

Meet 16 top reverse-logistics leaders tackling retail's \$761 billion e-commerce returns problem

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- As supply chain and fuel costs rise, e-commerce returns are going from a headache to a migraine.
- There still isn't enough dedicated "reverse logistics" capacity to handle the growing demand.
- Reverse-logistics leaders are in a position to fix — and cash in on — the pervasive problem.

Retail returns are a a multibillion-dollar problem without a clear solution, and the logistics industry is eagerly trying to crack the code.

Whoever wins will reap huge rewards: The National Retail Federation estimated consumers returned 16% of the things they bought last year – roughly \$761 billion in products.

The question is how to handle these goods sustainably, and make them resalable at a profit.

"That represents an opportunity for somebody," Tony Sciarrotta, the president of the Reverse Logistics Association, said. "It's so big that there are no dominant players."

Returns became a bigger issue as e-commerce boomed, but delivering a smooth consumer experience for returns is only getting more expensive.

"That's where I say the low-grade headache has become a migraine," David Sobie, the CEO of Happy Returns – a reverse-logistics startup acquired by PayPal in a deal that, for some, signified maturation among reverse-logistics startups – said.



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Sender Shamiss/goTRG, Gaurav Saran/ReverseLogix, Becca Meinz/Best Buy, Marcus Shen/B-Stock.

Retailers have hired more dedicated talent to focus on returns in recent years, both to figure out if returns can ever become profitable and to prevent them in the first place. Major logistics companies, along with venture-capital funding, are focusing more and more on returns.

Here are 16 power players in the world of reverse logistics, from retailers to full-service logistics providers to pure-play tech. They are all trying to solve one of retail's thorniest problems. They are listed in no particular order.

Gaurav Saran, the founder and CEO of ReverseLogix

Gaurav Saran founded ReverseLogix as a software-as-a-service platform dedicated to making returns simpler for consumers and helping retailers offer multiple collection options. The company works with clients like FedEx, Samsonite, Electrolux, Wilson, and more.



REVERSELOGIX

Gaurav Saran is the founder and CEO of ReverseLogix.

Before founding ReverseLogix in 2012, Saran was the founder and CEO of the app-development company CloudXtension. Before that, he worked for Microsoft, where he identified the lack of attention and investment in returns.

In 2021, after years of bootstrapping, ReverseLogix raised its first funding round, which the private-equity investor Cambridge Capital led. Since raising \$20 million in February 2021, ReverseLogix has announced partnerships with B-Stock and DHL Supply Chain.

Colleen Robinson, the director of Amazon-devices reverse logistics

Colleen Robinson has been a leader within Amazon's reverse-logistics team for over a decade. She joined the company in 2012 as a senior manager.

Amazon employs every strategy in the book to handle its mammoth number of returns – including “just keep it” strategies, refurbished and open-box outlets, and online auctions. Robinson has championed the company's electronics-refurbishment efforts, supporting the reverse-logistics supply chain for Amazon's tablets, Ring, and Blink products. Robinson also supported launching a global Certified Refurbished buying option, recycling

programs, and a walk-in repair shop.

Before joining Amazon, Robinson worked in supply-chain management and repair operations for Qualcomm, Palm Inc., and HP.

Patrick Super, the vice president of customer-operations retail at FedEx Supply Chain

Patrick Super has worked at FedEx for over 28 years. After spending 12 years as a district manager for FedEx's largest service, FedEx Ground, he moved into the vice-president role at FedEx Supply Chain – the company's warehousing, fulfillment, and distribution arm – in 2017.

FedEx Supply Chain operates seven million square feet of warehouse space in the US and Canada and developed out of FedEx's 2015 acquisition of the third-party logistics provider GENCO. Super is responsible for developing new solutions in areas such as returns, liquidation, and sustainability, and others. The company has a partnership with Happy Returns to allow consumers to drop off their returns in high-traffic locations like shopping malls.

Becca Mainz, the vice president of end-to-end supply chain at Best Buy

Becca Mainz not only heads Best Buy's reverse-logistics strategy, she has influence over the products and sales operations so that the entire company can optimize to reduce returns. The company created her position in 2020 after Mainz's work optimizing reverse logistics taught the company the importance of preventing returns in the first place and illuminated the connection between the return experience and brand reputation. That work takes place across many departments, Mainz explained at the National Retail Federations' Big Show in January.

“Without pulling it all together, you're gonna miss the bigger picture,” she said. Mainz has worked for Best Buy for over 11 years, starting as a financial analyst. She's held her current position since December 2020.

Marcus Shen, the CEO of B-Stock

B-Stock offers a marketplace and online-auction capability so retailers like Walmart, Amazon, and Target can sell inventory in large quantities, selling whole pallets and truckloads to businesses as well as individuals who resell the goods on platforms like Poshmark and eBay. In 2021, founder and then-CEO Howard Rosenberg said B-Stock

sold 145 million items across its platform.

B-Stock announced that Marcus Shen would take over the CEO role from Rosenberg in March. Shen served as the company's COO since 2019 when he led strategy, product, engineering, business operations, and finance. Shen told ModernRetail that now he'll lead the company out of the pandemic and business is still booming.

Steve Lewis, the senior vice president of commercial strategy at GXO

GXO aims to find serious growth in returns, with Steve Lewis leading that charge. Lewis works with global brands to develop tailor-made reverse-logistics programs. The company recently gained a new tool to help him out with the \$1.3 billion deal to buy the UK e-commerce warehousing business Clipper Logistics, a retail-logistics firm with 55 facilities across the UK and Europe.

Clipper adds repair and refurbishing to the GXO skill set, which brings it closer to being an all-inclusive provider. GXO already performs repairs for fashion and sportswear, but Clipper is better at repairing electronics and the kind of refurbishing that manufacturers certify with their stamp of approval.

Lewis had been with XPO Logistics for two and a half years when it spun out its contract-logistics arm and formed GXO in July 2021. Before that, Lewis served in operations roles for Penn Power Group and the US Navy.

Michael Prince, the vice president of reverse logistics and quality at Walmart

Michael Prince has worked for Walmart for almost five years and moved into his current role about five months ago. Before coming to Walmart in 2019, Prince worked operations jobs at Amazon for nearly four years. He came to Amazon after nine years at the Environmental Protection Agency.

According to the company, Prince addresses the reverse-logistics challenge with a "startup mentality." A Walmart spokesperson said Prince has shepherded companywide sustainability efforts, including a push for new sales channels focused on selling returned and used items.

Prince was previously responsible for the design and implementation of Walmart's recently announced next-generation fulfillment centers.

David Sobie, the CEO of Happy Returns at PayPal

Before starting Happy Returns in 2015, David Sobie worked for early innovators in modern e-commerce, including eBay, Hautelook, and JustFab.

PayPal acquired Happy Returns – which Sobie cofounded with Mark Geller, a former Hautelook colleague – in 2021 after about six years of operations with \$25 million raised in four rounds. The company is known for its 5,000 "return bars," where customers can bring their unwanted purchases from a broad range of brands.

Happy Returns assesses the condition of the items customers return and consolidates them into pallets, making it easier for retailers to receive the returns. The company has been particularly popular with direct-to-consumer retailers like Rothy's and Everlane, and works with traditional brick-and-mortar retailers like Staples and Ulta Beauty.

Sobie told Insider that since the acquisition, Happy Returns has doubled the number of merchants it works with and tripled its processing capacity at the hubs where employees evaluate and consolidate returns. In March, Happy Returns made its software element free for any merchant using PayPal for checkout.

Sender Shamiss, the CEO of goTRG

Sender Shamiss has been a major player in the world of retail returns for roughly 15 years. He founded goTRG in 2006. The company now handles returns for Amazon, Home Depot, and Walmart.

GoTRG operates processing facilities that assess and, in some cases, refurbish and repair returned goods, as well as resale sites. The company has more than 5,000 employees across 15 locations, processing 100 million returned units of apparel, electronics, home goods, and more every year.

The company claims to be the first to put all the disparate and necessary reverse-logistics services – including software, assessment, physical processing, and resale – under one roof. The company's software uses artificial intelligence to determine the most profitable outcome for each returned item, and Shamiss has repeatedly said his goal is for that option to be to resell whenever possible to keep potentially usable goods from ending up in waste streams.

Tobin Moore, the CEO of Optoro

Before cofounding the returns-tech firm Optoro, Tobin Moore cofounded eSpot, an online-reselling platform that helped individuals sell previously owned items on multiple sites. Optoro has been growing rapidly, raising more than \$260 million – most recently a \$25 million "strategic investment" that warehouse-hardware com-

pany Zebra Technologies led, with participation from eBay and UPS.

Optoro aims to reduce costs associated with returns by streamlining processes and minimizing shipping. The company allows retail clients to offer shoppers a branded-returns portal, instant credit, and contactless drop-offs in stores. The startup also helps retailers sell returned goods on their own websites and on marketplaces like eBay and Amazon. Optoro customers include Ikea, Target, American Eagle Outfitters, and Bed Bath & Beyond.

Ben Whitaker, the CEO of Reconomx

After nearly five years at B-Stock, Ben Whitaker set out to fill what he saw as a gap among companies offering solutions for retailers. Founded in 2021, Reconomx grades returns based on quality and “resalability.” Whitaker decided to build the company in Europe to focus on cross-border e-commerce orders – or orders shipped directly to consumers in Europe from other regions.

“Fundamentally, there is a lot of tech that enables distanced selling, but not returns,” Whitaker said. He estimated the cross-border-returns problem to be worth \$100 million.

Processing and finding a productive sales channel for returned goods in Europe is more cost- and emissions-efficient than shipping the goods back to their country of origin. Whitaker is bootstrapping the company and announced a partnership with Seko Logistics in September.

Amit Sharma, the CEO of Narvar

Founded in 2012, Narvar provides the tech that helps retailers handle the post-purchase experience, including tracking shipping and returns. After years of only focusing on software, the company began providing convenient drop-off options for consumer returns. Earlier this year, it launched a pick-up service.

Amit Sharma told Insider that Narvar had to physically move things if it was going to truly alleviate the friction for consumer returns.

“When done right, consumers are returning goods 25% faster, and that is really important,” Sharma said. The company has also made moves to offer retailers more than just post-purchase transparency, teaming up with supply-chain-visibility startup Fourkites earlier this year so that customers can track where goods are on the way into their warehouses as well as on the way out.

Before founding Narvar, Sharma held supply-chain and e-commerce roles at Williams-Sonoma, Walmart, and Apple. He’s raised more than \$60 million in 10 years building Narvar.

Jonathan Poma, the CEO of Loop Returns

Before he founded Loop Returns in 2016, Jonathan Poma worked to support direct-to-consumer startups in various roles, which led him to create returns-management tech aimed at Shopify sellers.

Loop Returns is a software platform that aims to automate returns and encourage shoppers to exchange their item or take store credit over a refund. For products that do need to go back, it generates shipping labels. Loop branched out to integrate with multiple platforms in 2020. It also partnered with Happy Returns – which is technically a competitor in the space – to provide thousands of drop-off options for Loop Returns transactions earlier this year.

Loop raised a \$65 million Series B last year with Shopify as a participating investor. At the time, Poma told TechCrunch the company had grown its team from 20 to 100 employees in two years.

Kraig Foreman, the president of e-commerce at DHL Supply Chain North America

Kraig Foreman oversees North American operations for DHL Supply Chain, the German logistics giant’s warehousing-and-fulfillment service that oversees a significant amount of reverse logistics.

Foreman has worked for DHL for over 26 years, starting in the company’s management-development program in 1996. Earlier this year, he led a partnership with ReverseLogix.

DHL chose the startup as its software partner to help its warehouses automate workflows to process returns faster while following consistent rules and policies. DHL customers will be able to use ReverseLogix’s data metrics and online interface.

Eduardo Vilar, the senior vice president of merchant solutions at Affirm

Serial entrepreneur Eduardo Vilar founded Returnly in 2014 and raised more than \$30 million in four rounds. The tech startup focused on getting consumers their refunds immediately upon starting a return with the idea that the funds would allow them to replace the unwanted item faster.

Affirm, the delayed-payment company which was an existing investor in Returnly, acquired the company in 2021 for \$300 million. At that time, Returnly had more than

1,800 merchant users on its roster.

“In 2019, Affirm invested in Returnly because we recognized their technology’s ability to help merchants remove friction from returns, drive loyalty, and retain more customers. Store credit, issued before the item is actually returned, is now a practical requirement in highly competitive segments like fashion and lifestyle,” Max Levchin, the CEO of Affirm, said in a statement announcing the acquisition.

Glen Sutton, the executive vice president at Ceva Logistics

Glen Sutton came to Ceva Logistics when its parent

company, CMA CGM, agreed to acquire most of Ingram Micro’s e-commerce-logistics business in 2021 and with it, 11,500 staff members across 59 warehouses in the US and Europe. The deal closed earlier this year.

Ingram Micro – and now Ceva – is a major player in e-commerce logistics for mobile phones. Sutton told Collaborative Robotics Trends that the company touches two out of every three mobile phones sold in the US including forward and reverse logistics, plus refurbishment and repair services.

Sutton worked at Ingram Micro for three and a half years before the acquisition, spending his final year as the company’s COO. Before that, he spent 13 years at various operating units within DHL in Japan, Hong Kong, Germany, and the US.