

History of reverse logistics business essay



**ASSIGN
BUSTER**

Our company name is ' Zymo Cosmetics'. As what the name describes cosmetic, our company's industry is a cosmetic industry. Cosmetic industry is a very dynamic industry. This industry is based on some core components of business like marketing, supply chain, distribution requirement planning and so on. Because of the fast changing demand of the customers, this industry is very dynamic and it is very difficult to forecast or to understand the exact requirements of the customer. That is why in this industry the flow of information and the working of a supply chain is very important. Besides supply chain, Distribution Requirement Planning is also equally important. Our project will try to explain some of the features of this industry.

CHAPTER 2 INTRODUCTION OF COMPANY

The company Zymo has been established in 2009. To establish long-term trust and relationship with clients and consumers by providing quality products and services in the fields of cosmetology, dermatology, oral care, hair care, baby care and herbal care at reasonable price with full integrity and thus by creating win-win situation. The Team Zymo consists of experienced and innovative Managing Executives, financially strong Investors, enthusiastic Office Staff, quality conscious and knowledgeable Laboratory Operators committed Production Supervisors, energetic and skilled Workers, cooperative Suppliers and our highly satisfied domestic as well as overseas Clients and Consumers. Company's management team consists of experienced and skilled personnel in the fields of cosmetics, cosmeceuticals, pharmacy, engineering and business management. The coordination between managing team, office employees and work-team create homelike atmosphere. The synergy of energy, enthusiasm, passion

and innovation ensures a perfect combination of prompt action balanced with experience.

Product Profile

Company has readily developed formulas of Face and Body cleansers-products for pure and soft skin - which are known for their effectiveness. Company's formulas include products for both oily and dry skin types.

The Products in this group are:

Pimple Care Face Wash

Exfoliating Face Wash (with Glycolic Acid & Salicylic Acid)

Cleansing Face Wash

Face Wash Gel

Face Wash Cream

Neem Face Wash

Fruit Face Wash

Body Wash

Bath Wash Gel

Face & Body Wash With Active Beads

Face Scrub (Apricot, Walnut, Cucumber, Strawberry)

Body Scrub (Apricot, Walnut, Cucumber, Strawberry)

Cleansing Lotion

The above products can have Herbal actives, Chemical actives or combination of both.

These products are available in different quantities such as 50gm, 100gm, 150gm, 250gm, 500gm, 1kg, 5kg and in a 100kg container as a raw material for other company.

The above products in this group have a common formula for making and there are basically two types of ingredients which make these products that are BASIC and ACTIVE INGREDIENTS.

Basic Ingredients:

These ingredients are the basic or the base ingredients which are same in the above products.

Active Ingredients:

These are the specific ingredients which are not same in the above products. All of the above products are having some different effect which makes them different from other products in the group. Active ingredients are those raw materials which make them different from others, and it is difficult to develop or to find these ingredients.

From all the above products, we have selected a specific product named Pimple Care Face Wash.

Ingredients: Aqua, SLES, CAPB, Carbomer, Active Globules of Vit. E & Tea Tree Oil, Aloe Vera, Perfume, Salicylic Acid, D-Panthenol, Triclosan, Allantoin

Basic ingredients: Active Globules of Vitamin E, Aloe Vera, D-Panthenol, Allontoin, SLES, CAPB, Carbomer, Perfume and Aqua.

Active ingredients: Tea tree oil, Salicylic acid and triclosan.

Quality Is The Prime Concern

Company's manufacturing plant consists of well designed hygienic machinery, effective infrastructure and eco friendly work environment with all the necessary machinery, required technicians and knowledge to produce and procure internationally acceptable quality and packaging requirements, leader in Private Label Manufacturer, Private Labelling.

All products manufactured at Zymo are approved at FDA of Gujarat, India.

Samples per production batch are rigorously and flawlessly tested at our hi-end laboratory setup on the day of production and then at regular intervals.

All company's raw material suppliers are market leaders in domestic as well as international markets.

The raw material inventory is inspected for quality at regular intervals without any miss.

Founder's Profile

Mr. Bharat Patel (Chemistry Graduate)

Product Development & Manufacturing Processes, Human Resource Management

Mr. Vikram Patel

Production Line Management

Mr. Ankit Patel (Pharmacy Graduate)

Research & Development, Product Development and Quality Control

Mr. Chaitanya Patel (Commerce Graduate)

Packing Material Purchase, Finance, Accounting, Legal Affairs

Mr. Tarak Patel (Business Administration Graduate, Elec. & Comm. Engineer)

Marketing, Sales & Promotion

CHAPTER 3 LITERATURE REVIEW OF SCM

In a traditional point of view, a supply chain process would be a product is developed to be manufactured and then is delivered through the manufacturer-distributor-wholesaler-retailer chain. In the modern supply chain environment, service and product recovery have been integrated and have become two important components, i. e. the handling of products, components and materials during the recovery process (RevLog, 1998).

According to one analyst, reverse logistics is driven by several forces, such as competition and marketing motives, direct economic motives and concerns with the environment.

The term ‘ supply chain’ was coined in the mid 70’s. Banbury (1975) used ‘ supply chain’ as a term of passing on electricity towards the ultimate consumer. It was not until the 1980’s, however, that the term ‘ supply chain management’ came into context. Oliver and Webber (1982) discussed the potential benefits of integrating internal business functions of purchasing, <https://assignbuster.com/history-of-reverse-logistics-business-essay/>

manufacturing, sales and distribution into one cohesive framework.

Stevens(1989) has defined supply chain management as the integration of business functions involving the flow of materials and information from inbound to outbound ends of the business. Dyadic or party relationships between suppliers are becoming part of the supply chain process (Harland, 1996). Here we see the formulation of a supply chain framework in terms of establishing contracts between firms. Organisations have been given the the opportunity to either vertically integrate or market their products in connection with other partners (Stevens, 1989).

In the 1970s, material requirements planning (MRP) was developed and managers realized the impact of huge WIP inventories on manufacturing cost, quality, product development, and delivery lead-time. The intense global competition of the 1980s forced world-class organizations to offer low-cost, high-quality, and reliable products with greater design flexibility. Manufacturers utilized Just-In-Time (JIT) and other management programs to improve manufacturing efficiency and cycle time. The evolution of SCM continued into the 1990s as organizations further extended best practices in managing corporate resources to include strategic suppliers and the logistics function. Many manufacturers and retailers are embracing the concept of SCM to improve efficiency and effectiveness across the supply chain.

HISTORY OF REVERSE LOGISTICS

Reverse logistics has been around us for a long time (Fleischmann et al., 1997). According to Walden (2005), reverse logistics's history can find its root from the American Civil War. At the end of the American Civil War, General William T. Sherman realized that the nature of his armies' campaign

<https://assignbuster.com/history-of-reverse-logistics-business-essay/>

would be a matter of supply and mobility and that his operations through hostile territory would be difficult (Overby, 1992). He faced intricate task of supplying his soldiers on the march. Today's retail returns issues find their roots in the customer service policy of Montgomery Ward's (Walden, 2005). Montgomery Wards is an American furniture shop established since 1872; their policy was if the customer is not 100% satisfied, they could bring it back for a full refund.

Material shortages during World War II created a need to rebuild automobile parts and started a trend that continues until today. In fact, according to Rogers and Tibben-Lembke (1999), this had become a \$36 billion business and " 90 to 95 percent of all starters and alternators sold for replacement are remanufactured".

The next major date of interest in reverse logistics is the 1984 Tylenol scare (Walden, 2005). Johnson & Johnson along with McNeil Laboratories quickly responded as America watched on the evening news about the " tainted lot" of Tylenol. The rapid response by McNeil Laboratories to get the tainted products off the shelves and quickly replaced by new lots with tamper proof bottles instilled great faith in the American public and set the new standard for reverse logistics.

In 1991, The Federal Republic of Germany passed recycling ordinances in the environmental reverse flow and deployed mandatory recycling programs. Included in these ordinances were provisions for fines and prosecution for violators of the ordinances, and stricter guidelines for the handling and

transporting of hazardous materials and responsibilities for recovering hazardous wastes (RevLog, 1998).

The German ordinances led to a 1996 United Kingdom legislation requiring shippers and manufacturers to be responsible for the return and recycling of packing materials. The European Union took this one step farther in 2001 by establishing a goal of 50-65% recovery or recycling of packaging waste. The implication for the rest of the world is that they have to be compliant if they want to do business with the EU.

The August 2003 edition of Jane's Defence Weekly reported, " There is a 40 hectare (approximately 16 acres) area in Kuwait with items waiting to be retrograded to the US." Not all of that stuff was unserviceable; some of it was never even opened. In preparation for Operation Iraqi Freedom, the US Military moved the equivalent of approximately 150 Wal-Mart Supercenters into Kuwait. When that much stuff is moved there is going to be excess products and supplies requiring a reverse logistics system to process them (RevLog, 1998).

Reverse logistics didn't catch much attention of the business world until the last decade. In early 90s, the Council of Logistics Management published two studies on reverse logistics. The first was written by J. R. Stock (1998) which systematically reported on how to set up and how to operate reverse logistics programs, his book also tried to discover the potential of reverse logistics. Rogers & Tibben-Lembke (1999) however, presented an extensive collection of various reverse logistics business statistics data categorized by industry types.