Zebra Your Edge Podcast

Host:
- **Matt Van Bogart, Senior Business Development Manager, Zebra**

Guest:
- **Alex Whiting, Founder, MiTEQ**

Transcript for Industrial Automation Insider "Reverse Logistics Automation" Episode

00:00:00:00 - 00:00:50:08
Matt
Welcome back to the Industrial Automation Insider podcast series. My name is Matt Van Bogart, and I'm senior business development manager at Zebra. Today, I'm really excited to be talking with Alex Whiting, the founder of MiTEQ about the role of industrial automation technologies in some very specific reverse logistics applications. This podcast is being recorded at the beginning of 2024, and now that we're into what we call peak returns season, I'm sure that there are many of you recognizing areas where you could improve the reverse logistics process in your business, especially if products are being sent back to a warehouse for restocking redistribution, etc.

00:00:50:11 - 00:01:19:09
Matt
Then again, you may just be focused on recovering reusable packaging supplies, bins, totes, pallets, and other tools that are used in your processes that hit your bottom line. So now that we've had an opportunity to kind of set the stage for this conversation, I want to thank Alex for spending time with us today, sharing a little bit about his business, his background and various areas of expertise.

00:01:19:09 - 00:01:23:22
Matt
Alex, welcome to the Industrial Automation Insider podcast.

00:01:23:25 - 00:01:45:06
Alex
Pleasure to be here. Excited to have a chat with you around automation and reverse logistics in particular. It's an area we spend a lot of time on here at MiTEQ and with our customers. So yeah, happy to talk about that and hopefully share some insight.

00:01:45:08 - 00:02:18:04
Matt
Yeah. Fantastic. Yeah. It's interesting because, you know, the term peak season really wasn't a thing maybe even a decade ago. I think obviously the Amazons of the world online buying and e-commerce has driven the concept around peak and what that means for certain markets. And certainly the reverse logistics side of that is probably as complex, if not more complex than, the peak side.

00:02:18:05 - 00:02:51:21
Matt
So here we are in the beginning parts of 2024 talking about some of these use cases, etc.. So it feels like there's been a significant focus on improving fulfillment operations over the course of maybe like the last five or so years. Yeah, COVID has accelerated the demand on supply chains. However, you know, to your point, we're starting to see some more discussion around reverse logistics, etc..

00:02:51:24 - 00:03:11:11
Matt
What are you seeing in the market in terms of demand? Are you seeing more demand for your solutions? Is it somewhat stabilizing or are you seeing even more opportunities for companies to focus on their reverse logistics applications?

00:03:11:13 - 00:03:40:18
Alex
Yeah, I think first of all, I've been in the industry here for over 20 years now. And you're right, we saw peak as probably Christmas for most retailers, almost all logistics companies linked to those retailers. I would say now the retailers have got a broader product line, so they're selling different things. Therefore, it's peak for different reasons throughout the year, depending on the department.

00:03:40:20 - 00:04:07:20
Alex
I think I've also seen in our marketplace, you know, I worked in organizations where it was mobile computing and it was tablets and it was data capture scanning through barcodes. And we set MiTEQ up three or four years ago now to look at the next level of that or the next journey forward step. So RFID, automated data capture, those sorts of things.

00:04:07:20 - 00:04:42:22
Alex
And I think that one of the things that COVID did have an impact on was the need for end users, customers and our customers - the supply chain, the retailers - to speed up the roadmap to get more automated with how they're capturing data, or get technology in place that allowed them to, you know, automate some of the data they want to capture, whether it was a menu, a restaurant, or the way that you order in a store or the way you collect in a store, the way orders are fulfilled.

00:04:42:24 - 00:05:16:22
Alex
And so I think that the last two or three years for us, the timing's been good because we've seen customers say, "I need to move that extra step forward. I need to think about automation now, because actually my customers were probably asking for it pre-COVID, but now it's kind of a given." You know, we had this 15 years ago - we used to fill in tenders forum with logistics companies - and proof of delivery was something you were asked, "Could you do?"

00:05:16:24 - 00:05:36:14
Alex
And two to three years later it was a prerequisite because the retailers were asking for it, because the customer was asking for it. So I think we find that now...I think we find there are certain demands that a customer is putting on that supply chain. That means that we've got to have the technology to be able to deliver on that end customer.

00:05:37:29 - 00:05:38:28
Matt
Yeah.

00:05:39:00 - 00:05:40:16
Alex
Perspective.

00:05:40:19 - 00:06:00:04
Matt
Yeah, it's interesting that you talk about proof of delivery because as I'm sitting in my home office, the window to my left looks directly at my front door and every time a box is delivered by any number of carriers here in North America, I always look over and see them taking a picture of the box on my doorstep.

00:06:00:04 - 00:06:23:12
Matt
So that's great. So a couple of things that I want to kind of maybe dig into based upon what you just said, is - okay, so maybe this is a two part question - first part is: What is the role of the workforce having on your customers in terms of, you know, hard to hire, you know, not enough people to fulfill jobs?

00:06:23:12 - 00:06:46:23
Matt
And then as an add on, how is that driving the adoption of industrial automation technologies and what are the types of maybe use cases that you're seeing customers adopting based upon either their workflows or lack of labor?

00:06:46:25 - 00:07:30:14
Alex
Yeah, I think it's not only lack of labor, I think it's choice for people. So you've got to be at a scale in those peak periods. Scale up and scale back down. So having solutions that are easy to use or automated or just a little bit more automated than they were before. So, you know, I was 15 screens and now five or, you know, I'm using a robot to do the walking between the picking areas and I'm just picking all day or I'm using RFID to ensure I've got the right stock to fulfill those orders, if not moving those orders to another in-store or another location.

00:07:30:17 - 00:07:57:08
Alex
I think automation plays a part in creating the availability of stock or of items. And then I think we still use people to fulfill some of that, but they've got the technology to support them. So perhaps they're happier. It's a happier work life, it's a happier role that they're in. Probably improves retention. So, you know, hard to hire and hard to keep.

00:07:57:11 - 00:08:31:13
Alex
And I think technology plays a role in those areas where it is hard to hire because you can sometimes use technology to fill those gaps. But it certainly plays a role in customer retention. So employee retention and improved customer service. And so therefore, probably customer retention as well. And you know, as consumers we'll buy from everywhere. But once we get a couple of good experiences, we might stick with what we know, stick with what's easy.

00:08:31:16 - 00:08:56:12
Alex
So buy goods, return them, get your money back quickly, go somewhere else, buy them again. We want that ability to be able to shop around without having our money tied up. And our money is often tied up because the goods are still tied up waiting for a refund. So I think to answer your first question: What role does a workforce or how to hire workforce have on automation?

00:08:56:15 - 00:09:11:15
Alex
Yeah, for sure. It's sped things up. You know, people know that they've got to have technology in place to to cover those gaps or to allow them to grow quicker than they plan to. And how's the adoption going? I think the people you're hiring are getting used to it. We're in a generation

00:09:16:16 - 00:09:23:21
Alex
they're getting used to technology. So it's kind of like, why haven't you got it? The last place I was at didn't have it.

00:09:23:23 - 00:09:24:25
Matt
Sure. Yeah. Yeah.

00:09:24:29 - 00:09:46:00
Alex
You know, the last place I was shopping captured that data. So I think there's a bit of that as well. I think there were leaders and laggards, but there's less laggards, and everyone's in this middle ground where they're adopting the bits. Now, here at MiTEQ, we talk a bit about looking at the whole problem - end to end and spotting where the quick wins are.

00:09:46:00 - 00:10:06:15
Alex
So how can you adopt technology with the least amount of hassle, maybe the lowest amount of spam, but the maximum amount of return? Where were those quick wins? But equally, what does the journey look like? You know, we want to take you on a three or four year journey. We see that with a lot of the technology that Zebra provides.

00:10:06:18 - 00:10:39:17
Alex
You know, you start with a barcode and you get into RFID, then you finish with machine vision. I think those three, if you line them up on a on a production line, on a supply chain, you'd use them all on that journey for returns or for picking and shipping or whatever. Yeah. So I think, you know, customers, our customers are able to look at all of those technologies and pick what they want to make quick improvements rather than big bang.

00:10:39:20 - 00:10:43:20
Alex
"How do I improve something? It will teame me two years to do it."

00:10:43:20 - 00:11:06:14
Matt
Okay. Yeah. Good, good. So you mentioned machine vision here a couple of minutes ago, and are you seeing interest in machine vision for quality inspection or for certain aspects of returns or are you still seeing a heavy reliance on people to manage that process?

00:11:06:16 - 00:11:37:16
Alex
I think a mix of both, depending on who, depending on what the product is. I think machine vision and RFID technologies are really handy to help people know - customers know - that the goods are back in the building so they could be resold, so they could be restocked, so they could be reused. And I think the inspection per machine vision, it's hugely, hugely impactful on that.

00:11:37:18 - 00:12:04:14
Alex
But the adoption of that, you know, that's next in the step, I feel like that's coming, that there are some people doing it. And, you know, I would say that manufacturing is going to be one of those areas where you get a big win out of doing it. But in retail or logistics, perhaps that vision inspection is still there and returns and maybe because of volume of returns, maybe because of the simplicity of what's being returned.

00:12:04:14 - 00:12:30:19
Alex
So I think fixed scanning RFID is really, really important to speed up that returns process to start with. Machine vision...I think that's coming. You know, we would see more machine vision happening maybe in the front end, the retail end, where you're looking at verification or you're looking at, you know, speeding up what happened, self-checkout and things like that.

00:12:30:19 - 00:12:33:11
Alex
But it's certainly coming in to automation. Yeah.

00:12:33:13 - 00:13:05:27
Matt
Sure, sure. So what are the biggest pain points you're solving for your customers in the reverse logistics area now? Are you are you seeing them having to re-engineer processes to accommodate technology, or is the technology facilitating new and more efficient ways your customers are handling various aspects of their returns?

00:13:06:00 - 00:13:35:24
Alex
Yeah, I think I think both. I think the biggest thing that we spend our time on is asset visibility. So, you know, what have I got? What's gone out, what's coming back? What can I use, what can I use, what's the state of it? So I think the technology does solve those issues, but you do need to re-engineer some of your processes to make sure that they are being used.

00:13:35:24 - 00:14:07:22
Alex
Well, you know, it's not tech for tech sake. It's tech because it makes sense. So, yeah, I think people are looking at their processes or looking at their profitability and thinking, "Where can I use technology quickly?" Or what's the most efficient way to solve the majority of the problem? And returns, for me, is definitely one of those. You know, the ability to see what's available and not overorder or overstock is huge.

00:14:07:24 - 00:14:34:08
Alex
You know, it helps drive that sustainability within a business. It helps drive that kind of reusing and recycling in a business. You know, I think it's a massive part of what a business wants to achieve. So Zebra is certainly driving technology trends that allow people to be more sustainable. And I think about those areas of the business.

00:14:34:11 - 00:15:02:00
Matt
Sure, sure. So let's talk a little bit, possibly change direction slightly and talk a little bit about, you know, various technologies and return on investment. Do you have any recommendations on what customers should be looking at in terms of, you know, first steps down their journey of adopting either RFID or scanning? You know, a couple of things that you mentioned here recently.

00:15:02:02 - 00:15:20:21
Matt
Are there specific things that you can point to that are absolutely low hanging fruit when it comes to adopting new technology, improving processes, providing better customer satisfaction that leads to a faster or greater return on investment?

00:15:20:23 - 00:16:01:14
Alex
Yeah, we talk to a lot of customers about loss. You know, I've lost something, can't find something, can't view it. And I think that's the biggest one of the biggest pain points for anybody of any size, really. You know, even we have it as a small business, "What have I got? And where is it?" And, you know, over the last 10 years, I've heard some stories of retailers on their websites saying that, you know, setting the bar so high to the amount of stuff they've got before they say "out of stock" - making sure they've got enough items in their supply chain because they don't want to miss out

00:16:01:15 - 00:16:29:06
Alex
on that sale. So the ability to be able to see what you've got, use it wisely is huge. So this is a big return on investment there because you're potentially buying less. I think staff retention and satisfaction is important. It costs a lot of money to hire the right people and keep the right people. So I think

00:16:29:08 - 00:16:57:06
Alex
that's an area where technology is used in the right way. That the advice that has been given from the users on it can really, really drive more attention at the end of that service. And, yeah, I think maybe in the end, you know, we talk a lot about reordering - customers reordering. Are they coming back or are they shopping around?

00:16:57:06 - 00:17:00:27
Alex
If you get an average experience, you probably shop around because it's about price.

00:17:01:02 - 00:17:01:24
Matt
Yes.

00:17:01:27 - 00:17:14:18
Alex
If you get a good experience, you're probably happy to pay a dollar more - or more - for something because it was easy and it worked.

00:17:14:20 - 00:17:46:29
Matt
Yeah, that's a really good point. You know, I think maybe 10 or 15 years ago, the perspective of the consumer or maybe even the retailers themselves would be that online buying - e-commerce - would be the great leveler of the customer experience. And I think what I recognize is that I become loyal to particular brands that I purchase from online primarily because of their service, because of the flexibility that they have, their delivery times, etc..

00:17:46:29 - 00:18:12:26
Matt
And so, you know, I've found different ways to separate my online retail experience than my walk-in store or retail experience. I may have been loyal to a brand, you know, 15 years ago because of the experience that I got inside the store. And I think the perception four years ago was like, well, that all goes away and consumers only want to buy from the cheapest website that they can find something from.

00:18:12:28 - 00:18:16:04
Matt
And the reality is that that's not true, I think.

00:18:16:04 - 00:18:17:25
Alex
No, no it's not.

00:18:17:26 - 00:18:46:19
Matt
Users will pay for convenience and they'll pay for items in stock, even if they could find a cheaper price someplace else that may have a week delayed delivery time. And so I think retailers and brands need to have this perception that the shift in consumer thinking has has definitely changed. And there are things that retailers can do for online purchases and buyers to create that type of loyalty.

00:18:46:19 - 00:19:08:14
Matt
And I think you know, Alex, this this goes into our entire conversation on this particular topic: reverse logistics. The better, easier, faster, frictionless way of providing that experience to a customer actually helps create some of that loyalty.

00:19:08:17 - 00:19:29:11
Alex
I think so. Yeah, I was going to say that I think that, you know, we go out less and try clothes on as an example in store, but then you find a pair of jeans that fit. Now you probably go to buy three pairs because you're between sizes - for me anyway. Depending on the season, you know, I'm three ways.

00:19:29:13 - 00:19:58:17
Alex
So I think, you know, you don't want to buy one. You got to buy two sizes. So you check the returns process, you check if it's easy, you don't want your money tied up. So there are other solutions that are out there so that they don't tie your money up or its return. So, you know, you're always looking for a retailer that lets you order five things, lets you return three things, gets to you next day, gets you money back the same day.

00:19:58:19 - 00:20:20:05
Alex
You know, all of that is is huge. And yeah, I think you then you then find because of the amount of places to buy it's less about price. Everybody's selling it at the same price right. If there's a sale over here, within an hour everyone's got it on sale or this price match or whatever, you know. They buyer's.

00:20:20:05 - 00:20:23:20
Alex
become smart to that. It's about service.

00:20:23:23 - 00:20:49:04
Matt
Yeah. Yeah. And just to add to this is I purchased something for myself - a piece of outerwear for the winter time - and I purchased it from a premium direct-to-consumer brand. And one of the things that I recognized - noticed - when I got the package in the mail and was looking at the invoice for the packing slip, is that they did two things that I thought was very interesting.

00:20:49:07 - 00:21:22:05
Matt
One is if your return is for a size variance, there was no cost for the return process and another thing that they did, which I thought was interesting, is that they took their regular return period from 30 days, extended it to 90 days because the product that was purchased in the month of December. And so there are small things retailers and brands can do to build that loyalty to also make the process easier for their customers.

00:21:22:05 - 00:22:01:15
Matt
Because I'm guessing and assuming the reason why this brand pushed out the return period from 30 to 90 days was to provide a value to the customer, but also not impact their reverse logistics. By contracting the amount of time that the customers have to return products of 30 days, which means their month of January, they may be inundated with returns and exchanges. By allowing a little bit more flexibility, probably helps them deal with the inbound that comes back during return.

00:22:01:15 - 00:22:13:08
Matt
So there are small things that, you know, the brands can do on top of the technology investment that can lead to that better experience not only for their customers, but also for their employees and for their business.

00:22:13:11 - 00:22:23:13
Alex
Yeah, and maybe you keep it now in thinking you fit into it in 90 days, you know, And actually you just go out and run more and make sure that I don't have to send it back.

00:22:23:15 - 00:22:23:29
Matt
That's right.

00:22:23:29 - 00:22:42:15
Alex
Those guys would say you have three sides of everything. Yeah, I completely agree. I think technology helps improve that reverse logistic process at the end, which means you get a better experience and you don't go shop elsewhere. Although I do see a lot of retailers

00:22:42:18 - 00:22:43:23
Matt
now

00:22:43:25 - 00:23:08:03
Alex
using 3PLs to do that. You know, certainly in the U.K., more 3PLs are having to provide the services. It's a bit like 15 years ago: "Do you do proof of delivery?" "Yeah, I do." Okay. Five years ago: "Do you do reverse logistics?" "I do now." It's the same day reversal. It's just how are you giving the money back to our customers?

00:23:08:03 - 00:23:15:21
Alex
How do we get visibility quicker so you can if you're speeding up and improving the customer experience?

00:23:15:23 - 00:23:29:08
Matt
Fantastic. Any any closing thoughts for you, Alex, on kind of the future of what this technology holds and what you know, what the next three years might look like.

00:23:29:11 - 00:23:57:18
Alex
Yet we encourage our customers to have a vision for three years, but not get paralysis, decision paralysis, by trying to do the big things first. Beak it down into bite sized chunks, Look at some areas where you could implement technology. But have you thought about how it could help the business later on? As an example, Zebra would do a product that is RFID ready and not RFID ready.

00:23:57:18 - 00:24:17:10
Alex
We encourage our customers to take the RFID ready computer so that they can look later on down the line of the product. So how do you think about what you're doing? Make sure your decisions today have got tomorrow or the day after tomorrow involved in them, and then try and do it all at once.

00:24:17:13 - 00:24:45:14
Matt
Excellent. Well, let's let's bring this thing to a close, Alex Whiting from MiTEQ. Again, thank you very much for for joining me today. For those of you that are listening to this podcast, Alex will will be back in a few weeks to talk a little bit more about RFID technology and how it can be used throughout a product lifecycle to maintain accountability and even support a circular economy model.

00:24:45:14 - 00:25:09:14
Matt
So look forward to that conversation here in the next few weeks. Alex, thank you again for joining the Industrial Automation Insider Podcast. There are more episodes coming this year if you are interested in getting on this podcast. And this is actually how Alex got on this podcast is reach out to me on social media. I'm on LinkedIn at Matt Van Bogart.

00:25:09:14 - 00:25:28:22
Matt
You'll be able to find me. If you have some interesting topics that you want to bring to this conversation and to share with the world, please feel free to reach out and contact me. So Matt Van Bogart signing off from Zebra. Thank you very much.