RETURNABLE VALUE FROM REUSABLE ASSETS FOR LEADING US BAKING COMPANY

ACSIS visibility solution drives supply chain efficiency and sustainability

Challenge

A large US baking company was struggling to track – and ultimately hold onto – its returnable transport items. The company transports its freshly baked goods in reusable plastic trays and dollies, supplying distribution centers and bakeries across thousands of routes. After the company's products had safely arrived in stores, trays and dollies were going missing to the tune of millions of dollars. Apart from the obvious impact on the company's bottom line, the client risked falling short of sustainability targets.

What you can't see, can hurt you.

The real issue the company was facing was a lack of visibility, with untagged trays and dollies moving blindly through the supply chain. With no way of tracing their location, assets were being lost, stolen, or damaged – without anyone even realizing. With more than 4 million trays in use at any one time, each at a cost of around $7, the company was facing losses of more than $5 million annually.
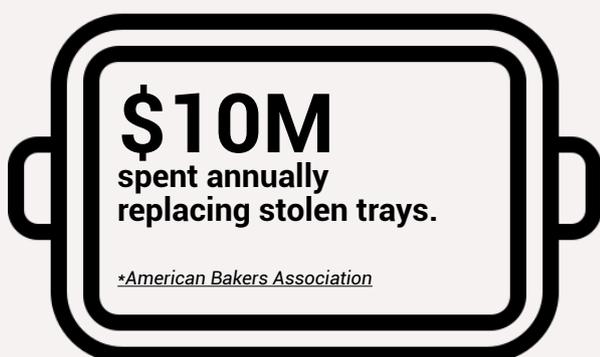
Client profile

Large multi-national baking company:

> 40 bakeries

> 25 distribution centers

> 5,000 routes

> 500 sales centers

> 5,000 associates

"In North America, it is estimated that the food industry's annual reusable plastic tray, crate, and pallet losses exceed $500 million."

American Bakers Association

$10M
spent annually replacing stolen trays.

*American Bakers Association

On top of this, management had little insight into where and why assets were going missing. Anecdotal evidence suggested containers were being abandoned or discarded at retailers – either accidentally, or deliberately, to avoid the trouble of returning. Either way, there was an urgent need to build accountability across distribution routes. And for this, the company needed quantifiable data.

Solution

This is where ACSIS came in. Its simple, yet impactful, visibility solution is designed to lift the lid on returnable asset losses. ACSIS tracking software and RFID technology became the lynchpin of the client's process improvement and value innovation project. The aim – to help the company regain control of its returnable items, with the visibility to pinpoint location and potential sources of shrinkage.

Trayfuls of savings

→ 33% reduction in costs

→ First-year savings of several millions of dollars

→ Projected savings of more than $10 million over a five-year period

No tray left untagged

The first step was to uniquely identify every tray and dolly, attaching RFID tags and barcodes that were linked to the ACSIS Cloud Platform. Now, as stacks of trays are loaded onto trucks, they are automatically scanned by RFID portals. When they arrive in store, they're picked up again as they're scanned by the retailer. This real-time tracking continues across the return journey. If a tray hasn't made its way back within the defined time (in this case 10 days), the system automatically flags it up as lost. And thanks to RFID signals and passive scanning, the ACSIS Cloud Platform knows exactly where a tray went missing.

Assets are now tracked throughout their entire lifespan, as they're re-used as was intended – over and over again. Each tray is assigned a status such as "available," "returned," or "inspected" so the baking company knows precisely how many assets are at its disposal. Tapping into automated distribution applications, the ACSIS solution confirms when assets arrive safely – either at the customer location or back at the company facility.

Hungry for data

The ACSIS solution does more than follow assets from A to B. It helps the baking company uncover hot spots where trays and dollies are most at risk. Recording detailed granular data on KPIs such as dwell time, mis-shipment, and loss, the system analyzes asset performance and lifespan, driving continuous optimization. The company can configure the solution to deliver automatic alerts when the conditions they have set are – or aren't – met.

Thanks to analytics, items can be tracked at an incredibly granular level, or analyzed en masse on transparent dashboards. Measuring performance continuously across its entire fleet of assets yielded valuable findings. One facility in particular was losing trays and dollies at a rate of 20%. With hard and fast data, there was no disputing the facts, giving the client the leverage it needed to rapidly address the issue with the facility's management.

The icing on the cake

With a system of record in place that covers all the bases, the client is reaping the benefits of its newfound visibility. In the first year alone, costs were down by 33%, generating savings of several million dollars. Even greater gains are expected in the years ahead as the company continues to optimize its asset management – and re-use its trays and dollies to their full potential. Alongside saving costs, saving the planet is on the docket, with a solution that closes the loop on returnable transport items.

"A circular supply chain is something that every company aspires to, but the risk of costs and disruption is often a step too far. Yet, time and again, our customers are smashing their supply chain goals with simple, easy-to-implement solutions like RFID technology and the ACSIS Cloud Platform."

Jeremy Coote, CEO, ACSIS

Why ACSIS?

For over 20 years, ACSIS has been successfully delivering innovative supply chain execution solutions with actionable results to valued customers such as The Coca-Cola Company, DuPont, The Hershey Company, AmerisourceBergen, Cintas, Ashland, and more. ACSIS traceability solutions for the extended supply chain provide a real-time view of supply chain execution – connecting legacy systems, partner networks, and assets for better insight and smarter forecasting.

To learn more about supply chain visibility, returnable asset management, and how ACSIS can deliver operational and sustainability benefits for your organization, visit acsisinc. com. Alternatively, contact us at info@acsisinc.com and an ACSIS Supply Chain Visibility Specialist will get in touch to answer your questions and give you advice tailored to your business requirements.

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