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Some Chocolate Bars Travel Better Than I Do

CONTRIBUTORS



[David Blanchard](#)



[Tom Aniel](#)

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[Tom Aniel \(http://blog.mhmonline.com/material_flows/?author=20\)](http://blog.mhmonline.com/material_flows/?author=20) October 3rd, 2011

Jerry Welcome says the returnable packaging industry is out of its product-minded infancy and entering its rambunctious teenage years of service. That little quote from the president of the [Reusable Packaging Association \(http://reusables.org/\)](http://reusables.org/) resonated in my memory this morning as I picked through the countless product releases I collected while at [Pack Expo last week in Las Vegas \(http://blog.mhlnews.com/material_flows/2011/09/29/spot-bad-loads-get-fewer-bad-products/\)](http://blog.mhlnews.com/material_flows/2011/09/29/spot-bad-loads-get-fewer-bad-products/). Yeah, there were countless product displays at the Vegas Convention Center, but smart attendees knew that the real value of attending an event like this is in asking what's going on behind the displays.

Welcome said container manufacturers are taking a more systematic approach to material handling—becoming efficiency experts and examining their customers' supply chain for solutions. Bob Klimko is a good example. He's director of marketing for [Orbis \(http://www.orbiscorporation.com\)](http://www.orbiscorporation.com), a manufacturer of reusable containers, but he's also the education and technology chair for RPA. He said that not only can these containers change a company's work environment, but in the long run they can change the world's environment for the better. But companies must take a holistic view of the supply chain and understand the needs of stakeholders along that chain. Costs may go down for some and up for others. The important thing is that those costs are understood and don't become surprises.

Vellay Kannappen, director of Supply Chain Planning of Ghirardelli Chocolate, addressed this during his presentation on the use of reusable containers during Pack Expo. Ghirardelli's challenges were to eliminate waste from product breakage as well as to lower the costs associated with transporting its premium chocolate squares in cardboard boxes. The company had been spending \$520,000 a year on 580,000 cardboard boxes for internal distribution. These boxes would get soiled with use and then thrown in the trash—resulting in an additional \$2,700 spent on disposal.

The [StopWaste Business Waste Prevention Partnership \(http://www.stopwaste.org\)](http://www.stopwaste.org) of Alameda County (Oakland, Calif.) assessed Ghirardelli's operation and identified reusable totes as a potential solution. The Partnership then provided a cost benefit analysis and a \$75,000 grant to help offset the large initial investment and get a project rolling.

Results: The chocolate producer reduced 70,000 cases per year and prevented 800 tons of food waste from going to landfills. The company now works with co-packers to fill totes with product. Because the totes can be stacked, chocolate squares are no longer crushed during handling. And by avoiding corrugated, 660 tons of corrugated were reduced at the source.






There are supply chain costs that need to be factored in, however. Those 150,000 totes still need to be stored, transported and cleaned. It also helps that this is a closed loop system and the containers can be more easily tracked. For Ghirardelli it's been a net win.


Another good example of supply chain partnership was on the show floor, where [CHEP, IFCO and CAPS \(http://mhlnews.com/packaging/brambles-acquires-container-pooling-solutions-0208/index.html\)](http://mhlnews.com/packaging/brambles-acquires-container-pooling-solutions-0208/index.html) exhibited near one another to demonstrate their new partnership to help customers strengthen their supply chains. CHEP's parent, Brambles, acquired the other two companies to be able to offer a more complete packaging solution for the supply chain—from pallets to RPCs to crates. This is another example of what Jerry Welcome was talking about: a more of a

systems-minded solution than an asset-minded one.

Customers of all three companies can now take advantage of CHEP's global life cycle and impact testing operations to assess if their products, whether on standard pallets or in customized plastic containers, can survive their supply chains.

After surviving my four-hour no-frills economy-class flight back home from Vegas, I'm thinking the airlines could stand to do some similar research.

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