



## CASE STUDY: Centralizing Pallet Management to Reduce Cost and Improve Sustainability

### Background & Challenge

General Motors' pallet procurement system was historically decentralized across its North American operations, leading each facility to independently source and manage pallets without a coordinated recovery or tracking process. This resulted in inconsistent pallet quality, limited visibility, and a "one-and-done" purchasing model that drove significant recurring costs and created supply chain inefficiencies. Additionally, the lack of a reuse system contributed to unnecessary wood consumption, conflicting with General Motors' ongoing sustainability initiatives. To address these challenges, GM collaborated with Kamps to develop a unified pallet lifecycle program that introduced standardization, improved asset visibility, and transitioned pallet usage from a disposable model to a circular system centered on reuse, repair, and responsible recycling.

### Solution & Results

The collaborative program began with a six-month analysis and design phase followed by pilot implementation in 2022, full operational rollout in 2023, and continued volume expansion in 2024. Kamps also engineered new pallet specifications tailored to GM's operational requirements, including a redesigned 78 x 96 pallet that enabled employees to safely walk the platform without increasing cost. In its first year, the program generated approximately \$2,569,541 in savings compared to market pricing for new pallets of similar specification, with strong continued savings of \$2,081,056 annually as the program reached full capacity in 2024. The centralized model also reduced internal labor demands, diverting over 1,000 hours per year from pallet tracking and procurement administration to higher-value supply chain activities. Expansion to GM's Tier 1 suppliers is planned to begin in 2025, with full supplier integration projected by 2026, at which point annual cost savings are expected to double. The shift to a circular pallet lifecycle program additionally supports GM's sustainability goals through reduced new lumber demand and waste minimization.

### Market(s):

Automotive

### Solutions:

Developed a centralized pallet lifecycle program with standardized pallet specifications, managed reuse and repair processes, and full visibility across GM's supply chain.

### Key Outcomes:

- Millions in annual cost savings sustained year over year
- Standardized pallet quality and availability across all involved facilities
- 1,000+ internal labor hours reallocated to higher-value supply chain activities
- Reduced demand for new lumber and improved sustainability performance

