Application: 6360

Improving Returns Experience for Failed Deliveries

Page: General Information

Provide information about the company to be considered for the award. If you will be nominating an individual, specify the nominee's employer.

Name of Organization/Company

Sam's Club

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Additional Contacts

I do not wish to list additional contacts

Page: Entry Information

Entry Title

Improving Returns Experience for Failed Deliveries

Category

Q08c. Technology Team of the Year - Information Technology - Data Management

Technology Team Submission Format

Written Answers

a. Briefly describe the nominated technology team: its history and past performance (up to 200 words). Required

Sam's Club: Pioneering Wholesale Retail through Data Science and AI

Sam's Club is committed to becoming the "World's Best Wholesale Retailer." This ambition is powered by a "people-led, tech-powered" philosophy, where technology serves to enhance both the employee and, critically, the member experience. This involves leveraging innovative solutions to streamline operations, improve communication, and create more convenient shopping journeys.

The Data Science team at Sam's Club plays a pivotal role in this strategy, focusing on two key areas:

Member-Centric Insights: The team generates deep member insights to inform decision-making, ultimately enabling members to discover and access greater value on products they desire. Our primary goal is to maximize the value members derive from their membership and cultivate lasting loyalty.

Logistics and Fulfillment Optimization: Aligning closely with business verticals, the Data Science team has been instrumental in the Fulfillment Domain. Sam's Club pioneered delivery services among wholesale retailers, an initiative that introduced significant logistical complexities.

The Data Science team collaborated closely with business operations to address and resolve these challenges, leveraging data and AI to enhance efficiency in logistics and supply chain operations, including the crucial last-mile delivery.

b. Outline the technology team's achievements since the beginning of 2023 that you wish to bring to the judges' attention (up to 250 words). Required

Problem Statement:

Deliveries from our clubs (or last-mile deliveries to members' homes), fulfilled by third-party drivers, are occasionally incomplete due to various issues such as unlocatable addresses, inaccessible drop-off locations, or cold chain compliance failures. In these scenarios, we've identified a critical gap where our Returns system frequently fails to automatically compensate members for these incomplete deliveries.

Short-Term: Expediting Member Compensation

To address the immediate impact on affected members, I implemented a manual process to identify and compensate those eligible for a full refund on their cancelled orders. This involved:

Identifying Eligible Returns: Proactively identifying returns that had not been automatically refunded.
Data Cross-Referencing: Meticulously reviewing a combination of member and order data against the Returns system. This process specifically excluded legitimate cancellations, exchanges, contact center resolutions, fraudulent transactions, and chargebacks to ensure accurate compensation.

Treasury Collaboration: Collaborating directly with the Treasury department to process and disburse compensation to eligible members.

Long-Term: Proactive Returns Management with Predictive Analytics

For a sustainable and scalable solution, I developed a Returns Prediction Model. This model :

Predicted Return Rates: Forecast return rates at the club and department levels on a weekly basis.

Enhanced Inventory Management: Provide insights for more efficient inventory management.

Improved Member Experience: Proactively address potential issues, such as seasonal peaks in returns.

Supported engineering in designing the system to only charge members post-delivery.

By implementing all the above, a 55% improvement in returns issues was measured within 3 months.

c. Explain why the achievements you have highlighted are unique or significant. If possible compare the achievements to the performance of other players in your industry and/or to the team's past performance (up to 250 words). Required

Impact & Strategic Initiatives for Delivery Returns Optimization

The Sam's delivery sales channel is projected for significant growth, an estimated 40% by 2025. However, its full potential is currently hampered by operational restrictions related to weight, dimensions, and dollar limits on orders. The refund process for incomplete deliveries represented the largest financial impact within these operational challenges.

By fixing this process - over 3.9 Million USD was saved, and improved member service was provided to around 45,000 members.

Stakeholder Impact & Current Practices:

• Member Experience & Financial Resolution: Our Treasury and Call Center teams are actively involved in processing refunds to ensure members are fully compensated for failed deliveries.

• Operational Training: Operations leverages 'Returns by Club and Channel-type' data to identify trends and inform training initiatives for improved delivery success.

• Asset Protection: Asset Protection utilizes 'Problem Returns' data for strategic planning and mitigating loss.

As a result of the Returns program, several key initiatives have been developed:

• "Delayed Dispense" System: This system was specifically developed to mitigate the impact of incomplete deliveries and associated returns by enabling members charges only upon delivery.

• "Scan-to-Return" Feature: This feature directly supports Asset Protection's need for comprehensive accountability of all returned items, improving inventory accuracy and loss prevention.

• Driver Geo-location Integration: Driver support to provide real-time visibility and address delivery issues more efficiently.

• Cold Chain Compliance Enhancements: Operations modify order distribution processes, to resolve cold chain breaches to ensure product integrity and reduce spoilage-related returns.

d. Reference any attachments of supporting materials throughout this nomination and how they provide evidence of the claims you have made in this nomination (up to 250 words). Optional

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Would you like to add an additional supporting document?

No

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