Smarter Sorting Modernizes Major Retailer’s Product Data Management and Compliance Program
COMPANY PROFILE
Revenue: $150B+
U.S. Locations: 500+
Employees: 250,000

SOLUTION SUITE
Smarter Sorting Single-item Sorter
Smarter Sorting Classification Portal
Smarter Sorting Retail Reporting

CHALLENGE
Approximately 10 percent of all retail items sold by this major retailer go unsold. Back-of-store employees require clear, accurate direction to appropriately manage these orphan products in the most profitable, environmentally responsible way to avoid mounting waste disposal expenses, regulatory penalties, and organizational inefficiencies.

SOLUTION
As part of a pilot program, this company chose to deploy Smarter Sorting’s platform to upgrade and modernize its back-of-store operations with unsold items. The result: the pathway for unsellable items (return to manufacturer, donate, recycle, or handle as waste) was made consistent, environmentally sustainable, and cost-effective—every time—for back-of-store employees. State toxic waste streams were reduced by up to 30 percent in participating stores, item processing times were slashed by 77 percent, 100% visibility into affected waste streams was achieved, and nearly 80,000 products were diverted from disposal to donation in just a single month.
A COMPLETE COMPLIANCE PROGRAM UPGRADE

Effective retail supply chain product management depends on the existence of accurate product “classifications.” This data—generated each time a consumer product meets a government regulation or consumer preference—is considered fuel that makes operational platforms function.

In this customer story, we’ll share how Smarter Sorting’s beginning to end regulatory solution created a new product management reality for this partner. This includes a platform to create and communicate regulatory classifications, a decision engine that has created enormous operational improvements and cost savings in the back of the Retailer’s store locations, and a reporting and analytics tool that provides industry-best reporting and analytics.

LIMITED DATA LEADS TO INEFFICIENT DECISIONS

Before its partnership with Smarter Sorting, the retailer’s decisions on “next steps” for unsold or unsellable products—which currently account for 10% of the retailer’s total inventory—were informed using a legacy desktop-based inventory system.

In theory, this system was a resource to help decision makers—frequently back-of-store employees and managers—make appropriate, profitable, and environmentally sustainable choices for these products that would be in-step with complex regulatory environments.

In reality, however, the existing inventory system was burdensome and complicated. As a result, these orphaned products were often over-classified as regulated waste—a conservative approach that cost the retailer time and money—when another “next step” would have been more appropriate (such as donation or recycling).

SEEKING A BETTER PATH

When the retailer met Smarter Sorting, the company’s head of compliance was unhappy with this status quo: he felt frustrated by an inability to modernize back-of-store operations regarding unsaleable products. In addition to conservative, costly “waste-bucket” decisions, there was no item-level transparency into waste streams, and donation tracking was non-existent.

What he soon discovered, with the help of Smarter Sorting, was that classification was not just a compliance, operational, or expense issue. In reality, underlying product data challenges impacted everything from workforce morale to organizational standing as a community steward.

The company needed to change direction.

PLUG-N-PLAY IMPLEMENTATION

As a proof of concept, the retailer had 30 Smarter Sorting Retail Single Item Sorters (SiS) installed at various locations in the U.S. Pacific Northwest. The retailer simply had to provide Smarter Sorting its product UPC’s and safety data sheets. The SiS installation process was painless, as store managers were able to integrate the system’s plug-and-play solution out of the box after following setup instructions.

“The instructions for setting up the SiS are clear and intuitive; it’s better than IKEA,” said one store manager.

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Store Manager
USER-CENTERED DESIGN AND LEADING-EDGE TECH IMPROVES BACK-OF-STORE OPERATIONS, MORALE

Before Smarter Sorting integration, store managers manually entered products into their central product inventory system. Managers consulted their desktop-based platform to review regulated product store protocols for materials flagged as hazardous. According to the retailer, this classification process was both clunky and time-consuming, requiring approximately 35 seconds per item.

Enter the Retail SiS, which is powered by Smarter Sorting’s Automated Classification Engine™ (ACE) and Product Genome™ technologies. The Smarter Sorting platform employs machine learning, artificial intelligence, and computational calculations to ensure waste bucket determinations are accurate and fast—particularly when compared to the retailer’s previous inventory system. For example, 35-second processing times were reduced by 77 percent to just eight seconds using Smarter Sorting software.

Beyond faster item processing times, retail employees found the full feature set of the Retail SiS incredibly useful. The ability to scan, track donations, print identification labels, view and digitally share safety data sheets, and quickly identify hazardous waste instructions had a transformative effect.

“The SiS really streamlines the hazardous bucket process,” said one back-of-store manager. “The labels are always consistent and correct; there’s no room for human error. It saves me a ton of time and can even handle products that aren’t in our system. The SiS is absolutely worth it, even if IT chooses not to integrate and I have to use two systems.”

Though good news, this retailer found Smarter Sorting’s platform so useful that it is now the first point of contact for unsaleable items, eliminating double scanning.

**PROCESSING TIME**

\[ \downarrow \] **77%**

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BACK-OF-STORE MANAGER
“It takes weeks and weeks for some of these regulated products to make it to our shelves... With Smarter Sorting, it takes days.”

Merchandising Support Representative
TRIPLE BOTTOM LINE TECHNOLOGY OFFERS MORE SUSTAINABLE OUTCOMES, INCREASED DONATIONS

The highest-value business decisions are not only good for earnings, but they also provide value for the community and the environment: the triple bottom line.

For this retailer, the Smarter Sorting platform became an essential triple bottom line evaluation tool that allowed them to showcase sustainability efforts that were previously undocumented—including the diversion of 79,802 products from disposal to community donations during a month-long period. Additionally, one retail location increased its corporate-wide donation ranking from No. 221 to No. 11.

With total visibility into waste streams, the retailer was able to pass disposal fees back to its suppliers and could better tell its sustainability stories. Furthermore, accurate donation tracking allowed this retailer to claim significant tax deductions.

A triple bottom line win-win-win.

“We didn’t think we needed any help with donations, but Smarter Sorting’s platform has proven tremendously helpful in both increasing and tracking our donations,” said a retailer sustainability representative. “Their ESG reporting is tremendous; we are able to report on how many meals we’ve donated, allowing us to further quantify our sustainability efforts.”

PARTNERSHIP: ‘A HUGE SUCCESS’

“Our partnership with Smarter Sorting has been a huge success,” said the retailer’s head of compliance. “They have been willing to fully customize to our needs and have offered tremendous value to us. Determinations with unsaleable products are now fully automated; our compliance program is top-notch; and their platform unites our suppliers, buyers, compliance, and sustainability in one platform—providing a full product lifecycle view. We can’t wait to tackle our latest zero waste goals with the help of Smarter Sorting.”

INITIAL RESULTS

- Seemless rollout & installation
- Store increased donation ranking from No. 221–No. 11
- 77% decrease in item processing time
- Reduction of toxic waste stream by 30% significantly reducing disposal costs
- Diversion of 79,802 lb from waste streams to donation in one month at pilot locations
- Improved product registration for suppliers, decreasing time-to-shelf
- Approved for national rollout

Request a demo

Watch Retail SiS video

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