

OVERVIEW

INEOS Compounds is a leading PVC compounder with a commitment to:

- Reduce pallet and packaging spend.
- Improve nationwide pallet collection performance using a single service provider.
- Define pallet specifications to review the variety of sizes in use.
- Enhance environmental credentials through pallet reuse and responsible recycling.
- Verify and reduce the cost of packaging waste compliance.



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CHALLENGE

In 2005 INEOS Compounds decided to review their pallet and packaging management strategy.

INEOS formerly contracted several service providers for customer pallet collections, each with different terms and supply arrangements. This took up time and effort by the INEOS team which they wanted to reduce so they could focus on their core business.

With a specific focus on pallets, INEOS wished to reduce packaging costs and lower the value of their packaging waste tax.

SOLUTION

RPS completed a full review of the pallet specifications used by INEOS. It was evident that the diversity of pallet sizes could be reduced therefore RPS introduced suitable pallet specifications that rationalised the number of different sizes from seven to two. This process immediately generated substantial packaging costs savings and simplified packing operations on site.

The second challenge for RPS was to improve used pallet collections from INEOS UK customers. The proactive approach by RPS helped INEOS to improve national collection performance from a previously modest return rate to over 50% in a matter of months. The collection performance currently stands at 80%.

To further reduce pallet supply costs a strategy was introduced to replace new pallets with suitable reconditioned pallets. The RPS team inspect all reconditioned pallets to ensure they are fit for purpose before delivering them to the INEOS site for reuse. In combination with a strong collection performance, the annual supply of 45,000 reconditioned pallets has significantly reduced the business' packaging waste compliance costs.

RPS extended the collection process to other bespoke INEOS packaging including Octoboxes and metal silos. This has enabled expensive packaging items to be used several times reducing waste and decreasing costs. RPS manages the entire pallet management process. In the rare event that reconditioned pallets are not available RPS delivers new pallets at competitive rates to keep costs down and fulfil supply requirements.



CLIENT TESTIMONIAL

"We enjoy an open, honest and productive relationship with RPS. Over recent years we've collectively reappraised, developed and improved our packaging strategy to reduce our costs and enhance our environmental credentials. We can honestly say that we've been delighted with RPS's innovative approach and commitment to succeed."

DB, Senior Buyer

RESULTS

- Annually supply **45,000** reconditioned wooden pallets.
- **Reduced packaging waste** compliance costs.
- Established proactive and **national collection** for reuse programme.
- **Reduced environmental impact** through improved packaging management.
- Rationalised pallet specifications to **reduce supply costs**.