

Intro/Outro ([00:03](#)):

Welcome to supply chain. Now the voice of global supply chain supply chain now focuses on the best in the business for our worldwide audience, the people, the technologies, the best practices, and today's critical issues. The challenges and opportunities stay tuned to hear from those making global business happen right here on supply chain now.

Scott Luton ([00:31](#)):

Hey, good afternoon, Scott, Luton, Greg white with you here on supply chain now, sorry. I was busy dancing in my home studio to that new music, Greg. Right. That's pretty cool. I love the timer. I hear somebody laid claim to that timer. Next, someone's going to lay claim to the sundial and we won't be able to use that either out of a business. Do you have, if you have to lay claim to a timer, well, Hey, different drugs, different folks, but today I want a Honda. We're going to be continuing our reverse logistics series right here on supply chain. Now with our dear friends over at the reverse logistics association. So Greg, this has been a well-received series and a growing in importance and in probably scope a portion of global business, right? It's huge. I mean, it's, it's such an enormous part of the economy now because of this massive shift to, e-commerce not that there wasn't already a huge amount of returns and every day I'm hit with a new statistic that I will misquote in front of Tony, but that still amazes me.

Greg White ([01:35](#)):

So yeah, it's very, very important stuff. It's great for sustainability as well as business continuity. So we'll, you know, uh, so you mentioned Tony, Tony shredder will be with us here today. Uh, the executive director with the reverse logistics association, it's been great to get to know him better over the last couple of years. And he brought a great business leader with him, which we'll introduce here momentarily. But in the meantime, before we get started a couple of quick programming notes, first off, if you enjoy this live stream here today, check us out wherever you get your podcasts from, you can check out supply chain. Now you can check out tequila, sunrise, which is spelled as Greg's got in his name there. Greg, you had a big week, you and the team at tequila sunrise this week, right? Yeah. We got to interview a couple of purely coincidentally, just amazing female tech leaders, which is always exciting.

Greg White ([02:23](#)):

Also I have booked a future female in technology, my middle daughter, Delaney. She has agreed to come on the show in the future, want to get salespeople in tech that you will ever meet. So I've managed to talk her into coming on the show. So I think that's going to be exciting as well, but yeah, Dr. Sally eaves and her tech for good initiative and Dawn Salvucci five-year who is the CEO and chief product officer of green screens.ai. So impressive discussions. If you get a chance go to obviously wherever you get your podcasts or YouTube, the tequila sunrise, YouTube channel, listen up, listen up. That's right. All right.

Scott Luton ([03:00](#)):

So let's, let's share a couple of opportunities with everybody on the front end. We're going to talk about one of these deeper after we bring our guests on. So Joe, March 3rd, we've got a really neat event coming up, reverse logistics and six river systems are facilitating not only this panel session, which I'm pleased to be part of, but there's gonna be networking. They were sending out some really cool adult beverage mix kits. Uh, if you signed up my yesterday, hopefully Greg, you signed up cause you're not getting it now. I don't drink. And we're getting a site visit of project VR, which has been a, uh, an

organization on the move. So all of that, of course you see the painless there, including our friend, Tom Maher from Dell. If you remember interviewing Tom in Vegas way back when Greg. Yeah.

Greg White ([03:45](#)):

Yeah. I remember learning how to pronounce his name.

Scott Luton ([03:49](#)):

Right. Well, you know, uh, so make sure you join up, uh, registered for the event. Registration is still open March 3rd. I think it starts at 4:00 PM. And we've got the link in the show notes March 23rd. We've got a great upcoming webinar with a friend's SAP. Like we talked about yesterday, industry 4.0 has been here, has been here for years. Mike Lackey and Tobias Hoffmeister with, uh, Mike's with SAP Tobias, with MHP Americas. They're gonna, they're gonna share some creative applications that are really moving the needle, uh, across industry with a big focus on manufacturing, as you might expect March 23rd and finally

Greg White ([04:29](#)):

Associated with a major sports car manufacturer. So yeah,

Scott Luton ([04:36](#)):

Uh, it is, and I don't know who you're talking about, but uh, I'm gonna follow your lead. What organization? Porsche. Porsche. Yeah. Okay. Are they, I know who the major players are in automotive racing these days.

Greg White ([04:49](#)):

Well, Porsche I'll always, um, in fact, Porsche has their effectively their own sort of league. Um, and so, you know, there's so much amateur racing that has been going on talk about social distancing. Your whole goal is to get away from the crowd, but yeah, Porsche is big, of course, Ferrari McLaren, a number of Jaguar even. I mean, a number of organizations, BMW just depends. There's so many classes of racing now. It's unbelievable.

Scott Luton ([05:17](#)):

Well, I've always been lost, but Carol Shelby has got some great documentaries on Netflix and other. So if you're looking for some weekend view and that that's really cool related to racing, all right, one final. I'm gonna, I'm gonna surprise Greg, and maybe even Tony with this here. So we met Tevin Taylor about a year ago and some change at the big RLA, uh, event in Vegas. And we look forward to getting back in person, as you were just alluding to today one year ago, FedEx named its first African American CEO, Ramona hood. So, you know, we're, we're big history nerds here, but what a great, great celebration of that with a big company. So we'll done Ramona hood. They will get up, get her on the show at some point soon we think Rick.

Greg White ([06:01](#)):

Yeah, absolutely. We need to look the, I mean the culture of FedEx is really, really impressive. Just a quick, quick analogy here. So a good friend of the show, Tom Valentine, if you've ever seen one of our ridiculous outtakes from mode X, you know, Tom, uh, he helps a lot of philanthropic organizations to move freight and that sort of thing got in a bind over the weekend. One of the major carriers pulled out.

We connected him with Tevin at, at FedEx and Tevin has mobilized the FedEx freight and supply chain teams to try and help on less than a week's notice to get the, the sort of road show going for this philanthropic organization for clean water. So

Scott Luton ([06:46](#)):

Love that lots of tie ins and old TV. Tom Valentine's always on the move. They have three days Valentine's day that's right. All right. So before we bring on our two guests here today, say hello to a few folks that are tuned in via various channels, Kayvon back with us after yesterday, come on. I hope this finds you well via LinkedIn. Hey, the star of the show yesterday, or one of the, our interviews as Aaliyah Davis say, how are you doing? I'll be checking that timestamp, you know, any kind of overly anything overly tech Jose can, can, can confuse me quick. Great to have you back Victor via LinkedIn. Great to have you. Victor. Simon is with us. Travis is with us. Great to see you both see, or Natalie Christian is with us. Hey, Natalie hope is fine. Well, welcome back. Yeah, Felicia. Great to have you be a LinkedIn part of the dynamic RLA team critique. Great to see you again via LinkedIn

Greg White ([07:41](#)):

Is we're getting closer by the way to that, to that lunch or dinner party. Yes. So let's Mark our calendars.

Scott Luton ([07:49](#)):

Let's see here. So Shmita is with us via LinkedIn. Great to have you here. So welcome everybody. You got a great conversation in store with these two business leaders here and you know, as Greg rightful, we bring them on it. Dawns on me that I did not confirm how to pronounce Curtis's last name, but we're going to, as we bring them on we'll double check, make sure I get it right. So let's bring in our two featured guests, Curtis Grieve vice-president of for liquidation and remarketing within more intelligence and Tony Schroeder, the executive director with the reverse logistics association. Good afternoon, gentlemen,

Greg White ([08:23](#)):

How do we do Curtis? No, you nailed it. Perfect.

Scott Luton ([08:29](#)):

I never hear that, Curtis. Well, uh, we really enjoyed the warmup conversation. We should have recorded some of that. We were talking about sideways, the movie and plenty of other topics, but great to have you here as busy as you are on this Friday afternoon. Uh, one quick aside, Tony, Tom, Tom Mars, last name. Did we get that right with Dell? That is correct. Okay. Two for two Greg man, right in time for baseball season. Okay. Well we've really enjoyed series here. This, this reinvigorated series here at supply chain now focused on the fascinating world of reverse logistics and returns and you name it. It's such an important, as Greg mentioned such an important element of global business and we'll continue. So let's, before we get to the heavy lifting though, I want to have a little bit of fun. We've got our not so lightning round questions teed up, Greg, are you ready? I am. So let's start with our new friend, Curtis Curtis Grieve, uh, with Inmar. So Curtis, what's a recent favorite read of yours or one of your go-tos for good information.

Curtis Greve ([09:28](#)):

I'd have a measure. What matters by gone door? That's a, that's a great one. I mean we're more and more. We're living in a world where it's all about data driven decisions and that's pretty critical, particularly in our business. Uh, that's, that's a critical component measure.

Scott Luton ([09:43](#)):

I wanted to add that to the list. Good stuff. There occurred a same question to you, Tony. What's a great recent read or what's a go-to source for news and smart stuff. And the read side, I tend to do escapism. So I'm reading the Kurt Wallander detective series. He's a Swedish detective and it's a great series. I've been reading it for awhile and he's portrayed by Kenneth Branagh on an Amazon series. That's available. I need escapism because the emails flow kind of slows down on the, uh, business reading ability. Although the smart priests from NRF and CSMP are, are always worthwhile going through this. A nice brief summary, a way to kind of catch up quick read. And I see you've got your second cousin hanging on the wall, right over your left shoulder about that. Although we love our family pictures, Hey, uh, to our community drop in the comments, what you're reading, uh, as Aaliyah who's with us earlier, she's reading three books at once. And as you share with her yesterday, something for our brain, something for her heart and something for laughs. I love that approach. So drop, drop those books in the comments. Um, next question, Curtis. So what we've all picked up plenty of habits. Good, bad and indifferent. Uh, during the pandemic, what has been one habit you've picked up over the last say 18 months that you're really glad you did Curtis.

Curtis Greve ([11:01](#)):

Honestly, I've, uh, I've actually gotten on a routine where I get seven to eight hours of sleep a night now maybe because we're all working from home, but it's, uh, I've gotten spoiled, you know, before, you know, because you're, you know, you go, you know, you work work, spend time with the family, read emails at night before you know, it it's midnight and you get up at six and uh, kinda got not a regular thing, you know? So it's, uh, that's probably about the biggest thing. Uh, in, from a work standpoint, we we've all adjusted to the home-based business and uh, that's, uh, that's a little spoiling too, because now I can just go down and get my own coffee and all that sort of stuff. So that's pretty nice. Yeah. There is something comforting about your own coffee, really your own coffee, right?

Scott Luton ([11:50](#)):

Yeah, certainly some trade-offs and, and we were talking, I think yesterday I missed my morning commute really early in the morning, or we have beat most of traffic coming into town, all the similar problems I worked through in my head, but be able to take your kids to school almost every day is a wonderful trade off there. So thanks for sharing, Curtis. All right. So Tony, uh, what's been one habit you've picked up here independently. You're glad you have actually I'm old school. And I, and I picked up the habit of making more phone calls to people. I have not been a texture. I mean, I do it out of force because my son that's the only way to communicate, but it's so nice to get on the phone and talk to people that, you know, friends and colleagues and something happens on a phone call that doesn't happen on texts.

Tony Sciarrota ([12:36](#)):

There's a combustion there that something triggers something and it's just, it's fantastic. So it's a family, friends and business colleagues I've been trying to fill my day with more like live calls rather than text and emails. It's, it's a, it's a nice throwback period. And the last year it's been excellent for that. We'll put, all right, right before I turn over to Greg here, I want to recognize two folks here. So Mark Erickson

is also part of that dynamic early team. He was with us yesterday in our leadership focused and, uh, had a wonderful live stream with Charles and Enrique. So great to have you back here today with us Mark and Rhonda speaking of habits, we picked up, Rhonda says me too, prioritizing sleep much. Like Curtis, it's been hard for some folks. She says when working from home to step away and separate our time from work time and make our health a priority. So great points there from Rhonda is an ongoing challenge. Okay. Gregory, where are we going next, sir?

Greg White ([13:34](#)):

Scott, I've got a quick question for you. What's one habit you've picked up. We never asked Tony. We never asked Scott any questions. Right. Nobody knows what he does. Right? So what's one habit you've picked

Scott Luton ([13:45](#)):

That. You're glad you have. So there's several, but one of them in particular, I think we're going to do this weekend is we love as a family going into a little small town, right down the road, uh, grabbing a sandwich, sitting in these park benches and just, you know, watching the squirrels and the trees and whenever the people are downtown, you know, hustling bustling, it's just your moment of, of um, of Zen I think. And, and the city kids run around and play tag. It's just a, it's a, it's a nice, um, nice moment with the family.

Greg White ([14:14](#)):

Yeah. You've got a built in like mini basketball team, right? Three kids. So I mean really they can effectively social distance and still, still have someone to play with. I think that's a huge benefit. All right. As long as we're on threes, then let's try this. Let's talk about three topics and Curtis, I'd love it. If you could go first, let's talk about three topics in reverse logistics. I am, because I talked to so many companies in the investment world and that sort of thing I am hearing from so many companies that are getting started or growing in this incredible industry. What are things that you've been tracking the most in last few months or 12 months? Or what, what do you see happening?

Curtis Greve ([14:55](#)):

Well, I think, uh, I think one of the things is that with the growth in e-commerce the, basically the whole landscape of the supply chain, including obviously reverse logistics has changed. I mean, like we think of, you know, back when I first met Tony back in 1990, something, you know, we used to talk about reverse logistics is okay, when the stuff gets to the return center, then you got to sort it and return it to the vendor and disposition. Well, that's still, that's still the case today, but now it's more about the post purchase consumer returns pipeline. So what that's done is that that's dramatically expanded the scope and the requirements that retailers manufacturers have where now it's, it's not just about when it gets to the return center, it's it starts when the consumer decides I want to return it, right. Roles involved, you know, keep up with customer service and the credit associated with that.

Curtis Greve ([15:54](#)):

And the transportation to the store is a, is a pick-up drop-off, you know, you've probably heard, you know, there's been a lot of talk about ordering online, picking up the store. Well, there's also another side of that where you, you buy it online and you drop it off and you return it to the store. So, and the difference in how you can handle those, he returns. Cause, you know, as everybody knows, your e-commerce returns are about, you know, three times the volume of normal brick and mortar returns.

And about 70 to 80%, depending on category can go back into stock. So you can't treat them like you could store returns where they all just go back and then you're going to return it, the vendor sell it, that sort of thing. So there's all kinds of implications pack, you know, tracking the package, being able to make the actual returns process through returns, bars and things like that. That's that's significant. And so we were working and thinking and focusing on developing that whole ecosystem. So that, that's probably the biggest thing. Uh, you know, we, you know, we're, that's, that's getting a lot of brain power, a lot of investment, and, and I think that's going to drive probably more change over the next two or three years than we've seen in the reverse logistics segment of the business for the last 10 or 15 years.

Scott Luton ([17:12](#)):

Okay. BOPUS and Boris are becoming so popular. That might be a show on Disney plus if we, if we blink next week,

Curtis Greve ([17:19](#)):

I don't know. I mean, it is,

Greg White ([17:22](#)):

As you know, Kohl's is famously made their connection with Amazon as the returns bar, as Curtis described it for Amazon. In fact, I just posted an article today about it's pretty questionable about whether that is actually a creative to Kohl's business, but nonetheless, it is happening a lot. And I think the most important thing you said there, Curtis, is that the industry, right, reverse logistics, returns, whatever re-commerce, whatever you want to call it, it starts with the consumer's decision to make that return. And I think that recognition has been really transformational. Plus there is a ton of, uh, legislation in Europe in particular mandating returns in a sustainable way. So the industry has definitely expanded and changed over just probably the last year or so. I don't know, Tony, what, what jumps out at you? What are a couple of things that you've seen? I mean, you see everything. So I'm really interested in

Tony Sciarrotta ([18:20](#)):

The things that are going on. Uh, and, and Curtis and others are actively involved with is moving things faster. There's so much of it. It's gotta be dealt with fast because there's truckloads behind there. So unfortunately that's the biggest, uh, topic is how can you move this stuff faster? And, and we've lost focus. And, and Curtis did allude to the fact that, uh, you know, it does start when a customer return begins, but in my world and what I've learned over the years, it starts when you're going to sell the product. If you don't sell it right, it's going to come back and slam you. And so we don't talk enough about that. And we that's related to the measurement customer sat, right? Customer satisfaction, net promoter score. Those are out there. They're great tools, but they're not being used very well. So there's the speed.

Tony Sciarrotta ([19:11](#)):

The other trend that's dangerous as far as I'm concerned is the retailers and e-tailers are giving credit without taking the product back. Now that's a financial decision, and I think it misses the brand decision. And that's, that's another dangerous topic that's out there. Um, that needs to be paid attention to. And then the growth of the secondary market though, has been wonderful. I mean, Curtis and others are helping to fill that secondary market. So we're creating great values for consumers in, in different

marketplaces, in different demographics, people who couldn't buy computers before and now get the buy refurbish computers, uh, at a great deal. People who bought couldn't buy name brand clothing can now find some of it in the secondary outlets. So there's some great things happening. So those are the, the three off the top of my head. Greg, I'd throw at you.

Greg White ([20:04](#)):

Yeah. That's all excellent points because part of returns is there's an underlying, I don't know if you want to call it, but sort of a fraud potential there whenever you have returns. Right. And imagine someone just buying the goods with no intention of ever returning them and just say, they need to return them knowing the policy of a particular retailer or brand or whatever. Right.

Curtis Greve ([20:28](#)):

Well, you know, when you, when you think about it, one of the big, one of the big opportunities watch outs that, uh, everybody in the retail world needs to be concerned about is, is just the brand protection, because it's not just around the people that get, you know, we don't require the returns that there's, you know, back, you know, if you go back the nineties, believe it or not. That's why I have this gray hair probably about 20, 25% of what got returned was liquidated. The rest of it went back to the vendor. Well, those manufacturers moved off shore today. It's like 60% of what gets returned ultimately gets liquidated on the secondary market. And, uh, to, uh, like Tony was saying, they, uh, you know, the secondary market has grown to be over 3% of us GDP. The, you know, the big challenge is how does a retailer or manufacturer protect their brands and not compete with their primary stream of commerce.

Curtis Greve ([21:24](#)):

So it's, it's a complex business that can have a lot more impact than, well, I only have an 8% return rate. Well, if you don't handle that 8% return rate correctly, you're going to lose a lot of money. First of all, and you're going to start impacting your PR. You know, you know, if you go on eBay and search any kind of manufacturer UPC, uh, you will see 70,000 different people, literally 70,000 different items for that manufacturer, retail being sold on eBay. There's a certain amount of, that's going to go on by, you know, uh, John Q public. Anyway, you don't want to take that extra 8% and allow that to go. So brand protection and security and complexity, that's, those are the big watch outs everybody's got to be concerned.

Greg White ([22:13](#)):

And brand protection is taken on a whole nother context. When we saw piles of burning LVMH goods, rather than those goods being distributed into re commerce, right? It's a double-edged sword. You can devalue the brand by not policing the returns or preventing the returns. And by mishandling the disposition of those returns, like allowing them to be burned while being videoed, there are a lot of implications. And with transparency such that it is today, I think it's good for the consumer and good for society, frankly, to hold these businesses accountable. And I have specifically seen companies that are trying to solve that problem. That problem of there is no place in the secondary market for a Louis Vuitton bag or whatever it may be if it's really high fashion. So it's really that transparency has really forced us to approach returns in a different way. Tony, are you seeing any of that? I know that's more prominent in Europe, but are you seeing more of those types of concerns with any of your members?

Tony Sciarrotta ([23:18](#)):



Well, the concerns on the brand, I don't think electronics manufacturers tend to burn things. It is that clothing industry, the Burberry and the Louis Vuitton world. And that's unfortunate. But I think what we're seeing in the United States is ahead of that there's websites being created for previously owned luxury goods. And that includes apparel. And actually those sites that exist are, are pushing the manufacturers to say, wait a minute, Nike Adidas, Patagonia, North face. Why don't we take it back ourselves and give the customer credit, let them buy something else. And then we'll sell it into that secondary marketplace. That was again, Curtis and I both go back with the gray. That was very prevalent. When I was at Phillips for 25 years, we built a secondary market on our website, selling refurbished goods. Any major manufacturer probably does that today, right? But those luxury goods manufacturer, the apparel industry has not gone there far enough.

Tony Sciarrotta ([24:19](#)):

And I know that Curtis and some others are helping them get there and wake up and say, look, take this stuff back. I love Curtis's comments about the eBay and, and the fraudulent aspect. And that that's a dangerous spot that everyone needs to be careful about. There is no certification process in return goods, per se. There's some areas like in the mobile industry, there's some certification, but in the apparel and consumer goods, there's no good certification. Those people on eBay could have bought it at a flea market. They could have bought it at a bargain bin where literally the, the pallets that Curtis and other companies sell, they'll sell pallets and those pallets wind up in a store. And you're literally digging through the pallet for bargains. And it's some interesting retailing, or you have a YouTube channel, you buy a whole pallet and you have a three-hour long unpacking video with fascinating.

Tony Sciarrotta ([25:15](#)):

Let me share a couple of comments from, from our audience here. As Leah says, as a consumer, I know what drives me to make a return. A lot of the times is the simplicity of the process before ups created the easy drop off locations and a QR code I can scan. I would just give the product away all of the printed labels and taping it is troublesome. That's interesting. If you can make it easy, as Tony says, a thousand times, you make it easy. Yeah. Mark says repurpose goods and the circular economy in general is a great focus that has gained so much traction in the last few years, few years. Completely agree there. Travis has an interesting comment here. I've always wondered how companies that have that kind of a policy make any money and do not go under my main function of my job now is reverse logistics. So I'm seeing everything from both sides. Now, however, most of the customers, I deal with our internal customers returning items to the manufacturer or our inventory for various reasons, Tony or Curtis, y'all want to speak to that a bit. Go ahead, Curtis.

Curtis Greve ([26:17](#)):

Well, I think, you know, it's, they're, they're hitting the nail on the head. I think the one comment that stood out to me and I think by the way, this is where this is where the big impact in the future is, is when you think about the circular economy. So today, you know, today, if you look at it, when something comes back and get returned to the vendor, sold on the secondary market returned to stock donated, and for e-commerce about 70% of that could go back into stock if got the systems and processes to pull it off. And there are solutions like we, um, like, um, uh, reverse the forward, you get the returns back, fill the order. Uh, but beyond that, if you layer on that, that analytics component and you keep in mind and, and Tony was talking about apparel and we do, we have a number of apparel clients that we talked to about this, where, you know, apparel, you pretty well have to go six months out ahead to order it, which means by the time you get it back, if it's a winner, if it's really coming back and it's a winner to, to reorder, that is almost impossible.



Curtis Greve ([27:21](#)):

However, if you could, if you've got the systems and the analytics where you can identify what's coming back and feed that into the forward supply chain, now you can start factoring that in when you're determining your actual demand and your upstream ordering. So really, you know, it's, it is a complete circular process where it really starts, it really starts impacting from the point of initial order all the way through to the post-purchase journey of that item. Yes. I think that that would have real impact. When you think about lead times, just the value, you know, retailers, most expensive asset is their inventory, you know, so you can keep the good stuff in there. And then it's about being able to liquidate product in a way that is controlled and doesn't compete with your primary sales channel. So,

Scott Luton ([28:13](#)):

So a ton of comments here. I want to get to a couple of them as fast. All of this, again, this is why we have a series it's fascinating information and perspective on a lighter note, Peter says he's never once returned a good bottle of scotch.

Curtis Greve ([28:28](#)):

Let's see here, even if bought e-commerce, if he ever does, I'll be happy to help him out with that. Let me I'm in the rear commerce there.

Scott Luton ([28:38](#)):

So me to share something we've talked about before people sometimes about two or three products together, just to check the best and also for delivery free reasons and keep one or two items and return the other products kind of referring to bracketing there right now, Natalie says it's becoming my favorite conversation, preserving the brand from the front side presence online and the backside with returns. Excellent point there. So it's so interesting to see these, these retail policies and just my sheer business standpoint, morph and evolve as different pressures are put on the industry from investors, consumers, and employees, right on to be more sustainable, be more striving, more for that circularity in the model. And then as if it's not challenging enough, by the way, consumers are wanting to buy stuff differently, it is almost a perfect storm to try to navigate through. This is why we love having thought leaders that are, that have been there and done that in so many ways. So Greg, what we're going next here? So, you know, there are always in an industry this complex, I feel

Greg White ([29:42](#)):

Like there are always those things that aren't maybe your obvious Tony to you and Curtis, but not as obvious to the average consumer or even the average retail or distribution manufacturing or supply chain professionals. So what's something that just kind of really jumps out that you feel like people in the industry or consumers need some education on. They could really use some perspective on,

Tony Sciarrotta ([30:06](#)):

Well, I'm going to add something to the comment from Travis earlier about how is this sustainable? It's not, and, and it's gonna come out soon and I'll give you the world's biggest example. The company that had the words satisfaction guaranteed as part of their door handles Sears. They took anything back from anybody craftsman tools. You had a lifetime, your lifetime return policy, your script, your screwdriver hammer, power tools, take it back, get a new one. And my father was a perfect example. He bought a coffee maker and he take it back every year for a new one. I mean, that's just, they let it happen. And so companies, it will catch up with them. What happens in [inaudible] is it's so exciting right now that all

these new e-tailers can get funding because there's a lot of money out there looking for a home and everyone wants to bet on the next Amazon.

Tony Sciarrotta ([31:01](#)):

So there's a lot of money flowing in without the end and the accountability yet. So there's the, there's the risk that in a year or two, we're going to see a lot of deaths in the family. And that's kind of, it's going to be from this area. There are not measuring costs. And as Curtis and I know even within retailer and manufacturer companies, there's so many different buckets. So the losses could wind up in the supply chain bucket. And at the end of the year, the supply chain directors is saying, Hey, it's not my fault. You took back too many returns, I'm paying for them. So there's, there's that accountability in the silos where this stuff lives. So these are important aspects to consider. Um, very important. I, it, it is not sustainable. It's going to catch up, we're going to see a clearing out or consolidation. And, and the companies are either going to learn to pay attention to it and integrate it. But I, another good example would be how many companies actually have someone in charge of the returns at their company? I think Curtis might have a word on that. There's just not many that we know of.

Curtis Greve ([32:06](#)):

We need, we need more. Well, I think Greg, uh, and, and you ask it, you ask a key question, you know, the one thing, the one thing that if you gotta, you've gotta really take a look at how much more complex retail got over 2020, because it's not just about the e-comm and everything we're talking about in the circular economy, but now you've got the, you know, now you, you, you look@likemajor.com retailers e-tailers out there. They may only own about 20% of the inventory they sell. So you've got third-party sellers on there. And then, you know, in the back, you know, 15 years ago, uh, the big concern was diverters. You know, we don't sell the diverters, do ya? Well, you don't hear that anymore now. It's well, you got third parties. Is it an authorized third party? How do you police those third parties?

Curtis Greve ([32:54](#)):

And how do you differentiate those returns? Because, you know, you've got a lot of big websites out there that they may sell one item, but it may come from 15 different third-party sellers, right? Authorized item is, you know, is it valid CA you know, so all of that kind of plays into it. So, you know, back way back in the late eighties, when I, I worked at Walmart right out of college, and I, uh, I was over there at reverse logistics for a number of years, we used to worry about things like, well, when all this stuff comes back from our store, it is so far beyond that. Now, because now the inventory doesn't, he never did belong to him in the first place. It was sold on this website. And maybe it was sold by a third party. Wasn't an authorized, you know, was that item actually, what was, you know, is, is it a represented right as it properly represented? So the complexity is a lot different. And then you layer on top of that. Everything that Tony mentioned earlier about, you know, the need for speed. I mean, when you sell something, it may be wine. When it gets returned, it turns into bananas and you go disposition it quick. It's a total, it's a total write-off,

Scott Luton ([34:03](#)):

That's why you got to drink it quickly. Right? Hey, I got this. I got to pose a couple of comments to y'all here from our audience here. So first off Larry Klein says the reverse chain is just as important and needs to be managed. Agreed, Travis, that you're gonna love this. Greg, Tommy boy had it right when he sold those brakes without the guaranteed warranty right now, with this here, this is one I want to pose. Y'all going to get, this is going to be a great conversation. I think, especially with Greg sentiments, Simon says

returns are usually removed from the demand planning signal, right? It's time to create quality, reverse signal. So Greg I'd love for you to weigh in first. And then we'll go to our two, two guests.

Greg White ([34:46](#)):

Curtis alluded to this earlier 70 to 80% of what is returned, depending on the industry is resellable, right? And you should count that as basically as incoming inventory for fulfilling your front end, your e-commerce or, or even store level demand. And, um, because demand and because consumerism has changed so much, that's going to become an increasingly important part. Look, you know, we've all heard the story of the whole bracketing story of someone in Florida buying three sizes in three different colors of a ski jacket, and then they wind up, right. They wind up in a Macy's store down in Florida somewhere. Well, you've got to figure out a way to remarket those goods. Maybe it's e-commerce, maybe it's in store, but certainly you have to understand that that could happen. And, you know, the truth is

Greg White ([35:38](#)):

The companies know things like bracketing are happening. They can predict the likelihood that something is coming back, as soon as that purchase is made. So there's a lot of foresight there, and I think people need to take advantage of that. That's a great insight. Agreed. And it really, as the planning profession continues to evolve and get more savvy and get more, we get, we've got our fingertips and fingers on so much data, right? And it's so far beyond just Greg, the bane of your existence, that, that historical, you know, what happened in past history, right? It really represents kind of the, some of the future of w as, as Simon put it that how we can incorporate reverse demand, Tony Curtis, any comments here as we covered when it comes to planning.

Curtis Greve ([36:22](#)):

Well, I think, uh, uh, I, I think that's the, if you look, if you look at a retailer, it really comes down to, you know, no merchant in any retailer would ever buy an item without planning in a markdown strategy at the end to, to, you know, nobody, you know, you wouldn't plan your business around, well, I'm gonna, you know, I'm buying this where I can initially make it 30% margins. Oh my gosh, I forgot about the clearance and the markdowns now. And we make, it's basically the same idea from the analytics and math standpoint, in terms of demand. You're, you're buying this product, you may have to reorder it, will you sell through of it? How much of that, that could come back that could filter back into your good inventory for primary sales that could have a huge impact on the amount of investment. So I, I think it's only a matter of time. You've gotta have the analytics, you gotta have the systems, you know, it's, you know, it takes a village, but, uh, I think it's, I think it's a big opportunity for manufacturers and retailers alike. Agreed.

Tony Sciarrotta ([37:22](#)):

I agree. And that's where artificial intelligence starts to play in the reverse space. It's not, it's hard to understand how it can be used, but the demand planners should start using it because as Curtis alludes to, and we all know it is very complicated, the forward side, you know, I love you guys cause you take us in as a stepchild, right? We are the redheaded stepchild of the supply chain world, because everything looks pretty going forward, but coming back, it just doesn't look very pretty. So the AI needs to take that challenge on and calculate all of these aspects, including, you know, it's not just forecasting how much you'll come back and using that, then you have to take into account how much will come back in the wrong place. Damage potentially, you know, clothing is interesting because there any electronic side

you're required to test it and make sure it's good. The government regulates that one in clothing and apparel industry, there are no regulations. So the regulations are the people who touch the return and they may not check it for, you know, there could be bill Clinton stains on that dress somewhere and

Tony Sciarrota ([38:36](#)):

It goes back on the shelf because they didn't see the stain. All right. So

Curtis Greve ([38:41](#)):

That is a real possibility. I mean, you know, you think about taking hats back,

Scott Luton ([38:46](#)):

Right? Sure. And

Greg White ([38:47](#)):

The possibility of little creepy crawlies and things like that. Absolutely. That is an absolute fact. And I think some retail organizations are better about that. Nordstrom is really particularly good about laundering those products when they come back, but not everybody is we do a lot of apparel and, you know, there's, you know, like kind of Tony alluded to, there's kind of the old school way. We're going to get it back and we're just going to sort it by men's women's children's and you know, you know, but you know, there's, there's a lot of e-tailers out there where you get decision trees where you can inspect it. Because again, this is something where it's much more complex than you think, because it's just because of the, the cost versus the relative value. You know, if, if it's a \$5 garment, do you really want to spend two 50 trying to figure out if it can be folded Rebag, re ticketed and sit back. And by the way, it changes because now it's spring and it's not winter, so it's gotta be flexible, but it, you know, I think it is a big opportunity. Clearly there solutions out there, but like Tony said, there's no regulations out there, right? The PNL, if you do it right, you can make more money if you don't do it. Right. Uh, well, you know, your margins are going to suffer.

Scott Luton ([40:00](#)):

So I want to take an informal poll as we start to wind the interview down. So in 2020, our turned one, exactly one product online. Unfortunately I'm off to a worst start in 2021 is I've already sent two things back to our community. How many, roughly, just roughly, and then we're not gonna point fingers. I'm just kinda curious, drop it, drop a number, a rough number of how many returns you sent back, especially e-commerce focused on e-commerce of course, for 2020, I kind of want to take a pulse that folks will play along. So Greg, as we start to wrap with Tony Curtis and Tony, we won't, we won't touch on that March 3rd event before we do, but this is fascinating. I want to pose this question here from Natalie Curtis and Tony in particular, I'd love for you all to weigh in here. And I want to see those numbers in the comments.

Scott Luton ([40:42](#)):

Come on. Y'all don't let me down. Natalie says we're starting the conversational sampling to address the bracketing concept. I guess, Natalie, is that their organization? How can the consumer try on the product and still address the return and reject element? Very interesting. Tony, do you want to start? Well, we've had some fun about the software over the years that, uh, you know, you take a picture of yourself and, um, in front of a green screen and they can outfit you correctly. Maybe the reality is this is where AI, again, plays. AI can tell Natalie, you bought this, uh, this blouse in a size six and seven and

eight before, and you returned six and eight. So this manufacturer maybe size seven will work best for you. And, and that's still challenging, but that's an opportunity that's out there, track the history. Uh, and then I'd, we could lobby

Tony Sciarrotta ([41:34](#)):

Washington, the apparel industry. If it's going to be a size eight, make it a size eight for every garment by every manufacturer, make it the same. But that's another issue that regarding standards. But again, the history is a key. You can track the history of the consumer and say, this didn't work for you before that shoe size, you returned it from Johnson and Johnson in a nice way. You can say that as opposed to some of the not nice ways, I guess. So then that's one opportunity that's out there of not trying on is impossible. We talked about the social media impact of if they show you the article of clothing on a model, it's more likely you'll return it. Cause you just don't look that good. Um, so there's that when you put it on, sorry, it's not the best practices. Don't use a model, the other best practices. Don't just show black and tell them it's in green and red show every color as accurately as possible. And that helps, but the triune aspect is, uh, and that's been a challenge even at retail, the brick and mortar, uh, haven't allowed a lot of trying on of things lately too. So there's a, there's gotta be some other areas of opportunity there and maybe Curtis can add to that. Yeah. Curtis,

Curtis Greve ([42:53](#)):

Just for comments, not to be a contrarian. I think you see a lot of that today. Obviously Zappos is world renowned for buy and return, but I think you see a lot of this with the Amazon clothing lines and some of the things that a Walmart's doing, frankly, I think, well, I think a retailers e-tailers are happy to send as many sizes as you want. And if you return it, then you've got to have the processes to do the inspection and possibly cleaning depending on the item, get it back into con that that's the part that's missing without. I mean, keep in mind, you know, we had what 30,000 storefronts closed in the United States last, last year. A lot of those were clothing stores. People have no choice, but to buy online, try it on. If it doesn't fit, return, it steps up to the plate will be just like when Walmart said, you know, we'll take back any, you know, all your returns get satisfaction guaranteed.

Curtis Greve ([43:50](#)):

You know, they broke out and then everybody caught up and I think it's going to be the same way here. So now that being said, you know, you've got to, you know, to, you know, there was a time where we actually talked about having an all factory engineer in, uh, in my past life. I don't want my friends at Inmar to think that's been recent that, uh, you know, what happens if you know what happens if it's stain? What if it smells? What if it smells like smoke and you gotta figure all that out, you know, that's easily, that's doable that stuff's already there. But I do think that your, the whole concept of, you know, customer satisfaction is always going to be forefront. So then it's about minimizing the impact of the supply chain get three or more products where maybe you only needed one or provide better upfront sales information like this. You know, as you see on some websites, state, this tends to run small. Here's the measurements, you know, more and more intuitive guides, you know, it's, you know, that's, uh, there's a lot of young, smart folks out there with your Ristic degrees. That's all about trying to make things intuitive so they can go in there and help design these websites and things like that. But I can't think of anything more frightening than these standing in front of a green screen.

Curtis Greve ([45:07](#)):

It's around the corner, be myself,

Tony Sciarrota ([45:12](#)):

But we need to ask Curtis in, in the repair and return facilities where the, uh, clothing goes through, do you have those magic lights from CSI that you wave over and you can see the bloodstains that just want to know if you've got giant ones of those being used, every article of clothing passes through and it looks,

Curtis Greve ([45:33](#)):

Uh, well, uh, I'll tell you two things. One, you know, we are the largest processor of, uh, apparel, recurrent repairable, and America and everything. After that, the second thing it's confidential. I, I, you know, so, uh, I'm not going to say if we do or not so

Scott Luton ([45:53](#)):

Quicker, as we move right along, we start to wind things down and we'll make sure folks can connect with both Curtis and Tony. But no, we, we challenged, uh, folks at comments and then our community to weigh in with how many returns. And I'm a zoo. I'm a zoom through these really quick. Rhonda says about five. Mark says plead the fifth, Charles says about five. Matthew says about nine. Uh, uh, Synanon says none. I I'm with you there, man. You're best to me. Uh, Steven says me one, my sister tin this year, Kimberly, about three Peter, uh, Greg says zero. He really doesn't do e-commerce about that. He only wears that yellow shirt. I'm pretty sure Covad says one. Sean says to guests, my girlfriend, his girlfriend's, we asking him to go to the future high-end Plato's closet in the future. Peter also says he supports his local economy and buys from local stores.

Scott Luton ([46:48](#)):

Okay. One last comment, Greg, and I'll turn it over to you. I'm gonna see Natalie. I think Natalie and I kind of read from the same book here, not many returns. I deal with what I choose and that's kind of what, what we do around here and in our family, you know? Um, well, first off Amanda's much savvier at all. Things technology, for starters, that goes about saying, but you know, if something's a little bit off and the colors limit off or how it works a little bit off more nine times out of 10, I find a different use for it. I don't know. Uh, I don't know if y'all did the same thing, but Greg let's make sure before we wrap up too quickly here, we gotta make sure we can get folks connected. Right? Golly. Yeah. Let's uh, I have

Greg White ([47:30](#)):

A feeling. People are gonna want to talk to Curtis. So Curtis tell folks how they can, they can connect with you. And within Mar

Curtis Greve ([47:37](#)):

It's easy. You can just email me Curtis dot grieve@inmar.com. Or you can go to www.inmar.com and find us from there. So, or hit me up on LinkedIn. I'd be happy to talk to you and help help you out any way I can.

Tony Sciarrotta ([47:54](#)):

Excellent. In particular, Travis Kent, maybe you may be hearing from him yet. A couple of questions around, uh, technology platforms. It looks like an inventory and stock and stuff. So good stuff there. Okay. Greg Marie,

Scott Luton ([48:07](#)):

As if I can't believe there's anybody that doesn't know how to get ahold of Tony, but if there isn't, it looks like we do have a few new faces here. Tony, how can folks reach out to you?

Tony Sciarrotta ([48:15](#)):

Well, I'm simpler. You don't have to try to handle my last name. Just put [tony@rla.org](mailto:tony@rla.org). That's our website also [rla.org](http://rla.org), but I'm sorry. I need to address the comment from Michael about you all reverse logistics. Jedi's have beards in those shiny glasses. I'm like, thank you very much. I feel so honored. We don't have time to shave anymore. That's really part of it.

Curtis Greve ([48:40](#)):

I'm just trying to hide my chin.

Tony Sciarrotta ([48:44](#)):

So we should say, uh, Tunney. I'm surprised you didn't share this too, because you told me one thing in terms of pronouncing your last name, that stuck and it works just beautifully. It's like my Sharona that's this song might be Rhoda

Scott Luton ([48:58](#)):

Love for music. It's hard, hard to overstate. How important that analogy.

Tony Sciarrotta ([49:04](#)):

Oh, a little bit. Thank you. But his love for helping folks get connected and develop themselves professionally may equal his love for music and own that note. Nice little segue there. Let's let's talk about this event coming up March 3rd. What, what, what are you so excited about and wash the folks care? I'm excited about the cocktail kit. I wish I could show you. I just got a photograph of the cocktail courier that arrived at my house with a couple of looks like baby gin and tonic bottles and vodka bottles and an orange. So on the way to anyone who's registered and it is free to join the RLA. I didn't clear clearly say that it is free to join the community. And in our community, we put on events like this from industry thought leaders from new innovations, new solutions, and next Wednesday at four o'clock, uh, we will have a presentation as you alluded to Scott.

Tony Sciarrotta ([50:01](#)):

In fact, Scott was rather modest. He's being our guest host moderator, trying to Kira corral, all of us there. Uh, Tom and Jerome and Paula, uh, Padula, Sandra and myself on, in a conversation about innovations in the supply chain, including that virtual tour of a robotics facility, we'll be talking AI. What's the latest and greatest. And again, I can't say it enough. It's easy to join the [community@rla.org](mailto:community@rla.org). It's free. You're late for the cocktail for next week. I'm sorry. They've already shipped them all out and they don't want the oranges to go bad. So, uh,

Scott Luton ([50:38](#)):

Folks sign up. I'll send them a, um, a can of Busch light and they'll feel like they're,

Tony Sciarrotta ([50:43](#)):



If I, if I could, I got to tell you if anybody's, if you want to the best place for best practices in reverse, you gotta be a member of LA RLA and go to the conference. But I do have a question for Tony. What are you supposed to do with the orange? Oh, next week after this session, it was John with the gin and the vodka, but I wasn't sure about the orange. So we hired a mixologist to be a virtual bartender to show you how to put some drinks together, Curtis. So it's all exciting. So virtual happy hour starts sometime around five o'clock Eastern. Awesome.

Scott Luton ([51:19](#)):

Well, you know, uh, we found out yesterday we have our own, uh, amongst other things mixologist right here on staff at supply chain now, which I knew there was a reason why we got along so well, uh, grey, we, cause we have our own bartender right here. Yeah.

Scott Luton ([51:34](#)):

That's all right. Lay the dog.

Scott Luton ([51:37](#)):

This has been a blast as always, uh, Tony, you always bring it and you bring wonderful guests that really tell it like it is been there, done that. And that's what we love about this series and these conversations we've added your LinkedIn links. I believe in the show notes, making it easy for folks to connect with you both. And of course, Tony and Kurt's also shared more direct ways. So thanks so much. Curtis grieve, VP liquidation and remarketing within more intelligence and Tony Schroeder executive director with the reverse logistics association. Thanks to you both. Okay.

Tony Sciarrotta ([52:10](#)):

Thank you. Honored. All right.

Scott Luton ([52:15](#)):

I love that there are so many errors, so often in the live stream when I'm thinking, okay. Which one of eight possible directions are we going to go next? Uh, I've got that deer in a moment in headlights moment. Cause I'm trying to make that instant decision. Do you ever, can you relate to that, Greg?

Scott Luton ([52:31](#)):

I'm sorry, Scott. I wasn't listening. Yeah, absolutely. I mean, uh, there, there are so many ways you can go, right. W particularly with this topic and it has become more complex in the last 12 months. So absolutely I get it.

Scott Luton ([52:46](#)):

Yep, definitely. Well, we really appreciate all the great comments. This has been a, uh, gosh, a full week of live streams. I think Tuesday was only day that we did not have a live stream and there's just that much to tackle, uh, across not just global supply chain but global business. And it's been really a week full of learning. So Greg, as we wrap here, what has been one of your favorite portions of today's conversation? One, just one thing

Scott Luton ([53:13](#)):

It's always the same. It's always Tony's focus on trying to prevent returns to actually reduce the flow of reverse logistics and circular and re-commerce or whatever you want to call it. Right. But that is a challenge. That's not only put out to the retailers, but also to the consumers. I happen to personally hate returns. I usually don't order things until I absolutely have to have them. So I am compulsive about making sure that it will work, which is I know very, very uncommon. Um, I think of, I think of returns as a failure as a consumer. So I'd probably think of things a little bit differently than a lot of folks do, but, but I think that we, the consumer, if we really care about sustainability, if we really care about circular economy, if we really care about reuse and the, you know, in the economics of, of retail, then we have to acknowledge that we, as I say, consumers are the beginning and the end of the supply chain, everything starts with us and we have to take that ownership.

Scott Luton ([54:17](#)):

And now I know that's not going to happen. It's not going to happen for a vast, vast majority of consumers. But if even just a few of us are just a little bit more diligent, take a little bit of that pain on the front end, rather than on, you know, rather than after the delivery has been made. I think that there's a huge opportunity for impact here. Look, I deal with companies, I'm dealing with companies every day. This is the hottest space for investment in supply chain today, reverse re-commerce. Um, and you know, I see it every day, companies trying to preempt trying to put com goods back into commerce, as, as Curtis said, be they used or refurbished or whatever, but trying to put those goods back in. I just think that's an important part of what we need to do as consumers is to help prevent that.

Scott Luton ([55:06](#)):

I agreed. I think that's the most important thing as consumers and all of us are whether you're in supply chain or not, we've got to embrace that responsibility. And to your point, if just a handful of folks will embrace it and take that into their daily or weekly, uh, buying decisions, you could re we could really move the needle. Uh, and, and while to Curtis's point, we're still moving upstream and, and designing for, for CE and doing a better job. There's lots of interesting reads about how some of the companies are leveraging all walks of life to get into those product development discussions. That's really cool for a variety of reasons, but man, we own it and we we've got it. We've got to act on that. So, uh, the power is in our hands in many ways. So Greg, that's an excellent key takeaway and really appreciate all the comments here, Peter, thanks so much.

Scott Luton ([55:53](#)):

This is all lots of con stuff. We appreciate you too. Peter and Rhonda and Natalie, and all the folks that were with us, uh, right along throughout this conversation here today. So last reminder, if you enjoy these conversations, make sure to check us out@supplychainnow.com. We're working hard to serve as the voice of supply chain. You can, you know, we publish a podcast every day, sometimes Saturday and Sunday. It depends on how the production schedule is, uh, is, is, is grinding of tequila, sunrise tech talk, digital supply chain, podcast, digital transformers, which Kevin is doing a remarkable job. And should we let the cat out of the bag of one of our newest series? I'm not sure Greg. It was saved that I think we've got a lay supply chain is boring on them and hold back. Right? Always leave them wanting more. Somebody really smart said, well, Monday undoubtedly, we're launching supply chain now in a spaniel. So you'll check it out, fewer things up our sleeves, but most importantly, really appreciate our, uh, Tony and Curtis really appreciate all of folks in the comments, sharing wonderful perspective, making our day, making our Friday and Greg a pleasure to do it with you on behalf of our entire team here at supply chain. Now we've got a challenge. Like we challenge our team every day. They do good. Give forward, be the change that's needed on that note. See you next time here on supply chain now. Thanks everybody.

Intro/Outro ([57:15](#)):

Thanks for being a part of our supply chain. Now community check out all of our programming@supplychainnow.com and make sure you subscribe to supply chain. Now anywhere you listen to podcasts and follow us on Facebook, LinkedIn, Twitter, and Instagram. See you next time on supply chain. Now.