

Performance Validation Confirms Cost Reduction Goal Case Study

Background

In today's hyper-competitive marketplace, fast-moving consumer goods manufacturers continually seek ways to improve their products while reducing costs. One component that receives significant attention is packaging. Manufacturers and their suppliers innovate constantly, seeking ways to make product packaging lighter, stronger, more efficient, more sustainable and more attractive to consumers.

The beverage sector is no exception. Demanding consumers want packaging that is convenient, sustainable and attractive, and are loyal to brands that provide products and packaging that meet their lifestyle needs and preferences and are in lock-step with their social values.

As part of its marketplace growth strategy, a nationally-recognized beverage manufacturer of beverages decided to modernize its primary and secondary packaging to reduce input costs and turned to the CHEP solutions team for answers.

The Solution

The manufacturer's goal was to find packaging alternatives that matched or exceeded the performance of existing materials while reducing costs. To meet the challenge, CHEP's experts at the CHEP Innovation Center developed a proprietary protocol for testing the performance and input costs of a wide variety of packaging options for the product's bottles, cardboard containers and polymer stretch wrap.

CHEP's protocol tested unit load components for each type of packaging at every step of the supply chain to evaluate the impact of real-world conditions on each product and various combinations of packaging. Different bottle weights, corrugated cardboard formulas and stretch wrap thickness variations were tested under simulated transportation and warehouse scenarios, including performance under extreme temperature and humidity conditions.

Product from each unit load configuration was inspected after each test for evidence of packaging failure.

The Results

After three days of rigorous testing of numerous packaging options and configurations, CHEP provided its beverage manufacturer client with data to support the optimal bottle weight, corrugate weight and stretch wrap thickness that reduced cost while maintaining packaging performance. The manufacturer saved more than \$500,000 annually by optimizing its primary and secondary packaging based on CHEP's packaging performance investigation.

Customer Testimonial

"Reducing input costs is a constant focus for our company. When we looked to reduce the cost of our primary and secondary packaging, CHEP's help was invaluable. We know we can count on CHEP's expertise and we trust their results. It is a perfect partnership."

Manager, Packaging Innovation
Beverage Manufacturer

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