



All Accounted For

By Andrew Kaplan
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Each year millions of dollars in mobile assets like beer kegs and pallets go missing, amounting to a real drain on the bottom lines of beverage companies. But there's a growing arsenal of ways to control this problem. And the latest news is that doing so can even open doors to other benefits for a company's supply chain.

One of the most popular solutions is Satellite Logistic Groups' (SLG) Kegspediter Keg Management System. The system keeps track of beer kegs for more than 100 brewers, picking up their kegs from more than 1,400 beer distributors and returning them to the breweries. At last count, the system manages keg returns for 132 brands of beer.



Inside a Satellite Logistics Group warehouse, kegs are collected to be returned to customers of the Kegspediter® program.

Explains SLG's president and CEO, Kevin Brady, "We built a system that forecasts where the kegs are based on sales information if the brewery will provide it to us or our own collection history and experience with those brands across the distributors that we service around the U.S. And that indicates to us where we need to go and do our collection activities to get the kegs back."

SLG also is taking things a step further when it comes to alleviating the costs associated with kegs, particularly for the growing segment of craft brewing start-ups. The company recently rolled out a keg leasing program specifically targeting craft brewers. "We decided to go ahead and offer a leasing program to give them access to the keg assets they need to grow their business," says Brady. "With craft growing the way it is, they're having to invest in mobile assets to support their growth...Some of the crafts do as much as 30 percent of their volume in draft. So what we offer through Kegspediter is a complete system that's more than just the logistical movement of kegs back to the brewery. It's really a turnkey system to manage the entire fleet from the distributor back to the brewery in an efficient and cost-effective way so they can maximize the return on investment on each one of those keg assets."

And for the first time, SLG is extending its Kegspediter and keg leasing program to the wine industry. "We're seeing some interest among high-volume locations like sports stadiums or theaters to do premium wines on draft," says Brady. "But it's a trend that's really beginning in the West Coast in premium wine bars. The advantage to the wine on tap is there is a lot of waste once the bottle's opened and the air gets in. I think the estimate is something around 20 percent of the wine is just thrown away. We can get the kegs collected and back to the filling stations or production facilities, and again we're offering the leasing component as a way for people entering the market to have sources of capital to buy the assets," Brady says.

Rehrig Pacific Co., a provider of returnable assets such as plastic pallets, crates and containers, also has been working with customers on coming up with ways to reduce losses of these valuable assets. Many times, this simply begins with making employees aware that the pallets have value and their loss hits the bottom line. This is followed by putting procedures in place so the assets are stored where they are easily accessible. "We all know it's very, very challenging to increase sales, especially in a very crowded market," explains Kaley Parkinson, Rehrig's tech services manager within the company's Supply Chain Solutions Group. "But by reducing your shrink in a very significant way can open the doors to a lot of other very leverageable tools to actually open even more doors. So fixing one small problem has allowed us to finance all these other solutions that are available on the market today and adding technology intelligence is the way to do that."

By intelligence, Parkinson means embedding pallets with either Radio Frequency Identification (RFID) or active GPS tags, technology that would be cost-prohibitive if the pallet were to be used only a few times and then lost. But these can provide a host of supply chain benefits as long as the same pallets are reused many times over the years.

Parkinson says Rehrig Pacific is working on a pilot program with PepsiCo tracking 2-liter cases utilizing RFID through some of its distribution centers to track turn rates for the cases themselves. The goal is to see how many times they're able to use them before they fall out of the system.

Active GPS tags—the most costly solution—can be used in isolated problem supply chain areas, where assets may regularly be lost. The tags can ping headquarters according to a regular schedule, allowing these assets to be tracked.

Further business drivers may be the use of temperature tracking at the individual pallet level and also the ability to act as a license plate or information transfer between different information systems. As a result, things like regulatory information, inventory information, location, handler and producer can be placed on information tags of up to 60k of memory on the returnable assets. The asset can in a sense "talk" to all the different stakeholders and report the information. "So retailers can order better and cut down on inventory by working on more of a just-in-time system," says Parkinson.

One of ORBIS Corporation's business units, CORBI, manages and tracks pools of plastic pallets, divider sheets and top frames that beverage suppliers use to ship cans and bottles to their customers. At the filler, when the pallets are empty, CORBI recovers, cleans and reissues these items. According to Chad Feehan, CORBI general manager for pooling, "These are very efficient, tightly controlled loops that we fully manage for our customers, so they can focus on their core business. These pools help minimize loss, decrease dwell time and make sure the right packaging is in the right place at the right time."

Intelligent Global Pooling Systems (iGPS) also makes use of RFID technology. Pallets carry a unique serial number that can be read in various ways. To maximize the efficiency of the company's pallet rental program, these electronically tagged pallets are integrated into the customer's warehouse management system. The product "license plate" then can be tied with the pallet's unique identification number, creating a unitized load. This establishes a framework for tracking and tracing loads throughout the supply chain.

And Container and Pooling Solutions (CAPS) opened new service centers in Portland, Ore. and Stockton, Calif. to address its growing customer demand on the West Coast. As a leading Intermediate Bulk Container (IBC) pooler for dry and liquid products, CAPS provides reusable packaging, tracking, logistics, cleaning and repair solutions for the beverage and other markets.

Both of the new service centers are fully equipped with cutting-edge cleaning and repair equipment, as well as tracking technology.