







#### **Written by Pauline Müller**

he striking thing about PECO Pallet is the sophistication of the company's service offering. There is nothing average about this company, something immediately evident in its bright, tasteful presentation and next-generation approach to pallet pooling.

While PECO Pallet's market-leading outfit in Canada is comparatively small, it packs the punch of 20 years of industry experience and expertise gleaned from operating in the United States.

leader cornered its market with its

vision, creativity and environmentally

sustainable red pallets.

The company is especially highly regarded for its quality at realistic and

By harnessing innovation, the company continues to ring the changes in its sector. "We had a hand in perpetuating a market transition to the type of pallet it's now operating on," says Vegso. The result is that the stringer pallets its competitors had introduced in the late 1970s, and which became the market standard, are being systematically replaced with

This bold approach to evolution has allowed PECO to set the industry standard for quality, service, and value for money. >>

block pallets across Canada.

## Drivers of change

PECO Pallet focuses on driving change in its market as it is the first and only pallet pooling company in Canada to operate exclusively on block pallets. In comparison with stringer pallets, block pallets find favour for their lighter weight and four-way forklift entry points. The result is lower operational and transportation costs achieved through increased operational handling efficiency and better trailer utilization.

PECO's offering includes a 40 x 48-inch block pallet, as well as a half-pallet available to its Canadian clientele. "We operate a pool that consists of millions of pallets that circulate in a closed loop from a depot network that we operate in Canada," Vegso says.

These pallets are rented by customers shipping consumables and other products to retailers and distributors. After delivery, the pallets are collected by PECO and returned to the nearest depot, where they are inspected, sorted, and repaired before being released to the next client.

With distributors, renters and depots stretching from one Canadian coast to the other, this is a complex process. "Our pallets are circulating in nearly a thousand locations in Canada," says Vegso. The locations vary, but mainly comprise clients in the food and beverage industry, and fast-moving, packaged consumer goods.

But, while these are its two biggest segments, PECO also serves clients in a diverse range of other markets. The common denominator is that they are all contractors moving goods around for big retailers like Loblaw, Sobeys, Costco, Capadian Tire and Walmart.

### **Defining moments**

Thoroughly understanding and defining each client's needs is an important aspect of PECO's operation.

A dedicated account manager will typically assess a new client's exact needs, and draw up a customer profile. This lists all the client's specifications like product volume, issuing location, the end client whose warehouses the pallets are headed for, and the number of pallets needed.

Lastly, the pallets' dwell time is calculated – the duration of its journey through the closed loop from dispatch to its return to a PECO depot. Proposals and pricing are finalized and business can get started. With the accuracy and reliability of PECO's management of this process, it is not surprising that the company's new business relationships typically become long-term alliances.

While PECO's customer care is first-in-class in the industry, it is its attention to overall service standards that raises the bar. "We're a very customer-centric organization. We're very responsive and try to be flexible in meeting customer needs," Vegso says.

Demonstrating this, PECO Pallet ditched the ubiquitous call centre idea entirely. Each client has direct access to their account manager. The logistics of an operation like this can be complex and stressful for everyone and clients don't need to waste time explaining themselves many times to multiple people. Accuracy benefits, and so do busy clients on tight schedules.



# The high technology of a wooden platform

The company has acquired considerable technological assets, and advantages, in automation. PECO's automated pallet-sorting technology combines lasers, cameras, and 3D scanners to detect pallet defects and sort by repair type. This is what makes it possible for PECO to inspect, clean, and repair (as needed) every pallet on every cycle through its depot.

More recently, the company has been scouting tracking technology that will give it the ability to monitor each pallet's status and location within the supply loop. This will not only give PECO improved inventory control but give clients the ability to track their own goods within their own systems.

PECO Pallet originally started out in 1997.

Trading as the Pallet Exchange

Company, the initiative was born of 18 independent pallet recyclers, manufacturers and brokers who believed they knew how to provide a level of quality and service far superior to what was available at the time.

The original name became the source of the acronym, PECO. Spotting the industry's need for an alternative service provider, PECO Pallet introduced its pooling model to Canada in 2013.

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# Pallet people

With a focus on the future, the company endeavours to grow its workforce with professionals who are well-versed in supply-chain operations. It takes pride in investing in its teams and in ensuring they have the resources they need to excel in their positions.

"The thing that I am proudest of is the team that we have built here in Canada. We have a very strong, very passionate team that operates with a healthy level of entrepreneurialism," says Vegso, who has been lauded for her role in the Canadian supply-chain arena.

In March this year, Vegso was listed as 1 of 100 Influential Women in Canadian Supply Chain™ by the Supply Chain Management Association™ (SCMA), receiving the title of Supply Chain Management Professional (SCMP). These acknowledgements were to honour Vegso, together with the other 99 chosen women, for their sterling work and contribution to the country's economy.

Vegso started in logistics fresh from college and ascribes her success in this male-dominated field to the mentorship of her first superior – a woman who saw her potential and set her on the path to becoming the successful leader she is today.

"I've worked for some amazing employers who have embraced women working in supply chain and logistics. Throughout my career I've been supported by both male and female colleagues," she says.

PECO Pallet's efforts aren't limited to business. In 2019, the Canadian team gave support to a number of charities. And its entire local head office took four hours out of a workday to support the Salvation Army in stocking its warehouse and fulfilling Christmas gift donations to those in need. Its charitable activities are set to continue in 2020.

"PECO Pallet's commitment... is also a promise to keep Canada's supply chains moving."



#### **Better and better**

PECO Pallet's own future is firmly vested in technology. It continues to acquire the latest solutions available to its own industry and related industries. And with some lateral thinking, applying related technologies to solve thorny logistic challenges like stock deficits and surpluses, PECO ensures even and sufficient distribution across its depots – no small feat.

The evolution of these systems means that clients will enjoy increased efficiency and a regular supply of pallets exactly as they need them.

Considering that pallet shortages can lead to plant shut-downs, investing in consistent service is a solid commitment to its clients. This team takes its part in the supply chain seriously, doing everything in its power to ensure its clients' security through growth and evolution.

And as retail markets increasingly rely on automation, PECO Pallet's commitment to continuously improve the quality of its service and its pallets' performance is also a promise to keep Canada's supply chains moving.

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