

Defining Warehousing's Role in Reverse Logistics

Contributed by Paul Rupnow
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A very good article outlining some of the excellent research and findings of James Stock, Professor of Marketing and Logistics at the University of South Florida.

Some highlights are as follows...

External Article information:

Defining Warehousing's Role in Reverse Logistics

By Julia Kuzeljevich

Canadian Transportation and Logistics - www.ctl.ca

Quick Review by Paul Rupnow:

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Some highlights, benchmarks and best practices:

Shorter product life cycles require a faster ROI from all systems and processes of a company or supply chain. For example, PC's have a marketing life of 26 weeks, semiconductors 9 months.

the cost of processing a return can be 2-3 times that of an outbound shipment, and handling costs associated with returns can reach \$50 per item

consider that some 37 % of online buyers and 54 % of online browsers were deterred from buying online because of online and exchange processes that were too difficult.

The warehouse's most important role in reverse logistics strategies is to function as a centralized processing point, receiving product returns (in some instances cross-docking comes into play), transferring or putting away of items, handling disposition of saleable and unsaleable items, storage (both dedicated and random), and handling works-in-progress such as refurbishing or remanufacturing, packaging or repackaging activities.

"There's some easy things that can be done, but what about layout, storage, racking, conveyor systems, staff training?" asks Stock. Using technology to track and monitor product returns (bar coding, computerized return tracking, radio frequency, EDI, Internet is also vitally important, since a warehouse can ideally provide notification to transportation carriers and other third-parties, posting of info on web-based sites, and eventually adjustments to financial accounts such as inventory, accounts receivable, sales revenues, etc.