

Everyone in the Pool

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Excuse the pun, but beverage companies across the supply chain increasingly are jumping into the pool.

Pallets, kegs and freight containers are among the most common items pooled across the chain. A major benefit is that asset pooling creates a number of synergies that individual beverage companies couldn't attain if they owned all of their own logistical assets.



It's also been known to save companies time, since they're not going to have to be too involved in the retrieval of those items. "You really don't think of the administrative work it takes when you retrieve those back, as well as account for them, manage them and know where your assets are at any given time," explains Roy Hasenfratz, director of pooling for Corbi Plastics, a joint venture between Orbis and Caronplatz GmbH that pools plastic pallets, top frames and divider sheets.

Corbi Plastics also takes potential storage issues out of the equation by delivering the product only when it's needed.

While the logistical component is the bulk of the cost of asset management, a secondary piece of it comes from the inspection and the servicing of reusable assets.

Pooled pallets tend to be among the better quality pallets that are out there, designed to be easier to handle and less prone to damage, according to Robert Shaunnessey, executive director of the Warehousing Education and Research Council (WERC), a trade association for warehouse professionals.

"Particularly with empty cans, they're stored pretty high and if you have trouble with the pallet it can become a pretty serious problem," Shaunnessey contends. Global equipment pooling provider CHEP, whose US base of operations is in Orlando, FL, owns about 75 million 48-inch-by-40-inch pallets in the US alone, which it rents to bottlers. After its bottler customers ship the pallets to their retail accounts, CHEP retrieves its assets, inspects them and repairs them if necessary. The pallets then head back into the supply chain.

"We only have one size pallet because this is all about standardization," notes Per Ohstrom, director of marketing for CHEP. CHEP's pallets are of the block variety, which enables the forklift to enter the pallet from all four sides, fostering easy handling and loading.

"There are efficiencies in both the time it takes to load and in the way you can optimize the floor space that you use," says Ohstrom.

CHEP entered the US market in the 1990s, following its expansion across Australia and Europe and today, Ohstrom reports that about one-third of fast-moving consumer goods travel on pooled pallets.

Beer keg management is one of the key logistical concerns shared by brewers and distributors.

Asset management solutions provider TrenStar, which operates offices in Denver, the United Kingdom, Germany and South Africa, tracks millions of beer kegs across Europe and owns about 60 percent of the kegs in the UK, the company reports. Its European clients include Carlsberg and Scottish & Newcastle. Its US-based subsidiary, MicroStar, has found its niche among American craft brewers. The company says it serves 150 of the top craft breweries in the country. Benefits of such a program, TrenStar contends, include accurate inventory and order tracking, optimized transportation routing, minimal spoilage and waste of beer, fewer product retailers and reduced keg failures on premise. TrenStar also employs radio frequency identification technology (RFID) for some of its tracking services.

We've discussed how packing, shipping and dispensing assets are commonly pooled items, but one area that one doesn't immediately associate with pooled assets is, well, area.

A warehouse's space itself often can be shareable, especially in such a seasonally sensitive business as beverage distribution. "If you have overflow space and cyclical needs—holidays and such—you can store product or materials in a space and just pay for what you use," Shaunnessey notes. "If you buy the space, it's a fixed cost, but if you used shared space with a service provider, then it becomes a variable cost and you can turn it on and turn it off whenever you want. That's a pretty substantial advantage."

Before a beverage operation gets involved in asset sharing of any kind, the obvious caveat is that it must first determine whether the type of equipment available from a pool is compatible with what that company uses. Some operations just might not match well for whatever logistical reason, be it pallet size requirements, etc. But, says Hasenfratz, "If you realize, 'OK, I'm in a situation where my competitor or a different supplier that is in my area delivers to the same location, at that given point in time, there would be synergies in those companies pooling together.'"

chep.com • corbioplastics.com • werc.org

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