***Supply Chain Management – Reverse Supply Chain***

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| **Reverse Supply Chains.**When the flow of material is upstream instead of downstream the supply chain is called a reverse supply chain.  |
| Material can flow upstream because of:“Returns” which are triggered by downstream agents;“Recalls” which are initiated by upstream decisions; or“Recycle” which is a cooperative policy between upstream and downstream parties. |

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| **Supply Chain**:🡨 Flow of Information 🡨

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| Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |

🡪 Flow of Material 🡪 |
| **Reverse Supply Chain**:🡨 Flow of Material 🡨

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| Supplier | 🡨 | Manufacturer | 🡨 | Distributor | 🡨 | Retailer | 🡨 | Customer |

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**Primary & Secondary Markets**

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| *Primary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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*Reverse**Supply**Chain*

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|  | DisposalOr Scrap |  | Recycle |  | RemanufactureOr RefurbishOr Repair |  | Reuse |  |

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| *Secondary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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| Reuse | No modification. Return to Primary or Secondary Market. | Refunds or Exchanges |
| Repair | Modifications applied. Return to Secondary Market. | Repair or Maintenance |
| Recycle | Components, parts or material retrieved. Provide to Secondary Market or other markets. | Spare parts or Inventory. |
| Dispose | Destroy, incinerate or scrap. Eliminate or provide to scrap market. | Landfill. |

**Customer to Manufacturer**

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| *Primary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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**Customer to Retailer to Manufacturer**

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| *Primary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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**Customer to Third-party to Manufacturer**

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| *Primary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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**Centralized**

**Cost – Large Inventory – Lean Supply Chain – Postponement – Functional Products**

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| *Primary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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**Centralized**

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| **Evaluation & Disposition** | 🡨 | Receive & Document | 🡨 |

*Reverse**Supply**Chain*

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| *Secondary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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**Decentralized**

**Service – Quick Response – Agile Supply Chain – Early Differentiation – Innovative Products**

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| *Primary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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**Decentralized**

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| **Receive & Document Evaluation & Disposition** | 🡨 |

*Reverse**Supply**Chain*

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| *Secondary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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| **Strategic Reverse Supply Chain Management** |
| *Opportunities* | *Barriers* |
| Increased Customer SatisfactionSecondary MarketsEnhanced InformationSustainability | Brand ErosionLogistics Costs & Low Profit MarginsCoordination & Top Management CommitmentMinimal Legal Issues |

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| **Green**Reverse Supply Chain Management | **Lean**Reverse Supply Chain Management | **Agile**Reverse Supply Chain Management |