



Larscom Instill Data Integrity for RMA

Larscom, Inc.

Larscom, Inc. specializes in developing, manufacturing and marketing high speed global Internetworking solutions for net service providers and corporate users. The company's customers include NSPs, Internet service providers, fortune 500 corporations, systems integrators, and value added resellers.

Collecting lots of data but not reliable

Although Larscom equipment is highly reliable, a small number of units need to be serviced or upgraded. Since Larscom equipment's are high value products, tracking the inventory and tracing service history is critical to maintaining service level for the customers.

After managing the RMA operation using a combination of spreadsheet and home grown Microsoft Access database for many years, the integrity of the data has become a major issue. Expected data is not matching to the reported data. Since many of the reverse supply chain data is utilized by various departments to assist in decisions making, it became a critical issue. In order to address the issue, a team was formed with representatives from various departments. The team's goal was to put in place a system and procedures to ensure the integrity of the data. General concession was to implement a system that is easy to use, configurable, and must be live in a few weeks. Implementing the service module in their ERP system was determined to be too costly and the data entry process was cumbersome.

Solution

Returngoods cloud based solution was the right option for Larscom based on the criteria defined by the team. Larscom purchased the minimum subscription and, in a couple of days, the system was live and all new RMAs were issued from Returngoods. The most common RMA type issued was Advance Replacement where Larscom shipped a replacement item before the customer return the unit. Along with the

We tried implementing our RMA requirements and process using ERP system but it was too big, too costly, and lacks full features. Returngoods is lightweight, highly configurable, and feature rich for returns management at a very reasonable cost.

Chen Xia (Director IT & Business Solutions)



Instead of writing off certain budgeted amount for warranty and reverse supply chain cost, we now have reliable data to assess the true cost.

Don Morgan (CFO)

replacement item, the shipment includes instructions and packaging material for the RMA unit. A credit card is recorded for Advance Replacement just in case customer doesn't return the unit in 30 days. RMA module also tracks expected Product ID, serial number, quantity, and reported problem codes.

Returngoods receiving module provided the visibility of returned units and aging of outstanding RMA units. Larscom is able to track the conditions of units received using Condition Code. Expected BOM (Bill of Material) feature allow Larscom to match expected versus received accessories and tracks discrepancies. Product ID and serial numbers are entered using a handheld barcode reader to eliminate data entry error.

Rework/Recertify module allows Larscom to configure distinct routing by Product Family. Each routing is configured from 3 to 6 stages. User configurable routing feature allow Larscom to setup various configurations based on the level of analysis desired. For example, a simple routing may contain 3 stages:

- Test
- Rework
- Disposition

Each stage is configured to collect various failure analysis codes, i.e. Test Code, Action Code, Repair Code, Labor Code, Expense Code, and user defined codes.

Disposition module allows Larscom to disposition the reworked or recertified unit to inventory or ship back to the customer. Recertified units are then used for other advance replacements.

Data Integrity Restored and More

Returngoods was the correct choice for Larscom because it met the top 3 requirements defined by the team:

1. Must be a proven solution with high data integrity
2. Can be implemented quickly without consuming a lot of internal resources
3. Not have to justify for a capital budget

Larscom now has a reliable reverse supply chain database that provides various critical KPI (Key Perform Indicator). The following are



some of the critical reports Larscom is utilizing to help streamline the forward supply chain:

1. RMA by Product ID, Product Family, Product Type
2. Receipts by Product ID, Product Family, Product Type
3. Failure Analysis by codes
4. Top 10 by RMA Product
5. Top 10 by failure analysis codes
6. Turn Around Time (TAT)

Return analysis data is used by customer service to tailored customer support programs. Failure analysis is used by the Engineering team for product design and operation team for production design. Refurb inventory is used by the operation team to plan customer service inventory.

Larscom experienced the old cliché “Garbage In, Garbage Out”. However, recognizing and taking action to resolve the issue with the right partner pays off.