

Chapter 7

From Traditional Non– Sustainable Production to Closed Loop Manufacturing: Challenges for Materials Management Based on PPC and EMIS Integration

Paulina Golinska

Poznan University of Technology, Poland

ABSTRACT

The scope of this chapter addresses the issues related to materials management for closed loop manufacturing based on the integration of material flows management systems with production planning and control systems (PPC) or business systems (like ERP) applicable to remanufacturing environments. It aims to identify and discuss the main issues and further research steps needed in order to improve materials management, as well as assessment of the environmental impact of remanufactured products. The main problems that appear in the area of materials management by shifting from non-sustainable production to closed loop manufacturing have been identified and discussed. The integrated materials management approach has been presented.

INTRODUCTION: ON THE WAY TO SUSTAINABILITY

For almost two decades companies have made an effort to meet the goal of sustainability of their operations. The Burndtland Commission defined sustainability development, as “development that meets the needs of the present without compro-

mising the ability of future generations to meet their own needs” (WCED, 1987). In order to be competitive in the market, companies have to enter two new elements in their strategy beside Profitability; namely People and Planet (the 3Ps). The circular economy concept introduced by D. Pearce (1990) is opposite to the open-ended approach. It introduces thinking about the economy as a closed system. It highlights four economic functions of the environment (Andersen, 2007):

DOI: 10.4018/978-1-61520-981-1.ch007

1. amenity values
2. a resource base for the economy
3. a sink of residual flows
4. a life-support system

From a materials management perspective; it is essential to not only minimize waste streams (sink function) but minimize the usage of both renewable and non-renewable raw materials (resource based function). The circular economy concept is now very strongly promoted in China where its main goal is the promotion of resources usage minimization and the introduction of cleaner production technologies. In a number of countries a big effort is made in the framework of circular economy, in order to reduce material throughput and introduce friendlier eco- designs of products.

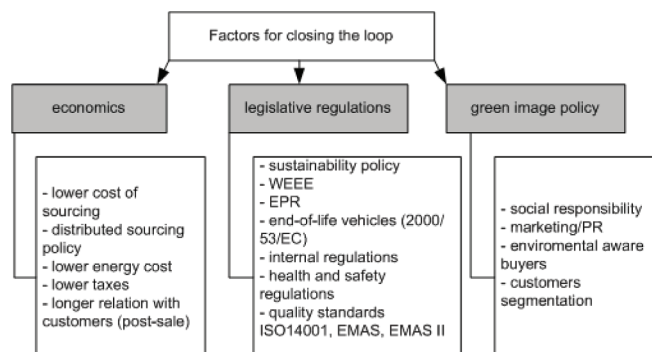
Growing concerns of sustainability exert huge pressure on companies to measure their impact on the environment and engage in environmental reporting to account for the energy and other resources they consume and the resulting footprint they leave behind (Kleindorfer et al., 2005). Primary activities that contribute to their footprint are manufacturing operations and logistics operations, as transportation and storage. The secondary activities that contribute to the footprint are connected to remanufacturing, recycling and reuse operations. The closed loop supply chain model, which is described in detail in next section, provides a suitable framework to integrate and

to follow all the material and information flows. Companies are likely to improve their operations under pressure from strict legislative regulations. However, companies don't need to make trade-offs between sustainability and profitability.

Porter (1991, pp. 96) argued that “properly constructed regulatory standards which aim at outcomes and not methods, will encourage companies to re-engineer their technology. The result, in many cases, is a process that not only pollutes less but also lowers costs and improves quality”. Companies very often face the question of how to commit to strict environmental health and safety regulations in the most cost- effective manner. The sustainable 3Ps operations model should be treated as a new business opportunity to improve the competitiveness of a company. The closed loop supply chain refers well to this shift in business approach. The closed loop supply chain provides the integration of traditional ‘forward’ supply chain processes and ‘reverse’ supply chain processes (Guide & Wassenhove, 2003). The ideal closed loop supply chain (CLSC) can be defined as a zero-waste supply chain that completely reuses, recycles or composts all materials (Golinska et al., 2007). The main factors influencing the sustainable “closing the loop” approach in a manufacturing company are presented in Figure 1.

Legislative regulations provide an impetus to change from non-sustainable to more environmentally friendly operations, but their influence

Figure 1. Factors influencing on the process of closing the supply chain loop



13 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/traditional-non-sustainable-production-closed/44821

Related Content

Study of Hybrid Sustainable Energy System Based on PEM Fuel Cells and Photovoltaic-Module Power Generator

Fatima Zohra Zerhouni, M'hammed Houari Zerhouni, Mansour Zegrarand Amine Boudghene Stambouli (2014). *Sustainable Practices: Concepts, Methodologies, Tools, and Applications* (pp. 1357-1379).

www.irma-international.org/chapter/study-of-hybrid-sustainable-energy-system-based-on-pem-fuel-cells-and-photovoltaic-module-power-generator/95000

Artificial Intelligence: A Paradigm Shift in Healthcare Management

Anjali Daisy (2022). *International Journal of Social Ecology and Sustainable Development* (pp. 1-9).

www.irma-international.org/article/artificial-intelligence/292075

Green IT Adoption: Lessons From the Philippines Business Process Outsourcing Industry

Alexander A. Hernandezand Sherwin E. Ona (2019). *Green Business: Concepts, Methodologies, Tools, and Applications* (pp. 88-124).

www.irma-international.org/chapter/green-it-adoption/221043

Scalable Capacity-Building for Geographically Dispersed Learners: Designing the MOOC “Sustainable Energy in Small Island Developing States (SIDS)”

Franziska Wolf, Felix C. Seyfarthand Ellen Pflaum (2018). *Open and Distance Learning Initiatives for Sustainable Development* (pp. 58-83).

www.irma-international.org/chapter/scalable-capacity-building-for-geographically-dispersed-learners/185561

The Social Challenge of Migrant Integration: The Role of Mobile Apps

Leonilde Reis, Marcelo Pereiraand Clara Silveira (2023). *Handbook of Research on Solving Societal Challenges Through Sustainability-Oriented Innovation* (pp. 307-327).

www.irma-international.org/chapter/the-social-challenge-of-migrant-integration/320879