

Habitat for Humanity ReStores reverse logistics solution

By Darryl Anderson, Managing Director Wave Point Consulting

Logistics key performance indicators (KPIs) are focused on getting the right goods to the right customers at the right time and to the right place. However, a complete supply chain perspective should always consider how reverse logistics can have a positive impact on maximizing efficiency. That's where Habitat for Humanity Canada and its ReStores can be a valuable part of your reverse logistics toolbox. Habitat Canada provides logistics support, helps divert product away from landfills, and is a fast and easy way to deal with unwanted inventory while also giving back to the community.

But first — what is 'reverse logistics' and why should your business consider a reverse logistics strategy? The APICS Dictionary generally describes 'reverse supply chain' as the planning and controlling part of the process where one is moving goods from the point of consumption back to a point for repair, recollection, recycling or disposal.

The Reverse Logistics Association takes a wider definition to the term, defining it as all activity associated with a product/service after the point of sale with the ultimate goal to optimize or make more efficient aftermarket activity, thus saving money and environmental resources.

A reverse logistics strategy means that one is better able to respond to everything from customer returns from retailers to returns from distributors for products that failed to sell, goods that may be delayed or damaged in transit, as well as goods that no longer meet the company's service quality standards.

And with the increase of online shopping, some retailers are feeling the impact in the shift of consumer demand and are recognizing the need to provide omnichannel service to improve the customer experience. As many in ecommerce have already found, it is not always cost-effective to return goods to their point of origin. This challenge is particularly acute in industries with long international supply chains or where the value of the finished product is sensitive to transport costs.

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It can also be expensive to deal with the logistics of returned products. Canadians return almost \$46 billion worth of goods every year — meaning that between six and nine per cent of all goods sold are sent back. The adoption of reverse logistics solutions allows companies to leverage their inventory to repair, recondition, reuse or recycle products or their components to enhance shareholder value or meet critical KPIs for supply chain sustainability. This is where donating those goods as part of a reverse logistics strategy can help.



The Habitat for Humanity ReStore solution

Habitat Canada is a non-profit organization that has local and national partnerships with some of Canada's largest manufacturers, distributors and retailers, and has been providing a reverse logistics solution to unwanted product since 1991 through Habitat ReStores. Originally conceived as a green initiative that would help local Habitats repurpose and reuse building material, today Habitat ReStores are non-profit home improvement stores that sell new and gently used furniture, appliances, home accessories and building materials to the public. The money raised from the sale of items at Habitat ReStores helps local Habitats build more decent and affordable homes for families in need of housing.

With over 100 stores across Canada, the Habitat ReStore network offers an efficient and affordable reverse logistics solution for shippers (either importers or exporters) and the logistics industry. It

also provides a valuable opportunity for companies to address inventory issues associated with discontinued, obsolete, overstocked or slightly damaged freight.

"Our Western Distribution Centre warehouse and its professional staff can help companies meet their corporate sustainability objectives," says Rob Voisin, Habitat Canada's Vice President of Federation Capacity and Performance. "And because our warehouse is in the Lower Mainland, we are well-positioned to help the cargo logistics community better serve the reverse logistics needs of importers and exporters who are utilizing the Port of Vancouver."

Habitat Canada's warehouse facility is located in Burnaby, B.C., and stocks donated product to be distributed to local Habitat ReStores throughout Western Canada. Habitat ReStores accept and sell many different types of products, allowing Habitat Canada to offer reverse logistics solutions from the following categories:

- Appliances
- Building Materials
- Cleaning Products
- Flooring
- Furniture
- Hardware
- Household Goods/ Household Décor
- Plumbing/ Electrical/ Lighting
- Tools

Donating to Habitat ReStore has been a successful part of Valley Acrylics' reverse logistics strategy. A B.C.-based Canadian manufacturer of bathtubs, showers, modular bathing systems and fixtures, Valley Acrylics has been a long-time partner of Habitat Canada, donating product for both home builds and to be sold in Habitat ReStores across the country.

"The biggest benefit to partnering with Habitat for Humanity Canada is that we gain valuable warehouse space from donating the dead stock, and that allows us more opportunity to create new and

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innovative products for the housing market,” says Ravi Beech, Business Development at Valley Acrylics. “And although we recycle all of our scrap waste, donating to a Habitat ReStore means we’re not dumping overstock into a landfill.”

Another benefit of donating to Habitat ReStore is that companies are eligible to receive a charitable receipt for their in-kind donation, and Habitat Canada also provides a pick-up service at no cost for product donations.

“Companies come to us because they have a problem and we have an easy, cost-effective solution for them,” says Stephanie Ashton-Smith, Manager of Product Procurement at Habitat Canada. “It’s a win-win situation when companies work with us as part of their reverse logistics strategy.”

Habitat Canada welcomes enquiries from terminal operators, 3PLS and cargo owners who are interested in learning more about how they can help their clients with the increasing demand placed on supply chains brought about by reverse logistics practices. Find out more about Habitat Canada online at www.habitat.ca.

Darryl Anderson is a strategy, trade development, logistics and transportation consultant. His blog Shipping matters focuses exclusively on maritime transportation and policy issues. <http://wave-pointconsulting.ca/shipping-matters>.



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