

Use Reusables

Boost Freight Efficiencywith Reusable Packaging

August 6, 2013 Arlington, TX







Made Possible by...





Alameda County Waste Management
Authority and Recycling Board
www.stopwaste.org



EPA Climate Showcase Communities Grant

• Supports national expansion of Use Reusables workshops, free tools and online resources www.epa.gov/statelocalclimate/local/showcase/



The RPA – Trade association

- Promotes the value and expansion of reusable packaging systems
- 52 member companies Manufacturers, end users, technology providers and service providers

www.reusables.org

In Partnership with...









Top 5 Materials Landfilled from Commercial Sector



- 1. Food Waste
- 2. Other Paper
- 3. Uncoated Cardboard Boxes
- 4. Unpainted Wood *Pallets*
- 5. Film Plastics Stretch Wrap

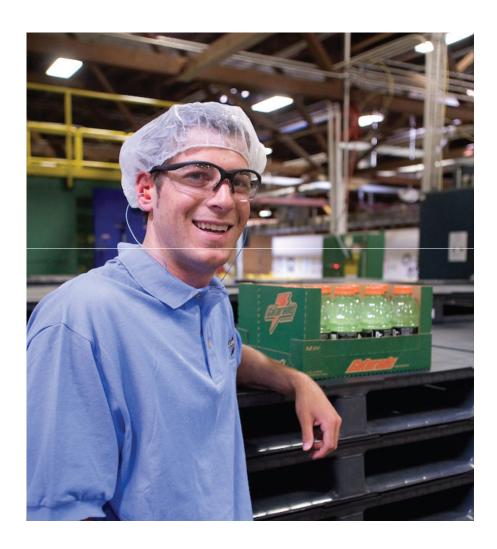






The Use Reusables Campaign





- Helping businesses convert to more sustainable reusable alternatives.
- Reducing greenhouse gas (GHG) emissions and solid waste associated with onetime and limited-use transport packaging materials:
 - Production
 - Use
 - Disposal

How StopWaste can Help



- Training Opportunities like today's workshop
- Facilitate Vendor/Supplier Conversation
- Logistics Assistance
- Become a model case study
- Funding Assistance
 - Grant applications due Sept. 10th
 - Requests up to \$30,000 for reusables

Our Workshop Goal Today



- Introduce reusable transport packaging
- Explore benefits of reuse in the supply chain
- Provide information and resources
- Review the next steps
- Offer free, one-on-one consultation with a Reusables expert
- Answer your questions

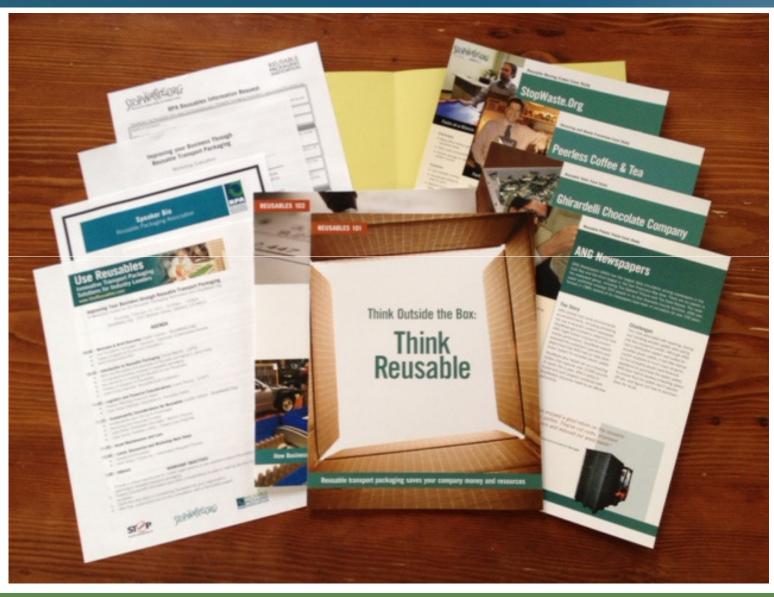
Workshop Agenda



- Intro to Reusables
- Benefits of Reusables
- Attributes of Good Reusable Opportunities
- 7 Steps to Implementation
- Resources & Next Steps

Workshop Materials





Today's Presenter





Eric Fredrickson

President, Thor Consulting

Email: Thorcrate@gmail.com

30 Years of experience in Reusable Packaging across all industry sectors

Reusables are:



Merriam Webster defines Reusable as:

re-us-able adj \rē-`yü-zə-bəl\: capable
of being used again or repeatedly

Reusable Packaging is comprised of pallets, containers, wraps, bands and dunnage designed for reuse within a supply chain

RPA Definition of Reusable Packaging Product or System



- Typically never disposed of by the end user
- Used to move components, finished products or raw materials

Durable construction such that it will function in its original condition:

- for multiple trips,
- in all weather conditions,
- under maximum capacity load conditions,
- without product failure;
- Lifetime is measured in years
- Qualifies as source reduction



Opportunistic vs. Planned Reuse











Everyday Reusables in Action



Milk Crates



Bread Trays



Plastic Pallets



Automotive Totes



Less Than Case Load Totes



Beverage Trays



Reusable Pallet Wraps



Reusables are Not:





- Single use
- Limited use

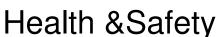


How companies benefit from reusables?



Many Benefits of Reusables





Financial Benefits



Revenue Enhancement



- Merchandising at Store Level
- Increase brand loyalty a bond with customers
- Corporate Social Responsibility Consumer Loyalty







Revenue Enhancement with Reusable Packaging





 Plitt Seafood increased brand loyalty with reusable crates for seafood delivery.

 Produce RPCs have been reported to increase same store produce sales.

Benefit: Increased revenue.

Financial Benefits







- Merchandising at Store Level
- Increase brand loyalty a bond with customers
- Corporate Social Responsibility Consumer Loyalty

Capital Utilization – Lower Materials Cost



- Excellent ROI on Reusables investment
- Pooling/Rental of Reusables outsource CapEx





RPA

Non-Profit Healthcare Provider Reduces Costs with Reusable Tote Program.





Kaiser Permanente - Centralized Distribution



- The Livermore, CA Distribution Center
 - One of three operated by Kaiser
 Permanente in the USA
 - Distribution of medical supplies, documents and pharmaceuticals to facilities within Northern California
- Constant need for new cardboard
 - Cost of cardboard, tape and filler for box construction
 - Cost of labor to put boxes together and later flatten for recycling
 - Cost to the environment



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Kaiser Permanente - Centralized Distribution



- Pilot program in 1990 Kaiser began using reusable totes in place of disposable cardboard boxes for distribution.
- By purchasing totes in four sizes large, medium, small, and tiny, a tote could be selected based on volume to be distributed.
- Packaging material used to fill partially-full containers was almost eliminated.
- Large, medium and small totes have the same footprint so are "nestable", requiring less storage space.
- Totes are durable and maintenance is insignificant.



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Savings (as of 2007)



- 96% Net cost savings totes vs. boxes
 - Up to \$25,000 annual cost of replacement totes verses
 - 591,000 cardboard boxes at \$0.95 box = \$561,450 annually
- 500 hours/year labor savings
 - no assembly required
 - ease of distribution by color coding
- Increased productivity no box assembly
 - Over \$12,000 in wages saved annually
 - ≈ 591,000 boxes saved annually
- Immeasurable environmental savings trees, oil, water, pollution



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Benefit: Reduced operating costs – excellent ROI





Plastic Pallets for Beverage Distribution – Open Loop



PepsiCo's Gatorade Plant

- Replaced limited life wood pallets with reusable plastic pallets.
- •Open loop pool pallets owned and retrieved from retail by a 3rd party service provider.
- •Eliminated product loss, ~100s of cases a day, from full pallets of product tipping overdue to inconsistent dimensions or missing boards

Benefit: Reduced product damage – CapEx
Outsourced





Plastic Pallets for Beverage Distribution – Open Loop



PepsiCo's Gatorade Plant

- Plastic pallet is 25 lbs lighter than wood pallets – 50 lbs. vs 75 lbs.
- High density beverages weigh out trucks.
- Outbound freight reduced by 1.7%.

Benefit: Reduced total freight cost

Financial Benefits







- Merchandising at Store Level
- Increase brand loyalty a bond with customers
- Corporate Social Responsibility Consumer Loyalty



Capital Utilization

- Excellent ROI on Reusables investment.
- Pooling/Rental of Reusables outsource CapEx





- Eliminate expendable packaging expense
- Reduce waste costs
- Reduced product damage or spoilage
- Reduced labor and total freight cost.







Electro-Static Discharge (ESD) Reusable Packaging for Electronics

- ESD reusables handle & transport sensitive electronics like circuit boards.
- Replace single use plastic trays in anti-stat bags and corrugated boxes.
 - Excess handling labor
 - High packaging cost
 - High packaging waste burden
 - Increased risk of component damage.
- ESD Reusable packaging can:
 - Generate ROI by eliminating packaging
 - Eliminate packaging waste
 - Reduce handling labor
 - Reduce damage to valuable components







ESD Reusable Packaging for Electronics – Types of Containers

- Standard Footprint Injection Molded Containers
 - Automotive or Metric RAKO pallet optimization
 - Can be used for multiple programs
- Standard Thermoformed Trays
- **Custom Injection Molded Trays**
 - Increase precision for greater pack density
- **Custom Thermoformed Trays**
 - Lower tooling cost
- Adjustable Printed Circuit Board Holders

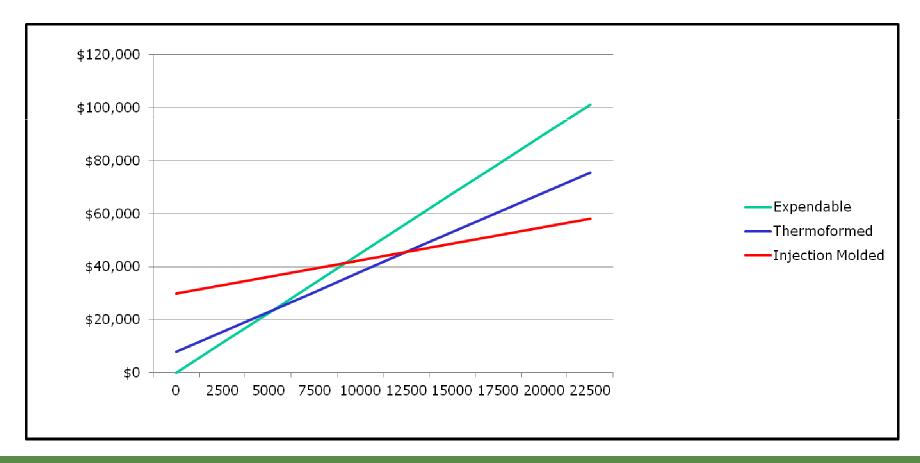






ESD Reusable Packaging for Electronics – Return on Investment

- Thermoformed trays Lower tooling, higher unit cost 2,500 5,000 BE
- Injection molded trays Higher tooling, lower unit cost 10,000 15,000 BE



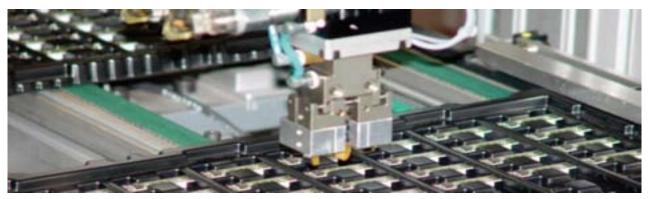




ESD Reusable Packaging for Electronics – Added Value Opportunities

- Reusable ESD Systems can be integrated into automated load & unload stations – reducing labor and potential for handling damage.
- Trays can also be stacked, de-stacked and nested using automation.
- Trays can provide total product protection, eliminating outer containers.
- Significant increases in packing density and exact part counts can be achieved to reduce shipping and handling costs.

Benefits: Improved Quality. Reduced Labor & Lower Freight Cost



Courtesy of: George UTZ, Inc. www.utzgroup.com





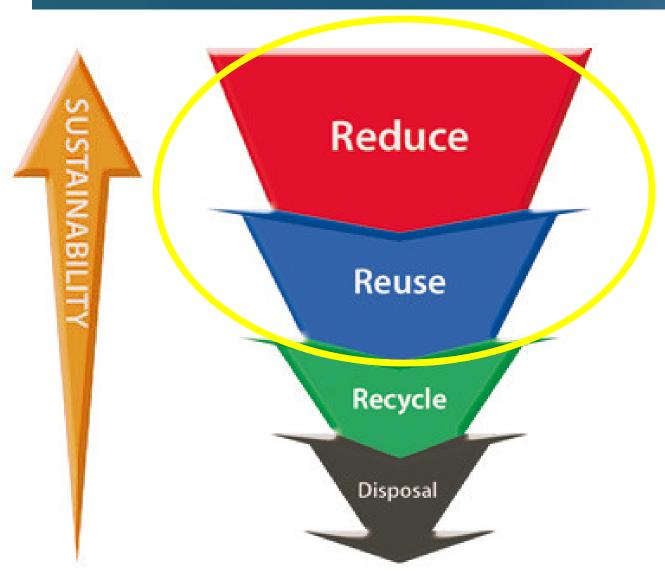
Environmental Benefits





"Reduce & Reuse" are the Most Sustainable



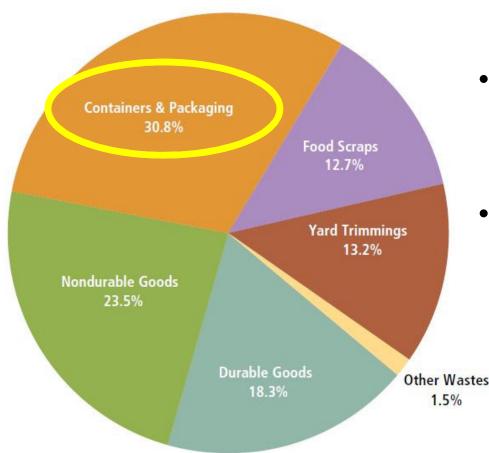




U.S. Solid Waste



Disposable Containers & Packaging are 30% of North America's Municipal Solid Waste



- 56% of these valuable resources are wasted in landfills.
- The remaining 44% are recycled; often downcycled into less valuable products.

Total MSW Generation (by category), 2008 250 million tons (before recycling)



U.S. Greenhouse Gas Emissions



Over 1/3 of U.S. Greenhouse Gas Emissions are Attributable to Producing & Transporting Goods

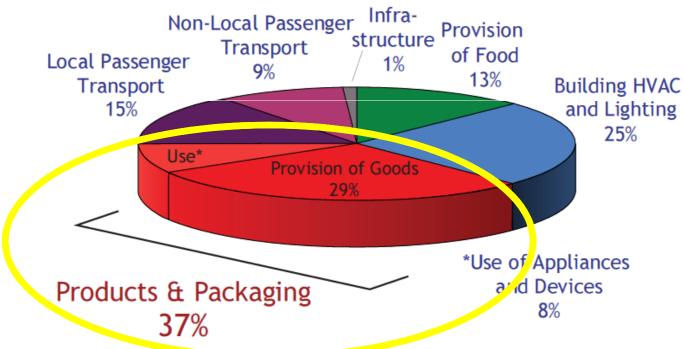


Figure 1: U.S. Greennouse Gas Emissions: Systems-based view. Source: U.S. EPA, 2009.

(Provision of Goods: all consumer goods including building components and vehicles.)



Environmental Impact of Disposable Packaging







One Ton of Corrugated Cardboard:

- Generates 5.3 MTCE of greenhouse gases – over 3 times as much as plastic
- Consumes 17 trees
- Consumes 7,000 gal. of fresh water
- Generates 3.3 cubic yards of landfill
- Consumes 4,000 KWH of energy



Wooden Pallets in the US:

- Consume 14 17 million trees a year
- Consume 30% of all hardwood used
- Represent 2-3% of all landfills





Reusable Containers for Supplies – Closed Loop



NUMMI

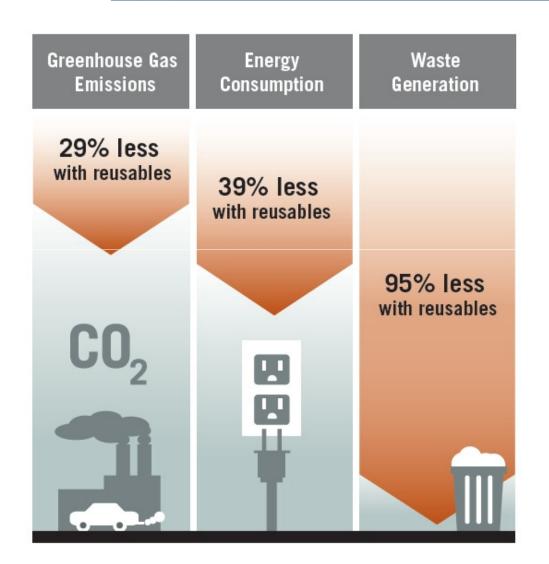
- NUMMI reduced cardboard consumption by 60% by purchasing, using and requiring suppliers to use reusable shipping containers.
- Prevented 11,000 tons of solid waste from being generated
- 58.3 MTCE greenhouse gas reduction
- Resulted in \$2.5 Million/yr savings

Benefit: Waste Prevention, GHG reduction



Environmental Benefits of Reusables





Reusable transport packaging containers

- generate 29% less total greenhouse gas emissions;
- require 39% less total energy; and
- produce 95% less total solid waste on average.

See Reusables 101 page 9



Health & Safety Benefits





Health & Safety Benefits







 Reduce injury from overfilling non-uniform boxes.







Reusables Benefits in Action



Reusable Totes



Closed Loop Distribution



Peerless Coffee & Tea Company - Oakland, CA

- Replaced single use cardboard boxes with reusable totes for three of their Bay Area delivery routes
- Standardized reusable totes over-filling of oversized boxes and back injuries.

Benefit: Reduced Injury, Lower Material Costs over Time



Health & Safety Benefits







- Reduce injury from overfilling non-uniform boxes.
- Reduce injury from broken pallet debris hazards such as splinters, nails and wood on the floor.







Reusables Benefits in Action



Plastic Pallets for Beverage Distribution – Open Loop







PepsiCo's Gatorade Plant

- Switched from wood pallets to leased reusable plastic pallets
- Significant savings by eliminating damage to product from pallets
- Reduced equipment jams
- Minimized labor needed to sort out bad pallets
- Cleaner warehouse with less hazard-causing debris

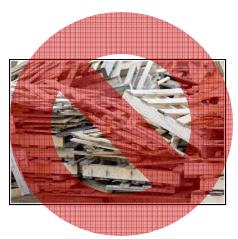
Benefit: Reduced product damage & improved safety



Health & Safety Benefits











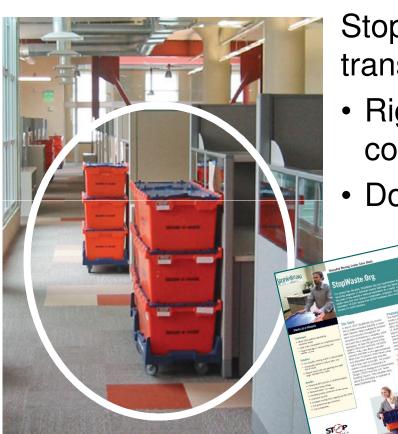
- Reduce injury from overfilling non-uniform boxes.
- Reduce injury from broken pallet debris hazards such as splinters, nails and wood on the floor.
- Ergonomically designed reusable totes can reduce bending, lifting and handling injuries.



Reusables Benefits in Action



Reusable Totes for Office Relocation – Open Loop



StopWaste used totes to pack and transport items during their office move.

- Rigid totes offered better protection of contents.
- Dollies eliminated heavy lifting.
 - Elimination of cardboard boxes and tape saved set-up and clean-up time.
 - Increased moving truck capacity by 40%-50%, cutting freight costs.

Benefit: Improved efficiency, Safety & Ergonomics and freight costs



Health & Safety Benefits











- Reduce injury from overfilling non-uniform boxes
- Reduce injury from broken pallet debris hazards such as splinters, nails and wood on the floor.
- Ergonomically designed reusable totes can reduce bending, lifting and handling injuries.
- Reduced risk of food **contamination** with sanitized totes.
- Reduce injuries from rolling drums and chime removal.



Reusables Benefits in Action



Bag-in-Box IBCs for Health & Beauty Products – Closed Loop







Marietta Corp - Hotel amenities

- Reusable bag-in-box, foldable IBCs to transport & store bulk liquid
- Eliminated the use of drums and single-use IBCs
- Single use liners eliminated effluent waste, bag wringing reduced residual waste
- Eliminated risk of batch to batch contamination.
- Fold for Increased storage space and reduced return freight costs.

Benefit: Reduced Contamination and Reduce injury from drums

Many Benefits of Reusables



Questions before we move on?

Attributes of Good Reusables Opportunities

- Within One Facility, Closed Loop, or Managed Open Loop
- Flow of Consistent Products in Large Volumes
- High Turn Rate
- Large and/or Bulky Products, or Easily Damaged Products
- Suppliers or Customers Grouped Near One Another
- High Waste Disposal or Recycling Costs
- Sustainability Goals or Mandates

Reusables Systems: 3 Types





• Work-in-Process: Used in-plant for storage and transport within a single facility.



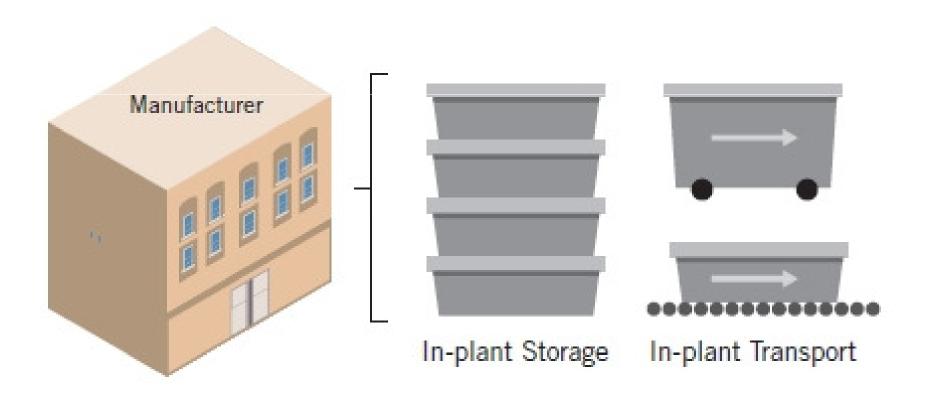
• **Closed-Loop**: Reusables move through supply chain without 3rd party management; this approach is ideal for reusables.



• **Open-Loop**: A 3rd party company manages the return of empty containers and distribution of containers back to the manufacturer; best for consistent flow with high volume.



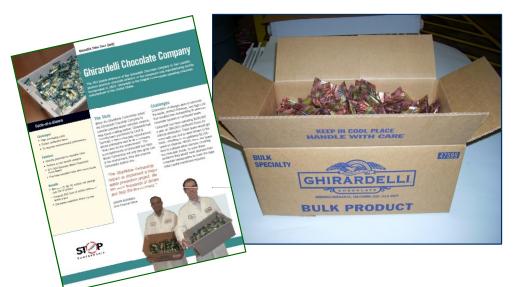
Within a Single Facility



Ghirardelli: Work In Process



Limited Use



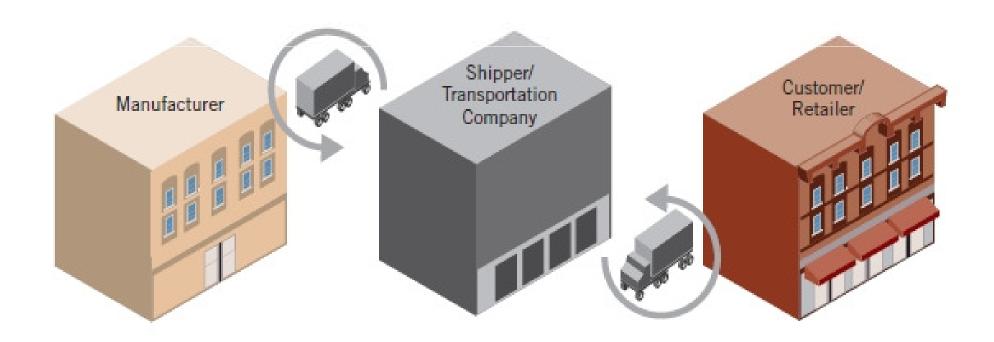
Work-In-Process



Ghirardelli Chocolate purchased reusable totes to move products in "work-in-process" for one of their production lines. This switch saves costs and environmental impacts of 228 tons/yr of cardboard boxes that were previously purchased, assembled, handled and recycled – 1,208 MTCE greenhouse gas emissions avoided.



Closed-Loop System



CarQuest - Closed Loop



Distribution Totes



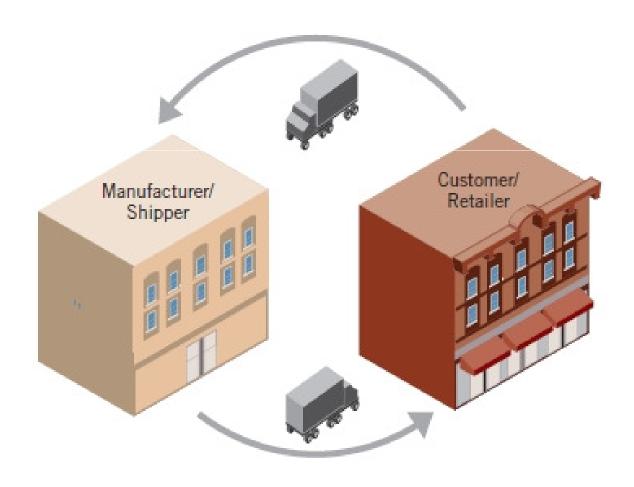
Less Than Case Load Retail

CarQuest Auto Parts uses to distribute less-than-case loads of auto parts from its DCs to its customers.

- Durable totes provide better protection to parts reducing damage.
- Ergonomic handles reduced back and wrist injuries.
- Increased stack height increased trailer capacity to reduce freight.
- First generation tote eliminated corrugated waste with rapid ROI.
- Second generation tote nearly eliminated tote damage and injuries associated with handling damaged totes.



Managed Open-Loop System



Open Loop Pools In North America







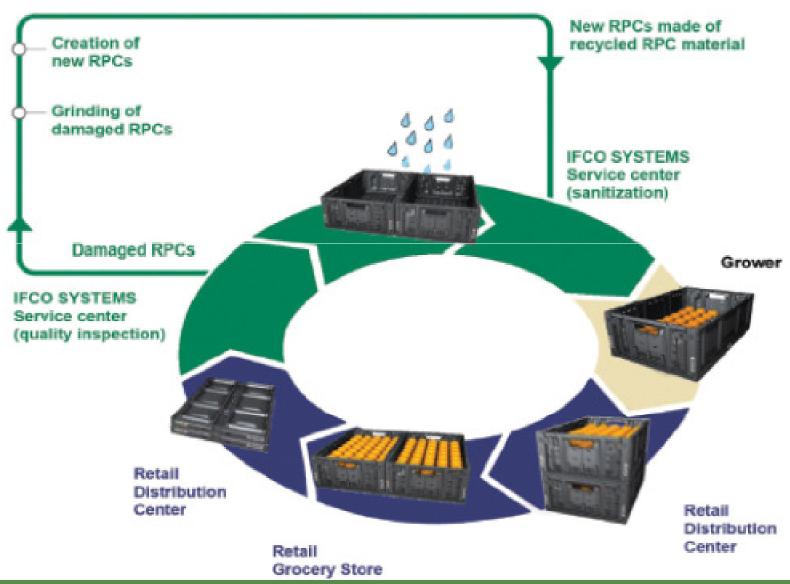




- RPCs for Produce, Meat and Eggs.
- GMA Pallet for retail distribution.
- IBCs and Bulk Bins for liquids, solids & parts.
- Office Moving Crates.
- Other specialty applications.

Example Open Loop Pooling Model





Value Points of RPCs and Fresh Produce





VS



- Reduced product damage and shrink
- Field heat removed quicker
- Higher produce quality at store level
- Better truck utilization to retail
- Possible use as "one touch merchandising"
- Cost efficient against traditional packaging
- Reduced disposal time at store level

Stability







Unitization and Cube Efficiencies



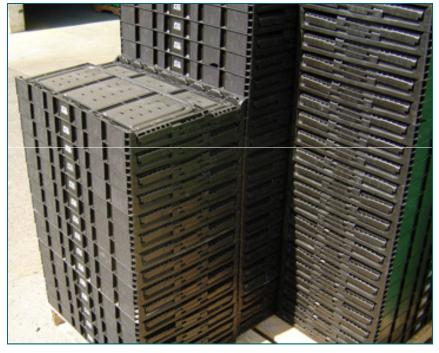




Disposal vs. Re-collection







Case Study Examples



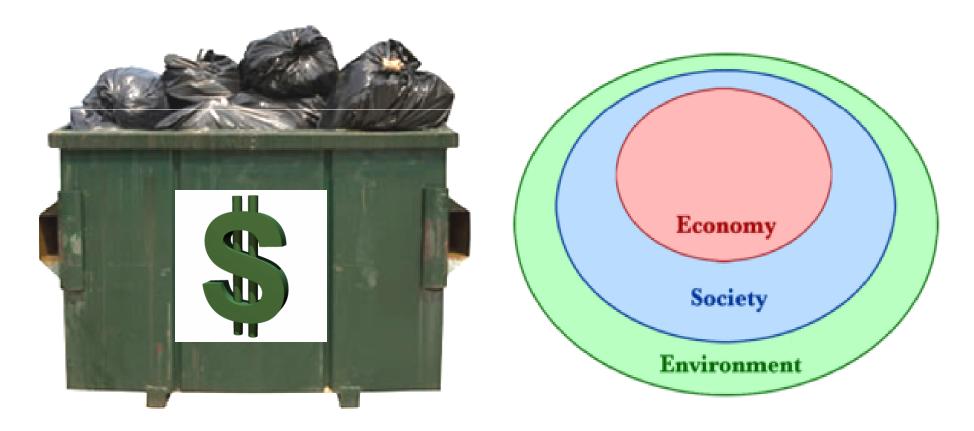
Tesla, Inc. and Veritable Vegetable - Video



www.UseReusables.com



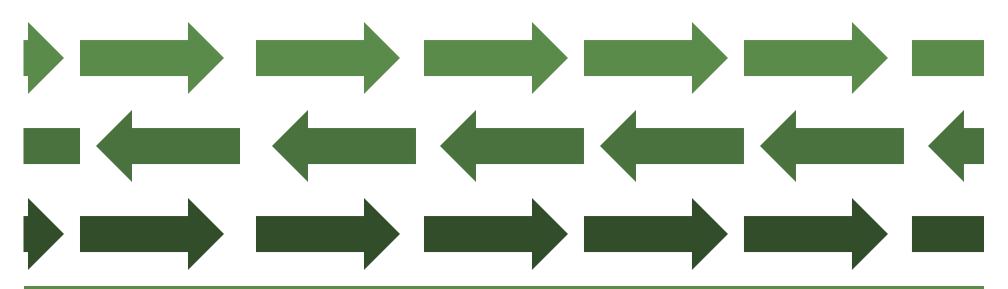
- High Waste Disposal or Recycling Costs
- Sustainability Goals or Mandates







- Flow of Consistent Products in Large Volumes
- High Turn Rate







"The key to our success was

were aware of the recycling

program, then giving regular

making sure all of the associates

updates to keep them engaged

in the process. Having the right

supplies in the correct areas is

also important, which means

that regular observations as to

what is being placed where are

Environmental and Safety Engineer, TLS Fremont

Toyota Logistics Services

Solutions

Reduce waste and cut costs by switching to reusable shipping containers, through supply chain management, and by expanding recycling

Carnet used to be shipped in one-time-use. cardboard boxes on pallets. Now, at all six Toyota Logistics Services (TLS) vehicle delivery facilities, carpet is shipped in large reusable plastic containers that collapse, stack, and don't require a pallet. This switch prevents 3,000 tons of combined wood and cardboard waste and saves \$3.5 million for all six facilities every year.



TLS Fremont has arranged to have multiple truck running boards shipped together in the same container. Previously, running boards were packaged individually in Styrofoam and cardboard boxes. Now compostable cornstarch-based foam is used, and the running boards are packed 14 to a box. The cornstarch packaging and cardboard are recycled after use. This project has cut packaging costs by \$15,000 a year.

In 2005 the truck bed of the Tacoma was changed-from metal with a liner to a composite bed. The new composite bed not only eliminates the need for a liner.

Reusable Shipping Containers but also means the packaging used to ship liners is no longer needed. These modifications have cut pallet use in half



Expanded Recycling

TLS Fremont expanded recycling collection by placing additional bins throughout its office and on the factory floor, and by increasing the types of materials collected. StopWaste Partnership provided funding for the new bins plus signage, including bilingual posters; made presentations to staff; and helped with bin placement. They recycle cardboard, mixed paper, beverage containers, plastic film, car parts, food waste, and cornstarch packaging. The company has reduced its garbage bill by \$12,000 a year and is actually earning revenue by selling some materials to recycling vendors



essential."

The StopWaste Partnership

The StopWaste Partnership is a free technical assistance service dedicated to improving the wironmental performance and reducing costs of Alameda County businesses and public agencies. The program provides expert support and funding to prevent waste, conserve water and energy, and use all resources more efficiently.



The bottom line:

- \$15,000 savings by eliminating running board packaging

Visit www.stopwaste.org/partnership or call 1-877-STOPWASTE.

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Printed on 100% recycled paper, 50% post-consumer content

- Large or Bulky Products
- Easily Damaged Products
- Example: Toyota Logistics **Services** used to pack their heavy carpet and large truck bed liners in disposable packaging. They switched to reusables and prevented 3,000 tons of combined wood and cardboard waste and saved \$3.5 million for all six facilities per year.

Other Factors Affecting Financial Value







- Supply Chain Cycle Time
- Geography of Return Logistics
- Reverse Supply Chain Predictability
- Business Seasonality
- Customization
- Number and dispersion of end users
- Degree of sanitization required after each use
- and...

Other Factors Affecting Financial Value





Container Theft



Pallet Repair

Impact of Reusable Packaging on Freight Costs





- Reusables can reduce packing weight and reduce outbound freight on weighed-out loads.
 - Plastic vs. wood pallets
 - Foldable bag-in-box IBCs vs. drums or tank style IBCs







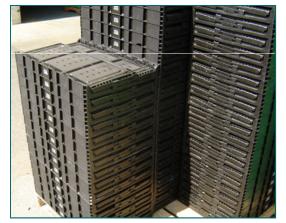
- Reusables can increase stack heights and pack density to increase cube utilization.
 - Produce SKUs such as lettuce
 - Office relocation crates
 - ESD and other parts trays

Impact of Reusable Packaging on **Freight Costs**





- Some reusables weigh more than disposable packaging they replace.
 - Plastic RPCs vs. Corrugated
 - Potential freight cost increase on weighed-out loads.



- Reusables require backhaul which can add to freight cost
 - Milk runs and closed loop returns take advantage of unutilized trailer capacity.
 - Open loop poolers optimize reverse logistics.
 - Most reusable have high return ratio to reduce return freight.



- Upstream source reduction more than offset greenhouse gas emissions of backhauls.
 - 5.3 MTCE per Ton of Corrugated Cardboard reduced.

Attributes of Good Reusables Opportunities



Questions before we move on?



7 Steps to Implementing Reusable Transport Packaging at Your Business

Step 1 - Understanding



What are reusables?

Your decision-makers and other stakeholders need to learn what reusables are and how they help your business.















Step 2: Identify Potential for Reusables



Where are the "Low Hanging" Opportunities?

Internal Work in Process

1. What work in process is creating waste?

Supply Chain

- 1. What supply chain and/or Customer relationships....
 - Are Closed Loop?
 - Reuse with Other Suppliers/Customers?

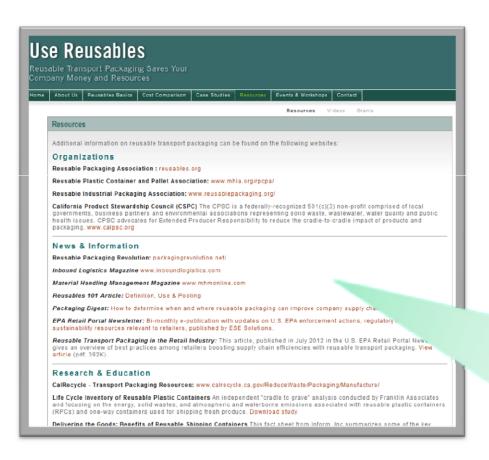
Logistics

- 1. What type(s) of reusables will work?
- 2. Will we Buy or Lease?
- 3. Where/how will we store them?
- 4. Do we need to clean them?
- 5. How will we track them and get them back?

Step 3: Gather Information



Get Cost Estimates for Equipment



Two Options:

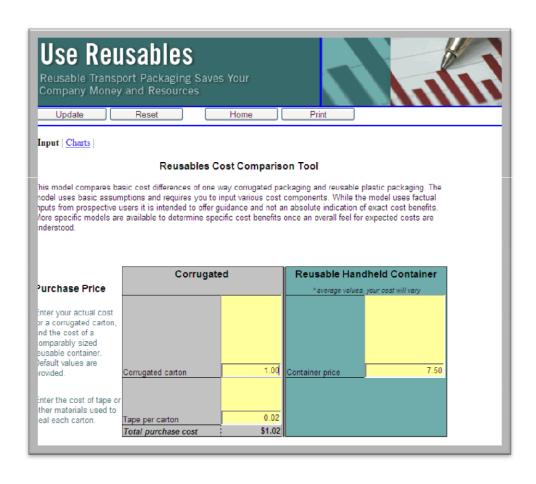
- Directly from vendors
- Submit an Reusables
 Information Request Form

Go to the "Resources" tab for a list of vendors

Step 4: Assess the Costs



www.usereusables.com/cost/cctool.html



- Perform a cost & sustainability comparison using our free cost calculator
- 2. Review the ROI to determine if it fits within your company's threshold



Step 5: Buy In



Stakeholders	Priorities	Reusables Resources
Finance Department	Revenue	Cost Calculator to estimate ROI
Logistics Managers	Efficiency and Safety	Case Studies and examples of increased unitization and reduction of workplace hazards
Purchasing Department	Cost Savings	Cost Calculator to identify all costs
Suppliers/Customers	Product Protection	Case Studies and examples of product protection; Request samples

Step 6: Procure Equipment or Services



Identify Funding

- Capital Expense from which budget?
- StopWaste/EPA grant funding

Procure Equipment

- Order the equipment
- Accessory equipment: Labeling and Storing Items

Education

- Train staff
- Educate Logistics partners
 - Benefits
 - Procedure

Step 7: Implementation



Implementation

- 1. Use your Reusables
- 2. Track your Assets
- 3. Measure Results
- 4. System Cost Improvement & Redesign
- 5. Retraining & Reinforcement



More Details: Financing & Asset Tracking Options

Financing Options





OWNERSHIP

- Purchase (Cash)
- Financing/Capital Lease

THIRD PARTY

- Rental/Operating Lease
- Pooling (rental w/ services)

or

What Makes the Most Sense?



Ownership Options	Pros	Cons	
<pre>Purchase (cash)</pre>	No financing costNo long-term liability	Lost opportunity costsBurdens of ownership	
Financing/Capital Lease	 Increased cash flow Lower interest rates Typically longer term financing 	 Long-term liability commitment Utilizes available credit facilities Burden of ownership 	

Third Party Options	Pros	Cons		
Rental (<1 yr)Operating Lease	 Variable costing No burdens of ownership Higher utilization Off balance sheet financing Greater flexibility 	Higher costsNo asset ownership		
Pooling (rental w/ services)	Pay for what you useOff balance sheetNo capital up-front	Duplicates in-house capabilitiesPotential ancillary charges		



Asset Tracking Options

Tracking: If you can't measure it, You can't manage it...





What Makes Dollars and Sense?



Aggregate Tracking

Individual Tracking



Barcode





RFID





Aggregate vs. Individual Tracking



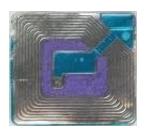
SYSTEM TYPE	ASSET ID	ACCURACY	IMPLEMENATION/ DIFFICULTY	SOLUTION	ADDITIONAL HARDWARE
Aggregate Asset	\/iougl lobol	Madium	Chartar/Caay	Low -	None
Tracking	Visual label	Medium	Shorter/Easy	Medium	None
	None				
Individual Asset			Longer/Interme	Medium -	Scanners
Tracking	Barcode	High	diate	High	(laser/RFID)
	Passive RFID				
	Active RFID				
	GPS				













More Resources for You

More Information





UseResuables.com

- Download Free Case Studies
- Read Articles
- Watch Short Videos
- Use the Cost Comparison Calculator
- Download the grant application

Next Steps



- After the training consider Reusables
- Complete Information Request Form
- We work together to find solutions for your supply chain
- Apply for a grant by the Sept. 10th deadline
- Become a model case study





Thank You!



Eric Fredrickson

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