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

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| **Reverse Supply Chain** |
| A supply chain where physical goods travel upstream. |

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

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

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

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

**🡨 Flow of Material 🡨** |

**Primary Market vs. Secondary Market**

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| *Primary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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| Evaluation & Disposition | 🡨 | Receive & Document | 🡨 |

*Reverse**Supply**Chain**Process*

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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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| Receiving & Documenting Material can be caused by: |
| “Returns” | “Returns” which are triggered by downstream agents. |
| “Recalls” | “Recalls” which are initiated by upstream decisions. |
| “Recycle” | “Recycle” which include cooperative policiesbetween upstream and downstream parties. |

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| Evaluation & Disposition of Material to secondary market can include: |
| 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. |

**Primary Market vs. Secondary Market**

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| *Primary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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| *Secondary**Market* | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |
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**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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| **Basic Reverse Supply Chain Strategy** |
| 1.2.3. | Recovery Cycle TimeRecovery Cycle CostRecovery Asset Value |  | 1.2. | Efficient (Lean) Chain (Centralized)Responsive (Agile) Chain (Decentralized) |

**Centralized**

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

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**Centralized**

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

*Reverse**Supply**Chain**Process*

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**Decentralized**

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

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**Decentralized**

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

*Reverse**Supply**Chain**Process*

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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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| *Supply Chain Management Overview:* |  |
|  |  | *Supply Chain Initiatives* |  |
|  |  | Lean(Cost,Waste) | Green(TBL,CSR) | Resilient(Risk) | Responsive(Agile) | Smart(Technology) |  |
| *Key Supply Chains* | Commodity Supply Chain |  |  |  |  |  |  |
| Global Supply Chain |  |  |  |  |  |  |
| Service Supply Chain |  |  |  |  |  |  |
| **Reverse** **Supply Chain**  |  |  |  |  |  |  |
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|  | *Functions* | Inventory | Logistics | Relationships | Information | Strategy |  |
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| **Green****Reverse** Supply Chain Management | **Lean****Reverse** Supply Chain Management | **Agile****Reverse** Supply Chain Management |

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| **Smart****Reverse** Supply ChainManagement | **Resilient****Reverse** Supply ChainManagement |

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| **Commodity****Reverse** Supply Chain Management | **Global****Reverse** Supply Chain Management | **Service****Reverse** Supply Chain Management |

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