

REVERSE LOGISTICS AND ITS PROCESS

by Heena Sharma

“If your business does not have a great reverse logistics plan, you could be losing revenue and not even realising it.”

Definition

According to The Reverse Logistics Association (RLA), reverse logistics (sometimes referred to as return logistics or aftermarket services) describes “all activity associated with a product or service after the point of sale.”

Meaning

All actions that take place after a product has been sold are classified as reverse logistics. It is the flow of unwanted or defective items or materials via logistical channels to the producer so that they can be recycled, repurposed, or appropriately disposed of.

As a result, we can define it as a cost-effective strategy of planning, implementing, and regulating the flow of commodities or materials from point of consumption to point of origin in order to recycle or properly dispose of them.

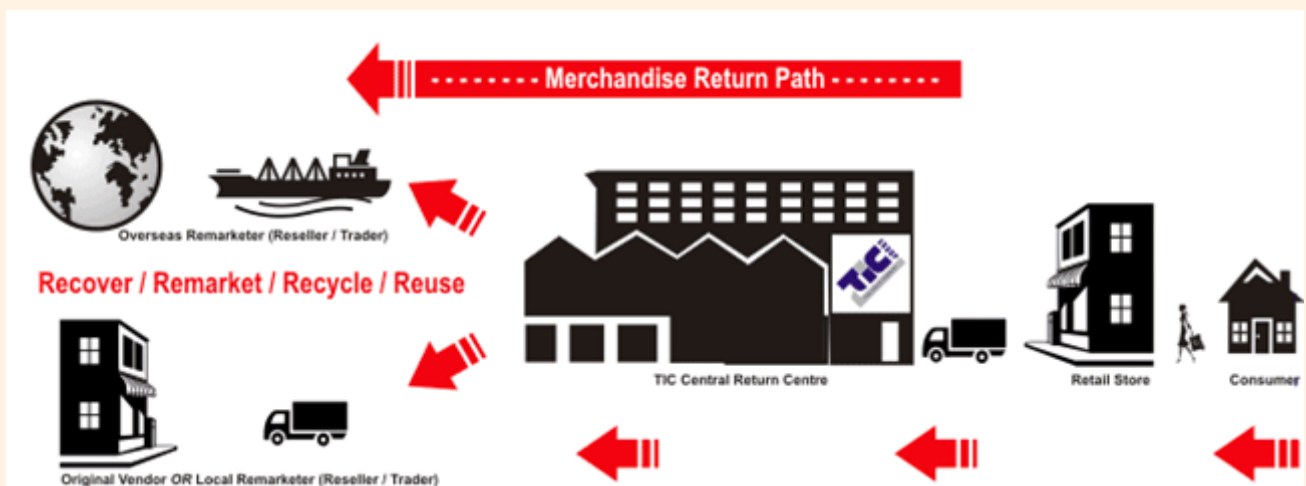
Process of reverse logistics

Goods are returned from the end user to the vendor or manufacturer via reverse logistics. When a customer returns a purchased item for a refund, this is the most common example of reverse logistics. The returned items can be resold or permanently discarded.

Reverse logistics has become a critical component of any successful streamlined supply chain in recent years. Reverse logistics refers to any of the following actions that occur after the original purchase in a warehouse setting

- Returns
- Remanufacturing
- Refurbishing
- Unsold goods
- End-of-life
- Delivery failure
- Equipment rentals/leasing
- Equipment repairs maintenance





Example

Apple is one of the prominent companies that has effectively implemented the reverse logistics method. Apple has utilised “Reverse Logistics” to make their production process more environmentally friendly while also increasing customer loyalty.

Apple makes a variety of items, such as the iPhone and MacBook, and sells them at their stores all around the world. When a consumer wants to upgrade, Apple allows them to return their old phone.

They take old phones from clients and give them a discount on a new phone, and they also take old phones to their factories and recycle the parts to make new phones. They not only make more money this way, but they also produce items in a more environmentally friendly manner.

REVERSE LOGISTICS IN DIFFERENT SECTORS

by Keshav Yadav

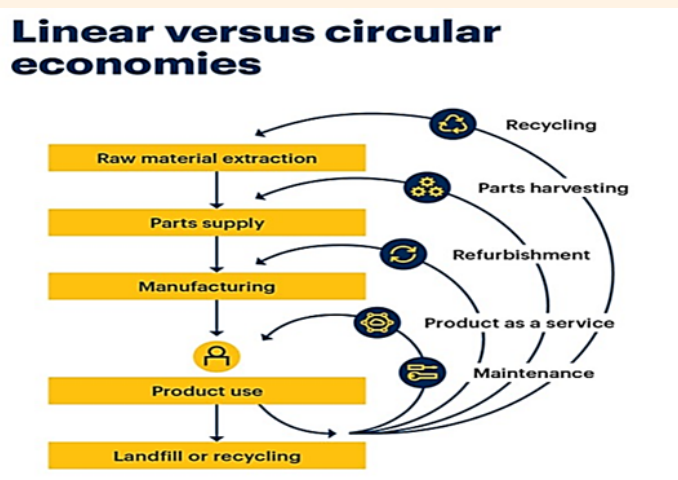
Smartphone Industry

The navigation of Reverse Supply Chain for the connected device and the smartphones in 21st century is very much a matter of concern for a Supply Chain Manager.

As with the cell phone, manufacturers, distributors, and retailers will not only manage the forward supply chain; they will also manage reverse logistics as some of those devices come back from the end user early in the sales cycle along with the repair, resale and ultimately the disposal of those products at the end of their useful life.

The deaccelerating demand for new smartphones for major players in emerging markets is being solved through reverse logistics by recovering and repositioning 2nd hand phones from North America and Europe to these highly price sensitive regions in South East Asia and Latin America.

The scale of reverse logistics channels must equal that of forward logistics to keep pace, making smartphones one of the first near-perfect prototypes for building circular economies.



Fashion E-commerce

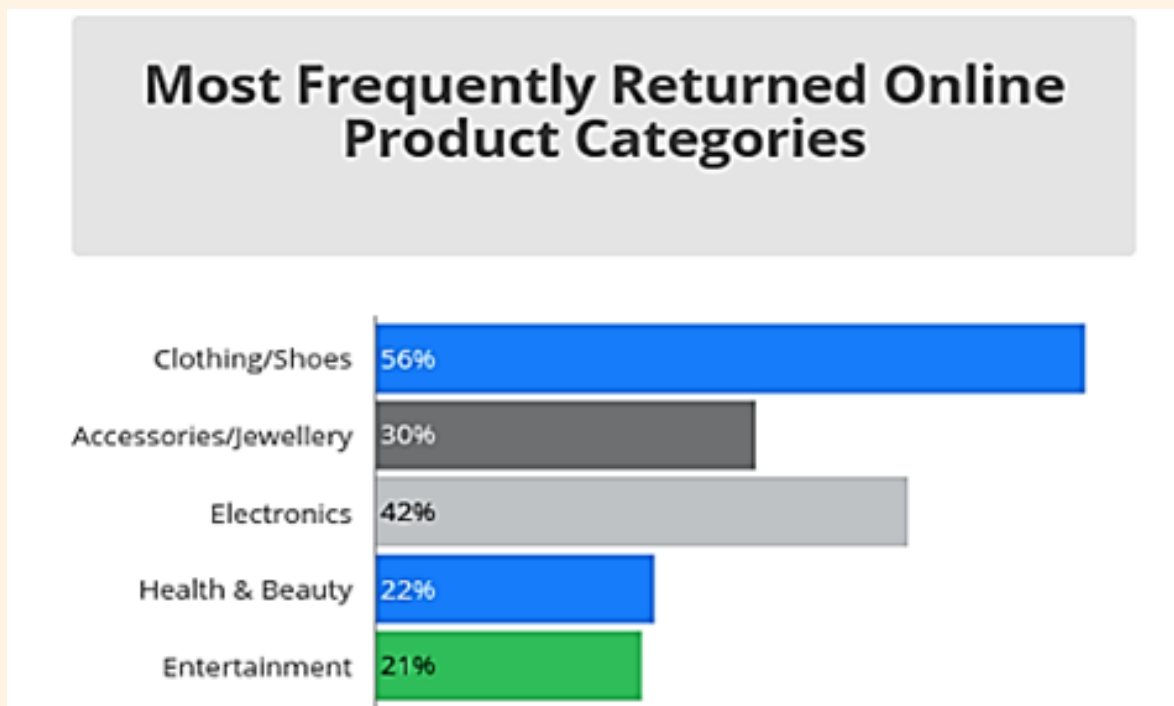
There has been surge of online shopping in recent years and we know what it means for the fashion fulfilment centers, distribution center or 3PL warehouse-An influx of returned items. . According to a study from leading marketing research firm SaleCycle, the fashion industry has the highest rate of consumer return and growing pain for the warehouse operators. This reverse/inbound supply chain for this industry is tedious process.

As a result, the shift to automated warehouses incorporated with high-end sortation systems and system integrator for evaluating material handling system can result in

- Space saving
- Handling thousands of items in an hour
- More optimized and accurate processing
- Gentler item handling leading to reduced damage of items etc.

Therefore, this trend has resulted in -

- Inability to plan the handling of returns due to unplanned nature of returns.
- Increased handling costs.
- Impact on space etc.



REVERSE LOGISTICS- REUSABLE PACKAGING

by Anshula Arya

Corporations have a responsibility to minimize their impact on the environment, and cold chain packaging is one area where this can particularly be of interest. There are many ways to reduce cold chain packaging waste. Examples include optimizing designs to use less insulation and refrigerants, or using bulk shipping containers that decrease the number of packages needed by increasing the payload quantities per package. Utilizing reusable packaging to transport products efficiently is a current industry trend.

A reusable package can be designed much more robustly since its cost will be amortized over the number of reuses. This results in higher levels of protection for the product while greatly decreasing the number of packages being sent to the landfill. This provides an opportunity to have a positive environmental impact while increasing compliance and saving money in the packaging budget.

The most important place to start is evaluating packaging solutions:

- Budgetary requirements (cost-per-use)
- Performance and quality requirements
- Pack out optimization
- Simplified conditioning methods
- Compatible payload dimensions
- Refurbishment SOP

The next step is evaluating the transportation solution

- Evaluation of shipping profile and reverse logistics
 - Tracking system to track and trace packages
 - Process to pick-up and return packages to origin
 - Process and facility for package refurbishment
- Going through this evaluation process will help streamline the process, but there are other variables to consider for packaging and transportation optimization.



Refurbishment & Inspection process

As part of a reverse logistics program, it is good practice to have the shipper go through a refurbishment and inspection process before being used again. Companies must use an existing SOP or develop an SOP for inspection and refurbishment. A simple SOP for an inspection might include the following steps:

1. Clean - wipe down, remove labels, sterilize as needed
2. Visually inspect for damaged insulation or other components
3. Visually inspect for leaks in the refrigerants; dispose of any found leaking
4. Replace components as needed to return the package to a Tike Yew state
(Replacing the outer corrugated box enhances the appearance of the package)

Unifying Packaging & Logistics

(An example of 2 corporations)

Cryopak is very conscious of the potential environmental impact of packaging waste and strives to be an environmentally responsible company, supporting the sustainability efforts of our industry partners. The idea of integrating cold chain with transportation logistics is exactly what inspired the partnership between Cryopak, a leading full-service cold chain solutions provider, and Purolator, a leading freight, package and logistics solutions provider with one of the most extensive networks in Canada. This relationship, unifying packaging and logistics for constant temperature control, is unique in the marketplace, giving the companies the ability to provide the lowest cost of delivered product with the highest level of compliance. Customers can have peace-of-mind knowing their shipments are in the hands of a unified team who will both maintain the integrity of the materials being shipped and ensure their timely, successful delivery.

DEGRWOTH

by Aman Garg

What is degrowth?

Degrowth is a concept, an idea. This Idea focuses on the wellbeing of individuals and environment. Degrowth critiques the global capitalist system which pursues growth at all costs, causing human exploitation and environmental destruction. The degrowth movement of activists and researchers advocates for societies that prioritize social and ecological well-being instead of corporate profits, over-production and excess consumption.

English speakers sometimes find the word 'degrowth' problematic and it can lead to misunderstandings. Degrowth has a French origin in "décroissance" which is used for both a political, economic, and social movement as well as a set of theories that critiques the paradigm of economic growth. Reading just the word, it has a negative, and for some, a non-ecological connotation.

But the origin of the term is anything but that. It is to be found in Latin languages, where "la decrescita" in Italian refer to a river going back to its normal flow after a disastrous flood.



Why De-Growth?

Degrowth is a part of a bigger concept called Anti-consumerism. This requires radical redistribution, reduction in the material size of the global economy, and a shift in common values towards care, solidarity and autonomy. Degrowth means transforming societies to ensure environmental justice and a good life for all within planetary boundaries.

The movement arose from concerns over the perceived consequences of the productivism and consumerism associated with industrial societies which include

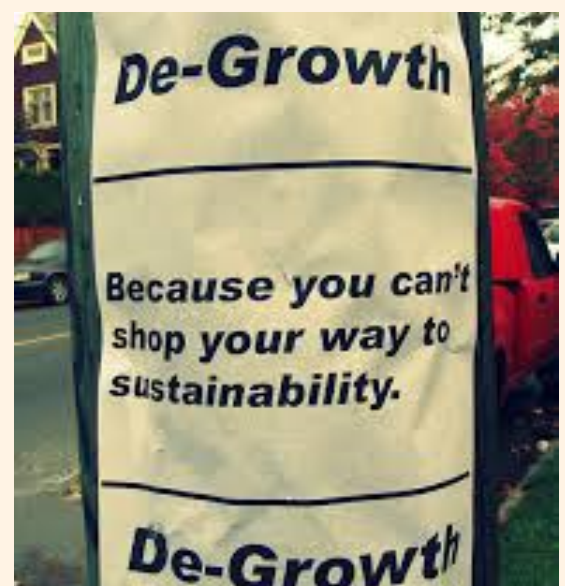
- The reduced availability of energy sources.
- The declining quality of the environment.
- The decline in the health of flora and fauna upon which humans depend.
- The rise of negative societal side-effects.
- The ever-expanding use of resources by First World countries to satisfy lifestyles, this deficiency for third world countries creates.

Serge Latouche, a professor of economics at the University of Paris-Sud.

If you try to measure the reduction in the rate of growth by taking into account damages caused to the environment and its consequences on our natural and cultural patrimony, you will generally obtain a result of zero or even negative growth.

In 1991, the United States spent 115 billion dollars, or 2.1% of the GDP on the protection of the environment. The Clean Air Act increased this cost by 45 or 55 million dollars per year.

The World Resources Institute tried to measure the rate of the growth taking into account the punishment exerted on the natural capital of the world, with an eye towards sustainable development.





DE-GROWTH AND ITS SUSTAINABILITY

by Surya Dhar

Degrowth is a shadow idea that is rarely mentioned in economic conversations. However, it persists in many talks, particularly those concerning sustainable development. The concept of sustainable development has got a poor name in the debate on degrowth – the purposeful and planned downscaling of production and consumption that boosts human well-being and improves ecological conditions and equity on the globe.

In reality, sustainable degrowth is meant to take the place of sustainable development as the core idea around which environmental and social activists and scholars may unite. The basic concept is to maintain economic growth while keeping the environment in mind, and the

“conundrum of whether environmental challenges can be addressed without endangering economic growth remains key to today’s sustainable development debates.” (Blowfield and Murray 2011, p.59)

Currently, the preferred strategy is sustainable development, which tries to solve environmental problems while fostering economic growth. Sustainable de-growth is based on the belief that economic expansion, especially when protected under the terminology of sustainable development, would lead to social and environmental collapse. It suggests that the only way to prevent resource depletion is to reduce/control the magnitude of resource flows, which must be accompanied by increased social and ecological values.

Although the notion of sustainable de-growth appears to be a theoretical alternative to sustainable development, with the potential to produce faster and more stunning outcomes, its actual application requires careful study.

De-growth cannot be simply "turned on", and society will struggle to adapt. Adequate planning, circumstances and building a proper mindset are required if the proposed changes are to be implemented successfully

The economic and environmental crises highlight the need for more market regulation and the adoption of public policies that encourage new patterns of behavior that are less harmful to the environment and are based on sustainable models. Such policies will be truly effective if they include social inclusion both inside and across countries on a global scale.



“There should be objectives in place to reduce environmental impact indicators such as energy use, natural resource use, and land usage. This should be accompanied by study and analysis to determine the necessary circumstances for achieving these goals.

For example

- New models of housing, transportation, food
- Structuring of new paradigms of coexistence
- The restructuring of energy sectors

- Pushing the use of renewable energy sources like wind and biofuels
- Promoting public transport, create sustainable housing
- Promoting recycling

We must establish a new social conduct norm based on perennial and lasting ideals. The world cannot provide renewable resources in a sustainable and ongoing manner, nor can it handle additional trash. The Earth's resources are limited, yet demand is growing. We require governmental policies that place a higher value on goods and services that are more sustainable, as well as new behavioral patterns.

The taxation on non-sustainable products and services serves as an inducement to change. Society and government must be aware of and propose this new norm, which celebrates life in all its facets while not allowing commercial interests to trump human and environmental principles.

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