



CASE STUDY: Implement a plastic pallet program in the distribution of perishable foods to network of customers.

Background & Challenge

OK Produce's order picking and palletizing process involved using various wood pallets sourced from incoming products. This approach posed challenges like inconsistent pallet sizes and quality, safety issues, product damage, and a lack of traceability. To address any concerns, OK Produce has wanted to integrate plastic pallets into their operations as a solution to enhance efficiency and overcome these challenges.

Solution & Results

To initiate the transition, OK formed a team comprising the CEO, shipping managers, transportation managers, IT members, and sales director for brainstorming. Over 20 plastic pallet samples were introduced for evaluation during the testing phase, involving repetitive picking and palletizing on each pallet. They meticulously assessed pallet performance, collected feedback from employees, customers, and drivers. Recognizing the advantages of nest-able plastic pallets, OK focused on key factors such as trace-ability technology, the use of recycled plastic material, and customizable branding options. By October 2021, after a thorough evaluation, they confidently chose Rehrig Pacific as the plastic pallet provider.

OK initiated a gradual implementation in January 2022 with selected customers, and by June 2022, 75% of the customer base was receiving shipments on plastic pallets. Observing a positive impact during Q1 and Q2 affirmed the correctness of the decision. By Q3 2022, plastic pallet usage had surged to 90%, becoming the unanimous preferred choice for staff and customers.

OK has seen an annual savings of \$260,000. In 2022 they experienced a reduction in workers comp claims of 37% - saving over \$200,000 compared to 2021. Housekeeping and pallet replenishment labor saw annual savings of \$20,000 due to the reduction of wood debris in the warehouse and the ability to store more pallets per pallet space.



Market(s):

Perishables

Solutions:

Design and Implement a Plastic Reusable Pallet Program

Key Outcomes:

- The new plastic nesting pallets are the preferred shipping method for employees and customers
- The pallets save the company nearly a quarter million dollars per year in insurance claims and labor
- The plastic pallets require less maintenance and have a decreased footprint in the warehouse

