

MillerCoors Saves \$8 Million Annually with Paylode® Products

Cargo Protection Products Reduce Damaged Loads, Worker Injuries and Environmental Waste

As a leading beer brewer, MillerCoors® transports more than half a million loads of beer bottles, beer cans and other products from its warehouses to its distributors every year. Transporting the shipments involves carefully packing truck beds and railcars. One misstep could result in a damaged load or prohibit compliance with bridge laws.

After years of using disposable corrugated dunnage to protect products and center loads, MillerCoors decided to test a line of reusable plastic cargo protection products with hopes of curbing environmental waste and reducing operating expenses. Through a partnership with Paylode®, a company offering 100-percent recycled dunnage lasting seven years or more, MillerCoors saw savings of more than \$8 million annually, met corporate waste-reduction goals five years early and eliminated the source of 25 percent of the company's recordable injuries, among many other benefits.



Out with the Old, In with the New

Before transitioning to Paylode dunnage, MillerCoors protected its products and spaced the weight of its shipments with disposable dunnage, such as corrugated bulkhead spacers, plywood sheets and cardboard dividers. These products were often thrown away after each shipment, resulting in considerable waste. In addition to the environmental impact, the waste resulted in a significant operating expense since the products had to be repurchased for each shipment.

"In addition to the mere waste, disposable dunnage also was problematic because the wooden products are heavy, weighing as much as 55 pounds," says Ray Reehm, a member of the MillerCoors Supply Chain. "This caused workers strain and injury, not to mention leaving behind splinters."

With this in mind, the company decided to field test Paylode bulkhead spacers and separator pads in its trucks in mid-2008. Paylode bulkhead spacers were used at the nose of trailers to balance axle weight and center loads. MillerCoors recognized an advantage that the products could not only be re-used, but are designed to withstand 20,000 pounds of force to protect loads. Plus, they weigh nearly half that of previously used wooden bulkheads, which meant less worker strain in loading and unloading.



Paylode separator pads replaced sheets of plywood and cardboard dividers as buffers between pallets. In addition to the benefit of no splinters, the separators feature an ergonomic hand hole for easy loading and unloading and a cushioning hollow cavity to protect loads.

After field tests generated successful returns, MillerCoors began rolling out this bulkhead solution companywide. By the end of 2010, MillerCoors was using bulkhead spacers and separator pads in all of its truck shipments. Given the success on its truck shipments, MillerCoors decided to work with

Paylode to develop a custom panel for rail shipments that not only secured rail loads, but allowed the company to reach weight maximums for all shipments, something it wasn't adequately doing under old models.

Real-World Results

Since rolling out the products across its warehouse-to-distributor operations, MillerCoors has seen impressive returns, including:

- **\$8 million in operating savings:** MillerCoors eliminated the expense of purchasing cardboard and wood dunnage for every load. MillerCoors simply takes back the bulkhead spacers and pads to their warehouses after each trip or picks them up the next time they visit their customers.

"In addition to the savings we achieve from reusing the products, they also allow us to load more products onto every load to maximize the weight of our shipments," says Reehm. "For the rail shipments in particular, the panels gave us the ability to increase weight loads by 35 percent."

- **60 percent reduction in damaged loads:** MillerCoors reduced damaged loads by more than half.
- **Met company sustainability goals five years early:** MillerCoors set a goal to eliminate 20 percent of waste sent to landfills by 2015. The company met that goal five years early. MillerCoors estimates it was able to eliminate nearly 7,700 tons of solid waste per year, in addition to saving nearly 41,500 trees every year.
- **Eliminated source of 25 percent of all recordable injuries:** Previously used wooden bulkhead spacers weighed in at 55 pounds, almost double that of the portable bulkhead solution. By reducing the weight, employees are able to load and unload shipments easier, resulting in less strain. Since the products are 100 percent plastic versus wood, splinter injuries also have been eliminated.

09/22/2012