How the reverse supply chain contributes to a firm’s competitive strategy: a strategic alignment perspective

The ongoing transition to a Circular Economy is changing the shape of Supply Chains. They are becoming more ‘Closed-Loop’, combining forward and reverse flows of products and materials. Reverse Supply Chains (RSCs), originally considered as a solution for handling waste or recovering residual value, can play a pivotal role in determining the competitive advantage of the firm. Firms do not always exploit the potential of the RSC, and the conditions allowing the exploitation remain unclear. This paper explores the alignment between the RSC and the competitive strategy of the firm. Results from seven case studies, focusing on original equipment manufacturers (OEMs), show how the RSC can play a strategic, tactical, or operational role for the firm. The paper applies for the first time the concept of strategic alignment to the RSC and practitioners can use the proposed framework to analyse the role of the RSC within their firm.