



Best practice pooled equipment management: Retail transfer process

This paper provides an industry perspective of best practice designed to help standardise and streamline the transactional flow for pooled equipment in the retail transfer environment.

The paper outlines best practice recommendations in the retail transfer environment and practical steps towards building best practice processes in your organisation.

The following areas are covered:

- Overview of the current retail transfer environment
- Best practice recommendations in the retail transfer environment,
- Steps to improving pooled equipment management in your business and working towards best practice

Contributors:

Developed by CHEP in collaboration with CHEP customers to provide a straightforward overview of the retail transfer environment and help drive best practice in the Australian pooling community.

CHEP values the contribution of our customers in developing these recommendations.

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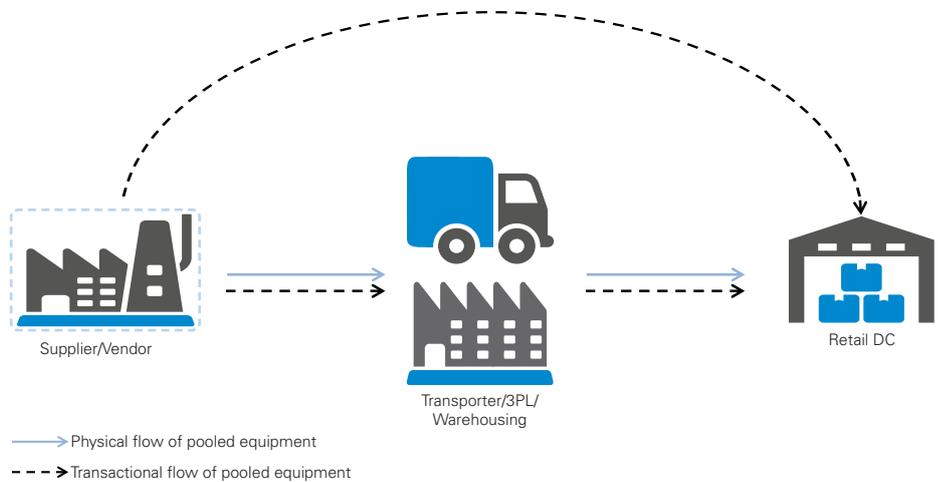
CURRENT ENVIRONMENT

When sending pooled equipment to retail distribution centres (DCs) there may be specific trading rules or relationships in place between vendors, transporters/3PL and retail DCs. These have been agreed between trading partners as part of their commercial agreements. Equipment management systems are designed to administer agreed rules for trading partners.

In addition to trading rules and agreements, there are a number of factors that influence the practices adopted for the transactional flow of pooled equipment.

These include; metro versus inter-state movements, the use of primary versus non-primary transport, the use of off-site consolidation and warehousing facilities, and the type of inventory being shipped (for example fresh produce suppliers generally transfer equipment direct to the retail DC, while ambient and chilled or frozen goods will transfer equipment to the Transporter/3PL who will then transfer on to the retail DC).

These rules, agreements and practices reflect the transactional flow of information in the retail transfer environment; however they may not reflect the physical flow and accountability for pooled equipment.



COMMON PAINS AND ISSUES EXPERIENCED

- Variation of trading terms and practices between trading partners impacts the awareness, understanding and correct application of pooled equipment terms and transactions.
- Administrative complexity is incurred due to multiple dockets and referencing required where the physical flow of equipment does not match the transactional flow.

COMMON GAINS AND OPPORTUNITY AREAS

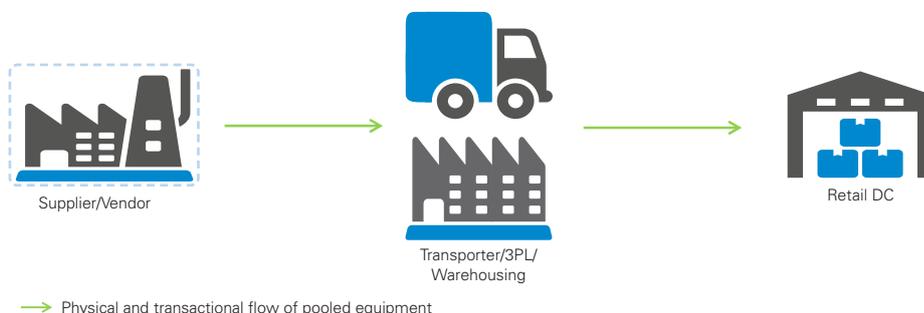
- Increased standardisation in the retail supply chain builds simpler practices and processes that are better understood and more easily managed and applied.
- Reduced administrative complexity as physical and transactional flows are matched.



Key recommendations for best practice in the retail transfer environment

1. ADOPTION OF THE PRACTICE THAT THE TRANSACTIONAL ACCOUNTABILITY AND FLOW FOLLOWS THE PHYSICAL FLOW OF POOLED EQUIPMENT

This approach anchors good equipment management in good inventory management principles thereby reducing variation and simplifying processes.



2. ADOPTION OF AN AGREED STANDARD FOR THE DISPATCH OR MOVEMENT DATE OF POOLED EQUIPMENT INTO RETAIL

Agreement that the dispatch or movement date reflected on equipment transfer dockets reflects the physical date of receipt or booking at retail DCs.

3. INDUSTRY STANDARD TO BE 'SENDER DECLARES'

Industry practice being that the sending party declares the transaction when sending pooled equipment to a retail DC.



STEPS TO IMPROVING EQUIPMENT MANAGEMENT AND BUILDING BEST PRACTICE PROCESSES IN YOUR ORGANISATION

At industry level:

- CHEP continues to work together with customers and retailers on the journey toward sender declares arrangements.

At an organisational level:

- Conduct a review of existing pooled equipment arrangements in place with your trading partners within the retail supply chain and work with your trading partners to identify and agree on future opportunities to adopt best practice where possible.
- Develop processes and guidelines to build a good equipment control culture in your organisation.
- Ensure you and your team are aware of applicable trading rules. Ask your trading partners for these or visit CHEPedia.chep.com for links to trading partner information.
- Implement processes to help work towards best practice KPIs for transfer and exchange management, and hire balance monitoring.
- It is recommended to use electronic systems such as [myCHEP](https://myCHEP.com) to manage pooled equipment to simplify processes and reduce the need for separate dockets and reference numbers.
- Conduct regular stocktake and reconciliation reports – CHEP recommends undertaking these on a monthly basis.
- Investigate any significant change in equipment variance and identify prompt actions to resolve this.
- Train your staff regularly on equipment management and control processes.

Visit CHEPedia.chep.com for tools and recommendations on best practice process and procedures management, team responsibilities and KPIs and for convenient eLearning modules on equipment management and control.

At a site level:

- Conduct a Process Review and Gap Audit, and put in place an action plan to close the gaps. Talk to your CHEP Account Manager for help or further information.

The steps shown here are valid for small to large organisations, the level of detail will vary depending on the issues and opportunities involved.

For advice and assistance in undertaking the above steps ask your CHEP Account Manager or call us on 13 CHEP (13 2437).

