TE Connectivity Return Goods Process

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Outline

- Introduction of TE Connectivity & Background of goods return process
- AS-IS process
- Issues in AS-IS process
- Improvements
- TO-BE process
- Q&A

Introduction of TE Connectivity

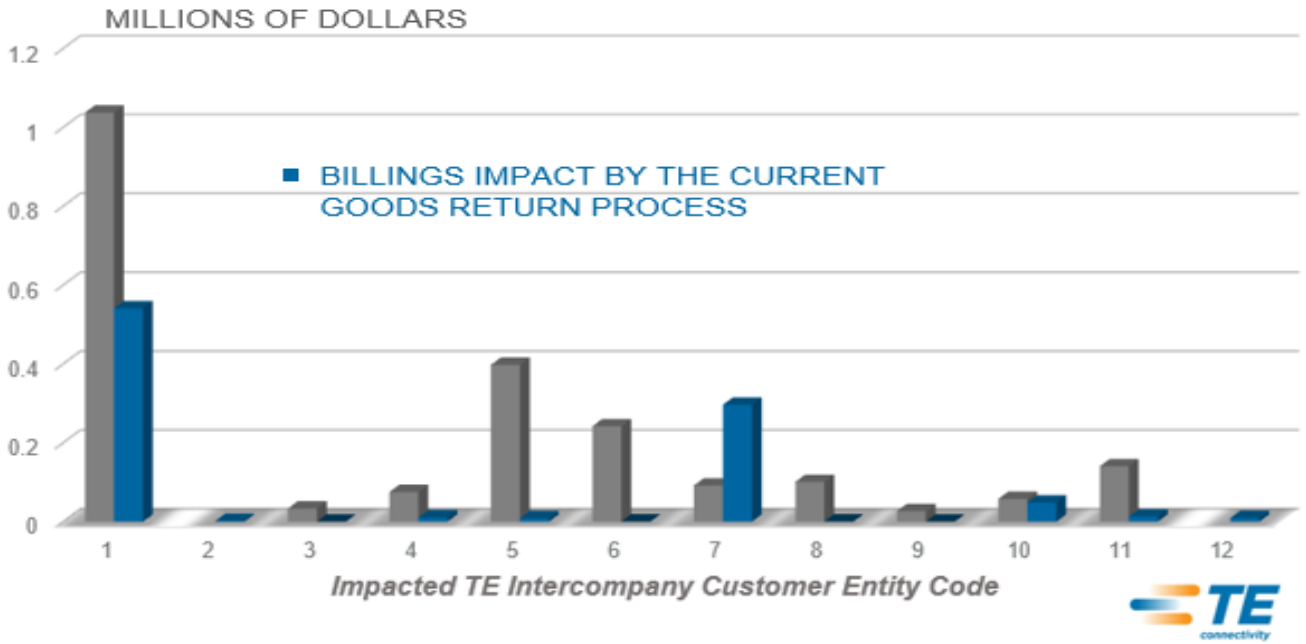
- $14 billion annual income
- Design and manufacture sensors and connectivity products in various industries
- Utilize ERP system to fulfill operation functions requirements

Background of Goods Return Process

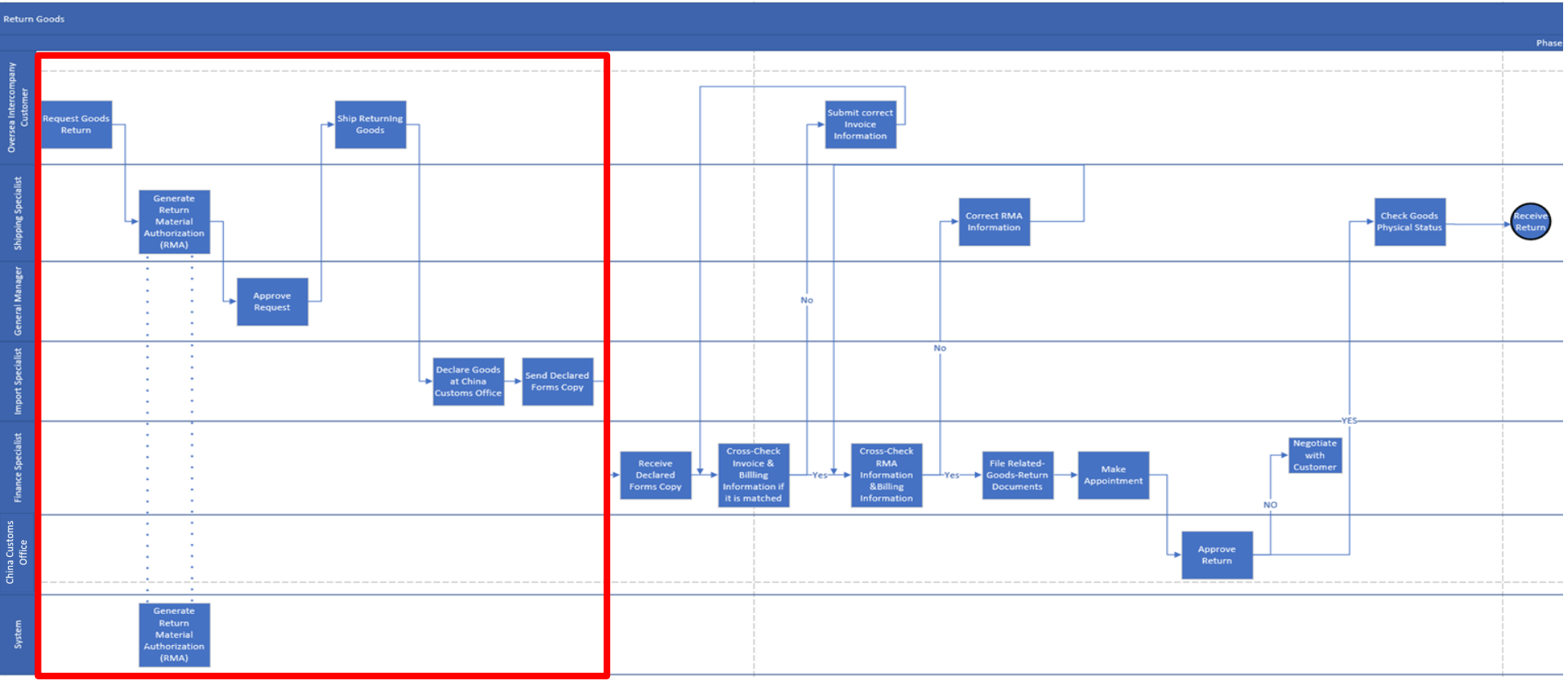
- Goods return process: originally designed to satisfy customer’s needs for returning poor quality goods
- Current dilemma: massive TE’s returning cases cannot pass the government’s review
- Major reason: filed documents are inconsistent with standards required by the government
- Negative impact: lose cash flows & degrade TE’s credit rating

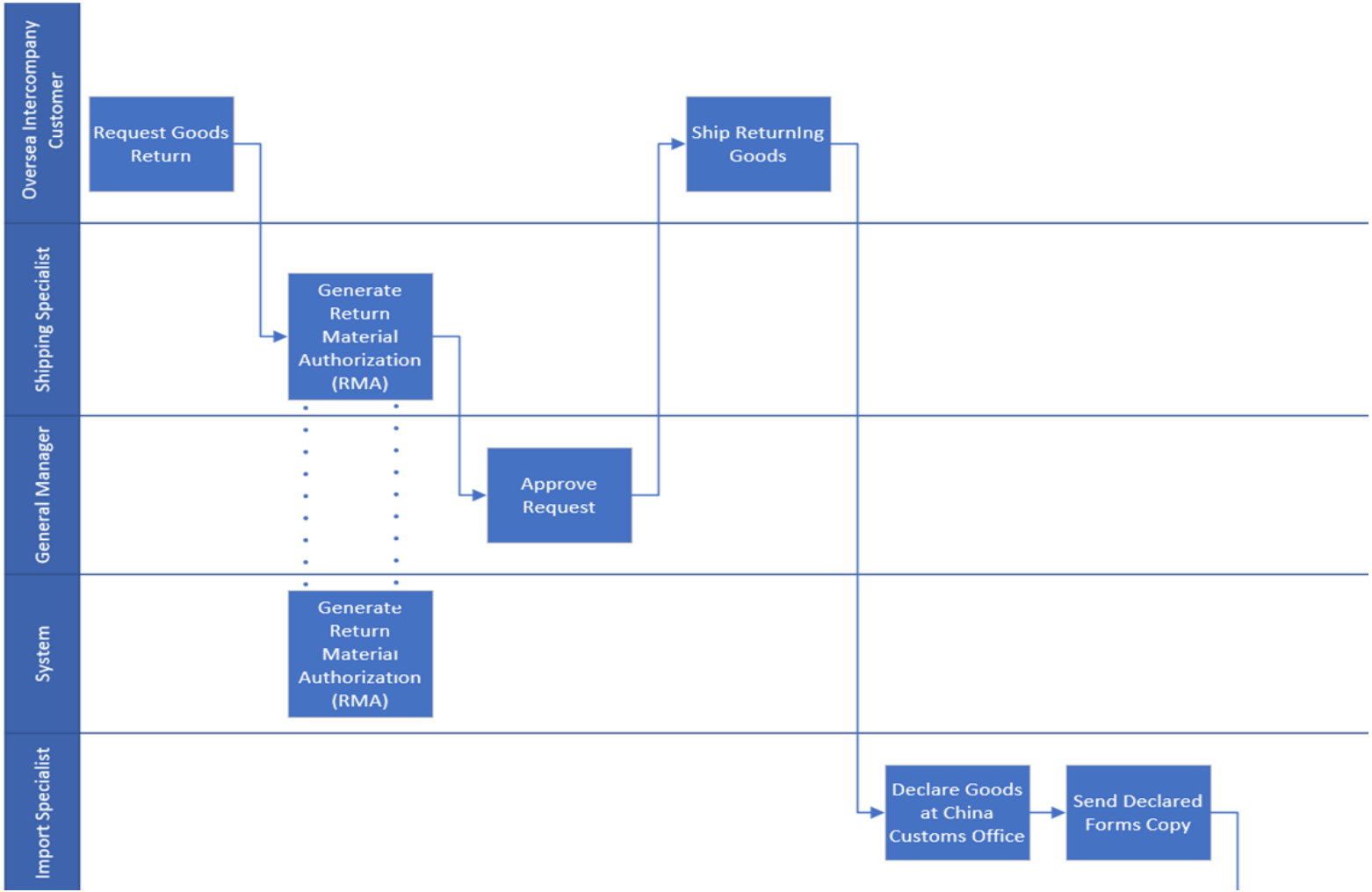
Interco-Customer Billing Report

The report compares normal billings-grey bar with impacted return goods billings-blue bar

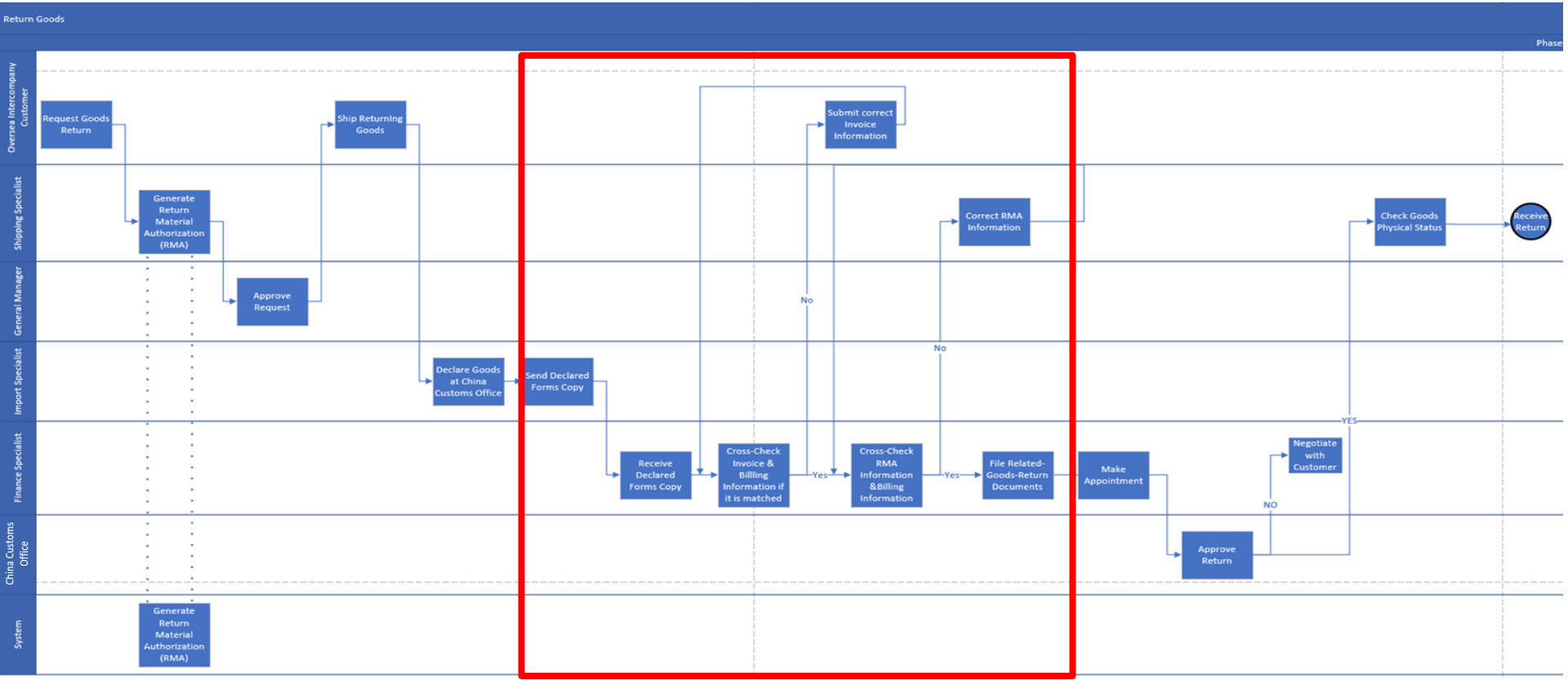


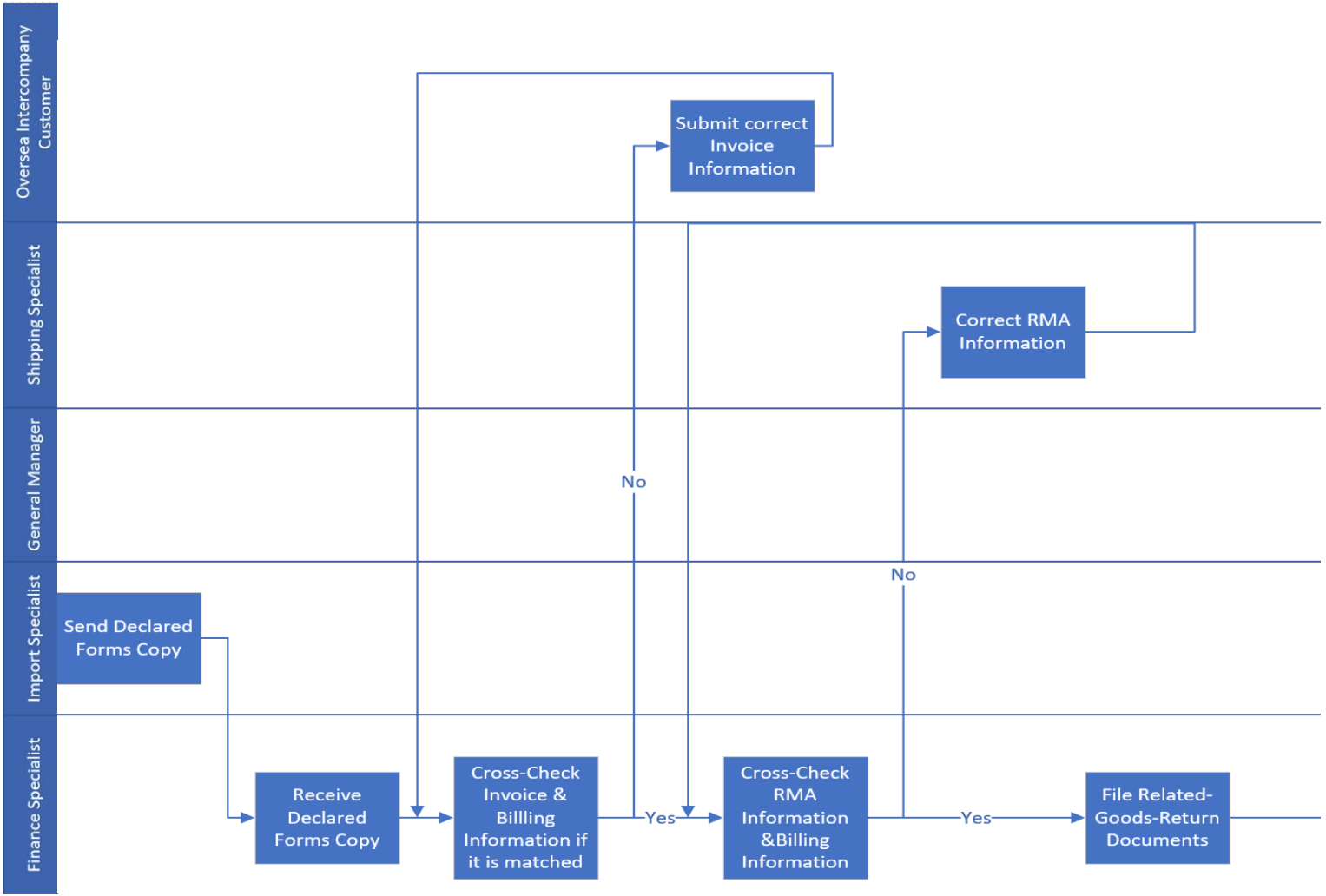
AS-IS Process



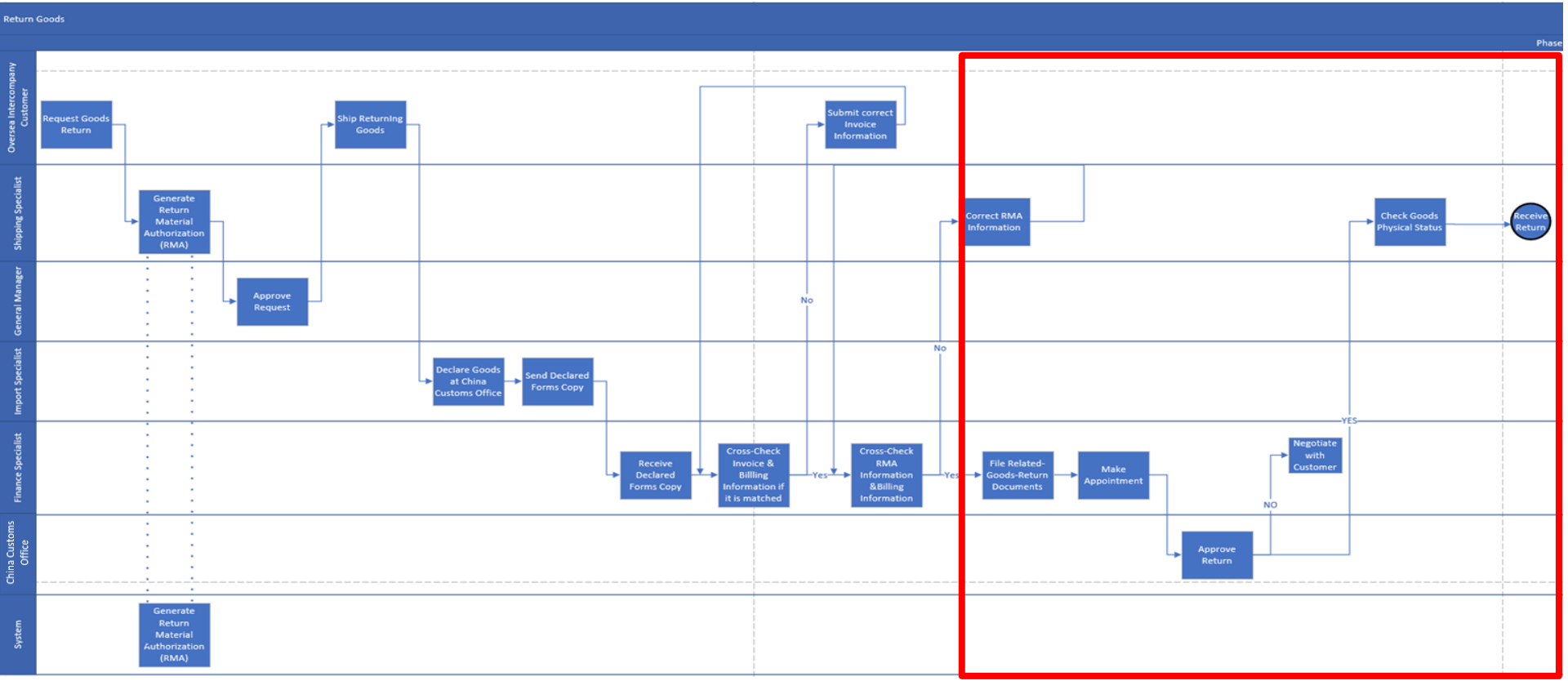

Oversea Intercompany Customer
Shipping Specialist
General Manager
System
Import Specialist
Request Goods Return
Generate Return Material Authorization (RMA)
Approve Request
Ship ReturnIng Goods
Generate Return Material Authorization (RMA)
Declare Goods at China Customs Office
Send Declared Forms Copy

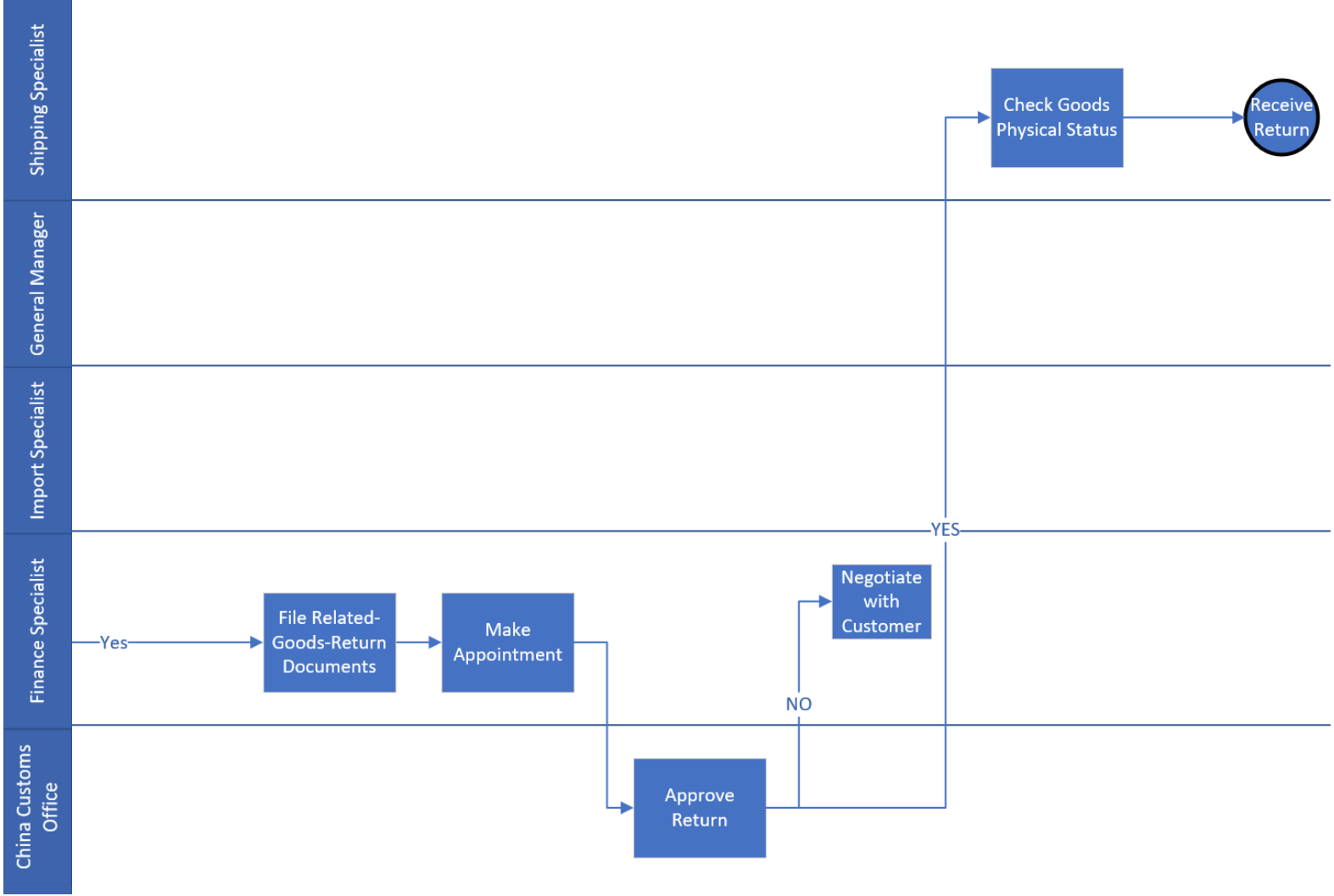
AS-IS Process



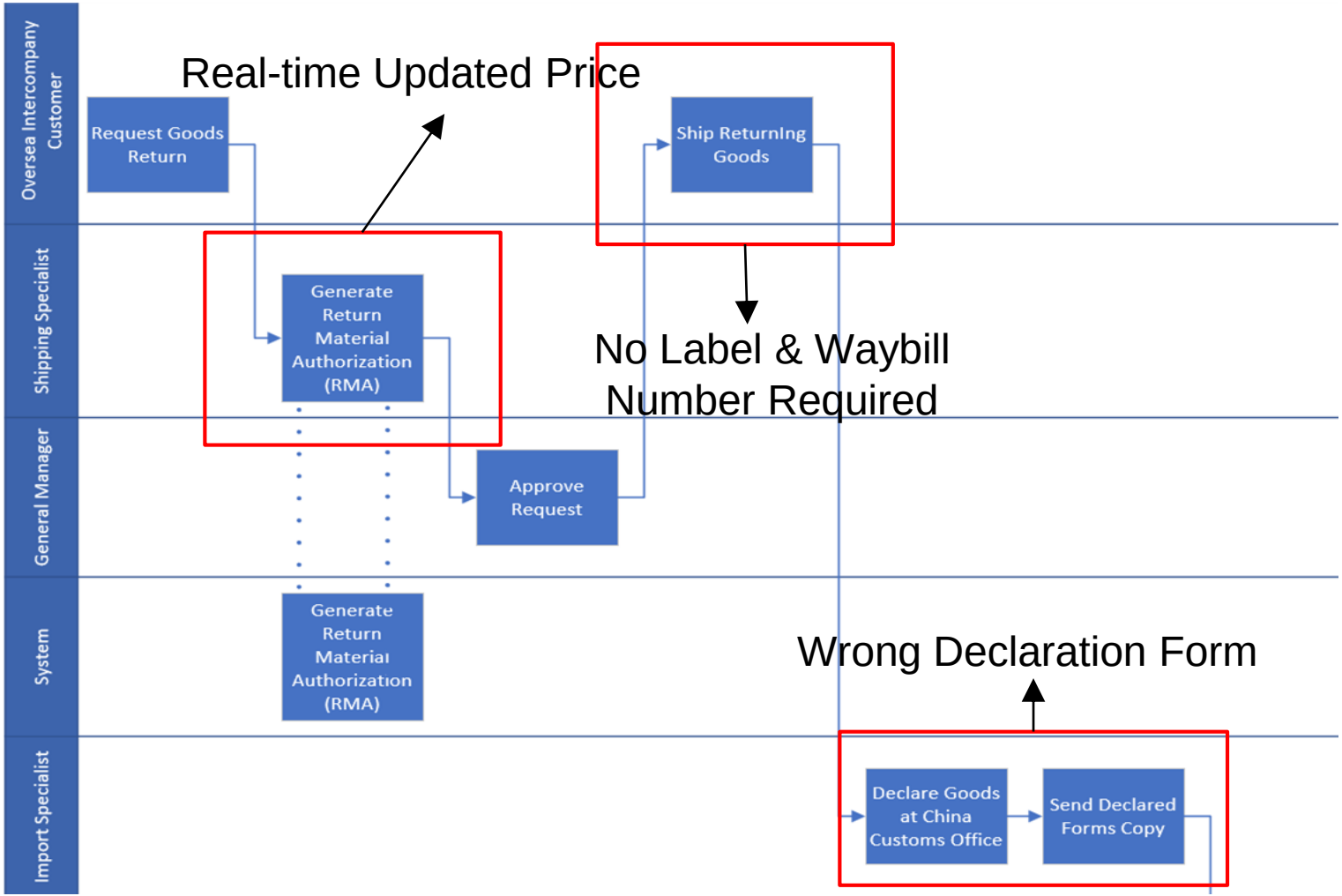

Oversea Intercompany Customer
Shipping Specialist
General Manager
Import Specialist
Finance Specialist
Submit correct Invoice Information
Correct RMA Information
No
No
Send Declared Forms Copy
Receive Declared Forms Copy
Cross-Check Invoice & Billling Information if it is matched
Yes
Cross-Check RMA Information &Billing Information
Yes
File Related-Goods-Return Documents

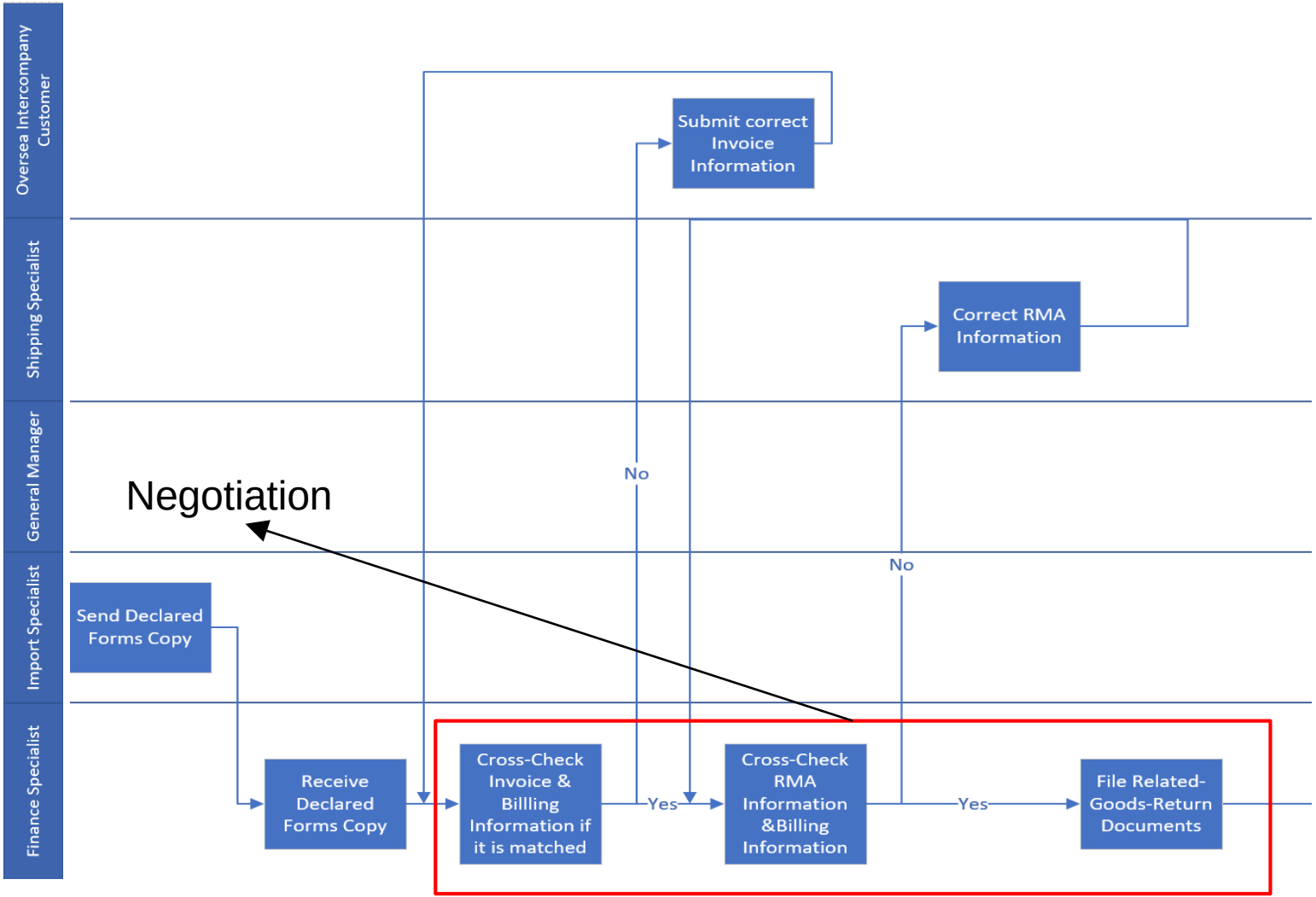
AS-IS Process




Shipping Specialist
General Manager
Import Specialist
Finance Specialist
China Customs Office
Check Goods Physical Status
Receive Return
YES
Yes
File Related-Goods-Return Documents
Make Appointment
Negotiate with Customer
NO
Approve Return

Issues in AS-IS Process


Oversea Intercompany Customer
Shipping Specialist
General Manager
System
Import Specialist
Real-time Updated Price
Request Goods Return
Ship Returning Goods
Generate Return Material Authorization (RMA)
No Label & Waybill Number Required
Approve Request
Generate Return Material Authorization (RMA)
Wrong Declaration Form
Declare Goods at China Customs Office
Send Declared Forms Copy


Oversea Intercompany Customer
Shipping Specialist
General Manager
Import Specialist
Finance Specialist
Submit correct Invoice Information
Correct RMA Information
Negotiation
No
No
Send Declared Forms Copy
Receive Declared Forms Copy
Cross-Check Invoice & Billling Information if it is matched
Yes
Cross-Check RMA Information &Billing Information
Yes
File Related-Goods-Return Documents

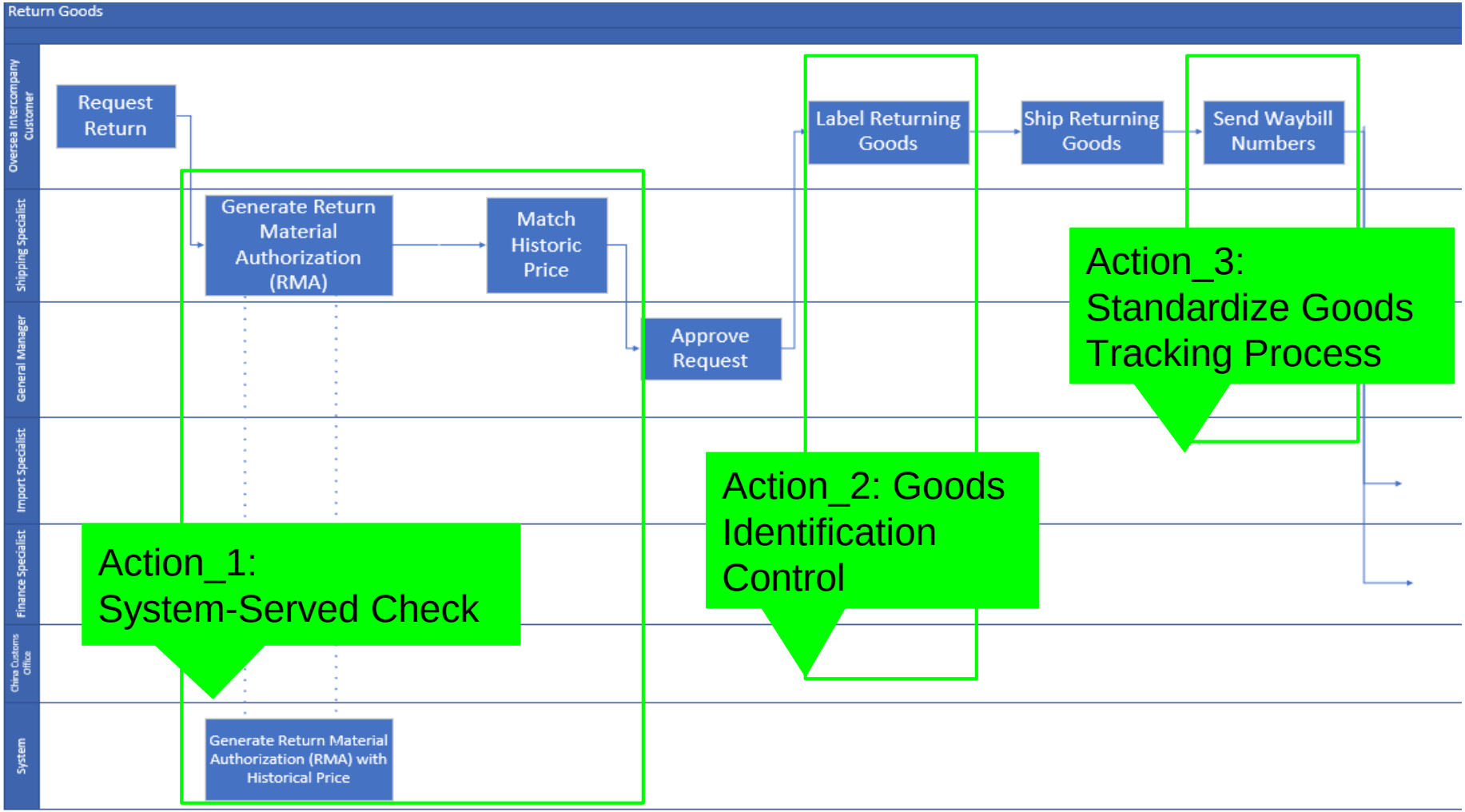
Improvements

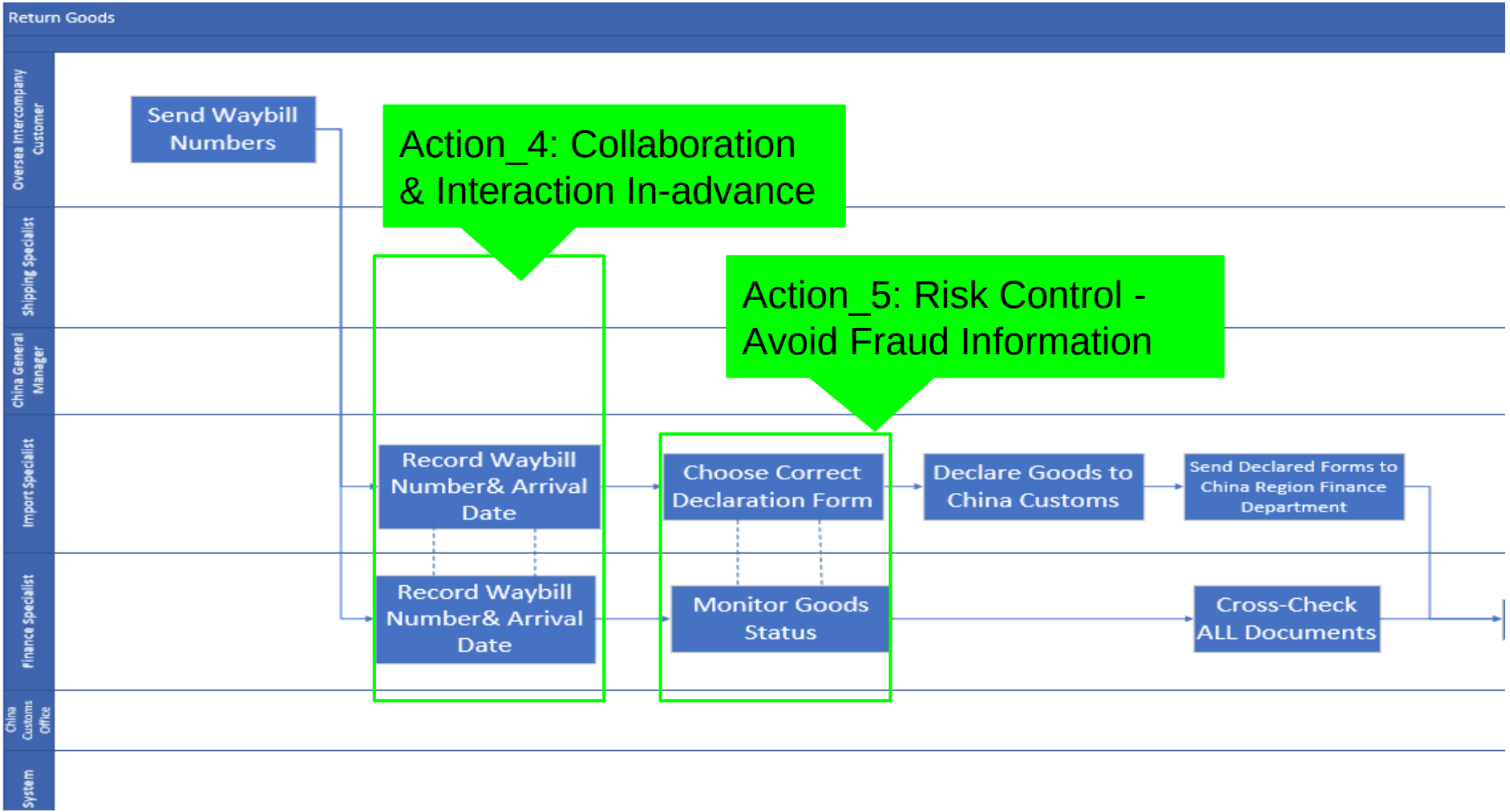
➤ Match the actual historical price

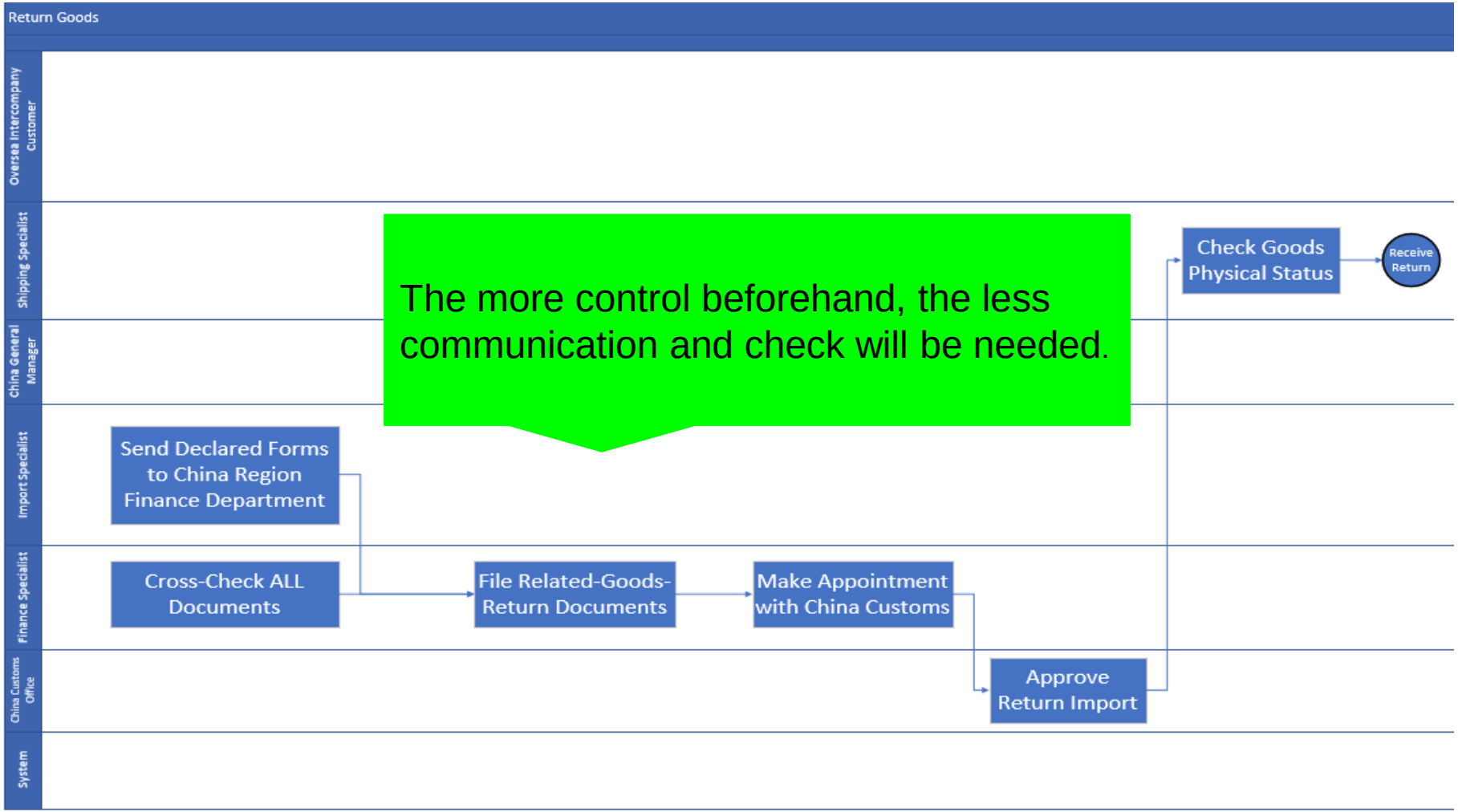
➤ Mark as returning goods outside of the cartons and provide tracking number to consignee

➤ Make sure the expert agent fills in the correct information in import declaration checklist

TO-BE Process


Return Goods
Oversea Intercompany Customer
Shipping Specialist
General Manager
Import Specialist
Finance Specialist
China Customs Office
System
Request Return
Generate Return Material Authorization (RMA)
Match Historic Price
Approve Request
Label Returning Goods
Ship Returning Goods
Send Waybill Numbers
Generate Return Material Authorization (RMA) with Historical Price
Action_1: System-Served Check
Action_2: Goods Identification Control
Action_3: Standardize Goods Tracking Process


Return Goods
Oversea Intercompany Customer
Shipping Specialist
China General Manager
Import Specialist
Finance Specialist
China Customs Office
System
Send Waybill Numbers
Action_4: Collaboration & Interaction In-advance
Action_5: Risk Control - Avoid Fraud Information
Record Waybill Number& Arrival Date
Record Waybill Number& Arrival Date
Choose Correct Declaration Form
Monitor Goods Status
Declare Goods to China Customs
Send Declared Forms to China Region Finance Department
Cross-Check ALL Documents


Return Goods
Oversea Intercompany Customer
Shipping Specialist
China General Manager
Import Specialist
Finance Specialist
China Customs Office
System
The more control beforehand, the less communication and check will be needed.
Send Declared Forms to China Region Finance Department
Cross-Check ALL Documents
File Related-Goods-Return Documents
Make Appointment with China Customs
Approve Return Import
Check Goods Physical Status
Receive Return

Q&A Session