## **CONTENTS**

1	Introduction to Closed Loop Supply Chains and Reverse	
	Logistics	1
	Reverse Logistics and Closed Loop Supply Chain Service	6
	Overview of Reverse Logistics and Closed Loop Supply Chain Models	12
	General Market Definition	12
	Reverse Logistics and Closed Loop Supply Chain Business Models	12
	Product vs. Parts Returns	18
	Strategic Issues in Closed Loop Supply Chains	19
	Summary	21
2	The Business of Closed Loop Supply Chains and Reverse	
	Logistics	23
	Introduction	23
	Introduction to Life Cycle Management	24
	Trends and Opportunities	28
3	Overview of the Market for Closed Loop Supply Chains	
	and Reverse Logistics Services	37
	Introduction	37
	Key Trends	39
	Reasons for Using Reverse Logistics and Repair Services	40
	General Characteristics of Closed Loop Supply Chains and Reverse	10
	Logistics Services	40
	The Structure, Size, Dimensions, and Forecast of the Market	41
	Depot Repair and Value-Added Services	43
	Operating Dynamics of the Reverse Logistics and Closed Loop Supply Chain Markets	
	Competitive Evaluation	55
		57
4	Managing High Tech Closed Loop Supply Chains and	
	Service Parts Logistics	65
	Introduction	65

## xii ■ Reverse Logistics and Closed Loop Supply Chain Processes

	closed loop supply chain strategy	71
	Factors Affecting Efficiency and Productivity of Closed Loop Supply	
	Chain Management and Control	74
	Advanced Forecasting Mechanisms for Closed Loop Supply Chain	
	Management and Control	77
	Control Mechanisms within the Logistics Pipeline	83
	Stock Control of Key SKU	83
	Use of Advanced Forecasting	84
	Bar Coding and RFID Methods for Identifying and Improving	0.
	Accuracy of Inventory Counts	84
	Improved Just in Time Scheduling and Control of Depot	05
	Refurbishing and Repair Operations	0/
		84
	Other Mechanisms for Improving Logistics Management and Control	0.5
		85
	Closed Loop Supply Chain Management Systems	86
	High Tech Closed Loop Supply Chains Metrics and Parameters	87
	Closed Loop Supply Chain and Reverse Logistics Benchmark	
	Results	92
	Impact of Products and Technology Supported	92
	Impact of Using Closed Loop Supply Chains vs. Simple	
	Reverse Logistics Processes	92
	Forecasting Impacts	92
	Return Velocity Rates for High Tech Products	98
	High Tech Product Return Experience	98
	Summary	105
_	Wanasina Carra Carra Carra Taran	
5	Managing Consumer Goods Reverse Logistics	107
	Introduction	107
	Manufacturer Consumer Goods Management Structure	107
	Retailer/Distributor Consumer Goods Management Structure	108
	Consumer Goods Return Rates	115
	Organization and Structure of Consumer Goods Reverse	
	Logistics	117
	The Relationship between Consumer Product Life Cycles and	
	Product and Parts Returns	120
	Consumer Good Return Rates and Life Cycle	120
	Effect of Branding on Consumer Goods Returns	122
	Consumer Goods Industry Return Rate Averages and Metrics	124
	Other Consumer Product Return Issues	127
	Consumer Goods Reverse Logistics Practices	132
	Summary	
		137
6	Depot Repair and Its Role in Closed Loop Supply Chains	
	and Reverse Logistics	139
	Introduction	139
	Structure of the Depot Repair Market	141
	Depot Repair Operating Models	144
	-L	7.4.4

	Depot Repair Practices in Support of Closed Loop Systems Depot Repair and Reduction Process in Simple Reverse	145
	Logistics Operations	145
7	Warranty Management, Return Process, and	
	Benchmarks	153
	Introduction: Types of Warranties	153
	Managing the Strategic Value of the Warranty Process The Importance of Perceptions in Managing Warranty and	154
	Postwarranty Service  Managing Warranty and Postwarranty Support in a Dealer  Environment	158 159
	General Warranty Process Benchmark Analysis and Evaluation	162
8	Secondary Markets and Final Disposal of Returned	
	Products and Materials	167
	Introduction	167
	Offshore Secondary Markets	168
	Use of Third Party Service Providers	171
9	Advanced Systems and Technology for Managing Closed	
	Loop Supply Chains and Reverse Logistics Processes	
	Introduction	175
	Systems and Technology for Consumer Goods Operations High Tech Logistics System for Closed Loop Supply Chain	176
	Management	177
	Logistics Support Management Systems Functions and General Specifications	180
	Other Technology Supporting Reverse Logistics and Closed Loop Systems	183
	Bar Coding	183
	Radio Frequency Identification System (RFID)	184
	Repair Depot Applications of Bar Coding or RFID Scanning Configuration Control	185 185
	Logistics Management Systems Technology State-of-the-Art	186
	Impact and Value of Advanced Logistics Management Systems	187
10	Bringing It All Together: Managing Reverse Logistics and	
	Closed Loop Supply Chain Processes	
	Introduction	193
	Stage 1 — Establishment of Market Focus	194
	Stage 2 — Collection of Data on Existing Processes and Structures	194
	Stage 3 — Establish Strategic Direction and Business Plan Stage 4 — Determine and Establish a Management Organization	194
	and Operating Structure	195
	Stage 5 — Development and Implementation of a Business Model	195

## xiv Reverse Logistics and Closed Loop Supply Chain Processes

	Stage 6 — Full Operations	195
	Use of Third Party Service Providers	198
	Trend 1: New Software Focus	198
	Trend 2: New Vendors, Advanced Tools	199
	Trend 3: Move to Real-Time Control	199
	Additional Factors	200
	The Internet and E-Commerce	200
	Application Service Providers	200
	The Role of the Supplier in Obtaining Increased	
	Efficiency through Partnering	201
	To Outsource, or not to Outsource?	202
11	Summary and Conclusion: Management of Closed Loop	
	Supply Chain and Reverse Logistics Process Directions	
	and Trends	202
	Introduction	203
	Long-Term Impact of Green Laws	205
	Recommendations	207
		200 /
App	endixA Closed Loop Supply Chains and Reverse Logistics	
	Bibliography	211
Ann	endix B Forecasting Methodology and Special Data Sources	
, .pp	Used to Develop Benchmark and Market Forecasts	
App	endix C Additional Data Sources on Reverse Logistics	
	and Closed Loop Supply Chain Operations and	
	Performance	227
App	endix D Firms Providing Reverse Logistics Services	231
App	endix E The Waste Electrical and Electronic Equipment	
	(WEEE) Directive of the European Union	245
Inde	2X	263