
CHAPTER 12 The Returns Management Process

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Overview

The returns management process involves the management of returns, reverse logistics, gatekeeping, and avoidance within the firm and across key members of the supply chain.¹ Implementation of this process enables the efficient management of the reverse product flow, the identification of opportunities to reduce unwanted returns, and the control of reusable assets such as containers. In this chapter, we describe the types of returns that need to be managed within this process, define returns management, and explain how the returns management process is implemented. The sub-processes and activities are described as well as the interfaces with other supply chain management processes and other firms. Examples of successful implementation of the returns management process are provided.

After reading this chapter you should be able to:

- Identify the different types of returns that a company might face.
- Explain the difference between the returns management process and reverse logistics.
- Describe the strategic returns management process.
- Determine the importance of a returns management strategy.
- Explain the concept of avoidance and provide examples.
- Assess the risks and opportunities associated with using secondary markets.
- Examine how the returns management process can affect Economic Value Added (EVA®).
- Describe the operational returns management process.
- Explain why the returns management process needs to be cross-functional, the functions that should be involved, and the role each function plays.
- Demonstrate how customers and suppliers should be integrated into the returns management process.

¹ This chapter is based on Dale S. Rogers, Douglas M. Lambert, Keely L. Croxton and Sebastián J. García-Dastugue, "The Returns Management Process," *The International Journal of Logistics Management*, Vol. 13, No. 2 (2002), pp. 1-18; and Dale S. Rogers, Douglas M. Lambert, Keely L. Croxton and Sebastián J. García-Dastugue, "The Returns Management Process," in Douglas M. Lambert (Ed.) *Supply Chain Management: Processes, Partnerships, Performance* (4th Ed.), Supply Chain Management Institute, Ponte Vedra Beach, FL (2014), pp. 161-180.