Formalization of reverse logistics programs: A theoretical framework

Purpose

– The main goal of this paper is to propose a theoretical framework that helps firms to implement a formalization program to manage their returns. This research work proposes the theoretical framework that provides instructions for firms’ formalization, with written rules and standard procedures, to better control their reverse logistics process.

Design/methodology/approach

– The framework proposed covers all the stages in reverse logistics process, from return collection to sorting and treatment processes. The theoretical model is proposed according to existing studies and literature resources. Our approach focuses on theoretical and methodological considerations. We posit that formalized RL process will help firms to realize their goals by facilitating a more efficient flow of goods from the point of consumption to the point of origin.

Findings

– Formalization would enable firms to profitably handle their reverse logistics operations, especially when returns involve a number of uncertainties such as increasing volume of returns, the unstable time, and different types/conditions of returned products. The framework proposed helps companies to formalize every single process and improve reverse logistics effectiveness.

Research limitations/implications

– This paper is limited to theoretical and methodological considerations. As a future research, we suggest to focus on a quantitative empirical study that proposes relationships between the degree of process formalization and reverse logistics program performance.

Practical implications

– Companies can effectively structure their reverse logistics activities following a formalization system based on the theoretical framework proposed in this paper.

Originality/value

– An original theoretical framework to help companies formalize their reverse logistics programs is proposed in this paper. This is especially helpful when companies receive highest volume of returns.