

# Top 7 Ways to Optimize Reverse Logistics

*Use this checklist against your post-holiday plans to make sure it's comprehensive and that your organization is doing what is necessary and sufficient to get through the next returns cycle.*



## 1 RE-EVALUATE RELEVANT POLICIES AND AGREEMENTS

Many processes being used existed before the pandemic. With the flexibility created over the last 2 years, organizations need to re-evaluate their policies and procedures to ensure they are relevant to the current way of doing business. These processes can be competitive differentiators.

## 2 COLLABORATE WITH SUPPLIERS

There is a stratification of suppliers. There are those that you want to collaborate closely with and have a good trusting relationship with vs. those that you can find alternatives for vs. one-time buys. Make sure you are collaborating with each one of those bands appropriately to create a smooth, integrated experience for customers.



## 3 USE DATA TO OPTIMIZE PROCESSES

By collecting the right data on product returns, you can understand why customers may be returning products. Then, you can make adjustments in sales, product design and forward logistics processes accordingly.

## 4 TRACK PRODUCTS FORWARD AND BACKWARDS

Linking raw materials to the finished good and the customer order allows you to trace ingredients in the event that you need to process recalls—instead of issuing them for entire lines, you can find the issue and selectively issue recalls. This also enables you to understand where logistics jams might be happening and how to fix them efficiently.

## 5 CENTRALIZE RETURN CENTERS

Centralizing return centres to more effectively create economies of scale and reduce backlog. Better sort products and identify the best next step for each of them. Efficiently determine how best to reclaim product value. If your company lacks the resources to have a separate returns center, consider dedicating a portion of your warehouse or factory to returns.

## 6 EXAMINE LOGISTICS AND TRANSPORTATION

Regularly review the processes for forward and reverse logistics and transportation. Determine if it is feasible to integrate some of these processes and transit. For example, if your delivery drivers can pick up empty pallets as they drop off full pallets, you save trips, time and money.



## 7 AUTOMATE

Begin to automate processes that have been stabilized and reinvented for the new world. Use cloud-based logistics software to help streamline operations. For example, a software system can track asset recovery, manage refurbishment and provide business intelligence analytics.

## ABOUT THE POIRIER GROUP

The Poirier Group (TPG) is a leading supply chain management consulting firm based in Toronto, and we have worked with companies of varying sizes to evaluate, improve, and design optimal supply chain solutions, allowing them to address cost and service issues to improve profitability and market competitiveness.

Our stacked team of Lean Six Sigma Black Belts rapidly identifies areas for process improvement and quick wins in your supply chain processes to save you time and money, as soon as possible.

**Contact us** to learn more about how TPG can help optimize your supply chain and logistics processes