Contents

Part I. Reverse Logistics: An Introduction

1.	Introduction		
	1.1	Scope and Definition of Reverse Logistics	5
	1.2	Research Goals and Methodology	7
	1.3	Outline of this Monograph	8
2.	Rev	verse Logistics at IBM: An Illustrative Case	11
3.	Str	ucturing the Field	17
	3.1	Dimensions of the Reverse Logistics Context	17
	3.2	Categories of Reverse Logistics Flows	19
	3.3	Literature Review	24
		3.3.1 General Reverse Logistics Issues	25
		3.3.2 Marketing Channels for Reverse Logistics Flows	30
		3.3.3 Production and Operations Management Issues	31

Part II. Reverse Logistics: Distribution Management Issues

4.	\mathbf{Pro}	duct Recovery Networks	37
	4.1	Introduction to Reverse Distribution	37
	4.2	Evidence from Current Practice	38
	4.3	Recovery Network Characteristics	43
		4.3.1 Commonalities of the Surveyed Business Cases	43
		4.3.2 Comparison with Other Logistics Networks	47
	4.4	Classification of Recovery Networks	50
		4.4.1 Dimensions of the Network Context	50
		4.4.2 Product Recovery Network Types	52
	4.5	Vehicle Routing Issues	56
5.	A F	acility Location Model for Recovery Network Design.	59
	5.1	Recovery Network Design Models in Literature	59
	5.2	A Generic Recovery Network Model	64
	5.3	Examples	69

X Contents

	5.3.1 Example 5.1: Copier Remanufacturing	70
	5.3.2 Example 5.2: Paper Recycling	73
5.4	Parametric Analysis and Network Robustness	75
5.5	Extensions	80
Conclus	ions of Part II	85

Part III. Reverse Logistics: Inventory Management Issues

6.	Inv	entory Systems with Reverse Logistics
	6.1	Exemplary Business Cases
	6.2	Characteristics of Recoverable Inventory Management 93
	6.3	A Review of Inventory Models in Reverse Logistics
		6.3.1 Deterministic Models
		6.3.2 Stochastic Periodic Review Models
		6.3.3 Stochastic Continuous Review Models 101
7.	Imp	oact of Inbound Flows
	7.1	A Basic Inventory Model with Item Returns 106
	7.2	The Unit Demand Case 107
	7.3	General Demand Case: Analysis of the Cost Function 114
	7.4	General Demand Case: Optimal Policy Structure 119
	7.5	Numerical Examples
	7.6	Extensions 129
8.	Imp	oact of Multiple Sources
	8.1	Tradeoffs Between Recovery and Procurement
	8.2	The Capacity Aspect of Product Returns
Co	nclus	sions of Part III

Part IV. Reverse Logistics: Lessons Learned

9.	Integration of Product Recovery into Spare Parts Manage-				
	mei	nt at IBM			
	9.1	The Current Dismantling Process			
	9.2	Logistics Alternatives for Integrating Dismantling			
		9.2.1 Design of the Dismantling Channel 146			
		9.2.2 Dismantling Decision Rule			
		9.2.3 Co-ordination with Other Sources 148			
	9.3	Performance of Alternative Planning Approaches			
		9.3.1 A Simulation Model 149			
		9.3.2 Numerical Results			
	9.4	Recommendations			
10.	Cor	nclusions			

	Contents	XI
List of Figures		166
List of Tables		168
References		171