



# Case Study

## Cost-Savings Through Used Pallets



Subject of Case Study: **Global Snack Food Manufacturer**

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## 01

**The Case Study**

Our case study regarding a global snack food manufacturer's recycled pallets strategy highlights the consultative approach we take to pallet management and the importance we place on continuous improvement. At Kamps, we look for ways to improve the overall supply chain of our customers on a consistent basis. Our sales staff are trained experts in pin-pointing areas of where our customers may be over-spending or not optimizing their program.

Our situation with a particular snack food manufacturer out of Ohio had a combination of both.

## 02

**The Situation**

The customer is a snack food manufacturer out of Ohio, specializing in snacks such as chips, pop corn, and other common snack foods found in the grocery aisle (or in a restaurant). At the time, the customer was in business for over 70 years, shipping product domestically and internationally on pallets.

Their pallet strategy was a combination of using Recycled Grade A pallets and new pallets.

## 03

**Opportunity for Improvement**

After a short period of time working with the customer, our Kamps Pallets experts in Ohio recognized an opportunity to improve the customer's pallet strategy.

After close analysis of the customer's product, our experts determined that the Grade A Recycled Pallets were not necessary to sustain the product weight and shipping demands. The determination was made that Grade B Recycled (or refurbished) pallets would support the product just as well – at a lower cost.

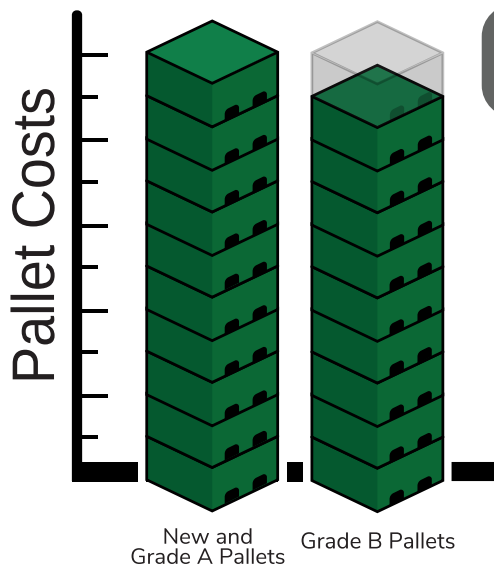
Our team of experts also analyzed the current regional availability of Grade A pallets. This analysis showed that inventory of Grade B recycled pallets was actually higher than Grade A in the region, and that Grade B pallets would be a more stable source of inventory. This is extremely important in the pallet industry as on-time delivery and availability impact the customer directly. If a customer does not have pallets, their product cannot ship.

## 04

**The Solution**

Kamps Pallets, with the support of our customer's purchasing team, introduced the Grade B pallets. The decision was a success. Not only did the new grade B pallets lower our customer's costs, but they also provided a more dependable inventory – while continuing to provide optimal structural support for their products.

## 05

**Case Study Results**

**11.5%**  
Cost Savings

**Cost Savings**

The Snack Food company was able to save a total of 11.5% Annually, based simply on switching from primarily Grade A pallets to Grade B pallets

**Optimization & Reliability**

Grade B pallets were tested and found to provide proficient structural support for the Snack Company's various products, allowing for the switch from New & Grade A pallets to Grade B pallets to take place. This change enabled the Snack Company to access a larger and more dependable pallet supply pool, guaranteeing a pallet source that relies less on external market trends.