Title
Impact of Cloud Computing on Reverse Logistics

Text

Cloud computing gives companies access to IT-based services via the internet that include: infrastructure, applications, platforms and business processes.

While the term "cloud computing" is relatively new, the majority of the elements of this approach have been around for a number of decades including items such as timesharing and virtual machines. The technologies of cloud computing let companies achieve higher performance by better responding to business needs, create fresh services and perform at higher levels. No where is this more true than in the field of Reverse Logistics.

Traditionally, supply chains were either forward moving, where the customer is the last point in the chain - the final receiver of goods or services, or they would move in reverse where the customer is the beginning point in sending goods back to the manufacture for recycling, reuse, refurbishment, remanufacturing, repair, and disposal. Cloud computing makes it possible to combine these two separate models into a single efficient closed loop supply chain model.

Communications between buyer and seller is enhanced as the smart technology integral to cloud computing allows companies to communicate with another irrespective of their program platforms. Solutions in the cloud allow users to access and share information with no barriers.

One smart technology that is getting a lot of notice in closed loop supply chain methodology is RFID. Tracking is simplified as the RFID can transmit its location to an application in the cloud and then be found by another user, that is the manufacturer puts an RFID on, say a mainframe and ships it, cloud software directly receives the information and the buyer can easily track it. No steps replace several.

Cloud computing gives the supply chain business operating models of today real-time, cross-community transparency. Seamlessly processes can be carried on with efficacy and solo or group decisions can be made more quickly as the information acted on is from a single source. Added to this is the benefit of lower costs for shared services and a supply chain community empowered to shrink or grow and still meet the needs of the community it serves. The same expansion and contraction of the community being served can change too, given the cloud based ability to readily change the shape of business processes that support goods, partners and locations.

Supply chain executives may question if the timing is right for cloud based applications for managing the supply chain. The answer is yes. Vertical integration of supply changes are morphing, from control of a single company to shared control with suppliers, distributors, third-party manufacturers and even the end-user. Apple is the one of the masters of the game, suppliers

all over the world, manufacturing in Asia, distribution on every continent, retail sales in almost every locale and reverse logistics beginning with the customer.

Getting goods and services across national and corporate borders needs multi-company, multinational communication and cooperation to manage the process. The very thing cloud computing brings to the system.

Cloud computing services have made tremendous inroads to data security, redundancy, cross-platform integration, smart technology and lower cost. Predictions by leaders such as SAP are that supply chain management systems will be entrenched as the "best practice" within the decade. Their reasoning is that real-time data is more actionable with a more rapid response time, is cheaper and flexible enough to meet rapid changes in the market.