

Executive Summary

The remanufacturing industry has for years been a significant part of the American economy. It has been important in economic terms for its range of products and for its source of income to entrepreneurs large and small, and to their employees. It has also been important as a major contributor to environmental conservation of energy, materials, and human effort.

The industry comprises thousands of companies engaged in restoring useful life to products in over a hundred different areas. Because of this product diversity, the industry is unconsolidated and largely unrecognized as an industry. Its size and importance is not measured, for example, by any federal government agency.

This report follows from two previous research reports on the industry, the first published in 1996 and the second in 2003. This current report examines how remanufacturing firms function as businesses, both at the operating level and at the strategic level. Differences in product types, size and nature of firms, and markets served, has resulted in a variety of business models in the industry. We examine both differences and similarities in this complex arena.

The report is intended for members of the industry and their suppliers and customers, for students of the industry, and for public policymakers who are interested in promoting the activities of the industry.

Organization of the report is as follows: (1) a definition of what is, what is not, and what may be remanufacturing, (2) new insights into the industry gained since our last report, (3) an examination of how operating issues are handled, (4) an examination of business strategies employed, and (5) a series of company case studies that emphasize both the similarities and disparities among remanufacturers.

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