



Questionnaire about current pallet pooling
routines in Baltic countries.
Summary, November 2010.

Questionnaire carried out by: ECR pallet pooling subgroup. Group leader Mr. Paulis Dalbergs.

Purpose: identification of existing pallet pooling routines and its problems in Baltic market.

Goal: development of appropriate pallet pooling standards for the Baltic market.

Participants and respondents

- appr. 20 active participants in the group;
- 10 responded to the questionnaire;
- 8 manufacturers (80%);
- 2 retailers (20%).

A. Questions related to existing pallets quality

Question (statement)	Positive respond, %	Negative respond, %	Neutral respond, %	
1. Mostly EUR pallets are being used		100	0	0
2. Pallets are of poor quality therefore their life cycle is short	30	30	40	
3. Pallets look poor and do not perform a representative function	20	20	60	
4. Fake EUR pallets in the system are a legal threat to the company	60	10	30	
5. There is a tendency for worse quality pallets getting into the system	60	10	30	
6. There is a real threat that chemically polluted pallets from the secondary market, which can not be used in the food industry and are potentially dangerous, are circulating in the system	30	0	70	
7. Product positioning in the warehouse rack system depends on the quality of pallets	60	10	30	
8. There are different pallet quality requirement interpretations among supply chain participants	70	10	20	
9. Pallet quality is the key factor when it comes to production automation	50	10	40	
Respond average:		53	11	36

B. Questions related to pooling routines

Question (statement)	Positive respond, %	Negative respond, %	Neutral respond, %
10. As EUR pallets are freely and easily exchangeable on the market, they are potentially a subject to thefts		50	10 40
11. Pallet flow sorting bears rather high costs		50	20 30
12. Pallet repair is quite costly		60	20 20
13. Pallet supply search bears certain additional costs		50	10 40
14. We have no reliable pallet quality control mechanism to prevent access to the system for pallets which do not conform to the standard		30	40 30
15. Relationship with suppliers/customers are strained because of pallet flow disbalance		70	20 10
16. Actual pallet loss (shrinkage) norms are different in every retail network		90	0 10
17. RFID technology installed in pallets could also be used to solve certain logistics or other tasks of suppliers/producers		50	0 50
18. Positive environmental effect because of proper pallet logistics would be an important positive factor for further decisions in our company		60	10 30
19. Pallets we receive from our foreign suppliers must be returned		40 (Chep mostly)	60 0
20. We would be interested in a 3rd party service to manage our incoming foreign pallet logistics		50	40 10
21. It would be good to have the same type of pallets incoming from our foreign suppliers as those used in local pallet system		70	0 30
Respond average:		56	19 25

C. Questions related to pooling costs

22. Due to unreliable forecast about returning pallets from the retail network suppliers must invest in:

larger pallet safety stock	37%
larger pallet stock keeping area	26%
additional pallet administration	37%

23. How big share of all returning/incoming pallets from the network is made up of unusable pallets?

0%	0%
< 5%	44%
5 - 10 %	44%
>10%	11%

24. To make pallet quality control and pallet sorting/repair more effective we would most likely consider...:

investment in our own employees' training and acquisition of proper equipment	33%
purchase of service from a specialized company	67%

25. Investment in any pallet system improvement should be made by...:

supplier	10%
retail networks	50%
operator (3rd party)	30%
other	10%

26. Relatively to the annual company turnover, how big are the actual product damages and related costs because of poor pallets (breakage, excess moisture impact, protruding nails, re-packing necessity etc.):

< 1%	80%
1 - 3 %	20%
> 3%	0%

C. Questions related to pooling costs (part 2)

27. If 3rd party was to offer pallet renting, it would be most appropriate to pay for...:

time the pallet is used	10%
trips made by the rented pallet (with our products)	30%
we don't know	60%

28. Relative to the total pallet demand, what part is covered by receivable pallets from foreign suppliers?

< 10 %	56%
10-20 %	0%
20-30 %	22%
> 30%	22%

Questions answered by retail networks operating in Lithuania

4 respondents, June 2008

1. Possibility for a third party operator to make pallet sorting at inventory accumulation places:
100% - subject to consideration, basically positive
2. Do you have a possibility to keep pool pallets separately ?
75% - negative
25% - subject to consideration, basically negative
3. Do you have a possibility to register arriving broken pallets from suppliers ?
50% - positive
50% - negative, reception of broken pallets is forbidden
4. Pallets are of poor quality therefore their life span is short:
100% - positive
5. Pallets look bad and can not exercise representative function:
75% - positive
25% - neutral, this function is not needed
6. False EUR pallets in the system is a legal threat:
100% - positive
7. Strained relations with suppliers because of pallet flow disbalance:
100% - positive
8. There is a tendency for worst quality pallets getting into the system from suppliers:
100% - positive

Conclusion

Major problems in existing pallet exchange system

1. Due to poor quality pallets do not live up to modern standards, they break too often, disbalance return, increase inventory stocks and create many additional processes which do not make value added through the supply chain.
2. Falsified europallets may cause legal problems to pool members.
3. Strained relations between suppliers and retailers because of different pallet quality standards and understandings.

Thank you for your attention