STRATEGIC ANALYSIS & EVALUATION OF REVERSE LOGISTICS SUPPLY CHAIN IN APPROACHES TO LOGISTICS MANAGEMENT AND CONTROL IN HIGH TECHNOLOGY SERVICE OPERATION

A White Paper on the Reverse Logistics Industry

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The information and data contained in this document was developed by D.F. Blumberg Associates, Inc, a leading management consulting and market research firm to the High-Tech Service Industry.

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ABSTRACT

Although this White Paper was originally released in September, 2000 this analysis of the multiple aspects of the High-Tech service operations is still very relevant to today’s Reverse Logistics industry. The author discusses the best practices and processes involved in Logistics Management and Control, and offers insight into trends and strategies that may be employed in improving overall High-Tech service operations. The paper discusses a general strategic philosophy that the logistics pipeline in field service and depot repair should be managed as a total integrated process and examines the different components of the process.

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A. INTRODUCTION

The very significant changes that have been taking place in the high tech service industry in general, over the last ten to fifteen years have led in turn, to dramatic improvements in the strategic management, control, and direction of logistics support and spare parts control. In order to understand and make use of these improvements, it is essential to see, in a broader perspective, the almost revolutionary restructuring which has taken place in the typical field and logistics support service organization. In general, in the ‘50s through the ‘80s, in almost all equipment manufacturing sectors, but particularly in the areas of the “high tech” data processing, office automation, telecommunications, process contract and building and plant automation, medical electronics, and related industries, field service, including the provision of installation, maintenance, and repair was operated as a cost center. Typically, these service organizations were highly decentralized, focusing primarily on the issues of getting the service engineer to the site to support installation tasks, for preventative maintenance, or in the event of failure observed by the customer, to repair the equipment and bring it back into operational use.

Service management, as it existed, was primarily concerned with the supervisory questions associated with field control of service personnel, with a heavy emphasis placed on general customer satisfaction by arriving at the site on time along with an adherence to the agreed upon budget or cost allocation for the service. In this context, logistics and physical distribution support generally came from the “factory” or manufacturing function and its related physical distribution supply chain. Parts were usually obtained from the manufacturing inventory, or in crisis situations, directly from the production line. This highly decentralized, fragmented cost center approach to service has changed dramatically in the last decade (1990s) and will continue to change through the year 2000 and beyond.
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Mr. Blumberg has more than thirty-two years of experience in strategic planning, market research, and management of service operations. He has served as a consultant to a broad array of vendors in the high technology service industry, advising them on how to organize, operate, direct, manage and market their hardware and software systems integration, application, installation, and field maintenance and repair organizations.
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