
Harvard says Big Dividends Available in Reverse Supply Chain

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If you are building your business case to improve your Reverse Logistics, a reference article from Harvard Business Review might help convince your CEO, CFO and senior management team of the value available from investing resources in your Reverse Supply Chain. If Reverse Logistics is a topic worthy of an article in the Harvard Business Review, it must be a topic worthy of your senior management's attention.

The article defines the Reverse Supply Chain as "the series of activities required to retrieve a used product from a customer and either dispose of it or reuse it".

It outlines five key components of the reverse supply chain that you must analyze, assess options, costs and benefits to make rational decisions:

1. Product Acquisition - retrieving the product
2. Reverse Logistics - transporting the product to facilities for inspection, sorting and disposition
3. Inspection and Disposition - testing, sorting and grading
4. Reconditioning - remanufacturing or extracting and reconditioning components for resale or reuse
5. Distribution and Sales - determination of demand and investment in marketing efforts

The article outlines some key issues and suggestions for each key component and closes with some excellent parting advice: "Even with reverse supply chains, forward thinking pays big dividends".

You can get the article entitled The Reverse Supply Chain by V. Daniel R. Guide Jr. and Luk N. Van Wassenhove at Harvard Business Online for a small fee (\$6.00).