 company provides technology solutions for physical, cloud-enabled and mobile-ready infrastructure.

► Service Area

Reverse Logistics
Service Fulfillment

► Service

Asset Recovery from the Field
Front-End Dispatch
Replacement Fraud Prevention

► Benefits

- 95 Percent Recovery in 60 Days
- 4x ROI
- \$2.1 Million Annual Reduction in Repurchases
- \$1.5 Million of Cost Avoidance for Asset Recovery Team
- Optimized Key Post-Sale Supply Chain Processes
- Improved Front-End Dispatch
- Reduced Fraudulent Replacements

“OnProcess enabled us to dramatically cut asset recovery-related costs while improving the customer experience. You can't get better than that.”

*-Director, Global Support Delivery Strategy,
Fortune 500 technology company*

Results

95 Percent Recovery in 60 Days

OnProcess consistently recovers 95% of this company's returnable parts in 60 days, surpassing their goal of 94%. Some of the best practices OnProcess used to drive such strong results included one carrier for all shipments in a country, local escalation support, and booking collections on behalf of customers—the latter of which simplifies returns for customers and helps increase their satisfaction.

300 Percent Return on Investment

OnProcess' client has realized a 4x ROI. Thanks to improved asset recovery, the company repurchases significantly less equipment, to the tune of \$2.1 million annually. It also spends 50% less on asset recovery personnel and related services, enabling \$1.5 million of cost avoidance.

OnProcess' cost model also figures prominently in the technology leader's ROI. According to its director of global support delivery strategy, "OnProcess' variable cost structure has been a game-changer. Now, when volume goes down, we pay less. I can't emphasize enough how critical this has been to our bottom line."



Technology-Enabled Process Enhancements

OnProcess leverages its technology platform to provide granular and broad visibility into the client's asset recovery operations via velocity, country-specific and delivery-model reporting, non-return segmentation, detailed status codes, and more. This, combined with OnProcess' advanced analytics, provides the insights needed to drive continual process improvements.

For instance, the company was able to determine the impact of delayed scans and parts not recognized in various warehouses. This led to much-improved communications with carriers/3PLs and streamlined operations.

New Fraud Prevention and Front-End Dispatch Services

The asset retrieval program's success spurred the technology leader to expand OnProcess' engagement. In February 2015, OnProcess began a project to identify when dispatchers don't capture the correct information up front and block the order from being released until it is fixed.

OnProcess also kicked off a hard drive fraud prevention program in May 2015. When customers report failed drives, the client's policy is to send a free replacement without waiting for the original to be returned. OnProcess determined that about 3% of non-returns were fraudulent, and that these cases occurred more with customers using non-corporate emails. It now blocks dispatching until valid corporate emails and shipping addresses are provided.

“The extraordinary improvements we've realized wouldn't have been possible without the visibility, analytics-driven insights and commitment to continual improvements that OnProcess delivers.”

*-Director, Global Support Delivery Strategy,
Fortune 500 technology company*