

# How a leading food company found bigger value in a smaller pallet



An innovation and sustainability success story

## Store Fulfillment Solutions

### The Opportunity

Help one of North America's leading food companies cut costs and carbon, while enhancing sales and operations.

### The Solution

Collaborate with CHEP to test and implement a platform change from recycled white wood pallets to CHEP's CarbonNeutral® pooled half pallets.

Building its reputation on a heritage of innovation and great food, a leading food company with roots dating back to the mid-1800s was looking to cut costs and carbon and simplify the supply chain to make it easier for retailers to handle displays. With branded companies supplying consumer favorites to nearly every retail environment in North America, finding the correct solution was key.



“The biggest plus is less product damage going to our customers. The CHEP half pallets are much sturdier than the white wood half pallets.”

— Warehouse Platform Manager  
Major Food Company

The company ships approximately 44,000 half pallets in the U.S. annually, and the recycled white wood half pallets they were using created problems. The pallets weren't stable and had to be supported by 48x40-inch carrier pallets. The double-stack created clearance issues for racking, and product damage.

Having worked with CHEP since 2004, the company turned to the CHEP ISTA-certified Innovation Center for solutions. They needed to use half pallets for in-store display ease. Given the case weight of their brands specializing in canned products, was there a better option?

There was. Research proved the company could switch to CHEP's 40x24-inch CarbonNeutral® half pallets, remove the 48x40-inch carrier pallets, improve operations – and end up with a better-looking display.

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**The food company is expected to achieve impressive business and sustainability results annually by using CHEP's CarbonNeutral® half pallets, including:**

- + More than **\$127,000** in savings by removing carrier pallets previously needed for support
  - + Nearly **\$85,000** in savings by reducing banding and labor time
  - + Avoid more than **127,000** pounds of carbon emissions by using **44,000** CHEP pooled half pallets rather than recycled white wood half pallets
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The benefits are wide-ranging. In one year, they are expected to save more than \$210,000 by removing carrier pallets and reducing banding and labor time. CHEP pallets are more stable than recycled pallets; they look better on display; and they move smoothly through the supply chain. In addition, since CHEP's CarbonNeutral® half pallets don't need carrier pallets for support, the company can use all of the available rack storage, and eliminate the product damage caused by clearance issues.

"The biggest plus is less product damage going to our customers," says their Warehouse Platform Manager. "CHEP half pallets are much sturdier than the white wood half pallets. We have also noticed that there is less debris and dust in the work zones using the CHEP half pallets."

Award-winning CHEP pooled (shared and reused) half pallets also enhance the outdoor environment: To provide these unique CarbonNeutral® certified pooled platforms, CHEP purchases carbon offset credits to benefit the Mississippi Alluvial Valley Reforestation Project.



**To learn how CHEP's Store Fulfillment Solutions can help you grow your business sustainably, please contact us at:**

[www.chep.com](http://www.chep.com)

1-800-243-7255

[goblue@chep.com](mailto:goblue@chep.com)

**Benefits customers have received from integrating CHEP half pallets:**

A multi-national retailer reduced its replenishment time by 75 to 80%, resulting in sales increases of 7 to 9%.

A multi-national food and beverage supplier increased on shelf availability by 3.5%.

A multi-national retailer increased sales throughout the store by executing a half pallet promotion - off shelf sales grew by 99%, on shelf by 79%, and end cap sales by 70%.