



6 ways to optimally generate business

SCM in reverse logistics may pose new problems to the sector and needs some new or fresh approaches. The problems like end-of-life products, their numbers and finding specific time period to fulfil the demand of various components are among the few factors that must be programmed based on an entirely different model. Here are some ways to optimise reverse logistics...

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1 UNDERSTAND THE REVERSE LOGISTICS SPECTRUM

Many companies compare the essential parameters such as time & money and conclude that reverse logistics is not a 'crème service' that could yield good results with greater Return on Investments (RoI). However, the fact files highlight that for most companies, reverse logistics costs are less than 4% of the total supply chain costs. Hence, it is important to consider all the essentialities of reverse logistics that form the spectrum of the business. The products that fall in this business include recalled products, end-of-life products, seasonal returns & parts, their valuation, inbound returns, visibility accountancy, disposition and sortation, return to stock/OEM/recycle and so on.

2 EVALUATE REVERSE LOGISTICS BENEFITS

Reverse logistics factors can affect more than 5% of the total revenue. It is necessary to analyse these factors to boost overall revenue as reverse logistics complements the main business. After drawing a Reverse Logistics Spectrum (RLS), one must be able to gauge the returns & value on returns, assess the infrastructure accordingly and the commitment that runs on these basis.

3 CENTRALISE THE RETURN OPERATIONS

Unlike the main logistics, which has become hybrid and distributed by nature, in reverse logistics, the returned products must be operated by a centrally managed group, which can improvise the cornerstone for change and success. The data collected in this manner will have foolproof authenticity, providing management the capacity to model any reverse logistics programme accordingly.

4 PROVIDE ONE-MAN AUTHORITY

Returned products are mainly due to "the other person's fault". Further, it is comparatively uncertain where the

product should be sent—the factory, for disposal or simply to the warehouse? All these affect the supply chain service. In such a scenario, it is wise to depute a higher authority, who can manage these operations.

5 LEARN TO GENERATE REVERSE LOGISTICS OPPORTUNITY

The experience defines the reverse logistics problem. While the primary objective of the model developed is to provide a cost efficient way to help manufacturers reclaim products for remanufacturing, the supply of products—which have been disposed of at the end of their lives—is finite. Shortages in this supply are eminent which, in turn, lead to possible shortages in the supply of components for remanufacturing. This, in turn, generates a simultaneous need for component supply for the manufacturer and a back window opportunity for the logistics service provider.

6 IMPROVE CUSTOMER EXPERIENCE

The creation of return orders is directly from the original order. This provides a comprehensive history of the order life cycle, thus allowing the customer service representative to provide knowledgeable assistance to virtually all customers irrespective of the channel used to originally purchase the item.

THINK ABOUT THE BUSINESS, INSTEAD OF THE PROCESS

A business-oriented staff manages numerous escalated issues rather than handling them. While both are intended to sort the issues and time-consuming customer problems, once you finish the process, the methodology might affect your business. Therefore, it is always suggested to be wise while managing the aspects in reverse logistics even though it can be cumbersome. ■

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