

The Challenge

A large retailer with a wide assortment of **1,000,000+ SKUs** felt their returns recovery was too low and that it was time for an overhaul of their returns strategy.

The retailer was using manual sorting for store returns through their Return Center to recycle, RTV, B2B and B2C and was interested in how an **automated solution** could increase margins. How about: The retailer was manually sorting store returns at their Return Center into: Return to Vendor, B2B and B2C streams. The sorts were made solely using human judgement, there was no way of knowing how effective the sorts were in driving recovery.

The goTRG Solution

The goTRG Analytics team analysed all sales data for the **previous 12 months' item sales** through its 9040 disposition algorithm. The Deep Learning tool compared actual selling price against its **5 million** item market price archive. The resulting analysis revealed two key insights.

- **10%** of B2B items could have been sold for a higher net margin on B2C channels
- **12%** of B2C items sold had a lower margin than would have been achieved by selling directly to B2B channels. The selling price was higher; however it was not great enough to offset the higher processing cost.

Based on these analytics the goTRG implementation team designed a custom R1 software solution to:



Use the 9040 disposition engine to sort every item at the Return Center check-in to the pathway that will achieve the highest net recovery



Utilize the 5 million item goTRG UPC database for the latest marketplace price



Improve the sales velocity through the goTRG Omnichannel marketplace for B2C and B2B

goTRG created a Project plan with a strict rollout schedule:



- Built the support, monitoring and mentoring infrastructure custom to partners needs
- Implemented the **R1 software solution** to manage all aspects of inventory disposition and sale to:
 - Remove non-value touches and movements of inventory
 - Stream-line the reverse supply chain process
 - Realize the highest net recovery option for every item
 - Achieve simple and efficient process management
 - Increase sales velocity and lower inventory on hand

The Results

Speed and ease of implementation

API integration into partner system was completed in **2 weeks**. The training and full implementation were completed the following week.

Dramatic and immediate increase in net recovery

With goTRG's R1 system in the place, the data based sorting to B2C, B2B or recycle immediately matched the historical analytics.



Improved sales velocity

The goTRG Omnichannel marketplaces led to increased sales velocity and a **16% reduction in inventory**.

Integrated **Omni-Channel** and **Supply Chain Solutions**

We deliver superior margins, controls & sell-through in real time through innovative, data driven technologies.

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