



RELOGISTICS

CASE STUDY

Large Grocery Retailer Faces Challenges with Trailer Availability and Salvage Material Processing at Distribution Centers

BACKGROUND

When our team was presented with the opportunity to help one of America's largest grocery retailers improve its salvage operation, we were motivated to provide the best possible solutions.

Minimizing disruption in their supply chain is the number one priority for this grocer to create a seamless grocery shopping experience for over 9M people across the country.

With over 40 distribution facilities across the country and over 2,700 retail stores, this customer chose to partner with Relogistics Services, a 48forty company, because of our proven on-site service expertise, industry know how and extensive national capabilities.

Combined, Relogistics and 48forty provide onsite operations at more than 180 retail locations, where we process more than 330 million pallets. We are dedicated to supporting our customers through a consultative approach backed by the ability to implement our customized solutions.

WE HAVE BEEN A PARTNER AND ADVISOR TO THIS CUSTOMER FOR OVER SEVEN YEARS AND ARE CONSTANTLY WORKING TO IMPROVE THEIR TOTAL SALVAGE OPERATION.

THE PROBLEM

The customer initially approached us because they were experiencing a shortage of trailers at their distribution center.

These trailers were needed to deliver product from the distribution center to the retail stores. Their issue was rooted in inefficient unloading and processing of the salvage material slated for return to the distribution center on company trailers from their retail locations. When the issue was discovered, the salvage operation was being handled on-site by a 3rd-party company.

This salvage material consists of:

- ▶ Whitewood one way pallets
- ▶ Pooled pallets
- ▶ Reusable plastic containers
- ▶ Cardboard
- ▶ Loose plastics
- ▶ Bakery trays
- ▶ Totes
- ▶ Milk crates

Salvage material must be unloaded at the distribution center from the company trailers, counted, inspected for quality, sorted, and returned to asset owners for reuse or recycling. They were relying on the 3rd-party partner to quickly unload trailers and accurately capture data associated with the unloads.

THE ISSUES

Inefficient unloading, sorting, and processing of this salvage material was causing several concerns:

- ▶ Trailers were unavailable for the distribution center to deliver essential groceries and merchandise to retail locations
- ▶ The customer experienced financial impacts from the loss of use of company assets
- ▶ Revenue decreased due to empty retail shelves
- ▶ The customer needed to rent supplemental trailers
- ▶ Increased expense of purchasing additional reusable packaging to support operation
- ▶ Poorly managed salvage operations plus rented trailers led to a decrease in the available lot and dock space, which caused serious safety and sanitation hazards
- ▶ While undergoing a reconciliation of compensation for recycled product, the customer identified a substantial reduction in year-over-year revenue—however, they had no data to support the claim

THE RESULTS



IMPROVED TRAILER AVAILABILITY



INCREASED BOTTOM LINE



MORE AVAILABLE DOCK SPACE



SANITATION IMPROVEMENTS



SAFETY COMPLIANCE



ACCURATE REAL-TIME DATA

THE SOLUTIONS

By outsourcing the salvage operation to Relogistics at one of their distribution centers they saved

\$1.5M and expect to see further cost reductions as the program is implemented at other locations

Here are a few changes we made Day 1:

Improved trailer availability:

We began unloading all trailers upon receipt, which improved trailer turnaround time and availability.

Improved transparency:

We implemented the use of Velocity, Relogistics online data management platform, which provides stakeholders access to real-time insights into their salvage operation. The customer now has the data needed to reconcile recycling activities and revenue.

Improved safety and sanitation:

We conducted frequent safety and sanitation training for our team, which improved the facilities' performance on sanitation inspections and reduced work-related injuries.

WHY SHOULD YOU TALK ON-SITE SOLUTIONS WITH RELOGISTICS?

“Relogistics was founded with a simple premise: to maximize your supply chain efficiency through professional, scalable pallet and container management services, tailored to your specific warehouse needs.”

Mike Hachtman
CEO of 48forty Solutions



**MAXIMIZE YOUR EFFICIENCIES.
ENHANCE YOUR OPERATIONS.
CONTACT US TODAY.**

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