



Case Study

Digitising pallets to improve visibility and collections in Mexico

The Background

CHEP is one of the leading pallet pooling providers in Mexico, providing sustainable supply chain solutions that connect some of the world's leading manufacturers and retailers. Due to its geographic location, many flows that originate with manufacturers in Mexico are destined for retail markets in the USA.

The Challenge

CHEP Mexico wanted to maximise its cycle time efficiency for every pallet, to ensure an efficient and effective supply chain that delivered both cost and sustainability. The challenge was that they had no visibility on pallet movements between manufacturers and retailers. The 'blind flows' made it difficult to calculate cycle time, identify pallet leakage and efficiently plan pallet collections.

“ We wanted a solution that could help 'turn on the lights' on these blind flows for observed data-driven business decisions.

Paola Floris
President, CHEP LATAM

The Solution

CHEP Mexico approached BXB Digital to understand how they could 'lift the lid' on their supply chain, to enable them to access the important, yet hidden, performance insight from their supply chains. Our solution was to implement a Repeatable Asset Diagnostic (Flow Illumination) solution that would Illuminate, Reimagine and Transform their supply chain. Working closely with the CHEP supply chain operations team, we placed 200 BXB Digital Ultra devices onto CHEP pallets that were co-ordinated with BRIX, our cloud-based data platform. These digitised devices were then dispatched to manufacturers that distributed to a major leading US retailer.

The data received from the devices was then entered into our Flow Illumination solution. Here, it was combined with CHEP's own master supply chain data to provide rich context to the performance and behaviour of the digitised pallets. Through a process of complex algorithms and pattern / exception detection, we were able to build a detailed picture of the flows showcasing dwells, transits and asset leakage throughout the tracked journeys. These were then made available to the CHEP Mexico team in easy-to-understand reports containing key metrics and KPI's to enable accurate and targeted action.

The Impact

For the first time, CHEP Mexico could observe the illuminated flows between manufacturer and retailer. Even with this small sample, a window of new insight had been opened. The information provided by the RAD solution enabled CHEP to refine its pallet collection engine – reducing the number of trucks on the road. This new knowledge now impacts 40% of all pallet collections.

“The reports that BXB Digital created for us enabled us to go from “I think” to “I know” - to observe for the first time the flows between manufacturers and this key retailer.

Hector Rodriguez

Senior Director, Asset Control, CHEP LATAM

Furthermore, the insight allowed CHEP to reimagine it's supply chain to stop asset leakage and improve cycle time by delivering accountability and clear data on pallet movements and activities

Ultimately, by transforming the supply chain, this engagement proved that these benefits could be enhanced and scaled with further investment in digitising pallets with BXB Digital. For example, with a greater number of digitised assets, CHEP could provide a higher amount of data to the Machine Learning & AI algorithms that facilitate pallet collections across Mexico.