

# Don't Let Keg Loss Drain Your Profits

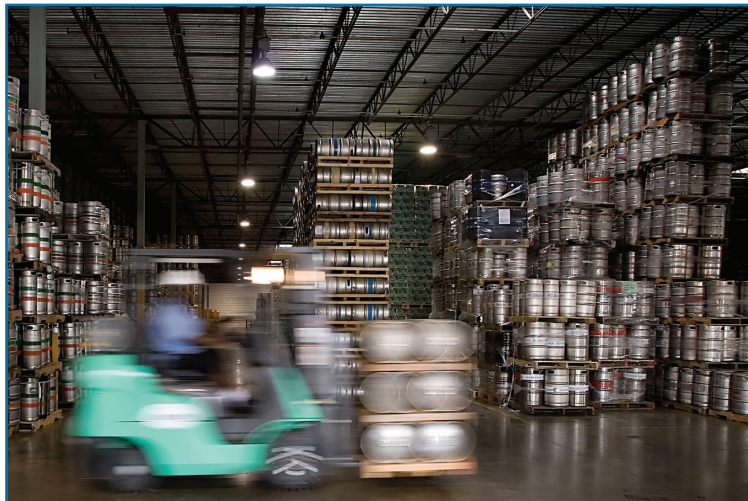
In 2012, the average price of a new keg is estimated to be about \$125. Unfortunately, kegs frequently get lost or disappear in the supply chain causing brewers to incur unforeseen and expensive losses totaling in the millions that impact ROI and bottom-line objectives. To try to reduce this kind of loss it is crucial for brewers to take more aggressive steps to actively monitor the quantity and location of their kegs while initiating a repatriation program in order to recapture vital assets and decrease unnecessary costs.

A 2010 survey conducted by the Brewers Association on keg repatriation further raised awareness of the concern when 95 percent of the respondents characterized the lack of a recovery program as critically or very important. The issue has even barred certain craft brewers from expanding distribution into out-of-state markets for fear of losing their keg assets forever.

Known for more than 25 years as a beverage supply-chain orchestrator and for the invention of the Kegspediter® reverse keg logistics system, Satellite Logistics Group provides integrated solutions to manage all facets of transportation, distribution and warehousing as well as cost-saving reverse logistics solutions or timely material recovery processes.

In 2011 alone, Satellite Logistics Group's Kegspediter® System captured and repatriated over 13,000 kegs for their respective brewery customers representing a potential savings of \$1.6 million in recovered assets.

"Large brewers and beverage providers are taking action to better manage their inventory with keg repatriation solutions



such as Kegspediter®," said Kevin Brady, President of Houston-based Satellite Logistics Group. "These types of supply-chain value-add services allow the beverage industry to better grow economically and reduce increased costs such as those resulting from lost kegs."

Another asset management service Satellite Logistics Group customers have access to as part of the Kegspediter® system is the Keg Census survey. The census helps brewers determine their keg/pallet cycle loss rate by conducting periodic surveys that provides a realistic snapshot of their inventory quantities at any given time. These results allow brewers the ability to make a number of vital decisions in how they collect and refund keg deposits; and manage and allocate their current inventory. The data can help identify seasonal or geographic patterns of loss, which also helps the brewers investigate any potential concerns. Additionally, Satellite Logistics Group's Keg Census safeguards them in the event a distributor or importer changes ownership and assets must be quickly and accurately accounted for.

"It is extremely difficult for brewers to keep an accurate account of exactly how many kegs they have in an active life cycle," said Brady. "Our goals with the Kegspediter® and Keg Census services are to help beverage companies lessen the financial impact of unnecessary keg loss or purchases through improved accountability and enhanced asset recovery and repatriation systems."



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