

How to Measure the Progress of Your Reverse Logistics Improvements

Contributed by Paul Rupnow
Monday, 15 October 2007

Use a maturity model to assess and measure the progress of your Reverse Logistics operations

As you work on improving your Reverse Logistics, one of the challenges is to measure your progress. A helpful method is to use a progression model. A Reverse Logistics Progression Model is a strategic framework for the design and improvement of your Reverse Logistics processes, Reverse Supply Chain and your Reverse Logistics relationships, based on the experiences, best practices and knowledge of the industry and the community. You can use this model to help assess your Reverse Logistics progress and assess your Reverse Logistics maturity.

Use a maturity model to assess and measure the progress of your Reverse Logistics operations

As you work on improving your Reverse Logistics, one of the challenges is to measure your progress. A helpful method is to use a progression model. A Reverse Logistics Progression Model is a strategic framework for the design and improvement of your Reverse Logistics processes, Reverse Supply Chain and your Reverse Logistics relationships, based on the experiences, best practices and knowledge of the industry and the community. You can use this model to help assess your Reverse Logistics progress and assess your Reverse Logistics maturity.

As a starting point, this model has been assembled based upon the work of the Electronics Supply Chain Association (“ESCA”). The ESCA has prepared an excellent Progression Model for the forward supply chain. Reverse Logistics shares many attributes of the forward supply chain, so below is the beginnings of a Reverse Logistics Progression Model, built upon their work. This model, like your Reverse Logistics improvements, is the first draft of living document and with your feedback it can change and grow. In the mean time, you can use this model to assess your Reverse Logistics progress.

Summary Reverse Logistics Progression
Model Grid

Reverse Logistics

Progression Model

Implicit

Explicit

Internal Integration

External Integration

Business and Supply Chain
Objectives & Metrics

Reactive

Documented/Explicit

Internally Aligned

Partner Aligned

Risk & Contract
Management

Limited Management

Unilateral Limitation

Shared Mitigation

Design-in Mitigation

Process & Controls

Independent

Cascading Process

Synchronized Process

Concurrent Process

People, Organization &
Culture

Silos

Internal Cooperation

External Cooperation

Network Collaboration

Information & Data
Management

Ad Hoc

Asynchronous

Narrow Visibility

Network Visibility

Continuous Improvement

Firefighting

Internal/Unilateral

Mutual

Embedded or Early/Mutual

The model is a grid with the “dimensions” down the left hand side and the “levels” across the top which represent an increasingly sophisticated level of management.

Over the last several years, much more reliance and benefit has been achieved through partnerships and outsourcing. As a result the Reverse Chain has many of the same characteristics as the forward supply chain. However, there is still a great deal of interaction between the different groups within an organization and this model will need to be enhanced to incorporate this dimension.

Good Luck!

Paul Rupnow writes about Reverse Logistics best practices, insights and strategies at ReverseLogisticsProfessional.com