



Fulfilling Packaging's Potential

Solving complexities in the supply chain



The Power of Less[®]

To understand the supply chain challenges that businesses face, we surveyed **300 executives** who are responsible for supply chains, procurement, packaging, commodities or sustainability.

All respondents work at manufacturing companies across **four key sectors**: automotive, electronics, chemicals and pharmaceuticals. We have compiled some of the most interesting findings.

Increasing pressure on supply chains

Global supply chains are fragile and sensitive to disruptions. Recent events like COVID-19 and the war in Ukraine forced businesses to rethink operations which made many supply chains less resilient, cost-efficient and risk-free.

These disruptions collide to create complications in an increasingly competitive environment. Businesses must reposition logistics, procurement, sustainability, labour, packaging and more. Innovative packaging can help streamline these processes.

300

executives with responsibility for supply chains surveyed from these key sectors:

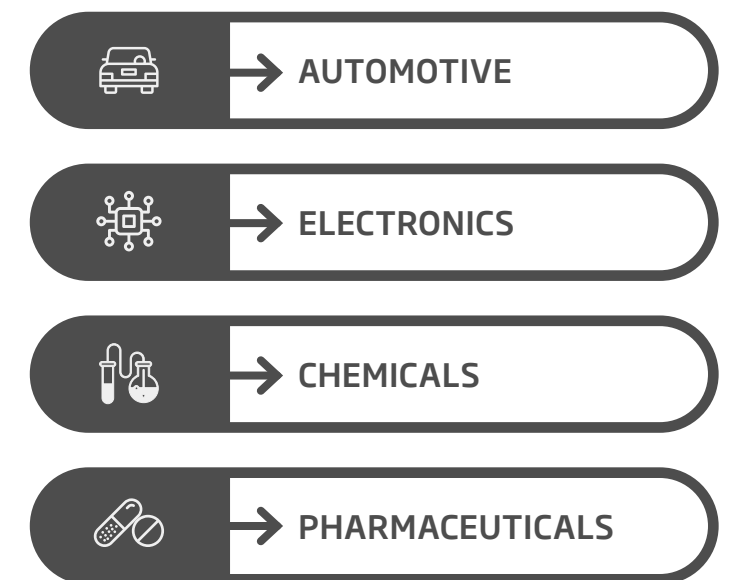
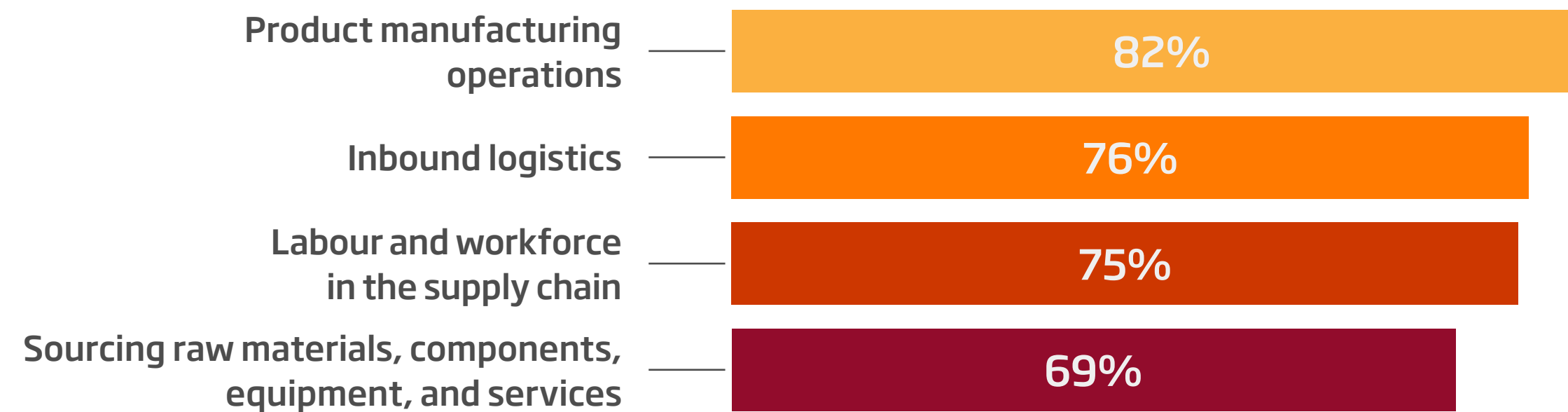


FIGURE 1

THE 4 BIGGEST CHALLENGES

We can understand the challenges supply chain managers face by identifying their main concerns. According to the respondents, four areas dominate supply chain complexity:



Packaging: discover its untapped potential

However, only **28%** of respondents view packaging as 'somewhat' or 'extremely' complex. In fact, most respondents feel they have it under control: **63%** say they understand the full impact of packaging solutions and can measure the result across their supply chain.

However, many respondents struggle to measure its contribution to strategic targets across the entire end-to-end supply chain. For example, only **25%** place 'use of packaging in our logistics operations' among the top three focal points in their supply chain. This shows that they fail to see the potential benefits and transform their supply chains.

Better-designed packaging can be engineered and aligned with logistics needs. This flattens the end-to-end supply chain, eliminates touchpoints and reduces waste, resulting in higher efficiency.

Small changes with a big impact

Most manufacturers acknowledge the potential of packaging to address that growing complexity and are adopting new and innovative solutions as a result.

Many survey respondents would be willing to increase their packaging spend by 5% to 10% to realise a **5% to 15%** reduction in overall supply chain costs.

Small improvements to packaging dimensions, shape and material can multiply over thousands of items, driving savings. Directly by reducing transport costs, and indirectly by minimising administration, labour and handling requirements.



A recent pilot project with a manufacturer will deliver savings of

\$2 million

a year based on an upfront packaging investment of just

\$100,000

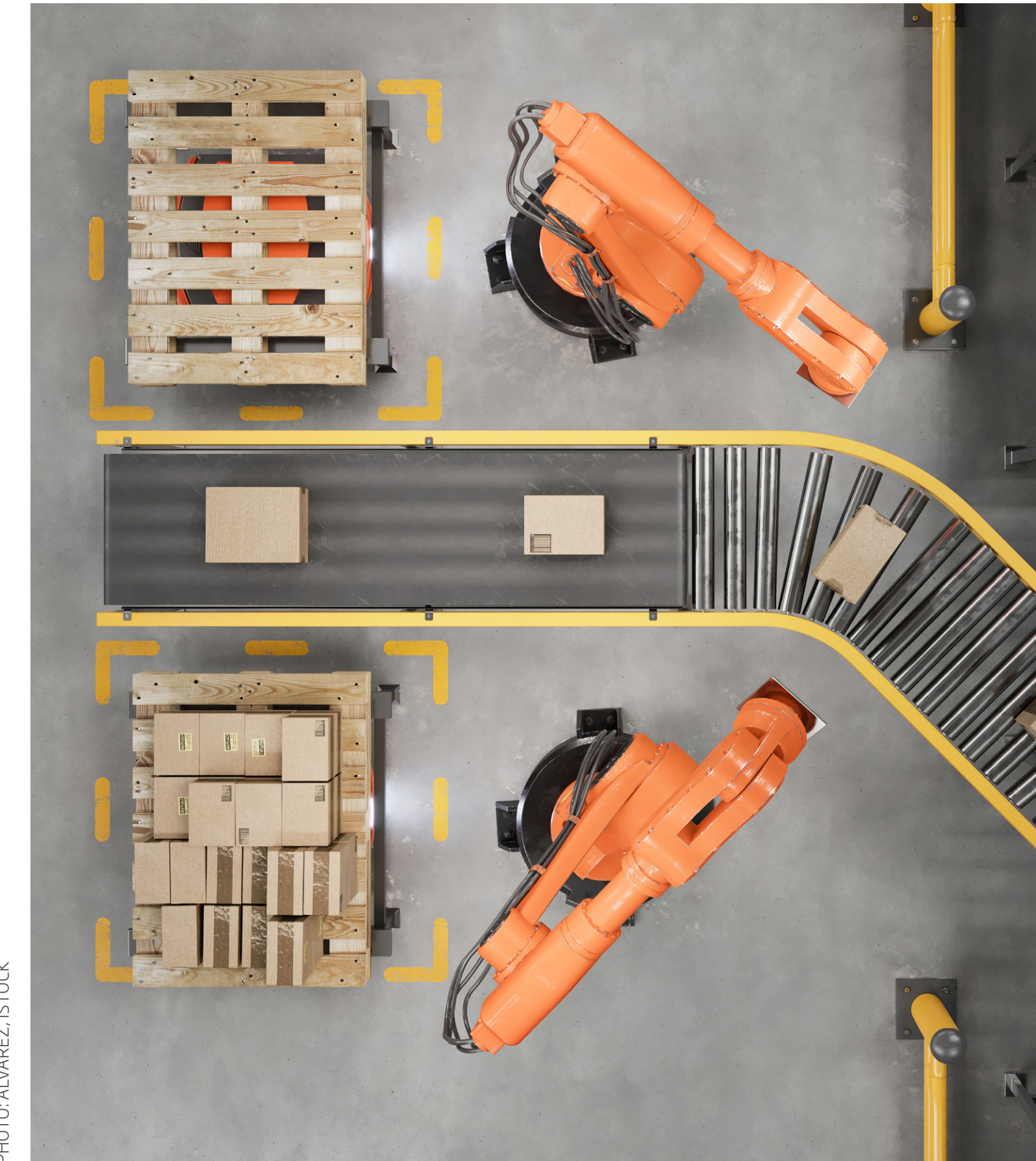


PHOTO: ALVAREZ, ISTOCK

Companies leading the way

For businesses that source or send materials between multiple countries, international transport costs quickly add up.

24% say they have optimised their packaging for logistics efficiencies, waste reduction, and sustainability already. And nearly half (**47%**) plan to optimise their packaging for efficiency, waste reduction and sustainability within the next year.



47%

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Packaging: an end-to-end solution

Our research highlights the current perspectives and the good work companies are already doing. Simultaneously, it reveals the complexities and challenges of embracing packaging as an end-to-end solution.

For those prepared to invest in packaging, substantial benefits lie ahead. Optimised packaging contributes to flattening the supply chain and reducing

touchpoints, and it helps companies meet legislative requirements and work towards sustainability.

This is where packaging partners can help. We help businesses uncover opportunities to save – both directly and by simplifying and streamlining the process – and understand when it makes sense to invest. This helps us to collaborate with our partners and present end-to-end solutions that balance cost control, sustainability and a supply chain that works better for everyone.



Solving complexities in the supply chain

Want to know more?

This report is a concise summary of the full optimisation report. To find out more about this study and its findings, you can download the complete version online. Go to <https://www.dssmith.com/media/our-stories/2023/1/supply-chain-optimisation>.

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