

Pallet Optimization Program (POP) Increases Profitability and Safety



Situation

A national retail customer was looking for ways to improve profitability, ensure the quality of their pallets and enhance their safety program. As part of our Total Pallet Management Program (TPM), we conducted a Pallet Optimization Program (POP) Study. This detailed study reviews the quality of every inbound pallet, whether the pallets are compliant and to determine a process to manage the pallets for maximum efficiency, safety and cost-effectiveness.

Solution

We analyzed every pallet and captured data, including pallet quality, type of pallet, vendor names, purchase order numbers, pictures and more. We graded each pallet and if not class 1 — we sorted, repaired or recycled them responsibly and sustainably. Once we captured all the data, we generated a report detailing which pallets met or did not meet their guidelines. If pallets were not up to their standards, the customer could now quantify chargebacks and receive credits. The goal of this program was to ensure they were ready to deliver products to their customers at a moment's notice — with confidence, the pallets would meet their specifications and were safe for their employees to load.

Results

Our commitment to quality, transparency and visibility ensured our customers could quantify the quality of their pallets. Beyond enhancing safety and sustainability and keeping high-quality pallets in their supply chain, it reduced the number of pallets they had to purchase, reducing their expenses and increasing their profitability. Vendors were notified of the outcomes and a chargeback system was instituted for non-compliant pallets. This also helped increase pallet revenue and value to the supply chain.

TPM Pallet Optimization
Program (POP) – **Estimated**
Annualized Income
\$8 Million

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