

REPLAY GOLF



Company: Replay Golf
Location: Ólvega, Soria (Spain)
Type: Independent Remanufacturer
In reman: Since 2009
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PRODUCT

Used golf balls

CORE SOURCING

Cores are retrieved from two methods:

- Service contract: deal with several Golf Clubs
- Buy-back: the company buys used golf balls from the suppliers, which can be the golf clubs, the end users or other companies.

BUSINESS MODEL

Replay Golf is Europe's leading remanufacturer and recycler of golf balls. They provide their customers with a wide range of products: new, recycled and refurbished balls which can also be personalized to cover the needs of every client.

VALUE CHAIN

Replay Golf buys used golf balls directly to the golf clubs, to end users or to other companies that have previously collected them in the lakes, woods or other areas of the golf courses. Afterwards, the used golf balls are processed in their facility and sold to the distributors: supermarkets, sports stores, golf clubs and websites. Finally, the end users buy the balls and lose them when playing, so that the process starts again.



REMANUFACTURING PROCESS

The remanufacturing process varies depending on the state of the ball when it is recovered, so the first step when they receive the mix of balls is to wash them up and classify them into three groups according to the level of damage. The first group is formed by what they call "recycled balls", which are those that are in perfect condition after being cleaned, so they can be sold right away without any additional process.

The second group is composed of those balls that have little damage on its surface, such as scratches or small dents that do not affect to its aerodynamic behaviour, the so-called "refurbished balls". These balls are pickled to remove the paint and repainted, then they are pad printed with the company logo or other personalized design and finally coated to protect the surface. Broken or highly damaged balls that cannot be fixed with the process explained above form the third group. Instead, they are grinded and shredded and this mix is used to lower the amount of raw materials needed to manufacture the new golf balls.

DRIVERS

In the world, over 420 million golf balls are deteriorated and lost every year, which leads to more than 20 tons of toxic plastic waste per year. Since each ball takes more than 1000 years to decompose in nature, the no recovery of this product is indeed a severe environmental problem, and Replay Golf turned this problem into a business opportunity, becoming the first company in Europe to recycle and refurbish these items. In this way, they produce an environmentally-friendly product since they remove the waste from nature and the industrial process of remanufacturing consumes less energy and produces less wastes than manufacturing a brand new ball.

BARRIERS AND CHALLENGES

From a technical perspective, the supplies control is the most difficult thing to manage, since the company has to make agreements with golf clubs and other suppliers and it is a continuous struggle to maintain the supply level and to widen the network of suppliers. Furthermore, from an economic perspective, the high investment made in machinery and technology has been a challenge for this young company.

CUSTOMERS, STRATEGY & KEY RESOURCES

There are not different customers or customer groups they target for refurbished balls since they aim for every client to buy remanufactured balls instead of buying newly manufactured ones. In order to achieve this goal, they reduce the price to a half of newly manufactured balls (50% discount), so the prices of “new” balls that ranges from 5€ to 0.5€ are reduced to 2.5€ to 0.25€. These savings, together with the environmental benefits, is what customers perceive as the added value of this product. However, some people are still skeptical regarding remanufactured products because they expect poor quality and performance, but the reality is that remanufactured balls are almost as good as newly manufactured ones.

They don't have different selling channels for their remanufactured products but they do have collaborations with golf clubs, in a sense of synergy, since Replay Golf gets the used balls from them and in return the golf courses are free of this waste.

Key resources are the company's personal, the technology they have developed and the relationship with their suppliers to maintain a high enough input of used balls.

ECONOMIC BENEFITS

Replay Golf applies different processes to the used balls, uses less raw materials for manufacturing new balls and produce less waste with the subsequent economic savings. For the customers, they buy a top quality product at a lower price.

ENVIRONMENTAL BENEFITS

Resource savings and waste recovery. Each ball is 46g of rubber and thermoplastic material that takes more than 1000 years to decompose in woods and lakes. In 2016, this company recovered 10 million balls, the equivalent to 300 tonnes of waste.

SOCIAL BENEFITS

Job and value creation at a European level, since the main manufacturers of golf balls are in Asia and USA (reduce imports).

ADVANCED MATERIALS RECOVERY

The thermoplastic alloy of the ball's surface is recovered

CHALLENGES TO IMPROVE THE BUSINESS MODEL

Cope with the high investments made, increase the sales and widen the suppliers network.