Chapter 10
Enhancing the Supply Chain in Organisations: The Pivotal Role of Reverse Logistics

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ABSTRACT
Reverse Logistics (RL) is an innovation able to bring about immense benefits for organisations in a wide range of industries through enhancing the performance of supply chain procedures. Yet, evidence demonstrates that RL has remained unexploited mainly due to the lack of knowledge about its benefits, enablers, and major aspects of its adoption and implementation. In this context, promoting the adoption and diffusion of RL into the supply chain of organisations has been recommended frequently. This chapter provides a response to such need by (1) explaining the phenomenon and dispelling the confusions surrounding the RL concept, (2) clarifying the major drivers and barriers of RL and highlighting the role it can play in enhancing the performance of conventional supply chains; in addition, (3) the chapter intends to demystify the major aspects associated with implementing RL in organisations. The chapter also aims at familiarising potential readers with the major references available in the field.

1. INTRODUCTION
Due to many drivers such as the intention of organisations towards achieving sustainable development, producing cheaper products, and using resources efficiently, the Reverse Logistics (RL) field has experienced notable growth (González-Torre et al., 2010). Some sources have even referred to RL as a major business opportunity for the 21st century (Das & Chowdhury, 2012; Pokharel & Mutha, 2009).

Nevertheless, regardless of the profit-oriented advantages to implement RL, environmental legislation is progressively considering the original
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producers legally responsible for setting up recovery and return systems for returned products (Krikke et al., 2003, Fleischmann et al., 1997). The great benefits of implementing RL practices in organisations in terms of alleviating the environmental concerns and generating cost savings has been widely acknowledged in the extant literature (Pirlet, 2013). However, many barriers hinder the adoption and implementation of RL in organisations and make many firms reluctant to adopt the field (González-Torre et al., 2010). As a result, organisations would proceed towards reaping the benefits of RL only after minimising or supressing the effects of associated barriers (Ravi & Shankar, 2005). Furthermore, RL is a highly cross-functional and multidisciplinary phenomenon; thus, many factors should be considered as prerequisites for its success (Carter & Ellram, 1998).

Consequently, promoting the adoption and implementation of RL in organisations would not be possible without promoting the drivers of RL and supressing and modifying the barriers. One main barrier to high-level implementation of RL is the lack of knowledge about its major components. The lack of industry recognition has been exacerbated by the failure of academia to communicate the envisaged benefits of RL with practitioners. This makes highlighting the concept of RL doubly urgent and relevant as the first objective of this chapter. Secondly, the RL concept has been mistakenly recognised as a subset of waste management, green logistics, and – in some cases – sustainable logistics. In this context, clarifying the boundaries of the conceptual definition of RL would serve our basic objective by delimiting the conceptual definition of RL.

Thirdly, merging the RL concept into a scientifically established body of knowledge such as Supply Chain Management (SCM) would hasten the process of integrating the existing body of knowledge. In turn, this could both facilitate the promotion of the drivers and supress the barriers of RL as a necessity according to the above. Therefore, the third objective of this chapter is to ground the concept of RL within the body of knowledge of the SCM system and highlighting the links between the aforementioned concepts. The chapter concludes with describing the vital role of RL to enhance the performance of SCM systems in organisations.

2. REVERSE LOGISTICS BACKGROUND AND DEFINITIONS

Research studies leading to the birth of the Reverse Logistics (RL) phenomenon date back to the 1960s (see Pokharel & Mutha, 2009). However, traces of the concepts such as Reverse Channels or Reverse Flows are found in the publications from the 1970s (Bouzon et al., 2013; Brito & Dekker, 2004). For example, one of the earliest definitions of RL was inspired by considering the traditional flow of products from the manufacturer/supplier to the consumption point as the standard direction for the conventional supply chain. In this context, RL was described as “going the wrong way” (Lambert & Stock, 1982, p. 19).

During the 1980s, the RL concept was reflective of the movement of goods from the consumers back to producers in a distribution channel. Salient examples are the papers by Murphy (1986) and Murphy and Poist (1988) which referred to the concept using the term “Reverse Distribution” focusing on warehousing and transportation. The formal definition presented by the Council of Logistics Management defined RL as “the role of logistics in product returns, reuse of materials, waste disposal and refurbishing, repair, and remanufacturing” (Stock, 1998, p. 20). Carter and Ellram (1998, p. 85) highlighted that “Reverse Logistics is a process whereby companies can become more environmentally efficient through recycling, reusing and reducing the amount of materials used”.

At the end of 1990s, definitions proposed by Rogers and Tibben-Lembke (1998) drew upon