

Pallets Just Became a Procurement Metric. Most Companies Haven't Noticed Yet.

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Ask a warehouse manager what a pallet costs and you'll get a price per pallet. Ask a procurement leader the same question today, and a price per pallet often isn't the real answer anymore. Pallets touch every part of the supply chain, and the people who manage that spending have stopped treating it like a small line item. They're starting to treat it like a real lever on cost.

From Unit Price to Total Cost

The old approach was simple: find the cheapest pallet, place the order, move on. That's not how the best procurement teams operate anymore. Now they look at the total cost, not just the price tag. That means factoring in shipping, warehouse space, labor to unload and stack, damage from pallets that break, and the cost of throwing away the ones that don't last.

Here's why that matters: a cheap pallet that breaks easily isn't actually cheap. It just moves the cost somewhere else, into damaged product, slower lines, or pallets that get tossed after a couple of uses. The sticker price was never the real number. It was just the easiest one to see.

The Freight Cost Nobody's Counting

How well a pallet's shape fills a trailer, sometimes called cube utilization, never shows up on the pallet invoice. But it shows up on every freight bill that follows. A standard-size pallet and right-sized packaging leave less wasted space in a truck. More product fits per load, which means fewer trucks, less fuel, and lower shipping costs.

It's also one of the few cost fixes that helps two things at once. Fewer trucks for the same amount of product saves money and looks good on a sustainability report. That combination tends to get noticed at the top.

Buy or Rent? The Lifespan Question

A newer question procurement teams are asking: should we own our pallets, or rent them through a pooling network like CHEP or PECO? Pooled and heavy-duty plastic pallets cost more upfront, but they last longer, which can even out the cost over time. The right choice depends on how many trips a pallet makes, how many get lost, and how tightly a company controls where its pallets go. There's no single right answer.

Grade-A recycled pallets solve a different problem. They're not really about lifespan. They're a way to protect part of a purchasing budget from swings in lumber prices, without switching suppliers or materials altogether.

Where Buying Together Helps, and Where It Doesn't

When different plants or teams buy pallets separately, the company loses buying power. Combining that spending under fewer, trusted suppliers is how procurement teams get better pricing and stop losing money to off-the-books purchases made outside an approved agreement.

But buying together and buying direct from a manufacturer are two different moves, and they don't have to happen at the same time. A full-service pallet program is one way to combine spending. Going straight to a manufacturer is another, and it removes something the total-cost math above cares about a lot: the markup that sits between a plant and its pallets. If a company has already standardized its specs and combined its volume, the next question isn't just who to buy from together. It's how many hands the pallet passes through before it reaches the dock.

A Backup Supplier Without the Extra Work

Supply chain problems over the last few years taught procurement teams something simple: the cheapest supplier is a risk if they can't deliver when it matters. That's why more companies now keep a backup supplier in place, a main source and a second option, so one shortage doesn't shut down a line.

The idea is right, but companies often make it more complicated than it needs to be. A backup plan doesn't require five vendors or a full outsourced program. It just needs one thing: a second, direct relationship that's already set up, so it doesn't add cost or extra coordination on top of the first. That's a much smaller lift than most people think, and it's the exact thing that's easy to put off until the week it suddenly matters.

None of this means a company has to rebuild its whole pallet strategy overnight. It means treating pallet spending the way procurement already treats every other category that touches freight, labor, and risk: judged on total cost, not price tag, with more than one place to turn when the first supplier comes up short.