



Kegspediter® Case Study



Situation

To keep up with rapid growth and meet production schedules, the brewery needed to take assertive measures to manage and improve their keg inventory.

Solution

Bell's Brewery signed up for SLG's Kegspediter® program to capture, return and manage their keg inventory.

Results

Within first 6 months: SLG returned Bell's kegs 70% faster than they had been able to do on their own. They were able to meet production schedules with 38% fewer kegs.



Situation

Bell's Brewery, Inc. began in 1985 with a 15-gallon soup kettle and a quest for better beer. Since then, the Michigan-based company has grown into a regional craft brewery that employs more than 200 people over an 18 state area, in addition to Puerto Rico and Washington DC. In 2009, the demand for Bell's Brewery brands outgrew their supply capacity forcing the company to allocate the amount of product provided to existing customers. The brewery worked hard to match production with fulfillment schedules; however, production occasionally stalled because of a gap in the flow of their returned keg fleet due to trapped or lost kegs in the supply chain. To ensure these issues were properly resolved and keep Bell's Brewery a front-runner in the marketplace, the company had to take assertive measures to manage and improve their keg inventory supervision procedures.

Solution

Trapped, lost or stolen kegs are an industry challenge that costs producers millions of dollars each year creating a negative impact on ROI and bottom-line performance. A producer needs approximately seven kegs to support every tap handle in the on-premise market place. Failure to support that tap handle may result in a loss of that tap position. In 2011, Satellite Logistics Group (SLG) provided Bell's Brewery with their innovative reverse logistics Kegspediter® Solution to capture, return and manage their burgeoning keg inventory. The Kegspediter® Solution, renowned for reducing keg cycle times, improving keg turn rates, lowering keg inventory needs and enhancing asset protection and control, had an immediate impact on Bell's Brewery's keg inventory.

Results

- First 60 days: SLG collected and returned over 10,000 kegs to Bell's Brewery. On an annualized basis, that could support an additional 1,400 tap handles in the marketplace giving Bell's Brewery more opportunity for expansion and growth.
- First six months: SLG returned Bell's Brewery kegs 70 percent faster than they were able to do on their own, which means Bell's Brewery could meet their current order schedules with 38 percent fewer kegs. That represented a \$580,000 value that could be further invested against market growth and expansion efforts.
- First year: Bell's Brewery forecasted sales of 44,000 kegs in 2011. With Bell's Brewery's continued growth and increased keg turns provided by the Kegspediter® Solution, SLG collected over 77,000 kegs, enabling Bell's Brewery to increase their revenue and distribution efforts well beyond expectations.

Testimonial

Marty Compton, Director of Sales for Bell's Brewery says, "For the first time in several years, we have not run out of empty kegs to refill. Satellite Logistics Group's Kegspediter® System has allowed us to recapture inventory once thought to be lost, control our keg float, and expand our operations and distributions efforts to better meet increased demand, customer satisfaction initiatives and revenue targets for Bell's Brewery."