

How to use: Go through each section and check every box that applies to your operation today. Tally your score at the end. Any unchecked box is a documented gap in your returns operation.

### Returns Cost Visibility

- 1  Do you know your fully loaded cost per returned order (reverse freight, refunded fees, write-down, support time)?
- 2  Is return rate tracked per SKU, not just as one blended account-level number?
- 3  Do you calculate effective shipping cost per net sale, including both freight legs?
- 4  Is contribution margin still positive on your highest-return SKUs after returns cost is loaded in?
- 5  Do you re-run per-SKU returns economics on a fixed cadence as return rates drift?

### Condition & Disposition Control

- 6  Does every returned unit pass a mandatory grading step before re-entering inventory?
- 7  Do you grade returns into defined tiers (new, open-box, salvage)?
- 8  Does each grade have a defined disposition channel rather than defaulting to new stock?
- 9  Do returned units have a disposition deadline so they never become a stranded pile?
- 10  Do you track recoverable value per return against the amount refunded?

### Refund & Policy Discipline

- 11  Is refund timing set by item value tier rather than one rule for everything?
- 12  Are higher-value items refunded only after receipt and inspection?
- 13  Is every non-arrival or condition mismatch logged and turned into a marketplace claim?
- 14  Do you inspect returned units against their stated return reason and record true condition?
- 15  Do you have documented misclassification data to support claims and buyer-behavior escalations?

### Process & Support Load

- 16  Is the returns workflow standardized and templated from authorization to refund release?
- 17  Do you measure handling time per return and treat it as a tracked cost line?
- 18  Is every returned unit logged back into inventory through a fixed receiving step?
- 19  Are refund amounts issued through a controlled SOP that prevents wrong-amount errors?
- 20  Is structured return-reason data captured on every return, not lost in one total?

### Forecasting & Prevention

- 21  Are reorder points set on net demand (orders minus returns), not gross orders?
- 22  Is per-SKU profitability reviewed with the fully loaded returns cost subtracted?
- 23  Do you track return rate at the buyer level to identify habitual bracketers and abusers?
- 24  Do return reasons feed back into listing fit information to reduce wrong-unit orders?
- 25  Do genuine defect patterns feed back into product and supplier quality?

### SCORING GUIDE

Score	Level	What it means
0-11	<b>CRITICAL</b>	Returns are an absorbed cost you cannot see, and they are actively destroying margin
12-19	<b>MODERATE</b>	Gaps exist in 2 to 3 areas that need immediate attention before they compound
20-25	<b>STRONG</b>	Your returns operation is measured and contained, focus on optimization

Book a free data audit at [modonix.com/services](https://modonix.com/services) — we build your per-SKU returns cost model and identify your top 3 margin leaks in one session. Written by Ahmed Abuswa, Modonix.com

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