

Pallet pooling: a reassuringly reliable way to restore customer confidence



The Business

Konya Şeker Sanayi ve Ticaret AŞ is a Turkish company producing and selling sugar, sugar by-products and agricultural products. These include irrigation systems, organic fertilisers and the fuel bioethanol, made from from organic sugar beets.

The Challenge

Konya Şeker was having a number of problems with the white wood pallets in its supply chain. Some were of such poor quality that they would break, badly damaging products. So the company wanted to reduce the damage and subsequent delays, and prevent any possible health and safety issues.

The Answer

In 2013, 61 years after Konya Şeker was formed, it switched to CHEP's managed pooling service. Instead of buying and managing its own pallets, it rents and shares them. This has improved supply chain performance and cut costs.



Five benefits of the CHEP solution

1. Greater control for the business: because pallet quality is guaranteed, Konya Şeker can be confident of supplying reliable deliveries to customers
2. Reduced product damage and pallet failures: thanks to CHEP's quality assurance and pallet reconditioning
3. Lower costs: Konya Şeker can now rent and share pallets rather than having to own and store them
4. Greener solutions: thanks to CHEP's use of sustainably sourced timber and pallet lifecycle management
5. Lower carbon emissions: pooled pallet solutions mean fewer trucks on the road



“Customer complaints caused by broken pallets have dropped so far that they’re close to zero”

Hasan Bozan, Logistics Director, Konya Şeker

Transparent pricing, safer handling

The advantages include CHEP's transparent pricing structure, which allows companies to pay only for what they use, and removes price fluctuations. CHEP pallet design is also important: high-quality materials mean that its pallets are very durable, providing reliable protection to products during handling, transit and storage.

At CHEP Turkey, General Manager Safak Aktekin says the CHEP system is becoming increasingly widespread in Turkey: “Pallet pooling offers solid supply chain benefits that are being recognised by more and more companies every day.”

Lower carbon emissions and less wood waste

Konya Şeker is in the top 50 companies in Turkey in terms of size: a giant in Turkish agriculture. And it makes enormous efforts to mitigate its impact on the environment. For example, in reforestation projects, and in the creation of its industrial wastewater treatment plant, which purifies waste water well enough to use it for agricultural irrigation.

Consequently, the environmental benefits of using CHEP pooled pallets has been of major interest to the company.

Recep Konuk, the Chairman, says that using CHEP pallets has reduced both the company's CO₂ emissions and its wood consumption. This is down to pallet pooling reducing the number of trucks on the road, and the fact that CHEP pallets are reconditioned, reused and ultimately recycled, whereas Konya Şeker previously needed to dispose of waste wood from broken pallets.

Good for budgets and better for customers

Logistics Director Hasan Bozan describes the supply chain improvements effected by working with CHEP. “In 2013, CHEP began providing us with a pallet pooling solution that offers seamless operations and logistics efficiency. The main result has been cost savings, but it's also made doing business easier. One example is that customer complaints caused by broken pallets have dropped so far that they're close to zero. This is hugely important to a company like Konya Şeker.”

Let's talk. Our dedicated Customer Service team will be glad to provide further information about CHEP's managed pooling services. Alternatively, you can contact a local representative through www.chep.com/chep_in_your_language/