



# Strategic Management of Scrap Allowances with Waldom Electronics

Bulgin, a renowned manufacturer of connectors and switches, had long benefited from various Waldom programs, including Low Volume, New Product Introduction (NPI), and Reseller initiatives. These programs had fostered a strong and productive relationship between Bulgin and Waldom. However, one critical element was missing that could elevate their partnership to a new level: the Waldom Green Stock Program. This case study explores how Bulgin's integration of the Green Stock Program led to significant improvements in their supply chain efficiency and sustainability efforts, resulting in remarkable financial gains.

## Tackling Inventory Challenges

Before signing up to the Green Stock Program, Bulgin faced the challenge of managing distributor returns. Bulgin preferred to take this stock back and sell it independently, which allowed them to maintain control but posed several operational challenges. However, Bulgin recognized there was room for improvement, especially given the increasing need for streamlined operations and sustainable practices.

## Reclaiming Product Value: The Green Stock Program

Waldom's Green Stock Program offers a unique and efficient solution for managing excess inventory. The process begins when suppliers send their distributor returns to Waldom. Waldom then offers these returned items into its extensive network of over 2,500 distributors. Profits from the sales of these items are equitably split between Waldom and the supplier. The program enhances supply chain efficiency by reducing the burden on suppliers to manage excess inventory and promotes sustainability by ensuring returned products are reintroduced into the market rather than discarded, thus minimizing waste.

## Onboarding the Green Stock Program

The transition to Waldom managing the distributor returns of the manufacturer required careful planning and negotiation. A pivotal agreement was reached where Waldom would, at the end of each rotation period, compile a list of returned product for the manufacturer to review.

## Green Stock Program Benefits



REDUCE COSTS



RECOVER VALUE



SUSTAINABLE OPERATION

The manufacturer had the opportunity to cherry-pick items with open orders or those anticipated to sell soon. Waldom would then handle the logistics of packaging and sending these selected products back to the manufacturer, while selling the remainder.

## Green Stock Program Delivers Results

This system operated smoothly across two to three rotation periods, during which Waldom demonstrated exceptional proficiency in selling the returned product. The success was so pronounced that the manufacturer progressively reduced the number of items they reclaimed, as they observed Waldom's ability to sell even those items they had initially deemed unlikely to be sellable. Currently, it is rare for the manufacturer to request the return of any products, acknowledging the program's effectiveness.

The integration of Waldom's Green Stock Program with Bulgin's operations proved to be a game-changer. The promotion of the inventory by Waldom generated great success in year 1 with the expectation that the majority of value will be recovered within the first 3 years. **In the first year, Waldom was able to recover 30% of the value** of the excess inventory. As time progressed, Waldom's ability to sell increased steadily through integration with distributor partners and enhanced visibility within their network. **Projections indicate that by the second year, Waldom will achieve a 50% recovery rate, with expectations soaring to 70% by the third year.**

## Sustainable Success: The Ongoing Benefits of the Green Stock Program

The program boasts an **average lifetime recovery rate of 87%** for excess inventory, demonstrating its efficacy in reclaiming and repurposing products that might otherwise be discarded. Waldom has **successfully sold \$417 million** worth of excess inventory through this initiative, with **\$190 million in revenue shared** with manufacturers.

Environmentally, the program has had a significant positive impact, **saving 5 billion components** from ending up in landfills.

## How Can We Help You?

As a **Global Master Distributor** of electronic components, Waldom serves a unique and vital role in the distribution landscape. Waldom is considered a master distributor – often called “The Distributor's Distributor.” For the past 75 years we have never sold directly to OEMs or end-users.

Are you a manufacturer navigating a complex distribution challenge? [Learn more](#) about how Waldom's manufacturer solutions can help you deliver results and gain efficiencies through excess inventory management, network optimization, long tail fulfillment, MOQ reduction, and new product introductions.

LIFETIME RECOVERY  
RATE WITH WALDOM

**87%**

TOTAL COMPONENTS  
REPURPOSED BY WALDOM

**5 BILLION**



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