



# **Intelligent Reusable Packaging for the Real World Supply Chain**



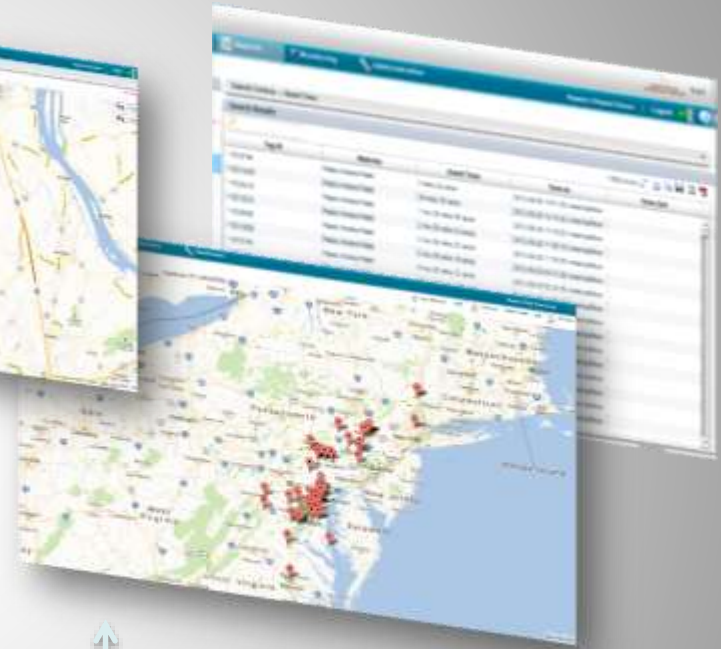
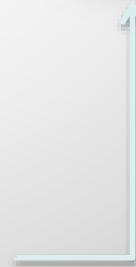
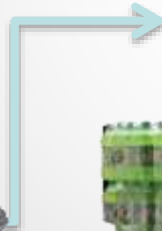
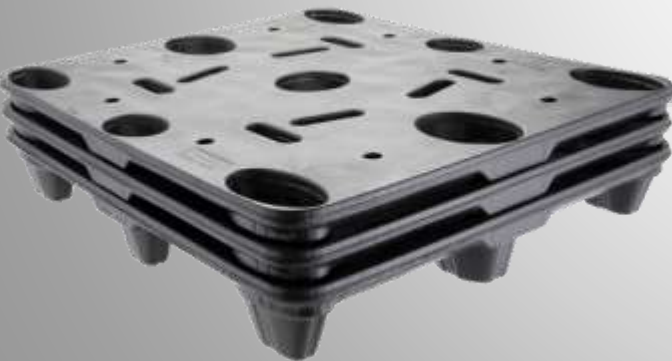
## **Kaley Parkinson** - Director of Supply Chain Technology Services at Rehrig Pacific Company

- Focused on new business development for Supply Chain Solutions, serving 18 core industries
- Specializing in enabling proven, commercialized technologies and applying them to specific uses
- Solving practical competitive issues and improving business practices
- Leveraging Rehrig's extensive experience in Reusable Transport Packaging (100 years, since 1913)
- Currently deploying technology solutions to the Supply Chain in multiple spaces



# Using the Right Transport Package

- Safe
- Cost Effective
- Smart
- Sustainable





# Cost-per-trip Calculator

## Cost-per-trip Analyzing Model:

Assess Inbound of Secondary Packaging to Recovery or Return Recyclability

Depreciation per trip	\$0.19	\$0.03
Damage rate per trip	100.00%	0.50%
Repair cost per asset	\$0.000	\$1.500
Shell Damage cost per trip	\$0.000	\$0.000
Case Packing cost per trip	\$0.100	\$0.000
Product Damage cost per trip	\$0.000	\$0.000
Delivery efficiency net impact per trip	\$0.017	\$0.000
Loss cost per trip	\$0.000	\$0.000
Washing cost per trip	\$0.000	\$0.000
<b>Cost per Trip</b>	<b>-\$0.32</b>	<b>-\$0.19</b>

**Annual Savings from Rehrig Reusable Shell \$7,676,839**

Duration to convert (yrs)	2.00	Yrs
New Plant Capital Equipment needed to run shells	\$5,000,000	\$ Yr depreciation
Plant size required to service annual case volume	6,000,000	units
Capital required to establish float size	\$13,000,000	
Capital required to establish float size	\$11,400,000	
Pack/Shrink expense saved during conversion	\$34,200,000	
Pack/Shrink expense saved after conversion	\$32,600,000	

Packaging "spend" SAVINGS in LIFE of REUSABLE SHELL \$12,600,000

Guaranteed Value after 6 year LIFE of REUSABLE SHELL \$5,000,000

**6-Yr Life Savings from Rehrig Reusable Shell \$25,777,777**

### Sustainability

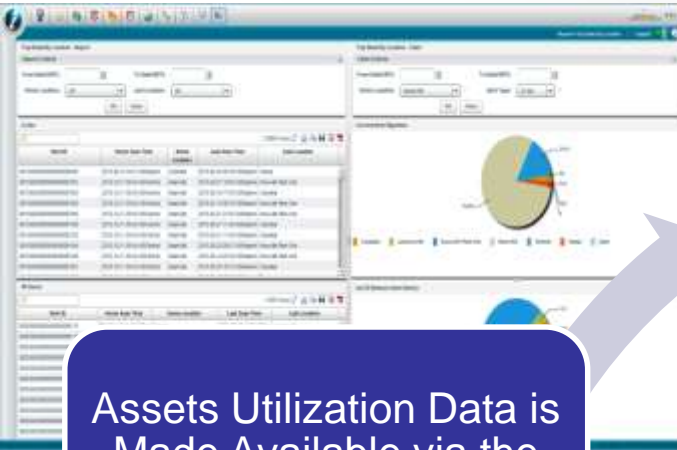
Reduce, Recover, Reuse -> Reusable 2000, 05  
Is DPS committed to optimizing the amount of material  
Would DPS "Value" Sustainable Packaging at \$0.75

sustainability cost	\$0.01	\$0.00
<b>sustainability cost</b>	<b>-\$0.33</b>	<b>-\$0.19</b>

**Sustainability adjusted Cost per Trip \$6,276,839**

**Annual Savings from Rehrig Reusable Shell \$6,276,839**





Assets Utilization Data is  
Made Available via the  
Web



Items are Picked and  
Loaded Into Assets for  
Transport



Assets Are Scanned Back  
Into Plant Inventory via  
Readers on the inbound



RFID Tag on Asset is read  
during the pick process via  
Readers at manufacturing  
and Sent into the Market

# Real World Results

- Customer A
  - 1<sup>ST</sup> Year:
    - Goal: 20% Case Loss Reduction
    - Actual: 38% Case Loss Reduction
  - 2<sup>nd</sup> Year:
    - Goal: 10% Case Loss Reduction
    - Actual: 20% Case Loss Reduction
- Customer B
  - 3 year program
    - Goal: 35% Case Loss Reduction
    - Actual: 76% Case Loss Reduction
- Customer C
  - 1<sup>st</sup> Year:
    - Goal: 15% Case Loss Reduction
    - Actual: 35% Case Loss Reduction



# Real World Challenges

- Traditional reader networks on all gateway points prove to be too high a cost barrier (100's of portals)
- Even if the ROI works it is too long of a payback for cash, or at least cash flow, poor companies
- Scanning at the destination proves too costly (1000's of locations)
- Third party distribution creates information barrier/"hole" in the network
- Trading partners unwilling to share costs
- Disruption of current process flow
- Costly integration into existing systems
- Creates information overload



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**Thank You.  
Questions?**