



Efficient Returns as the Backbone of Charitable Giving

Fashion Project is an eCommerce innovator built on a mission to raise as much money as possible for charitable organizations. The company does so by collecting donations of gently-used designer clothing and reselling it through a number of channels, including its eCommerce site, FashionProject.com.

By fostering this untapped market online, Fashion Project can sell high-end items for significantly more than they would earn in a thrift shop or second-hand clothing store, which enables the company to donate up to 55 percent of its net proceeds to charity. Donors select the causes they care about and are provided with a receipt for tax deductions; charitable organizations get much-needed financial support; and bargain shoppers get good fashion for less. However, none of this could happen without an easy and efficient returns solution.

FASHION AS A FORCE
FASHION PROJECT
FOR GOOD

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RUSSELL TADDEO

Executive Vice President of Operations, Fashion Project

CHALLENGE

- » Backlogs of customer requests due to printing return labels "on the fly"
- » No visibility into what's being shipped and when it will arrive
- » Inconvenient bookkeeping and cash flow due to pre-paid postage

SOLUTION

- » Customized solution to make donation kits before they're requested
- » *Newgistics SmartLabel*® technology tracks, sorts and prioritizes inbound shipments

RESULTS

- » 60% cost reduction in shipping and receiving donated items
- » Improved customer service through greater visibility
- » Better forecasting for labor and capacity during peak periods

In order to collect high-quality items to be resold, Fashion Project knew that it needed to make the process as simple as possible for donors. Since its inception, the company has offered free donation kits and free shipping as an easy way to collect items. But as it grew in popularity the organization faced challenges scaling processes. The company began working with Newgistics to streamline processes, improve customer service and significantly cut costs, which has ultimately resulted in more money for donations to charity.

Doing Returns the “Old Way”

For its first two years in business, Fashion Project worked with the U.S. Postal Service® to provide free shipping for clothing donations. This partnership helped Fashion Project get off the ground and prove that there was a market for its innovative concept. However, as interest in the organization grew, new challenges arose.

One of the company’s biggest challenges was keeping up with shipping label requests during periods where donations surged. As donation kits were requested online, shipping labels had to be printed individually and sent to donors. During peak periods, which are usually the result of promotions by charities, Fashion Project physically couldn’t keep up and was sometimes weeks behind in delivering donation kits. In addition, the company had to pre-pay for postage, debit against its account as donation kits were used and then add more funds—a major bookkeeping inconvenience for a growing non-profit.

Customizing a Solution

Newgistics worked with Fashion Project to create a customized solution that allowed the company to pre-print batches of labels during down times and put them into a stock of donation kits. Three adhesive labels are printed together and two of them are affixed to return bags while the third is put onto the outside of the donation kit. As donors request kits and they’re sent on their way, a simple barcode scan associates the pre-made kit with its specific customer and order.

All donation kits are now sent the same day or a day after they’re requested, creating a much faster process for donors. To help make the process even easier for some donors, Newgistics has also helped Fashion Project offer a print-at-home option for shipping labels. Once donors print their labels or receive their kit, their packages can be picked up via USPS® at any home address or dropped off at any Post Office™.

Better Visibility Creates Better Operations and Customer Service

With the Newgistics solution, Fashion Project now has visibility into what’s coming back and when. *Newgistics SmartLabels* enable shipments to be pre-sorted so donations can be separated from any returns that might be made by people buying the second-hand goods. Returns can now be automatically given priority over donations to ensure faster response times for customers shopping on the site, whereas before Fashion Project wasn’t able to tell what was in a shipment until they opened the box.

“With USPS, we had to dig through piles of shipments to figure out which ones were returns because there was no way to easily identify them on the label,” said Russell Taddeo, executive vice president of operations at Fashion Project. “The intelligence that Newgistics has in its labels is fantastic and will be critical for us as we grow. We’re not a large operation, but we have peaks and valleys in donation flow, so it’s good to know when those are happening so we can plan accordingly in terms of labor and capacity.”

To help with that planning, the new solution provides better visibility into the number of outstanding labels that have been sent to donors and not yet returned. Since some donors take longer than others to ship their items, the visibility into aging labels and notifications as soon as they’ve begun their return trips help Fashion Project better forecast the volume of inbound goods to be resold.

In addition to its impact on operations, improved visibility is also a benefit to customers eager to learn about the status of their donations. Call center operators can now tell customers exactly where their shipments are in the return process.

More Money for Charity

In just over two years since launching, Fashion Project donated more than \$600,000 to charity, doubling the amount of donations from 2013 to 2014. While helping the company better serve its customers and donors, partnering with Newgistics has also enabled it to shave 60 percent off the cost of receiving donations. As a result, Fashion Project can donate even more money to charity and is better equipped to handle the popularity and rapid growth of its innovative business.