

REVERSE SUPPLY CHAIN AND REVERSE LOGISTICS

PRABHAT MALIK (21SLAM1010009)

Under The Guidance of

NEHA VERMA

Galgotias University, Greater Noida

ABSTRACT

The notion of reverse logistics (RL) and reverse supply chain (RSC) has been a tremendously important focus of research for the whole history of contemporary corporate operations. Remanufacturing and refurbishing (RSC) and disposal (RL) are the terms used to describe the procedures involved in dealing with products and materials that have been returned. Conversely, conventional supply chain models stress the significance of a linear movement of products from producers to end users. Contrast this with the scenario that is outlined here. In the context of modern business, this abstract aims to shed light on the essential processes, core concepts, and major implications of RSC and RL. The abstract will zero in on modern corporate practices in particular.

Keywords: Reverse Supply Chain, Reverse Logistics, Returns Management, Remanufacturing, Refurbishing, Product Disposal, Circular Economy, Sustainability, Supply Chain Optimization.

INTRODUCTION

After the customer has used the product, the manufacturer has a few tasks to complete. Take this situation into consideration: The final destination of the Coke bottle is... What happens to the empty drums of fuel or chemicals when a company runs out?

The fundamental idea behind reverse logistics is to put goods back into the supply chain after they have been consumed. Not only should this happen during the manufacturing and procurement stages, but it should also happen at the client contact. People are becoming more outspoken about the importance of proper waste disposal due to the efforts of environmental groups. Managers are using reverse logistics tactics to make their manufacturing cycle

more efficient, friendly, and profitable so they can keep up with these demands. Companies put more effort into enhancing their forward supply networks rather than their backward ones. To survive in today's cutthroat business environment, companies can't afford to ignore reversal supply chains, thanks to both internal and external forces. When reverse supply chains are effective, businesses get many benefits. There is a huge difference between forward supply chains and backward supply chains, and the majority of forward supply chains aren't designed to handle the latter.

To thrive in today's competitive business world, a well-oiled supply chain is an absolute must. Competition within supply chains is becoming

commonplace, on par with competition amongst individual companies. The fact that the actions of each link in the supply chain determine the profitability of each link is now general knowledge among managers across many sectors. To keep prices low for consumers, retail behemoths like Walmart are continuously seeking for new supply chain cost-cutting opportunities. A growing number of companies, however, are focusing on their strengths while outsourcing their weaknesses. Outsourcing can be beneficial for companies, but only if their supply chains are highly effective.

REVIEW OF LITERATURE

According to studies conducted by Monczka and Trent (1995), the second most significant concern for purchasing and materials managers regarding the future was the impact of environmental legislation on corporate operations. Another thing they discovered is that reverse logistics projects can cut costs significantly. In an effort to introduce the concept of Reverse Logistics, Jahre (1996) conducted research that focused on the inversion of consumer waste distribution rather than exploring the full extent of the idea.

For reverse logistics operations, Drumwright (1994) looks inward, at the factors within the company rather than at the factors outside, at the interorganizational level. Internal issues might impact a company's reverse logistics operations, as stated in the literature. A presence of policy entrepreneurs who commit themselves to fostering an eco-friendly ideology inside the organisation, well-established ethical standards, and a sincere concern for environmental issues are all

contributing elements. Customers, suppliers, competitors, and government agencies are the four external factors that influence a company's reverse logistics operations, as per the research.

RESEARCH METHODOLOGY

Hypothesis

Null – Focus on Reverse Supply Chain Management can help companies reduce cost and subsequently increase their revenues.

Alternate – The reverse supply chain is not worthy of much attention by the companies as the benefits from it are minimal.

Research Design

The study intends to analyze the importance of Reverse Supply Chain management in four industries namely

Publication houses Retail/ Consumer Goods Industries Computer/Electronic Industries Automobile Industries

The study will try to find out industries which do not focus on Reverse Supply chain, but a huge opportunity of increasing income via the reverse supply chain management exists.

Design of the existing models of Reverse Logistics networks will be studied so that a new Reverse Logistics network can be developed for newer industries.

Sample Design

Sample size: Four Industries have been studied extensively and the importance of Reverse Supply Chain Management has been analyzed in detail.

Sampling: Judgemental sampling has been done

Source of Data

Most of the data has been sourced from secondary sources like International and National journals, Business Magazines, other published sources and also various websites.

OBJECTIVE

1. Determine the significance of the various steps in the Reverse Supply Chain process by analysing them.
2. Researching the many sectors that rely on reverse logistics, such as publishing, transportation, electronics, retail, etc.
3. Taking into account the strategic points that dictate the design of a Reverse Supply Chain Network, analyse it.
4. To identify emerging opportunities for Reverse Supply Chain to significantly contribute to cost reduction and revenue growth.

SCOPE THE STUDY

When it comes to the management of product returns, end-of-life materials, and the reverse flow of commodities within the supply chain network, the scope of the study of reverse supply chain (RSC) and reverse logistics (RL) involves a wide variety of actions, processes, and players involved in the management of these things. This is because the process of managing these things involves a lot of different things.

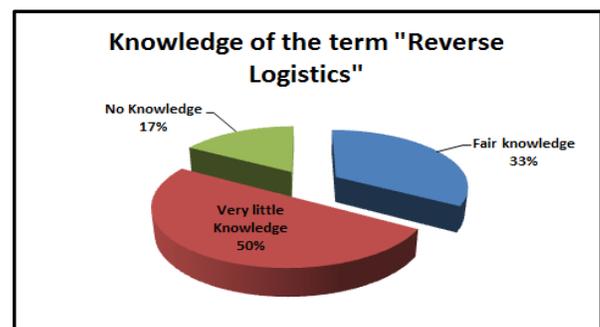
The first thing that the research does is investigate the many different facets of reverse logistics. These aspects include the management of product returns, remanufacturing, refurbishing, recycling, and disposal. The difficulties and complications that are associated with the processing of returned products are investigated in this article. These include the

sorting, grading, and selection of the most appropriate disposition strategy for each item, taking into account factors such as the item's condition, value, and the requirements of the regulatory agencies.

DATA ANALYSIS

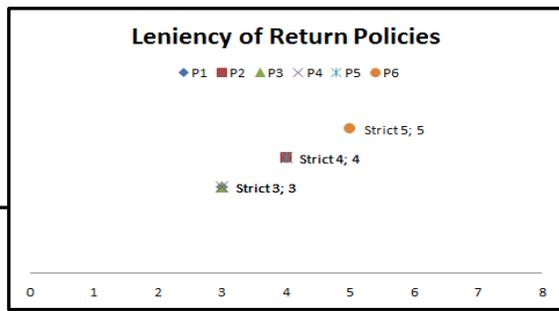
In this section the responses given by the participants to the survey have been analyzed in a detailed manner. The analysis is also based on the conversations with the participants that were conducted after the survey was done. Also an attempt to correlate the participants' responses to the theoretical background has been made to understand the thoughts of the respondents on the topic.

Since this thesis is based upon a survey and discussions, the number of responses collected plays a very important role and so, as many companies as possible were contacted to collect a decent amount of data to analyze and generalize some of the concepts. Unfortunately only six responses were collected and I have tried to analyze them as effectively as possible.



The above gives the distribution of participants who had a fair knowledge about reverse logistics as opposed to those who had very little or no knowledge whatsoever.

From can be seen that the share is pretty even Steven. Since the number of participants involved in this survey is very small, it cannot be fairly judged whether this would stand true for the whole of the manufacturing world. But since all the participants admitted during the discussion that they had performed some or most of the reverse logistics activities in their company, it can be said that reverse logistics activities happen on a daily basis in every manufacturing company, and it does play an important role.



FINDINGS

The scope of the project also includes performing an inquiry into the function that technology and information systems play in assisting with effective operations in reverse logistics. This is in addition to the aforementioned. In order to accomplish this, it is necessary to investigate the utilisation of a variety of tools, such as software for reverse logistics, RFID (Radio Frequency Identification), and Internet of Things (IoT) devices, in order to monitor items that have been returned, simplify the processes that are involved in reverse logistics, and make the most of the resources that are available. Research into reverse supply chain (RSC) and reverse logistics (RL) has resulted in a number of notable findings. These discoveries have happened over the course of the research. These discoveries

shed light on the significance of the management of the reverse flow of goods and materials within various supply chain networks, as well as the challenges and opportunities that are associated with this management.

To begin, the facts indicate that effective procedures for reverse logistics can have a significant impact on the business's bottom line by reducing the costs associated with product returns, remanufacturing, and disposal. This is accomplished by reducing the amount of money spent on these activities. Both the optimisation of resource utilisation and the minimization of the financial burden of reverse logistics operations are attainable goals for businesses. This may be accomplished through the implementation of efficient returns management systems and the usage of technology for tracking and processing items that have been returned.

CONCLUSION

After the detailed study of all the four industries in detail we arrive at the conclusion that “Focus on reverse supply chain management can help companies reduce cost and subsequently increase their revenues”. Therefore, there is no evidence to reject the Null Hypothesis. **We accept the null hypothesis.**

Reverse supply chain is the last frontier in the supply chain, which remains to be conquered. It is clear that more and more attention is being devoted to the reverse supply chain as companies recognize the critical importance of managing the entire product life cycle. Cost reduction is not the only

benefit that can be gained from reverse supply chain.

It helps in understanding why products are returned. Was it returned due to quality problem? Were the stores improperly stocked? Was there a labeling problem? Answering these questions enable a company to go to the root cause of returns, resulting in better engineering, manufacturing or distribution. It also helps to get slow moving products off the shelf, the distribution networks and warehouses. Companies that have been most successful with their reverse supply chains are those that closely coordinate them with their forward supply chains.

Reverse logistics practices vary based on industry and channel position. Industries where returns are a larger portion of operational cost tend to have better reverse logistics systems and processes in place. In the book industry, where great change in the industry structure has occurred in the last few years, returns are a major determinant of profitability. In the computer industry where life cycles are nearly as short as grocery life cycles, the speedy handling and disposition of returns is now recognized as a critical strategic variable. Successful retailers understand that managing reverse logistics effectively will have a positive impact on their bottom line.

Industries that have not had to spend much time and energy addressing return issues are now trying to make major improvements. Now, more than ever, reverse logistics is seen as being important.

REFERENCES

- 1.J.R. Stock, Reverse Logistics (Oak Brook, IL: Council of Logistics Management, 1992)
- 2.R. Varma and V. Vhatkar; Reverse Logistics: An important dimension of Supply Chain management, NITIE, 2005.
- 3.Anindya Roy, 'How Efficient is your Reverse Supply Chain?', Icfai University Press, 2005
- 4.R.J. Kopicki, M.J. Berg, L.L. Legg, V. Dasappa, and C. Maggioni, Reuse and Recycling-Reverse Logistics Opportunities (Oak Brook, IL: Council of Logistics Management,1993).
- 5.P. Shrivastava and S. Hart, "Greening Organizations-2000," International Journal of Public Administration 17, no. 3/4 (1994): 607.
- 6.L. Harrington, "The Art of Reverse Logistics," Inbound Logistics 14 (December 1994): 29 -36.
- 7.T.L. Pohlen and M.T. Farris II, "Reverse Logistics in Plastics Recycling," International Journal of Physical Distribution and Logistics Management 22, no. 7 (1992): 35-47.
- 8.J. Barry, G. Girard, and C. Perras, "Logistics Shifts into Reverse," Journal of European Business 5 (September/October 1993): 34-38.
- 9.F. Cairncross, "How Europe's Companies Position to Recycle," Harvard Business Review 70 (March-April 1992): 35-45.
10. Tibben-Lembke. R. S. (1998) Going Backwards: Reverse Logistics Trends and Practices. Reverse Logistics Executive Council, www.rlec.org
11. The Economic Times knowledge series, Supply chain & Logistics 2002.

12. Chopra & Meindl, Supply Chain Management,
edition, Pearson Education.