The Benefits of Better Packaging: Case Studies

How BillerudKorsnäs Helps Global Brands Improve Packaging Performance and Realize Savings Throughout the Supply Chain
WORLD-FAMOUS BRANDS ARE ALREADY BENEFITING FROM BETTER PACKAGING

For more than 20 years, BillerudKorsnäs has helped global brands obtain full packaging control, increased packaging quality and proven supply chain savings. We challenge conventional packaging for a sustainable future, and in the process help our clients identify opportunities to reduce costs and be better stewards of the environment.

With global design and engineering centers and more than 75 qualified packaging partners, we optimize and deliver packaging to over 3,000 OEMs in China and Southeast Asia. The result for our customers? One contact. One network. Full packaging control.

Pillars of Success: How We Help Our Customers
Specific results vary from case to case, but examples of typical outcomes of Managed Packaging projects include:

- **Freight Savings** – 15% ocean freight savings and 30% air freight savings thanks to compact, lightweight packaging and better space utilization.
- **Product Protection** – 50% improved product protection with fewer damaged goods.
- **Packaging Reuse** – 80% improvement in packaging reuse at distribution centers.
- **Unit Cost Reduction** – 15% unit cost reduction.

Managed Packaging drives efficiency with a single point of contact, giving you:

- **Supplier Coordination** – We coordinate with packaging suppliers and OEMs across the supply chain through our international network of production partners.
- **Quality Assurance** – We ensure quality all the way, including packaging durability, color reproduction and the rendering of your brand in print.
- **Performance Monitoring** – We make sure the manufacturing and delivery of your packaging runs smoothly and efficiently, saving time and cost.
- **Packaging Optimization** – Packaging optimized for your supply chain. Ensuring packaging is tailored to specific dimension requirements, the amount of raw materials needed, energy consumption and transportation are reduced – resulting in less waste.
- **Packaging Implementation** – We provide your OEM suppliers with packaging optimized for your specific supply chain requirements. We also ensure your OEM suppliers are appropriately trained and work effectively with your packaging – even if you change suppliers.
- **Packaging Supply** – We supply your optimized packaging through our international network of production partners.
- Managed Packaging delivers measurable sustainability

- 15% CO2 on ocean freight due to compact packaging with less empty space inside
- 30% CO2 on air freight due to compact and lighter
New carton assignment processes were also created with improved packaging materials specified, resulting in packaging and overall supply chain optimization.

**Result**
Reduction in freight costs alone yielded savings of $1.3 million per year. The direct savings from packaging was also substantial due to leveraging volume savings and better materials. An increase in the reuse of inbound packaging for outbound use also contributed to operational savings and improvements of the company’s sustainability performance.

**Challenge**
Our customer was a high-volume fashion shoe producer with production in Asia for transport mainly to European and American markets. The company’s shoe box design was not optimized for their product or their supply chain. Only six of the primary packaging sizes fit well, which led to excessive packaging and additional costs throughout the transport chain. Poor packaging also meant poor utilization of container space. To make matters worse, the packaging quality was inconsistent with the customer’s branding.

**Solution**
Our technical team reviewed the customer’s entire value chain to identify opportunities for improvements and cost savings. The number of carton sizes was increased, which resulted in optimized packaging for more footwear products.

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**Highlights**

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<td>Reduced freight costs: <strong>$1.3 million</strong></td>
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<td>Packaging savings: <strong>15%</strong></td>
<td>Increased efficiency in <strong>DC operations</strong></td>
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packaging quality in all manufacturing countries. Moreover, our customer had optimized its packaging portfolio several times prior to coming to us. The challenge for BillerudKorsnäs was to prove that there were still potential cost savings that could be achieved.

**Solution**
Our technical team reviewed the customer’s existing shoe packaging portfolio, making sure that they properly fit each shoe size. We also standardized material usage and reduced complexity, resulting in unified technical packaging specifications in all countries for all the customer’s brands.

**Result**
Our efforts helped the customer realize exceptional operational savings. TCO cost reduction alone yielded an impressive $1.2 million in savings just in the first year. Reduced complexity and stringent technical specifications also resulted in higher box quality and more consistent quality across the entire packaging portfolio.

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<td><strong>Better and more consistent quality</strong> throughout sourcing countries</td>
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footwear was produced. The packaging had to be optimized while keeping supply chain and packaging costs under control. Additionally, the new packaging needed to promote sales better than the existing boxes.

Solution
Our technical team reviewed the entire value chain to identify cost reduction and operational improvement opportunities. We designed three different boxes, proposed new manufacturing technologies that would improve the durability of the packaging, and introduced new materials with the aim of reducing our customer’s costs.

Result
The customer benefited from exceptional operational savings. TCO cost reduction alone yielded an impressive $1 million in savings. The customer also reported significant savings on annual packaging spend (20%) due to the new production technologies and processes we introduced.

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**ON THE MOVE WITH QUALITY AND STYLE**

“The great combination of savings, packaging quality and brand image”

BillerudKorsnäs helped a global footwear company reduce freight costs and packaging spend while strengthening the brand image. Our high-quality packaging redesign made the boxes stand out on the store shelf, while at the same time making a significant contribution to the environment thanks to improvements in sustainable packaging and supply chain optimizations.

**Challenge**
Our customer was a fast-growing, exclusive and innovative sports shoe producer with high demands from American and European consumers. The company needed to relaunch its brand with a new box design made from high-quality materials. The box had to withstand the brutal supply chain from Asia, where the footwear was produced. The packaging had to be optimized while keeping supply chain and packaging costs under control. Additionally, the new packaging needed to promote sales better than the existing boxes.

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<td>Improved brand image through <strong>exclusive packaging design</strong></td>
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PRIME PERFORMANCE INSIDE AND OUT

“Boosting brand value with uniform packaging”

Steeped in Swedish engineering, Primus has been globally recognized for pioneering outdoor cooking since 1892. When they set to work on a total rebranding of their primary packaging, they chose BillerudKorsnäs to help increase shelf visibility and improve packaging performance.

Challenge
Primus, the expert in top-of-the-line outdoor equipment, produces cooking stoves, vacuum bottles, cutlery and lanterns. Primus needed a packaging model that enabled better control of manufacturing complex retail packaging solutions in China.

Solution
BillerudKorsnäs delivered structural designs, printing specifications and manufacturing expertise in China as well as quality assurance and color consistency. The sourcing of packaged from China was simplified with BillerudKorsnäs providing support both locally in Sweden and to Primus suppliers in Asia, as well as during the implementation phase when our production partner in China began producing the new packages for Primus.

Result
BillerudKorsnäs is now the single point of contact for Primus during their entire packaging process, from development to implementation. The new Primus packages are made from BillerudKorsnäs Liner, a material chosen for its excellent quality and performance as well as its ability to communicate the unique quality of Primus products. A comprehensive review of the company’s product packaging has so far resulted in the delivery of over 140,000 new packages.

Highlights
- Created a uniform appearance
- Support from idea to implementation
- Simple sourcing of packages from China
- Single point of contact
- Quality assurance with guidelines and standards
WHAT'S ON THE OUTSIDE ACTUALLY DOES MATTER

Substantial savings through packaging performance

A global apparel company achieved substantial cost savings with an optimized transport packaging system. The company’s boxes were made lighter and stronger, resulting in less waste throughout the supply chain and significant operational savings. BillerudKorsnäs was there all the way—from ideation to implementation.

Challenge

Due to most of its production taking place in Asia, the apparel company contracted more than 400 different OEMs in China to manufacture and pack its products. The company spent a lot of time and resources coordinating with OEMs and making sure the right packaging reached the right OEM at the right time. The quality of the packaging itself also varied a great deal and was often poor. The automatic handling systems in their distribution centers suffered from low productivity due to a high amount of broken boxes and a variety of sizes and design, which required costly manual handling.

Solution

Sometimes, quality and uniformity are everything—especially when it comes to packaging. BillerudKorsnäs’ technical team developed a completely new packaging portfolio using high-quality material and a uniform design that facilitated opening of the boxes at the distribution centers. BillerudKorsnäs was also contracted to manage the entire logistics chain, from receiving the OEM orders to delivery of the new packaging. We became the company’s single point of contact with the OEM suppliers to initiate the new packaging system and coordinate supply. We also trained the personnel at the OEM factories to ensure successful implementation.

Results

10 million boxes annually have been included in the new system and distributed from China, and today BillerudKorsnäs handles over 1,000 orders per week (no claims due to poor packaging have been reported at the importing location to date). The customer has achieved substantial operational savings: 15% cost reduction from packaging as well as indirect savings through increased efficiency at its distribution centers. The automatic handling now functions according to plan, with improved productivity. We maintain quality by ensuring that packaging specifications are maintained at every delivery, which is now on time and the logistics puzzle is solved.

Highlights

• 15% savings in total packaging costs
• New packaging design with improved functionality
• One point of contact for successful implementation
• Increased efficiency at the distribution centers
THE PERFECT MATCH FOR A DEMANDING SUPPLY CHAIN

Exceptional savings with the right transport packaging

You must look at the entire picture to achieve maximum cost savings. This is what we do at BillerudKorsnäs, and it’s what helped us significantly cut a global apparel brand owner’s supply chain costs and transports substantially. By completely redesigning their transport packaging portfolio, the company was able to reduce costs while increasing sustainability.

Challenge
Our customer produces millions of garments annually in Asia, for transport mainly to European and American markets. This requires many sea freight containers. The company’s packaging design was not optimized, which led to poor utilization of container space. Even though the double-walled cartons were heavy, the company also incurred unnecessary product waste due to poor-quality cartons.

Solution
BillerudKorsnäs’ technical team developed a new 3-carton system that saved transport volume by cubing out a 40-foot container to 98 percent. The new material was a high-quality, low-weight, single-wall material which could be reused outbound to retail stores. Furthermore, the design was optimized for automated handling at the distribution center. Not only does BillerudKorsnäs supply the packaging, but we also trained the OEM factory’s personnel to successfully implement the new packaging system.

Result
The customer benefited from exceptional operational savings. In total, an impressive $50 million annually. Most of these savings are related to supply chain, mainly from increased transport volumes. There were also substantial savings from packaging materials as well as from increased packaging reuse at the distribution center. The system resulted in improved sustainability performance.

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<td>$10 million</td>
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<td>Freight savings for sea transport:</td>
<td>$30-40 million</td>
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<td>Packaging material reduction:</td>
<td>30%</td>
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<td><strong>Total Savings</strong></td>
<td><strong>$50 million annually</strong></td>
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RETHINKING THE BOX: THREE OPPORTUNITIES TO CHALLENGE YOUR PACKAGING

World-Famous Brands are Already Benefiting from Better Packaging

Innovative packaging solutions are among the most overlooked areas for supply chain savings and sustainability improvements. But not by us. Our technical team develops and optimizes transport and retail packaging that guarantees to lower costs and reduce your carbon footprint. Want to see how it works? Here are three examples of opportunities to improve your packaging, no matter what you make or what you ship.

Opportunity to replace EPS

The global sustainable packaging market is projected to reach $440 billion by 2025 thanks in large part to growing consumer demand. Corrugated materials are fully renewable, biodegradable and easy to recycle—features that are also in line with the shifting preferences and priorities of today’s eco-conscious consumer. This sustainable alternative to expanded polystyrene packaging (EPS) will also help your brand stay ahead of the competition in U.S. markets that have banned plastic foam.

Improvement opportunity: 100% renewable and biodegradable.

Opportunity to eliminate plastic components

With integrated corrugated handles instead of plastic ones, you get a sustainable packaging solution that benefits your brand image. Eliminating plastic packaging components can also yield significant cost savings across your entire packaging portfolio. Furthermore, replacing plastic with corrugated materials will align your brand with the growing sustainability movement among retailers, producers and manufacturers.

Improvement opportunity: Cost savings up to $0.07 per package with integrated handles.*

Opportunity to maximize utilization of space

Smart packaging design with cube optimization can result in substantial savings. Corrugated inserts, for example, result in lighter packaging solutions that demand less space. Better utilization of container space can reduce the number of shipping containers needed, and the better and more efficiently you pack your products the more packages you can stack into a container.

Improvement opportunity: 10% or better ocean freight savings.*

*Results may vary from case to case

SOURCING PRODUCTS IN ASIA?
LET US TAKE CARE OF YOUR PACKAGING NEEDS

With the simplicity of only one point of contact, BillerudKorsnäs gives brand owners full packaging control by delivering optimized corrugated packaging directly to more than 3,000 OEM suppliers throughout Southeast Asia. Together with our partners, we look over your entire supply chain in our commitment to help brands reduce costs (and their carbon footprint) without compromising quality.

TAKE FULL CONTROL OF YOUR PACKAGING SUPPLY CHAIN

FIND OUT MORE