



Case Study

Asset Recovery of Consumer Electronics

Wholesale Retailer

About Wholesale Retailer

The company operates about 565 membership warehouse stores serving some 56 million cardholders in some 40 US states and Puerto Rico, Canada, Japan, Mexico, South Korea, Taiwan, the UK, and Australia. Stores offer discount prices on an average of about 4,000 products, including electronics and food.

In 2009, a leading Wholesale Retailer (WR) was exposed to an escalating issue: Customer Returns and Overstock Items. Driven by a high turns ratio requirement, WR has to quickly dispose of the items from the warehouse stores and establish an on-going process for cost efficient management. The anticipated disposal costs was approximately \$120K

SPlus was able to collaborate with the WR to establish a revenue share arrangement and dispose of the items in secondary markets; realizing \$100K to \$120K in revenues for the WR and preventing 750 tons of e-waste from working its way into the landfill.

Driven by a generous, no questions asked, return policy and the requirement to maintain a high turns ratio, a leading Wholesale Retailer was faced with an escalating issue. Associated inventory was accumulating at an exponential rate in their warehouse stores and distribution centers.



Wholesale Retailer

Asset Recovery Services

- ✓ **Customer Returns Management and Resale**
- ✓ **Overstock Items**
- ✓ **Manufacturer Discontinued (MD) Items Management**
- ✓ **Commercial Programs Management**
- ✓ **Manufacturing Parts Excess**
- ✓ **Inventory Liquidation**

SPlus, working in conjunction with the WR, was able to develop an integrated approach to transition the material to SPlus, sort the items based on a mutually acceptable criteria, repair damaged items. stock, and sell the merchandise in a cost-effective but sustainable manner.

By choosing SPlus, the WR realized a **winfall of \$100K to \$120K which went directly to the bottom line** for the company. In addition, **an estimated 750 tons of e-waste was eliminated**, which would have eventually wound up in landfills releasing carcinogens such as Lead and Mercury. In order to maximize the recovery amount for the WR, SPlus also developed some innovative packaging solutions to increase value.

WR's primary reasons for choosing SPlus were:

- ✓ **Flexibility, out-of-the-box thinking**, to evaluate other options and develop creative solutions to increase recovery
- ✓ Ability to **customize and manage entire process** from receiving to test to logistics to finding customers to collections
- ✓ Focus on developing a **sustainable process**
- ✓ Willingness to **revenue share**
- ✓ **Environmentally responsible**
- ✓ **Skill and competency** of the team
- ✓ Ability to quickly **execute**
- ✓ **Work with WR to understand challenges**



About SPlus

SPlus Technologies, with headquarters in the DFW metroplex, is a global leading 3rd Party Service Provider (3PSP), offering Fulfillment Services, Parts Management, Parts Sourcing, and other Asset Recovery Solutions.