

How small businesses score big wins with CHEP's LTL program



A sustainability and transportation success story

Transportation Solutions

The Opportunity

Help small businesses return and receive pallets efficiently, reducing the need to construct new pallets.

The Solution

Collaborate with CHEP to reduce lost pallets and environmental impact through pickup and delivery of less-than-truckload orders.

Small businesses make a big impact on the supply chain and the environment. In 2017, after receiving less than usual returns, CHEP Canada discovered that the amount of CHEP's pooled (shared and reusable) pallets lost at small businesses created a pain point for everyone involved: Pallets, were piling up at small retail businesses and other companies, without efficiently being recovered. Every pallet recovered could be a pallet that didn't have to be replaced.



"I have limited space; I can't wait for pallets to pile up. With the LTL program, I enjoy peace of mind, knowing CHEP will be there to collect empty pallets from my business without fail."

— Lyne Chartier
Warehouse Supervisor
Jeunesse Au Soleil, Montreal CA

The less-than-truckload (LTL) program, launched in 2017 in Toronto, was the answer. Starting with one truck and one driver working four days a week, the innovative LTL approach enabled CHEP to recover pallets from locations where few - or no - pallets were typically returned.

Partnering to eliminate waste

"Being on the LTL program has allowed us to have frequent collections that normally would not be possible," says Jo-Ann McNaughton, Operations Manager of the Butcher Shoppe in Toronto. "Without it, we would have pallets in our yard that would go missing overnight. And to avoid cutting down additional trees to replace those pallets makes this program even better."

The response to the LTL program was so positive, CHEP expanded to three trucks in three cities during the first year – moving beyond the Greater Toronto Area to cover Montreal and Vancouver.

Now, after three years of the LTL program operations, CHEP is recovering pallets in more than 400 locations in five different regions of Canada. The number of pallets recovered has increased from 54,000 in 2018 to 800,000 in 2020.

The LTL program also has a positive impact on customer's bottom line. As such, a number of participating North American retailers have moved up in the CHEP distributor classification meaning less or no surcharges for vendors, resulting in a more efficient and cost effective supply chain.

In the first three years together, CHEP's LTL program and small volume businesses achieved significant sustainability results. In 2020, we:

- + Reduced CO₂ emissions into the atmosphere by 1,192 tons, the equivalent of what would be absorbed by 1,577 acres of forest.
- + Eliminated 417,603 pounds of solid waste from landfill.
- + Reduced empty miles and eliminated the need to use 6,963 barrels of oil.
- + Saved 2,540 mature trees that would have been used to construct new pallets.

Given the Canadian success, CHEP launched the program in 2020 in 19 major U.S. cities and recovered 143,000 pallets. With the increased customer feedback and overall program success, CHEP plans to continue expanding the LTL program, recovering more pallets, more efficiently.

The expansion fits perfectly with CHEP's Zero Waste World program, a global, collaborative campaign to eliminate waste, eradicate empty transport miles and cut out inefficiencies. In addition to handling pickups, the small trucks used in the LTL program deliver pallets directly to participating manufacturers, customers with fewer pallet needs who work within CHEP's circular business model and quality control system.

Whether they're scheduling pickups or deliveries, the smaller volume companies participating in the LTL program appreciate knowing CHEP sends the same driver to their facility, building trust and strengthening communications. For companies of all sizes, relationships matter.



Learn how we are solving for common industry challenges.

brambles.com/zero-waste-world

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

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Join other companies who have benefited from CHEP's Environmentally Sustainable Solutions:

Testing at CHEP's Innovation Center helped Grimmway Farms reduce its CO₂ emissions by more than 1.23 million pounds.

Storing nearly 100,000 CHEP pallets on site, allowed Bottomley Evergreens to reduce waste and create off-season jobs.

Wholesum Harvest used money saved on reduced carbon output to build stoves for 30,000 families in Mexico.