

Logical reversal: Reverse logistics helps environment, gives competitive advantage

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During an economic downturn companies, particularly in the computer sector, could gain an advantage of their competitors by adopting reverse logistics, according to researchers writing in the *International Journal of Environment and Sustainable Development*.

Seyed-Mahmoud Aghazadeh of the Department of Business Administration at the State University of New York, Fredonia, explains how reverse, which deals with the movement of products from consumers back to producers could give companies an economic and environmental boost.

Environmental pressures across the globe have led to the development of legislation and regulations that place the onus on consumers as well as manufacturers to collect used products, and facilitate the disassembly of these products into their constituent parts and then distribute these for reuse, recycling, or safe disposal. The remanufacturing of used products has become accepted and identified as an advantage for many corporations and precludes the wasteful and environmentally damaging option of sending such goods to landfill or incineration.

Aghazadeh has reviewed the scientific literature on this process of reverse logistics and has found that despite the additional costs of waste transportation and third-party "demanufacturing", the process can provide companies, such as Dell and IBM, with a competitive advantage. The rapid obsolescence and turnover of information technology equipment, such as computers, monitors, printers, and other devices is a

prime target for reverse logistics, Aghazadeh explains.

Because of legislation forcing companies to dispose of returned electrical waste goods in some regions, some manufacturers are already implementing reverse logistics and finding ways to reduce costs, gain a financial return on the process through the sale of refurbished goods, as well as capitalizing on their "green" credentials in marketing terms.

For the sake of economics and the environment, organizations need to create a well-established reverse logistics system in order to ensure easy and efficient returning of damaged and already-used merchandise, Aghazadeh concludes.

Paper: "The success of reverse logistics in supporting the environment: the case of the computer industry" in *International Journal of Environment and Sustainable Development*, vol 7, 452-464

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