KEG**FLOW**

Keg tracking: how can it benefit your business?

A SOLUTION BY **ALIZENT**
ASSET INTERACTIVE

INTRODUCTION

Every year, billions **of Returnable Transport Items (RTI)** are in circulation around the world.

Among them**, kegs and casks from the brewing industry.**

In theory, one keg can last up to 20 or 30 years. But in practice, shrink, loss and theft count for between 5 and 10% of the total kegs in circulation per year. With each keg costing around 100 euros, this can result in a large capex investment for replacements.

To counter this situation, using technology to **track kegs** can help you **understand and reduce losses**, increase visibility, **improve container management**, and directly **increase the ROI**.

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1 – THE IMPORTANCE OF TRACKING KEGS

*You might not fully know it yet, but **tracking kegs is the key**. So first, before we dive into tracking, let's start with the maybe-not-so-basics: what is keg management?*

A - What is keg management?

Keg management is a method or system that provides **information** required to ensure that **kegs operate efficiently** in the **supply chain**.

To achieve that, the provided information must be sufficient to check the following boxes:

→ New keg purchase volumes are **quantifiable**
→ New kegs are added to the supply chain at the **right time**
→ Kegs are **accounted** for accurately in the Asset Register
→ Kegs losses are identified and accounted for, so that **keg supply meets keg demand** efficiently.

Besides the taste for accuracy, the major reason to have this system working properly is consequent **money a company can lose** if it doesn't track kegs.

A stainless steel keg (dependent on the size) can cost around 100 USD. With a fleet of tens of thousands and even in the millions for larger brewers, a loss rate of **that can be between 5 and 10%** you get an idea of the scale of the problem the brewing industry faces.

On a concrete level, this translates into an ability to have keg supply and demand in phase with each other. And the most important to get to this is not necessarily to have an extensive view on each keg's location at a given point of time, but to appropriately **manage the fleet** as a whole.

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B - Challenges

This goal comes with challenges:

→ Anyone with Industry knowledge knows it, the supply chain can be a very complex process, with a lot of data coming from many different sources, sometimes from different countries in a global context. Efficiently visualizing, centralizing and managing this constant stream of information is crucial to an efficient management of all the processes.
→ You need fast **and accurate communication**, you need to make quick and informed decisions, which enable you to give proactive instructions to many points of your supply chain, in a fast and efficient manner.
→ Furthermore, globalization also results in **global competition**, and the ability of a company to **adapt the situation**, changes and context in real time through data is a key driver to its relevance, competitiveness and success.
→ Many operations and a lot of information collection are processed manually, which inevitably leads to **human error**. You are relying on partially inaccurate data to make key decisions.
→ The **lack of visibility and control** in your supply chain opens the door to **loss and theft**. In the end, the container owner pays the bill.
→ Appropriate control takes time, but in real life, labor and time shortage leads to a **lack of control**.
→ **Seasonality** leads to supply chain bottlenecks.
→ Finally, **increased transportation costs** add to your expenses.

Every company faces these challenges.

What proper answer to give them may be a hard guess, which often leads to **wasteful practices**, that actually **cost** companies a lot, such as **buying more** RTI (kegs) than needed, or **increasing the billed labor hours** or the number of contractors, when the same number of hours could instead be made more efficient and cost less, for a more accurate result.
And of course, along the way, **losing empty and full kegs** because of all these inefficiencies.

Instead, **appropriate tracking** showcases a lot of benefits.

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