

STARTING POINT

By MICHAEL GARRY

For Stephen Sibert, senior vice president, industry affairs for Washington-based GMA, just having the industry recommendations in place is a good starting point. “Even if there are complaints that it is not being used, the reality is that it gives us something to discuss,” he said. Some companies, he added, “are trying to figure out how to use it.”

Sibert observed that in the past manufacturers would assign just a few people to handle unsaleables. These days, however, CPG manufacturers are starting to look at this area in a more “holistic way,” he said. “They are getting package designers and logistics involved,” he said. “It’s important that this is managed across multiple disciplines.”

Chris Mead, manager of reverse logistics for Food Lion, Salisbury, N.C., is on the Joint Industry Unsaleables Steering Committee’s Unsaleables Leadership Task Force, which created the Joint Industry Recommendations. “Some manufacturers and retailers are using the guidelines to lead change within their companies, while others have clearly made no steps to follow the suggested guidelines,”

said Mead. “This issue is causing the relationships between the retailers and manufacturers to become increasingly strained.”

Over the long term, Mead expects retailers to “grow sales and profitability at a higher rate” with manufacturers that are following the industry guidelines.

In response to retailers’ concerns about lack of manufacturer adherence to the Joint Industry Recommendations, Inmar CLS, Winston-Salem, N.C., has established a Gold Seal Certification program. Manufacturers that follow the guidelines receive the certification. “Retailers can then know that those steps have taken place,” said Sharon Joyner-Payne, vice president of marketing for Inmar CLS.

Dan Raftery, president, Raftery Resource Network, Antioch, Ill., observed that “it takes time to go from current practices to what the new guidelines recommend. Even if a manufacturer budgets for changes to its unsaleables practices, the impact won’t be seen for another year. I think it’s pretty much a normal evolution.”



Inmar CLS Gold Seal Certification for Adjustable Rate Policies (ARP)

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- Confirms that audit methodology is statistically significant and calibrated
- Provides signed auditor’s statement and verification of report

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