



RVCF 



**Vendor Returns Processing: Put Amazon Back in Their Corner**

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Credit & Collections expert and consultant, ResMed, & former VP WW Credit & Collections Warner Bros



# Why listen to us?

We have have been working with robotic technology for over six years, with the express and singular focus on **eliminating** the returns, chargebacks & deductions processing problems for credit and collections departments.



We feel your **pain** and want you to get out of this mess.

# Agenda



1. New A/R Problem: Returns
2. The Solution
3. Top Benefits of Robots in Returns Automation
4. What's Next

# New ~~Old~~ A/R Problem: Returns

# Returns are complicated.

- Consumer returns product
  - Doesn't want
  - Defective
    - Sometimes it is
    - Sometimes it isn't
- Amazon or Retailer returns product
  - Doesn't sell
  - Damaged in transit
    - Amazon Fault
    - Your Fault
  - Carrier Damaged - UPS / Fedex
  - Customer damaged
    - Open box, packaging damaged but item not damaged





# Returns are VERY Complicated

## JUST ONE EXAMPLE

- When Amazon receives a return request, Amazon immediately takes the return funds from your company's upcoming disbursement and provides the customer a shipping label to return the item.
- Customer has 45 days to ship back
- If the item doesn't get returned, Amazon should automatically reimburse the supplier
- A wise supplier should keep track and validate debits and credits.



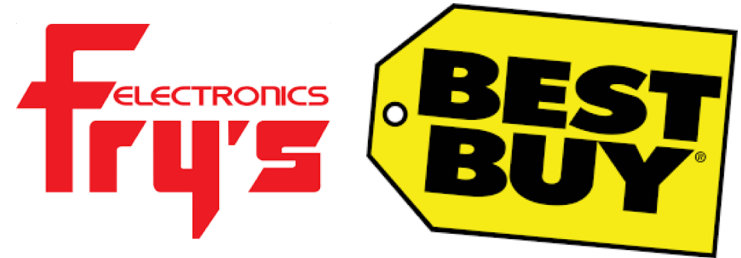
# Old Way to Solve the Returns Problem

- Collect returns for a quarter or two
- Do a “Recon” against A/R Credits
- Create a Returns Variance Analysis
- Supplier and Retailer negotiate a settlement



# New Way

- “Everybody, please go ahead and dispute each return.”
- Dispute and upload line by line.
- Use our portal as we don’t want to talk to you.
- Thank you very much for the cashflow.

The Amazon logo, featuring the word "amazon" in a bold, black, sans-serif font. Below the text is a curved orange arrow that starts under the 'a' and points towards the 'z'.

View detailed records of your defective or surplus inventory previously returned by Amazon. See the related [Help](#) topic for more information. To submit your feedback, click **Rate this page**.  
[See your purchase agreement](#)

## View by vendor code

Returns search criteriaStart dateEnd dateSearch[Download Return Details as an Excel Spreadsheet](#)[Download Return Summary as an Excel Spreadsheet](#)

#	Return ID (Shi...	Shipment Requ...	Vendor Code	Return Authori...	Processed Date	Warehouse ID	Total Quantity	Total Amount	Tax Incl. Total ...	Return invoice ...	Packing Slip
1	1938165377551	VRET6789866576...	WABCQ	0619990085	3/19/2019	DCA1	1	\$22.30	\$22.30	1938165377551_...	Packing Slip
2	2329249356551	VRET349563947531	WA	0619990085	3/21/2019	DCA1	1	\$8.63	\$8.63	2329249356551_...	Packing Slip
3	2723206997551	VRET3242785918...	WAB	0619990085	3/23/2019	OAK4	1	\$36.69	\$36.69	2723206997551_...	Packing Slip
4	2723719437551	VRET305151194531	WA	0619990085	3/23/2019	OAK4	1	\$8.64	\$8.64	2723719437551_...	Packing Slip
5	6835872656551	VRET6790669789...	WAB	0619990085	3/22/2019	OAK4	1	\$44.99	\$44.99	6835872656551_...	Packing Slip
6	6841775891551	VRET6793678582...	WA	0619990085	3/21/2019	DCA1	1	\$5.76	\$5.76	6841775891551_...	Packing Slip
7	6842517347551	VRET6792785937...	WA	0619990085	3/22/2019	OAK4	1	\$56.75	\$56.75	6842517347551_...	Packing Slip
8	6848716646551	VRET6794439381...	WABCQ	0619990085	3/22/2019	OAK4	1	\$10.68	\$10.68	6848716646551_...	Packing Slip
9	6848827915551	VRET6794076660...	WA	0619990085	3/22/2019	DCA1	1	\$119.00	\$119.00	6848827915551_...	Packing Slip
10	6849530414551	VRET6794513923...	WA	0619990085	3/23/2019	OAK4	1	\$9.39	\$9.39	6849530414551_...	Packing Slip
11	6850836027551	VRET6795019664...	WAB	0619990085	3/23/2019	OAK4	1	\$9.35	\$9.35	6850836027551_...	Packing Slip
12	6851274864551	VRET6799273664...	WA	0619990085	3/21/2019	MIA1	5	\$46.26	\$46.26	6851274864551_...	Packing Slip
13	6851425721551	VRET6799079218...	WA	0619990085	3/21/2019	SMF1	1	\$4.82	\$4.82	6851425721551_...	Packing Slip
14	6851513454551	VRET6799659144...	WA	0619990085	3/21/2019	ACY1	2	\$47.89	\$47.89	6851513454551_...	Packing Slip
15	6851513458551	VRET6795344414...	WA	0619990085	3/19/2019	BW12	2	\$22.78	\$22.78	6851513458551_...	Packing Slip
16	6851513683551	VRET6799096823...	WAB	0619990085	3/19/2019	LEX1	2	\$27.49	\$27.49	6851513683551_...	Packing Slip



# What makes it even worse?

- Amazon may be returning product at the wrong price.
- Example: Due to the Holiday Special, we shipped the product @ \$50 per, so don't return it @ \$100 per and take \$1,000 when you should be taking \$500.
- Coop/MDF Agreements!



**Important Message**

- There was an internal error. Try again later or click **Contact Us**.

**Information****CoOp Agreements**

The CoOp feature allows you to access and print your Amazon CoOp invoices and all available supporting data.

- Search and retrieve invoice copies based on agreement numbers, invoice numbers, product lines or within a date range.
- Search and retrieve back-up data supporting CoOp invoices in an Excel format.
- Review invoices/deductions within payment remittance details.

[\[ Less \]](#)

**Invoices****Agreement Details****Invoice Search Criteria**[See your CoOp agreements](#)**Agreement Number :****Invoice Number :****Product Line :****Invoice Date Range :** ☐

12/28/2018



to

3/28/2019



Select to specify date range

(MM/DD/YYYY)

(MM/DD/YYYY)

[Clear search criteria](#)[Show Latest](#)[Search](#)

**Search Criteria :** Invoice Date Range = 12/28/2018 to 3/28/2019

No invoices were found.

# But Returns Have Always BEEN Painful

What makes Returns Recons why is it bigger NOW than in the past?

- **Line Items** - Processing line by line rather than a quarterly analysis is hugely time consuming for the Recon Team.
- **Speed** – On invoices they may or may not pay on terms; but on returns the money is taken immediately.
- **Access** - Real money flows into and out of the supplier's bank account (EFT)



# Vendor Returns

View detailed records of your defective or surplus inventory previously returned by Amazon. See the related [Help](#) topic for more information. To submit your feedback, click **Rate this page**.

## Return Details

**Return ID (Shipment ID):** 1938165377551  
**Shipment Request ID:** VRET6789866576531  
**Vendor code:** WABCQ  
**Return Authorization ID:** 0619990085  
**Processed date:** 3/19/2019

[Download as an Excel Spreadsheet](#)

## Items

#	Purchase Order	Item Description	Return Reason	Product Line	ASIN	UPC	EAN	Tracking Number	Total Quantity	Unit cost	Total Amount
1	5NX6JHZU	John Adams [Blu-ray]	Damaged	gl_dvd	B001684LOA	883929057542	0883929057542	1Z077R3RYN1381...	1	\$22.30	

Showing page 1 of 1

Amazon Return Screens - sree

SQL Pipeline - Google Sheets

Vendor Central

<https://vendorcentral.amazon.com/st/vendor/members/dspt-mgmt/create?type=VR&items=1938165377551>

Reports Payments Settings

Rate this page

unt column.

Vendor code

Authorization ID

Processed date

Warehouse

Total quantity

Return amount

Dispute reason

Actions

Dispute quantity

Dispute amount

WABCQ

0619990085

3/19/2019

DCA1

1

\$22.3

-Select-

Dispute the entire return

Dispute by ASINs

0

0.00



# How bad are returns really?

## REALLY BAD!!

- A decent size computer goods distributor we are helping has **200,000** returns a year.
- Every return has on average **5-10** line items.
- For each return an individual Returns Variance Analysis has to be produced.
- Returns Recon can consume an entire department who are in constant fire fighting mode.



# The Solution

# Traditional Solutions Don't Work

- **Add Temps** - throw bodies at the problem.
- **Offshore** - throw cheaper bodies at the problem.
- **A/R processing systems** - organize the data better ... but bodies still needed to tackle the problem.



# The simple truth is, you can't ever win.

In the world of returns,  
retailers have more

- **Tech**
- **Time**
- **Money**

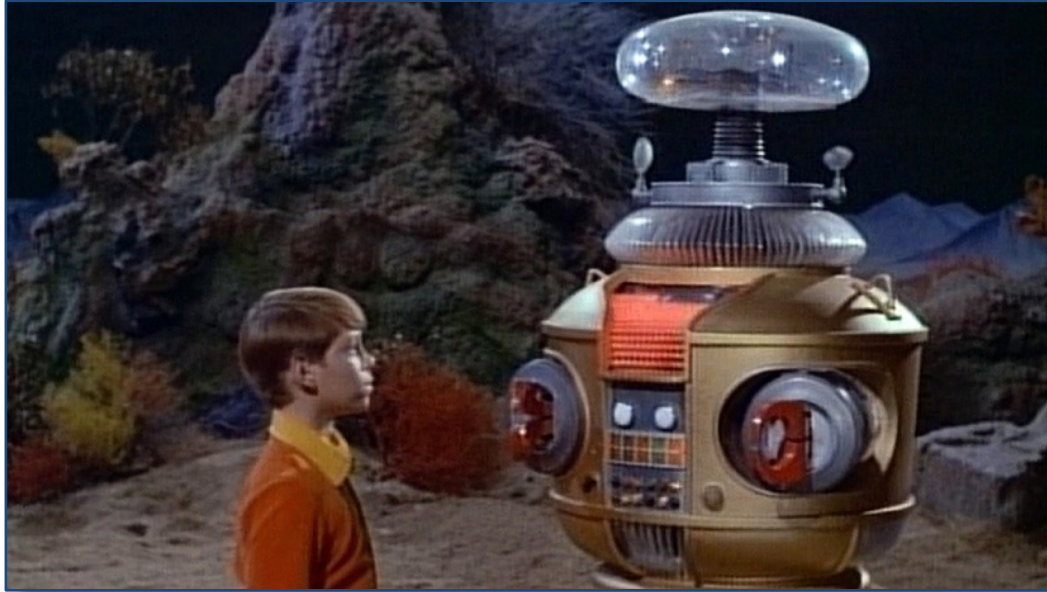
than you can even dream of.



At its Seattle campus, Amazon is building these "Spheres" as a nature complex and workspace.

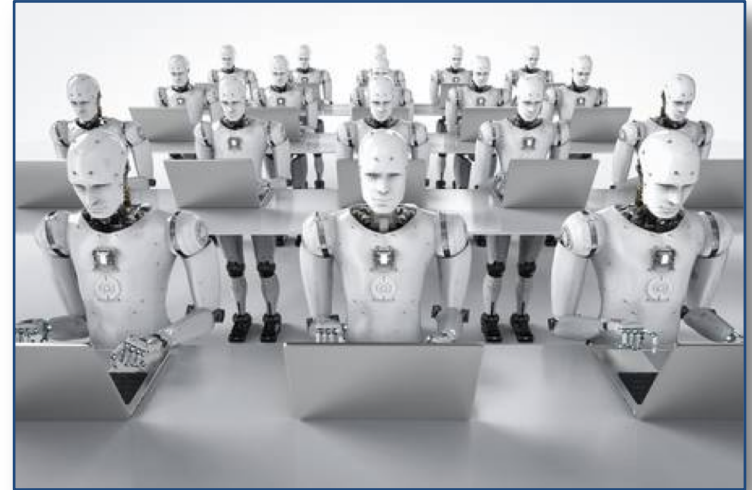


# That is why you need robots.



# RPA - Robotic Process Automation

- Robots automate business interactions by repeating a set of actions normally performed by humans.
- Software robots combined with artificial intelligence (AI) become behind the scenes workers.
- The result: **Robotic Business Process Automation** or RPA.



# Robots level the playing field

**Return Bots** exist to solve  
only one problem:

Dispute returns at lightning  
speed.



# Technology is not just a bigger stick.

It's is a totally different way of dealing with returns.

Robots allow you to fight fire with fire, check and dispute every return, bringing outstanding transactions down to **ZERO**, and stay current.



# Top Benefits of Robots in Returns Automation

# #1 Cost Benefit is Real

# Robots are 1/6 the Cost of People

After you consider implementation costs and ongoing robot maintenance 😊, the costs can be calculated at about 1/6 the cost of a person ...



This is simply raw robot vs. FTE.  
Significant other benefits exist as well. Like time to work on process.

# #2 Scaling Up and Down



# Tis the season ...

- Q. What percentage of people, in manufacturer A/R groups, quietly sob in the months leading up to the holidays?
- A. 200%+ (including their families and pets).



# Robots don't care about December.

Or January for that matter.

## Benefits of hiring robots

- Hiring costs are minimal and one-time.
- They can replicate so it's easy to deal with volumes.
- You don't have to beg them to work overtime.



# **#3 Robots are Kinda Cool**

# Your CIO loves robots.

“Software that automates basic tasks is catching hold in large enterprises, where CIOs are seeking to inject greater efficiency into business processes. Called robotic process automation (RPA), the technology enables IT departments to use a piece of software, called a “robot,” to perform routine tasks.”

CIO Magazine, May 18, 2018

**It's a real thing.**



# Company-wide RPA projects are Awful

I.T. departments love to create big projects. Non-experts will try to automate returns processing. It will take years. Cost a lot. And likely fail.



# #4 Robots as a Service

# Typical Consulting Project Process

- Senior Practice Lead
- Project Manager
- Process Analysis Consultant
- Implementation Consultant
- Senior Developer
- Junior Developer
- Quality Assurance Analyst



Onsite consulting, business analysis, functional docs, requirements docs. Blah blah blah.



# Robots as a Service ...

Think SaaS - Software as a Service.

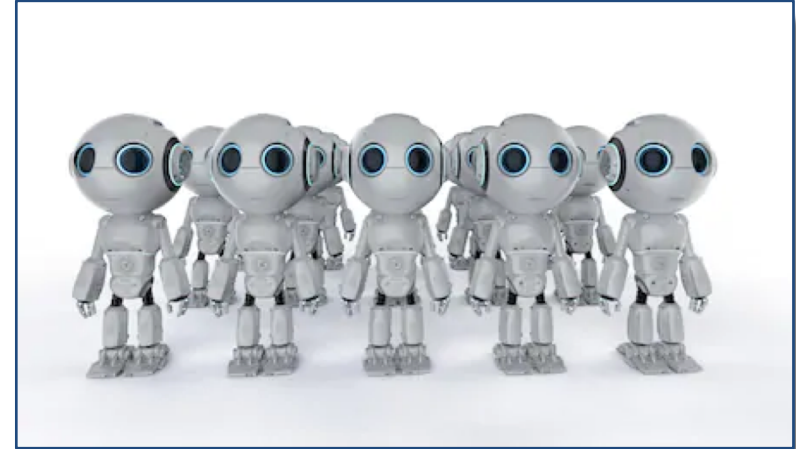
You use these products everyday:

Dropbox, Shutterfly, LinkedIn, PayPal,  
eBay, Evernote, TurboTax, Docusign,  
MyFitnessPal, Adobe Creative Suite



# Easier than you think....

1. Walk a robot service provider through your process.
2. Provide raw data to service provider (help coordinate with I.T., sorry).
3. Service provider goes away and customizes robots.
4. They do a test run and you confirm.
5. Good to go!



# What's Next?

# Super simple.



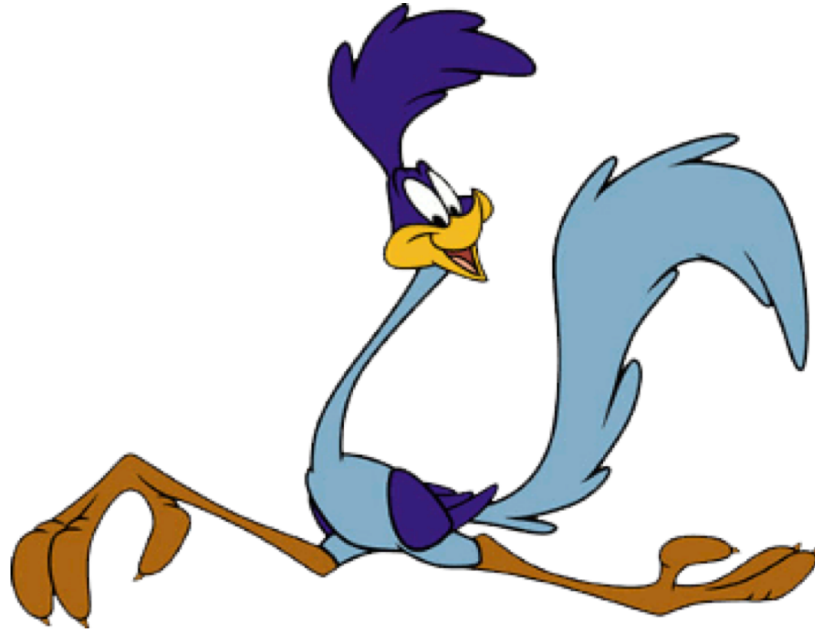
**You are constantly putting out fires;  
but you don't have to let issues and fragmentation  
dominate your strategic vision.**

# How long do you think it could take?

To implement full robotic processing automation of your returns process, bringing you 100% current ...

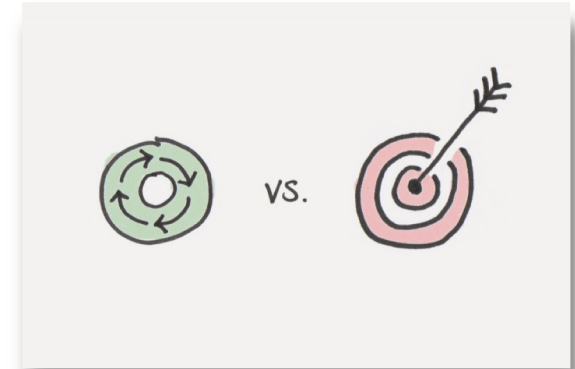


# A few months. Tops.



# Final advice on Robots & Returns

- Focus on your department and your issues; implement robotics to solve the specific returns problem.
- Don't try to solve your issues with a larger outsourced RPA effort driven by a technology team, that will take years to see results.
- Don't be fooled by all in one Accounts Receivable packages (e.g. SAP & Bolt-ons) that do everything, because they really don't.
- In returns processing, industry knowledge is key!





# Learn More!

## Case Studies

Robots to automatically handle A/R problems like deductions and chargebacks.

- Book Distributor Cuts Amazon Chargeback Processing Costs by 80%
- D&H Distributing Automates FedEx and UPS Chargeback & Deduction Processing





# Thank you! Questions?

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