



Reverse Logistics: Because dumping into landfill is no longer an option

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ANTONY FRANCIS, FCA, FILT
SME SUPPLY CHAIN AND LOGISTICS @ENDAVA



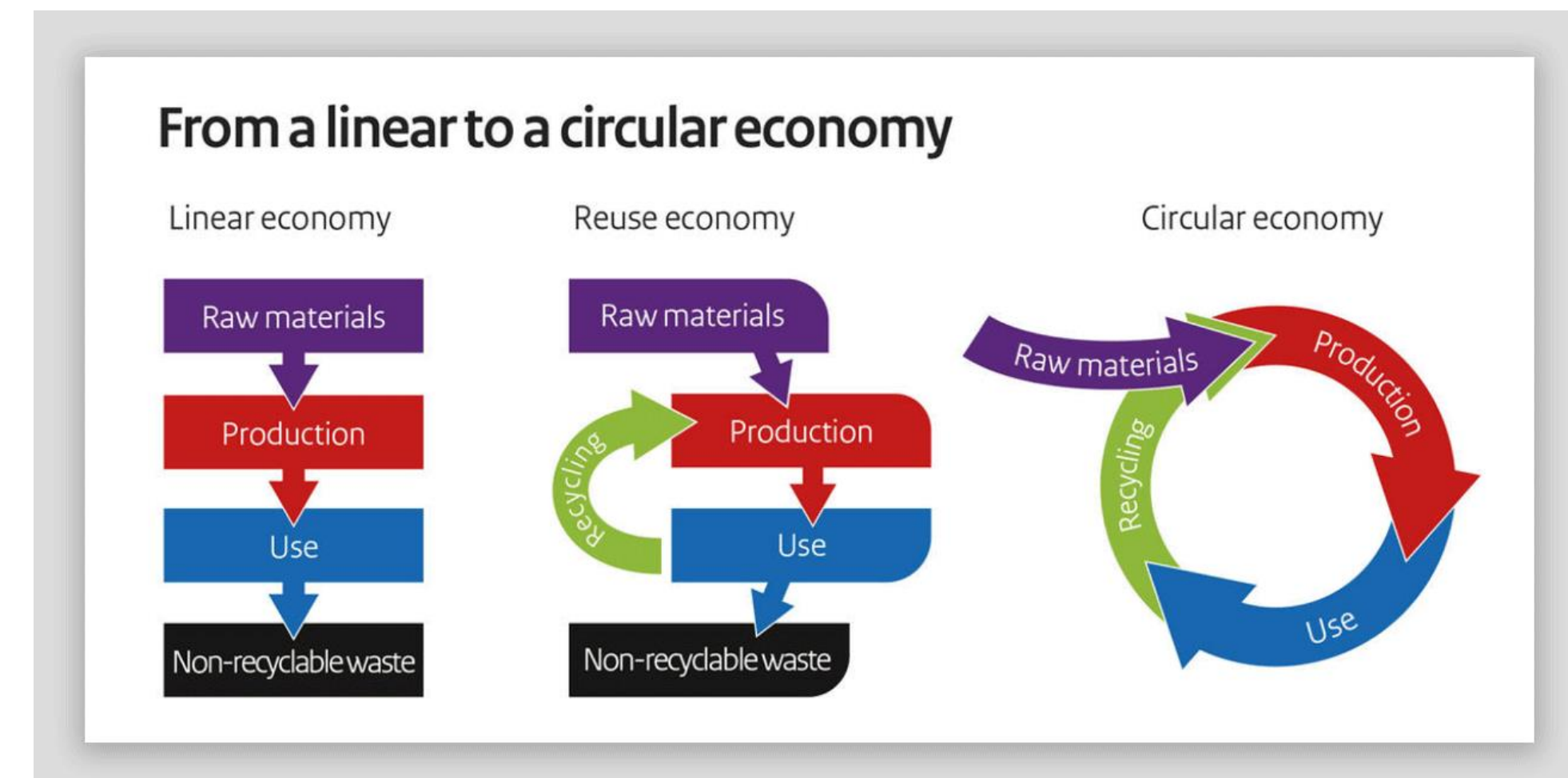


What is the Circular Economy

Old style businesses harvest the earth's materials, create marketable products from them and sell them, and consumers use them and then throw them away. It's a linear process.

Beyond product innovations, a circular economy, changes the way we use and consume goods. Instead of tossing items into a landfill, those materials are recaptured for reuse or recycling.

A circular economy offers a wide range of environmental, social, and economic benefits.



What is Reverse Logistics

The pandemic accelerated the returns process. As a result, online retailers are handling more product returns than ever.

In 2020 alone, approximately \$102 billion worth of online products were returned.

REVERSE LOGISTICS IS THE PROCESS OF RECOVERING GOODS FROM CONSUMERS OR BUSINESSES RELATING TO THE REUSE AND RECYCLABILITY OF PRODUCTS AND MATERIALS.

Sustainability and environmental conservation is here to stay!



Common challenges in Reverse Logistics

Some of the common challenges ecommerce retailers face when handling returns include:

- The high cost of reverse logistics especially first mile
- An inability to understand consumers' wants and needs
- Poor visibility into returned products





Aligning RL with the Circular Economy

eCommerce businesses are aligning their reverse logistics with the circular economy for several reasons.

- First, this strategy helps address many of the challenges associated with this process, such as lack of visibility and the customer experience as discussed.
- Second, consumers care about these issues
- Third, it helps businesses unlock value in returned products and provides mitigation solutions to landfill.
- Fourth, and just as important of course, we know it is the right thing to do.

Steps to align RL with Circular Economy

Design products with reverse logistics in mind

Create a frictionless collection program

Analyze data to identify trends





Technology tools to reduce costs

Ecommerce businesses are now using technology solutions to advance their forward logistics. So why wouldn't they do the same for reverse logistics?

Automation tools to sort incoming items can mean that fewer products are sent to landfills as more items are placed back into inventory or sent for recycling.

Compliance, ESG and Carbon Credits

MAKE ENVIRONMENT AWARENESS A PRIORITY

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CARBON CREDITS





Cost reduction efforts

Circular economists are always looking for ways to reduce costs at every stage of the production and delivery process.

These are classic examples of where 6 Sigma process analysis and improvement come into play.

Each step where money is saved allows to reduce the BER threshold for triggering liquidation of items and increase recovery rates.

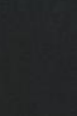
When it comes to your returns, how can you reduce the transportation costs and their environmental impact?

Maximize retained value of returns

One of the biggest opportunities for ecommerce businesses lies in maximizing the retained value of returned items. It's a win-win proposition. There is less waste, and your business gets to add a bit more to its bottom-line results.

The primary options for getting value out of returns products include:

- **Resell through the initial channel**
- **Refurbish and Sell through a secondary market**
- **Recycle or donate**





What happens when you return an appliance

Technology plays a large part in tracking and reporting each item

Allows full end to end control of the process.

Other product categories

What differences are there in other product categories.

- **Small electronics – cell phones, watches, tablets, lap-tops**
- **Garments, shoes**
- **Jewelry**
- **General merchandise**

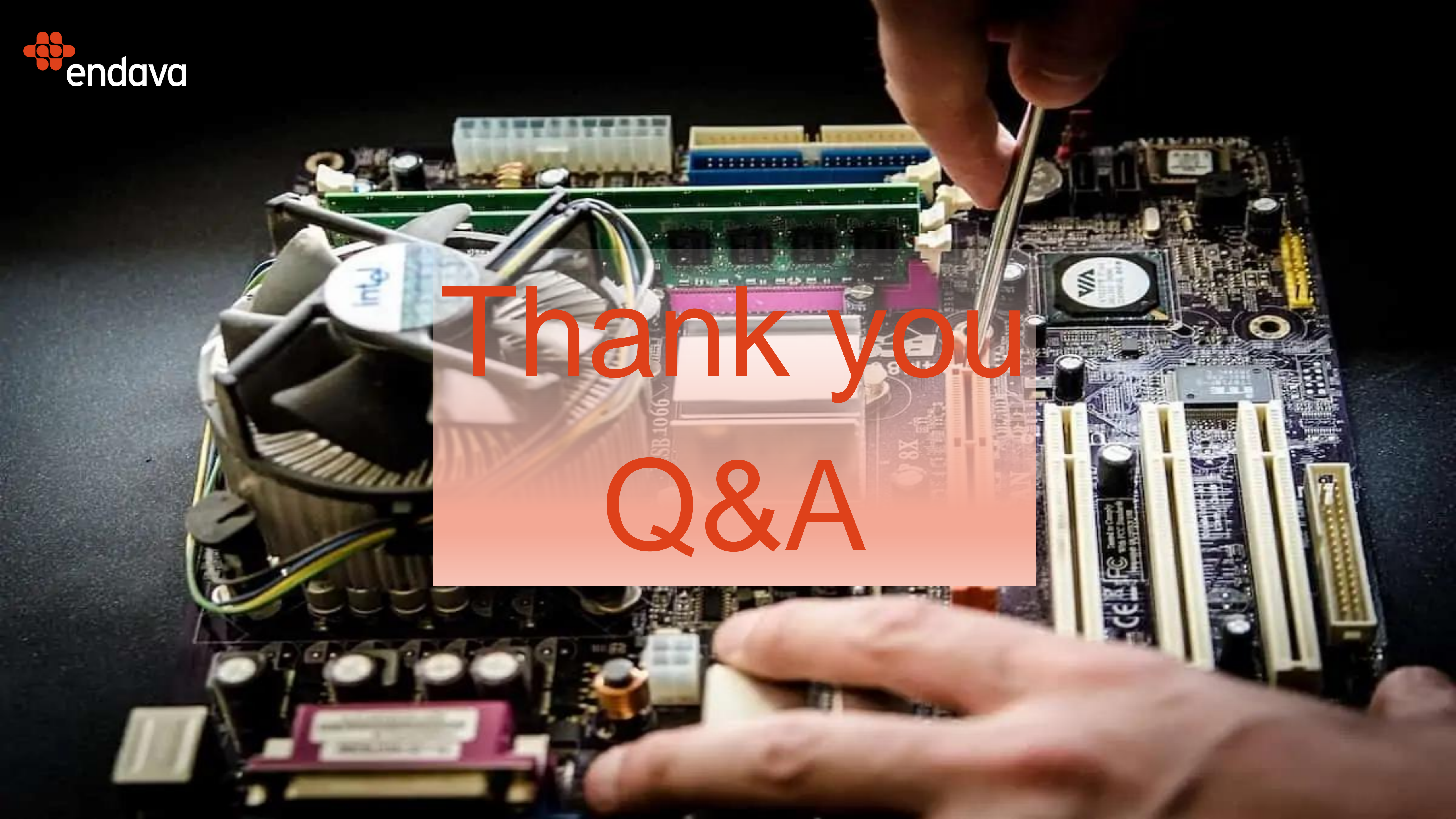


Summary – Circular Economy

REMEMBER THE 5 Rs

- **Refuse to buy unless**
- **Reduce waste**
- **Reuse where possible**
- **Repurpose**
- **Recycle as a last resort**





Thank you
Q&A