



Operations & Logistics Committee

Meeting Summary
July 24, 2017, 12:30 pm – 5:00 pm
Fort Worth, Texas

Attendees

Cindy Goodman	Business Development Manager	AT&T
Axel Breitzkreuz	Sales Manager, North America	Craemer
Bob Petersen	Vice President Product Management	ORBIS Corporation
Amy Lathrop	Chief Operating Officer	Perfect Pallets
Salim Baltagi	Vice President Operations	Polymer Logistics
Jerry Koefeld	Vice President, Product Development	Polymer Solutions
Shawn Stockman	Director Business Solutions	ReturnCenter
David Kalan	Vice President Marketing & Business Development	RM2
Bill Wark	Sales Director	Sigfox Inc.
Elliott Kirshner	Asset Control Manager	Tosca Ltd.
Paul Koleske	Director of Logistics	Tosca Ltd.
Sarah Kate Conway	Senior Supply Chain Manager	Tosca Ltd.
Mike Marzolf	Director Operations & Business Development	Xtreme RFID
Tim Debus	President & CEO	RPA

Introductions

The meeting of RPA's Operations & Logistics Committee ("O&L Committee") took place on Monday afternoon, July 24, at the Marriott Champions Circle in Fort Worth, Texas. The committee meeting venue was in cooperation with the Texas Retailers Association's Forum event, which featured a joint-industry roundtable discussion on organized retail crime and loss prevention (ORC/LP) involving 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, Tim Debus reviewed the RPA's Antitrust Compliance Policy Statement and reminded the committee that the policy is in effect during the meeting.



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The committee reviewed its charter and objective: “to facilitate knowledge and develop industry standards for common processes seeking the efficient movement, handling, visibility and return of reusable packaging products.” This meeting focused on asset management with emphasis on product tracking technologies and the prevention of loss from theft in retail supply chains.

Current Projects

The committee is involved in several activities and developing projects. The first project, “Food Bank Recovery,” is an initiative working with Feeding Texas and its network of food banks to improve the process for donating food in reusable plastic containers (RPCs) and pallets. The specific goals are to enable more donations of higher quality food, eliminate costs and packaging waste to food banks, and ensure the return of the reusable packaging back into the reuse system. Representatives of the committee met with officials from Feeding Texas on May 31 to discuss the launch of a research project to review current food donation processes, to perform an opportunity assessment for reusables, and to run a pilot program to validate best practices. Feeding Texas expressed their support for reusable packaging, especially given their own waste-reduction goals in their operations, and agreed to assist the RPA committee in making connections with local food banks. A written summary of the Feeding Texas meeting was provided to the committee.

Next, progress on a “Physical Barrier Study” was communicated to the committee. Led by RPA member Tosca, Elliott Kirshner described the investigation of the loss of reusable packaging assets when left unprotected in storage behind retail stores awaiting pickup and return. Initial data from tracking sample RPCs at fifteen stores in the Houston market in January and April showed total return rates of 81% and 73%, respectively. A more focused project is under development that will collect data to determine how an effective physical barrier (i.e. fencing, storage units, etc.) can improve the return performance by safeguarding reusable packaging and preventing asset loss. The next test will include a physical barrier at select stores, compliance information and monitoring, and signage to bring attention to the possession of stored product.

In addition, the committee discussed “Retailer Engagement on Loss Prevention” and looked at past efforts to bring industries together to improve the management of returnable assets. Today RPA is narrowing its scope by working with the Texas Retailers Association and their Operation S.T.O.P.P. (Stop Theft of Plastic Products) program. If more regional impact can be made from the RPA-TRA collaboration, then a model can be deployed to other states for similar progress. The O&L Committee’s meeting at the TRA Forum is a step forward to network, identify opportunities and build momentum behind the shared objective.

Finally, the creation of an online “Lost and Found Website” for reusable transport packaging products was further discussed. This idea was raised last year as a way to report and share information on suspected missing products found in the field. The example cited is the Automotive Industry Action Group’s (AIAG) Returnable Transport Items Lost and Found site for their members. More research is needed before creating a project plan to understand the utility and value of this tool for RPA members.



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RPA-TRA Roundtable Discussion on Reusable Packaging Loss Prevention

The committee took a break from the meeting to participate in a discussion with members of the TRA Operation S.T.O.P.P. task force. The session objective was to initiate a joint conversation on collaborative opportunities on the prevention of loss and theft of reusable transport packaging products at retail environments. Participating from TRA was Joe Williams, and from Coca-Cola was Dan Miller, Corporate Security Manager.

Mr. Williams informed the group that approximately \$100 million worth of plastic products are lost at Texas retail each year. They calculated that the loss of dairy-related containers like milk crates leads to a \$0.05 increase in the retail price of one-gallon milk. His view is that retailers generally tend to avoid recognizing and dealing with the asset loss issues, and that retailers need to help by owning a greater role in the reuse system. Also, many law enforcement agencies do not view packaging loss as an important issue, but they change their perspective when confronted with the facts about the scale of the problem and costs. Mr. Williams emphasized that communication and technology are keys to improving loss prevention.

TRA currently contracts a private investigator to generate and follow up on leads related to the theft of plastic packaging products at retail warehouses and stores. Select members of TRA contribute to fund a retainer for the investigator at \$2,000 per month. This investigator's work has led to successful law enforcement action and product recovery from illicit recycling operations in Texas. Using signs and stickers to communicate information to prevent theft, including a tip line for store associates and drivers to call and report suspicious activities, Operation S.T.O.P.P. has proven results in uncovering criminal networks.

Despite the positive impact, TRA is evaluating the resources and sustainability of the program. The continuation and expansion of S.T.O.P.P. is in the best interest of RPA members, and RPA will talk with TRA about forging a stronger partnership behind loss prevention and recovery at Texas retail.

Asset Labeling and Tracking Technologies

New product and service innovations in the identification and tracking of packaging products are offering breakthrough capabilities for asset management, supply chain visibility and real-time data capture. The committee discussed how the technology is rapidly developing for reusable packaging systems and how RPA can help facilitate awareness for education and industry promotion purposes.

David Kalan expressed that the ability to track assets instantly and cost-effectively exists today. Bill Wark agreed and explained that there is no one way or single technology to solve every problem. There are variances in product and application needs requiring a range of tracking solutions.



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The committee identified several areas where RPA could play a role to increase the understanding of available technologies and to assist members and primary users of reusable packaging in exploring options that are right for their operations. The development of industry standards or specifications around the technologies could bring about consistencies and compatibilities for their successful use and growth with reusable packaging. Mr. Wark added that operational and repair processes are examples where standards could serve as useful guidance. Amy Lathrop suggested that the RPA provide guidance on key specifications and questions to ask when exploring tracking solutions. Mr. Kalan raised the idea of an industry matrix or menu that matches use parameters with the technology options. For example, if one is looking to solve X, then available technologies to consider could be A and B.

The promotion of asset management technologies and processes will be on stage at the RPA Reusable Packaging Learning Center at PACK EXPO 2017 in September. Many committee members will be involved with presentations and panel discussions. This venue is an opportunity to advance awareness of labeling and tracking technologies across the packaging industry.

Next Steps

The committee discussed ways to improve retailer audience and interaction on key industry initiatives such as loss prevention and technology enhancements for reusable packaging systems. Are there other organizations and conferences in which the committee can engage to achieve greater impact in the retailer community? RPA will explore alternatives and suggestions.

In considering future conference call meetings, the committee agreed that changing from a monthly to an every-other-month call schedule would be better suited given the extent and duration of projects.

With no further business, the meeting was adjourned.