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**KEG AND CASK SUPPLY CHAIN  
BEST PRACTICE**

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## **KEG AND CASK SUPPLY CHAIN BEST PRACTICE**

This Technical Circular defines protocols by which companies can work together in the supply chain in order to reduce container losses. It is essential that these protocols (marked in red italics) are adopted throughout the Industry to ensure efficient collaboration between companies to ensure the timely return of containers to their owners.

The Technical Circular also sets out best practice measures which are not essential for joint working, but which companies will want to work towards to improve their own performance. A means of gauging progress towards best practice is provided.

It is estimated that the current replacement cost of kegs and casks lost from the supply chain is £60 million/annum. In order to reduce this unsustainable cost on business, the BBPA's Brand Owners & Brewers Group asked the Returnable Asset Management Panel to develop a Code of Practice on Keg and Cask Supply Chain Best Practice.

The Group has endorsed the contents of the Code set out below and agreed that implementation of the protocols is essential to facilitate joint-working and the efficient return of containers to their owners.

In addition to the essential protocols, the Code also provides guidance on best practice to improve the efficient management of containers by companies. It is anticipated that this best practice will be introduced over a period of time. A tool is provided to assist companies in measuring progress against themselves and an Industry average performance. It is intended that a spread sheet will be circulated to assist in this process by automatically calculating the indices.



Dr D E Long  
Director, Brewing

# **Code of Practice KEG AND CASK SUPPLY CHAIN BEST PRACTICE**

## **1. Introduction**

This document has been produced to assist companies to improve the control of their containers within the supply chain and define the protocols for working together in the supply chain. It is intended as a reference document which defines the best practice and against which companies can measure themselves to determine their own position in relation to this best practice.

Whilst acknowledging that each company will be in a different position at the outset, both in terms of processes and systems, it is imperative that the protocols defined in this document are observed in order to ensure an efficient and collaborative method of working within the industry to the mutual benefit of all participants. Companies should also work towards achieving best practice status to maximise the performance of containers within the supply chain and minimise the risks of misappropriation.

The protocols that must be observed are highlighted in *red italics* in the text below. Observation of these protocols will ensure that containers are not unduly delayed within the supply chain and returned to the owner in a prompt manner.

It is considered that whilst introduction of these procedures may result in an increased overhead this will be more than offset as a result of increased efficiency and loss reduction.

A check list has been provided which allows each company to measure itself against the standard and periodically against the norm for the industry.

## **2. Objective**

The objective of defining best practice and industry ways of working are to:

- Significantly improve the control of containers in trade and within the supply chain
- Reduce the risk of misappropriation
- Improve the speed and efficiency of containers moving through the supply chain, particularly when empty
- Clarify the responsibilities of participants in the large pack supply chain
- Address weaknesses to facilitate the introduction of a deposit scheme.

In order to achieve the objectives the supply chain has been broken down into a number of components, however these should not be considered as discrete areas as they overlap in a number of ways.

The component parts are as follows:

- Order processing
- Outlet delivery
- Return to depot
- Container sorting
- Container repatriation
- Creating & managing container database.

### **3. Best Practice**

#### **3.1 Order Processing**

##### Objective:

The effective management of customers' empty cask / keg balances and the controlled uplift of all empty containers.

##### Process:

- 3.1.1 In order to achieve the objective effectively it is necessary to discuss empty containers with the customer during the order capture process. To do this the operator must have details of the 'balance of containers' held by the customer, ideally on screen but alternatively as a report. The balance should be validated as being a representative quantity in line with the normal orders placed by the customer and validated with the customer. Discrepancies should be noted together with any reasons given.
- 3.1.2 The 'balance trend' over a period of weeks should be available to the operator and only increase in line with increases in order size. The reason for any negative balances (more returns than fulls delivered) should also be validated. It is imperative that discussions take place with customers who have an increasing balance trend and the reasons given should be recorded.
- 3.1.3 The operator should ascertain the approximate number of empties for uplift and enter this alongside the order information. By providing the level of containers awaiting return, the load planning function can ensure there is sufficient vehicle space to uplift the empties or arrange for another vehicle to attend to collect any surplus. There should also be a systemised record of any empty containers outstanding from previous deliveries.
- 3.1.4 The 'balance of containers' should also be printed on the delivery note accompanying the delivery (and on the subsequent invoice).

- 3.1.5 There should be a process for escalation within the organisation to a person(s) responsible for following up any abnormal balances for which there is no satisfactory explanation. An action log detailing the contact and agreed actions should be maintained.
- 3.1.6 There should be a process for managing any request from a customer for the collection of excess empties. The request must be logged and the collection arranged and effected within 5 working days. The performance against this criterion should be actively managed.
- 3.1.7 The reasons for customer initiated requests for empties uplift should be reviewed to ensure integrity and robustness of collection procedures.
- 3.1.8 For customers placing electronic orders the order transmitted should contain details of 'empties for uplift'. Balances should be monitored through exception reportage and customers contacted where there is an adverse 'balance trend'.
- 3.1.9 *Accounts that are no longer trading with the supplier e.g. closed accounts, seasonal accounts or those who have not placed an order for four weeks, should be contacted by telesales and arrangements made to collect the final balance of empty containers. Empties must not be left until the account restarts trading or until Kegwatch or any other repatriation organisation is called upon to collect.*

#### Implementation

- 3.1.10 At the start of balance monitoring it is necessary to set the initial balance which will then be updated by deliveries and returns. This may either be set to zero or a figure agreed between the customer and the supplier.
- 3.1.11 It is imperative to ensure full communication both within the organisation and with the customer. The customer will need to have details to hand when placing an order and understand the importance of ensuring that transactions are accurately recorded and checked (e.g. container returns details on the delivery note).

### 3.2 Outlet Delivery

#### Objective:

The efficient and timely uplift of all empty containers together with the accurate recording of empties uplifted and any related information.

#### Process:

- 3.2.1 Prior to delivery the crews should be made aware of any non compliant (negative balance) customers in order that they can be extra vigilant when delivering / uplifting, ensuring that all available containers are uplifted and all relevant information gathered for subsequent debrief.
- 3.2.2 At the outlet the crew, together the customer, should identify all appropriate containers for uplift. *The supplier is responsible for uplifting all containers previously delivered by them.*
- 3.2.3 *The underlying operational protocol is that the supplier of the container will also uplift the container. However it is imperative that containers are not unduly put at risk and therefore any container perceived to be at risk should be uplifted for subsequent repatriation. In addition any 'stranded' containers should also be uplifted. A stranded container is one that has not been uplifted one month after the expiry of its best before date.*
- 3.2.4 *Containers with SIBA orange stickers should not be collected and SIBA members will only put orange stickers on containers that they own.*
- 3.2.5 The crew should accurately count the number of empty containers by size being uplifted and record these on the delivery note. The number of empties uplifted should be broadly in line with that advised by the customer at the point of order capture (if available to the dray crew on the delivery documentation) – any significant variation should be followed up with the customer. Care should be taken to ensure that container sizes are noted correctly and that the entry on the delivery note is clearly legible to allow subsequent accurate entry for post-delivery confirmation.
- 3.2.6 The customer should sign the delivery note for both the full goods delivered and the empties uplifted and should clearly understand the importance of the accuracy of empties information in relation to the terms and conditions of sale. If for any reason all of the containers available for uplift cannot be taken then this must be clearly annotated on the delivery note for review at crew debrief.
- 3.2.7 Each outlet should be visited at least twice yearly by an account representative who will validate the container balance and the security of the area used for the storage of containers.
- 3.2.8 *Where the supply arrangements change from one distributor to another, the incoming distributor will be responsible for the uplift of all outstanding empties relating to supply by the outgoing distributor. The outgoing distributor is responsible for ensuring that all available empties are cleared at the final delivery.*

#### Implementation

- 3.2.9 The first step is to train the crews in what is expected of them and reiterate the importance to the business of collecting empties. Attitudes of all relevant employees need to reflect the £value of containers whether full or empty. Use of notice boards around the site will further emphasise this issue. Information on container management should be included in regular briefs to delivery staff.
- 3.2.10 Delivery documentation must be reviewed to ensure that it is designed to facilitate easy, accurate and legible recording of returns. The document should allow for the customer to specifically sign for the returns in addition to the fulls delivered.
- 3.2.11 Consideration should be given to introducing a scheme, where practicable, that records the performance of crews in uplifting empties (e.g. fulls delivered vs. empties uplifted, planned empties vs. collected empties etc).

### 3.3 Return to Depot

#### Objective:

The validation and accurate recording of empty container information. The gathering and escalation of information relating to the container supply chain.

#### Process:

- 3.3.1 On return to the depot a crew debrief process should be undertaken. This debrief process should include the checking of delivery documentation for clear completion of the empty returns section of the delivery note and ensure that the notes have been correctly signed by the customer. All notes that show that empties have been left at an outlet should be recorded and escalated to ensure that the customer is contacted and the uplift rescheduled.
- 3.3.2 The debrief process should also collate any intelligence gathered by the crew such as accounts with inadequate or insecure storage. Details of such accounts should be escalated to the appropriate account manager.
- 3.3.3 The number of empty containers on a returning vehicle should be validated against the total recorded on the delivery documents and any discrepancies investigated with the crew. This can be done on a random basis with a percentage of the total loads (e.g. 20%) being completed each day.
- 3.3.4 Ideally systems should be designed to allow the validation of the input of return container details e.g. input load total and let system

reconcile to total of individual delivery notes on load. If this is not possible then a random audit of the accuracy of post delivery confirmation should take place.

- 3.3.5 Details of containers uplifted should be carried forward for inclusion on relevant invoices. This will heighten awareness with the customer and allow them to review their returns.

#### Implementation

- 3.3.6 A structured debrief process must be developed that incorporates the key features outlined above together with all other debrief information relating to the whole delivery / uplift process & vehicle performance management.
- 3.3.7 Processes relating to checking gross container numbers from each load should be considered and implemented where practicable. The load totals can then be checked against individual note totals either routinely or on a random basis.

#### 3.4 Container Sorting & Repatriation

##### Objective:

The efficient sorting of containers such that they can be repatriated to their owners in a timely manner.

##### Process:

- 3.4.1 Unsorted containers should not be allowed to accumulate in brewers' or distributors' premises as this can have a significant impact on cycle time.
- 3.4.2 *The underlying protocol is that the company (brewer or distributor) in possession of containers (the possessor) will sort all of the containers by container owner using the correct pallets / locator boards and notify the owner of their whereabouts. This will be done in a prompt and timely manner. This will be done at the expense of the possessor.*
- 3.4.3 *Containers will be sorted by the possessor accurately and in a safe manner using the correct pallets or locator boards. Details of container owners, how containers should be stacked, correct pallet / locator board to be used and which containers may be aggregated together are contained on the Container Master Database accessed via the internet (see 3.5 below).*
- 3.4.5 *Where the possessor has a normal trading relationship with the owner of the containers, the containers should be sorted and*

*collected as part of the normal delivery cycle. Ideally the owner (supplier) will be advised by the possessor (customer) how many containers are available for collection at the point at which an order is placed. The supplier will then ensure that capacity is available to uplift all the available empties, agreeing with the customer in advance where this may not be possible. Any issues regarding the sorting, availability and collection of empties between trading partners will be resolved as part of the normal trading relationship.*

- 3.4.6 *Where the possessor does not have a normal trading relationship with the container owner, details of the containers or pallets / locator boards that have been uplifted by the possessor and sorted should be entered onto Spa Trak to alert the container owner of their whereabouts. Spa Trak is an internet based system currently provided by KegWatch to record the stocks of foreign empties held, allowing container owners to identify the location of their containers.*
- 3.4.7 *Once alerted to the whereabouts of the containers the owners should make arrangements for their repatriation as soon as possible and at their own expense.*
- 3.4.8 *The following are guidelines for best practice operations for the sorting of all containers and the minimum standards to be achieved:*
- All foreign containers to be sorted within 24 hours of receipt at brewers' or distributor's yards. (Minimum initial standard – sorted on a weekly cycle)*
  - All containers belonging to non-regular suppliers to be entered onto Spa Trak within 24 hours of sortation. (Minimum initial standard – entered once a week).*
  - Container owners to arrange collection within 21 days of containers being entered onto Spa Trak. (Minimum initial standard 28 days)*
  - The possessor to arrange collection by Kegwatch on day 30 after entry onto Spa Trak if not collected by owner. (Minimum initial standard 35 days).*
  - All entries onto Spa Trak to be made by possessor. (Holding brewer responsible for accuracy of Spa Trak for their yard).*

#### Implementation

- 3.4.9 For successful adoption of the procedures and protocol the following steps must be completed:
- Spa Trak modified to improve data input, alerts and reports
  - Implement Spa Trak at all relevant sites and train personnel.
  - Communicate new protocol and standards to all parties.
  - Introduce procedures for daily sorting of all containers.

- Introduce procedures for the update of Spa Trak with additions / collections.

### 3.5 Container Master Database

#### Objective:

Provide a central database to act as a reference point to provide interested parties with sufficient information to sort containers accurately, stack them safely and return them to the correct owner. To provide a register of container identification marks.

#### Process:

- 3.5.1 The BBPA, in conjunction with SIBA, will host a database of container information. The database will be accessed via the internet and will have links (for enquiries only) from a number of related sites.

*Container owners must set up and maintain details of containers and associated pallets / locator boards that they own.*

Extensive search facilities will be provided to allow users to correctly identify containers and match them with the correct associated pallets / boards. Information includes:

- Owner's name & address
- Return address(es)
- Contact details
- Previous owner (if applicable)
- Colour band (up to 3 bands)
- Markings (serial number, etc)
- Height
- A photograph
- Pallet / Locator board
- Associated kegs (others owned by the owner)
- EAN code

#### Implementation

- 3.5.2 The BBPA & SIBA will define the database structure, commission development, test and accept the system. Container owners are required to complete all the required fields on the database.

### 3.6 Checklist

The following checklist is intended to take the form of a self administered benchmarking exercise. The checklist, in the form of a spreadsheet with 'check' boxes allows the user to record the appropriate answer and when completed generates an index number. It is proposed that these numbers will be collated twice yearly by the

BBPA & SIBA to obtain an industry index. This allows individual companies to measure their own performance improvement and benchmark themselves against an industry average. The data collated by the industry will not allow the identification of individual companies.

<b>Order Entry</b>	<b>Para. ref</b>	<b>Measure</b>
Empties discussion with customers during order capture process	3.1.1	Yes or No
Balance measured	3.1.1	Yes or No
Container balance available to operator	3.1.1	Fully integrated with order entry On Screen On Paper Not available
'Acceptable' balance (in line with normal order pattern) calculated	3.1.1	Yes or No
Balance trend available	3.1.2	Yes or No
Balance and trend validated with customer	3.1.1 3.1.2	Yes – record maintained Yes – no record maintained No
Ask for number of empties available?	3.1.3	Yes or No
Enter number of empties available	3.1.3	Yes – fully integrated Yes – separately recorded No
Empties for uplift interfaced to load planning	3.1.3	Yes or No
Empties for uplift on delivery note	3.1.3	Yes – from system record Yes – handwritten No
Container balance on delivery note	3.1.4	Yes – from system record Yes – handwritten No
Escalation process in place	3.1.5	Yes or No
Actions relating to imbalances recorded	3.1.5	Yes – on system

		Yes – on paper  No
Process for recording and managing customer uplift requests	3.1.6	Yes – request only  Yes – request and actions taken  No
Uplift requests actioned within 5 days	3.1.6	Within 5 days  Within 5 to 10 days  Greater than 10 days
Reason for customer request analysed	3.1.7	Yes or No
Electronic orders contain empties details	3.1.8	Yes or No
'Ceased Trading' account empties collection procedures	3.1.9	Closed accounts – Yes or No  Seasonal accounts – Yes or No  Accounts with last order > 4 weeks – Yes or No
<b>At outlet</b>		
Empties uplift standards documented	3.2.9	Yes or No
Dray crews briefed and trained in standards (inc new starters and agency crew)	3.2.9	Yes – training pack available  Yes – training pack and regular briefings available  No
Delivery documentation reviewed and updated for improved empties control and separate signature box	3.2.10	Yes or No
Scheme for measuring crew performance in relation to empties uplift in place	3.2.11	Yes or No
Crews briefed on non compliant customers before delivery	3.2.1	Yes or No
Crews check number of containers uplifted with that	3.2.5	Yes or No

advised at order entry		
Outlets visited twice yearly for container review	3.2.7	Yes or No
<b>Return to depot</b>		
Debrief for all crew on return to depot	3.3.1	Yes or No
Delivery Notes checked for signature	3.3.1	Yes or No
Delivery Notes checked for legibility / clarity	3.3.1	Yes or No
Information collated on empties not uplifted	3.3.1	Yes or No
Intelligence collated and escalated	3.3.2	Yes – no details recorded  Yes – details recorded  Yes – details and follow up actions recorded  No
Empties on vehicle checked against delivery notes	3.3.3	Yes – 100%  Yes – 75 – 100%  Yes – 50 – 75 %  Yes – 25 – 50%  Yes - < 25%  No
Load totals system validated against individual outlet totals	3.3.4	Yes or No
Container return details carried forward to invoice	3.3.5	Yes or No
<b>Sorting &amp; repatriation</b>		
Returned containers sorted	3.4.1	Daily
	3.4.8	Weekly
		Less than weekly or not at all
Details entered onto Spa Trak	3.4.6	Daily
	3.4.8	

		Weekly Less than weekly or not at all
Spa Trak reviewed for own containers	3.4.7 3.4.8	Daily Weekly Less than weekly or not at all
Containers collected from other sites	3.4.8	Within 7 days Within 14 days Within 21 days
Sorters have access to container master database to allow ease of identification and correct handling equipment	3.4.3	Yes or No
<b>Container Master Database</b>		
Container master database completed	3.5.1	Yes or No
Container master database reviewed regularly	3.5.1	Yes or No