



## Operations & Logistics Committee

Meeting Minutes  
July 20, 2016, 2:00 pm – 5:00 pm  
Montgomery, Texas

### ROLL CALL

#### *Committee Members Present*

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Willy Lai, iGPS

Jill McLaughlin, Kennedy Group

Bob Petersen, ORBIS

Mike Andrepont, reLogistics

Sarah Kate Conway, Tosca

Elliott Kirshner, Tosca

Paul Koleske, Tosca

Mike Wasson, Tosca

Mike Lewis, Xtreme RFID

RPA Staff: Tim Debus

### INTRODUCTIONS

The first in-person meeting of RPA's Operations & Logistics Committee ("O&L Committee") took place on Wednesday afternoon, July 20, at the La Toretta Lake Resort in Texas. The committee meeting venue was in cooperation with the Texas Retailers Association's inaugural Forum event, which featured an education track on organized retail crime and loss prevention (ORC/LP) involving both in-store and outside-of-store theft of retail merchandise including reusable transport packaging assets.

At the meeting each committee member received a binder of documents and supporting information on the agenda for reference throughout the discussion.

After committee member introductions, Mr. Debus reviewed the RPA's Antitrust Compliance Policy Statement and reminded the committee that the policy is in effect during the meeting.

The committee reexamined the initial objective and priority subjects for its establishment. The stated intention is to revisit the foundation of the committee following the meeting to make sure it remains consistent to the current interests of RPA members and future direction for the committee. Copies of the meeting minutes to the committee's previous conference calls on April 14 and February 12 were provided in the binders, and the committee considered the most recent discussion topics and action items. An update on the priority project list is as follows:



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| Type       | Project Name<br>From April 14                 | Description  | Update on July 20  |
|------------|---|--|--|
| Short-Term | Marketplace on RPA's Website                  | Information on RPA's website on the types of technologies and services available in the key areas of automation, asset management and transportation.  | The redesigned RPA website will feature a directory of members based on searchable criteria such as products, services and markets. Updated ETA for the live site is mid-August. |
| Short-Term | Retailer Support on Asset Loss Prevention     | Engage retailer organizations to determine collaborative areas to impact the recovery of reusable assets.  | The committee meeting in conjunction with the Texas Retailers Association pursues this initiative.   |
| Long-Term  | Proper Handling Education for Reusables       | General handling practices and communication tools on the appropriate use of reusable products through the supply chain. The education-based materials can assist in asset control and return. | On the meeting agenda for further discussion and development.  |
| Long-Term  | Studies on Technology with Reusable Packaging | Conduct joint industry studies on technology performance in tracking reusable assets.  | On the meeting agenda for further discussion and development.  |

### ASSET MANAGEMENT

Mr. Debus provided background on past RPA activities to address industry issues related to asset management. Much work cumulated in 2012 when RPA studied a project proposal from the Joint Industry Returnable Assets Management Committee (JIRAMC) seeking to “improve returnable asset utilization and reduce costs associated with the loss of returnable assets.” The specified deliverables of the project were to: (1) present a business case; (2) develop best practices; (3) estimate the ROI opportunity; (4) provide guidance on industry collaboration; and (5) devise the framework for replicating successful law enforcement programs. Ultimately the proposal was not acted on due to a lack of support and funding from company and industry sources. Committee discussion ensued on how collaborative efforts today can lead to successful industry action and impactful results.

Mr. Wasson commented that, if left unchecked, the growth in the use of reusable packaging will only increase the risks of asset loss, whether due to theft or unintended leaks in the supply chain loops. RPA can play an important role in asset management, and industry inaction is the only unacceptable course.



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At this time in the meeting, Mr. Joe Williams from the Texas Retailers Association, and Mr. Joe Stalnaker from Avangard Innovative, were invited guests to brief the committee on TRA's Operation STOPP program to combat organized retail crime. Mr. Williams provided accounts from two undercover operations that busted crime rings in the Houston area and netted the collection of millions of dollars of stolen property especially plastic pallets and containers. He emphasized the effectiveness of a proactive approach to asset recovery and the importance of a partnership with local law enforcement. Mr. Williams demonstrated TRA's investment in new signs and posters for placement outside of retail stores warning of the consequences from criminal activity.

Following the TRA contribution, the committee renewed discussion on the industry opportunity with asset management. Mr. Koleske commented that in many retail environments the store associates may be unaware of the reusable packaging ownership and the importance of its return in a secure and timely manner. Mr. Petersen added that frequently changing employee roles at CPG companies and retailers makes it challenging to achieve continuity in good handling practices and proper asset return processes. Several committee members agreed that education and training through the supply chain are important for compliance and continuous improvement.

Mr. Lai suggested that while workforce education is always needed, the result can be a big investment for little gain. Referencing the TRA example, RPA could make a similar asset recovery and theft prevention impact working with investigators and law enforcement officials. The coordination of leads and sharing of information could be a valuable industry resource to the common objectives.

The committee also discussed a potential RPA role in serving as a clearinghouse for the reporting of lost reusable packaging assets. As reusable packaging products are found outside of a pooling operation, information can be provided to a common industry database and made visible to all RPA members. Owners of the astray products can then work for their recovery. Mr. Petersen cited a similar service that the Automotive Industry Action Group (AIAG) provides for its members called the "[Returnable Transport Items](#) (RTI) Lost and Found."

With different options, varying impacts and finite resources to consider, the committee discussed a project to bring more concrete information to the table for decision-making on the best course for industry action. Specifically, a proposed project is to prepare a white paper analysis on the current state of asset management, identification of industry options to reduce loss, and quantification of the real and potential impacts from each option. The proposal is to study and model the cause and effect of practices used in the transaction, supply, handling, collection and post-loss retrieval of reusable packaging products. Ms. Conway advised that such a study should include financial impacts as well.

Key findings from the proposed project will be the mechanisms that raise accountability, provide incentives, and change behaviors in favor of improved protection of packaging assets. The



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project seeks to uncover and measure the instruments available to industry that most affect the secure movement and return of reusable products. With this knowledge and assessment, RPA and its members can better devise and implement actions, both individually and collectively, to improve asset management performance.

Next, the committee looked at a RPA study summary from June 2009 on “RFID Testing on Returnable Containers” that verified the effective multiple use of RFID tags in the harsh conditions of the fresh produce supply chain. The question before the committee is whether or not an update to this industry study is desired to demonstrate the performance of tracking technology options today. The committee agreed that the technology advancements and market developments since 2009 have changed significantly, and therefore a new industry study could be advantageous. The committee recommended that the proposed white paper project include the role of tracking technologies as a means to improve asset management.

As a next step, Mr. Debus will prepare a draft project plan for the committee’s review.

### TRANSPORTATION

The committee briefly discussed issues related to transportation of reusable packaging assets. Mr. Debus informed the committee about recent FDA guidance on a Final Rule implementing the Food Safety Modernization Act (FSMA) involving the “Sanitary Transportation of Human and Animal Food,” but the requirements on equipment maintenance, temperature monitoring, training and recordkeeping do not directly impact transport packaging. No other public policy issues were identified for discussion.

Mr. Lai suggested that a common transportation issue continues to be the prevalence of small lots for pickup or less-than-truckload shipments that lead to inefficiencies in the reusable business model. Finding ways to promote industry collaboration for more efficient transportation moves would generate economic and environmental benefits.

Mr. Debus proposed that one committee project could be a market survey on the transportation of reusable packaging assets, raising awareness on the sector and providing useful information to members. The committee agreed to further discussion this potential project.

### AUTOMATION

Advancements in automation and robotics and in emerging connectivity technologies like the Internet of Things offer tremendous growth potential for reusable packaging. The committee discussed broadly the opportunities for reusable systems with technology developments. Mr. Debus informed the committee that RPA has partnered with MHI to host a pavilion at ProMat 2017 and to hold the annual RPA Education Forum onsite at the show. The RPA pavilion and Education Forum will be held near the Automate section of ProMat, and RPA is investigating ways to co-market automation and reusable packaging at the show. More information on RPA at ProMat 2017 will be provided soon to the committee and all RPA members.



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This concluded the agenda for the Operations & Logistics Committee meeting. Mr. Debus suggested that the committee consider a follow-up meeting in conjunction with the Pack Expo show in Chicago in early November.

With no further business, the meeting was adjourned.