



Hamilton Beach Brand Leap Frog Return Management Operations and Reap Major Benefits

This is one of the largest projects we took on and I'm very pleased with the outcome. Returngoods team was very responsive and we felt it was a partnership that yielded really good results.

Kevin McCollough (Group Manager, IT & Business Solutions)

Hamilton Beach Brand was established in 1910 and introduced the first Sew-E-Z home electric motor, used to drive various appliances such as sewing machines, fans, grinders, buffers and cake-batter mixers. Today, it is a leading distributor of small kitchen appliances and sells over 35 million appliances every year. Hamilton Beach products are sold through various major retail outlets like Walmart, Costco, Target, Home Depot, Macys, JC Penney, to name a few.

Business Case

Return management is a very high visible operation critical to maintaining an optimal relationship with customers. Especially for the powerhouse customers as mentioned above. One critical factor is to issue credits for return merchandises in a timely and accurate manner. Credits can amount to hundreds of thousands to millions of dollars on monthly bases. On the other hand, Hamilton Beach must ensure that receipts are accurate and issue credits only for valid receipts (credit where credit is due). Therefore, an efficient, accurate, and streamlined return management operation is paramount for Hamilton Beach's overall business plan. Equally as critical is to be able to collect critical information about the product quality and return reasons to improve on the product DNA and end customer analysis.

In recognition of the importance of reverse supply chain, Hamilton Beach initiated a project to replace the aging return management system running on a rigid customized system using outdated hardware and software. Since Hamilton Beach business is a high volume operation, thousands of units are processed on a daily bases. To support the volume of receipts, warehouse space is configured with multiple work stations to streamline the process and make use of the space most efficiently. In order to maintain the speed and efficiency, Hamilton Beach must implement technologies that focus on the speed as well as the accuracy. In addition to replacing the



Our operation required fairly complex business rules that are changing frequently. We needed a system that can be configured to meet our business rules easily by an administrator without any custom code changes and integrate seamlessly with our ERP system. Returngoods solution demonstrated their ability to meet pretty much all of the requirements we put forth.

*Debbie Shortt (Manager,
Application Systems)*

system with a state of the art solution, the goal is to improve the process and implement a streamlined, efficient, flexible, configurable, and ease of integration solution that can contribute to the future growth.

Although the current system had served Hamilton Beach well for many years, there were major shortcomings:

- Outdated hardware
- Using a laser pen based system where a pen has to be swipe across the barcode
- A non-centralized database system. Data are stored on each data collection devices.
- Custom built and therefore limited support
- Cannot expand the system to meet new business requirements
- System lacks ability to configure business rules
- Integration with corporate ERP system is labor intensive on a daily bases
- An operator has to remember a long list of special action to take based on SKU
- Access to data and reporting was a major challenge

Hamilton Beach was at first skeptical that an enterprise packaged software solution that can meet their specific requirements is readily available in the market. A quick search on the web introduced Hamilton Beach to Returngoods.com, cloud base Reverse Supply Chain management system. After evaluating multiple vendors and exploring a possibility of in-house development, HBB selected Returngoods, mainly because of the flexible architecture and configurable features.

Implementation

Returngoods was configured to meet the existing warehouse layout, saving the cost for warehouse reconfiguration, and implemented in a few weeks. Hamilton Beach elected to implement it as intranet configuration for many business reasons including security concerns and capitalizing on existing infrastructure. Since a good number of Hamilton Beach customers are large retail outlets, returns normally arrived on pallets with large quantities. Using the latest technology



barcode reader and touch screen, the operators are able to perform the tasks in a smooth, efficient, and speedy fashion.

Returngoods' "Alert Module" enables Hamilton Beach to configure various alerts based on product information and eliminate the requirement for the operator to memorize specific action based on SKU, essentially eliminating potential human error. For example:

- List of SKU to scrap or refurbish
- A sample list of SKU to be analyzed by the Quality Engineer team
- Set the number of samples to collect
- Direct specific SKU to a particular location in the warehouse
- Send e-mail when certain alerts are activated

Rework/Recertify module enables Hamilton Beach to collect various critical failure data that can be analyze by the Quality Engineering team. Failure analysis data is critical for improving product quality and lowering the product cost.

Integration to corporate ERP system is automated and eliminated many manual processes. Hamilton Beach personnel now can focus on more productive tasks. Since credits are issued from the ERP system, a nightly data push to the ERP system, streamlined the credit process.

Summary

When Hamilton Beach initiated the project, they have no knowledge of Returngoods and now a strong advocate for the solution. Returngoods' highly flexible and configurable architecture empowered the users with more control and most importantly, the massive data collected can be effectively analyzed to improve product design, manufacturing, operational performance, and customer experience. Although many businesses overlooked the importance of return management, Hamilton Beach recognizes the impact it has on their overall business strategy.