



Fulfilling Packaging's Potential

Tackling cost, inefficiency and risk



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.

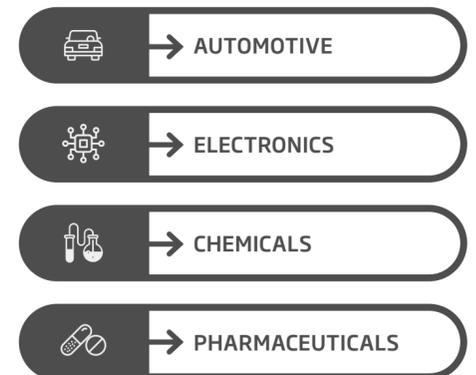
Increasing pressure on supply chains

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

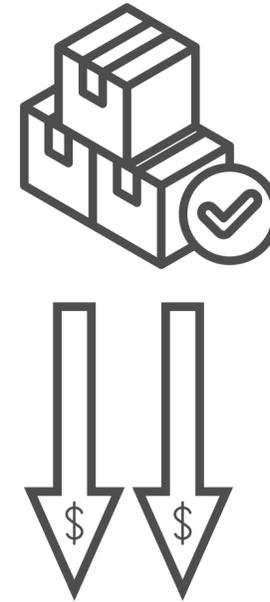
executives with responsibility for supply chains surveyed from these key sectors:



Opportunities to cut costs and reduce risks

Manufacturers acknowledge the potential for optimised packaging to address the costs, inefficiencies and risks created by their complex supply chains. However, they do sometimes struggle to connect the necessary investments to their strategic goals.

When it comes to reducing costs and inefficiency, respondents say that the biggest opportunities lie in limiting logistics costs. By using the right packaging specifications **(56%)**, ensuring compliance with environmental legislation **(52%)**, and increasing picking and packing speed **(39%)**. This is particularly important in a world of ever-changing container prices and transport costs.



56%

see using the right packaging as the biggest opportunity to reduce logistics costs

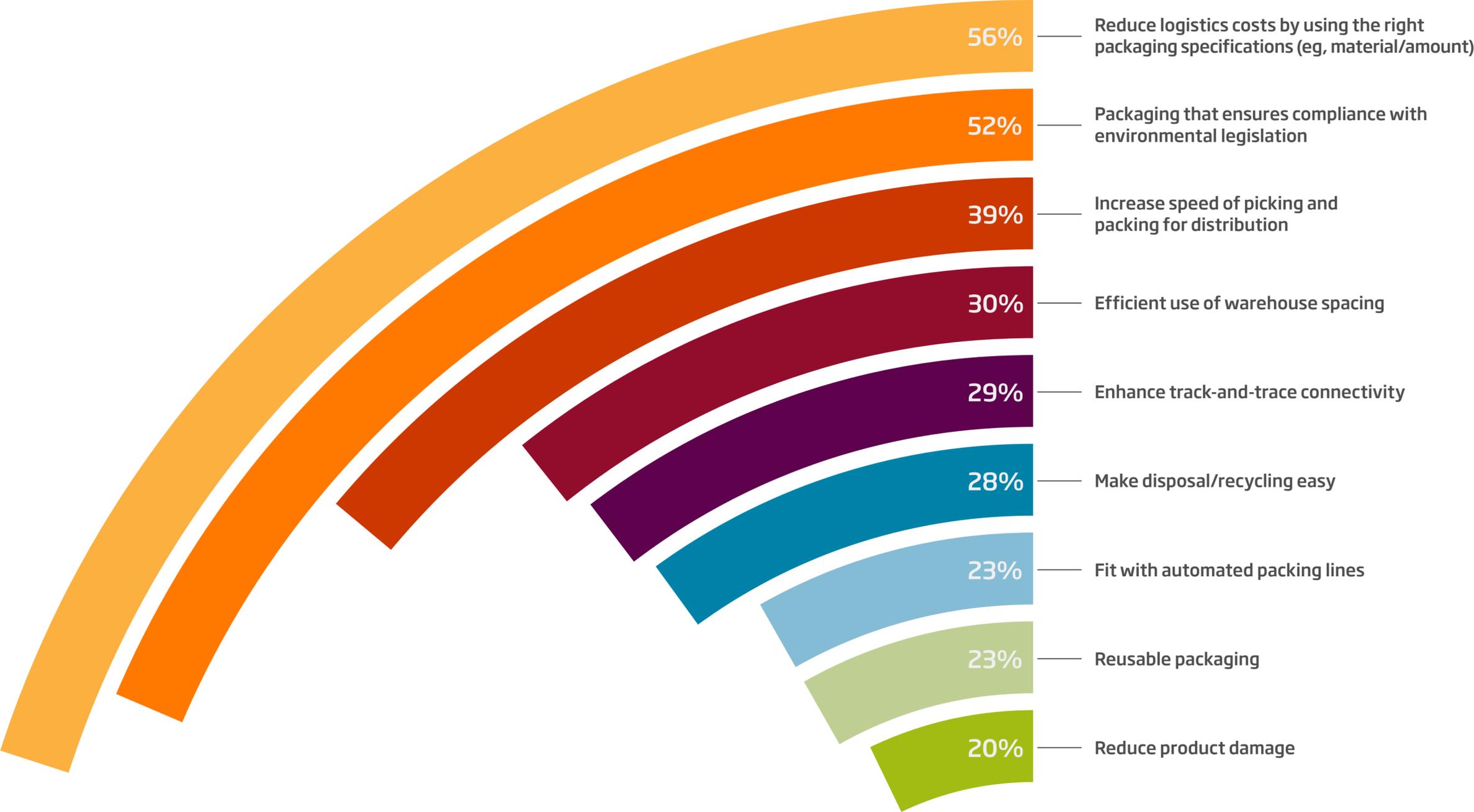
Complying with legislation

For **75%** of respondents, using packaging to comply with environmental or hazardous goods legislation is the top opportunity. **68%** see environmental conditions and quality as a top benefit.

This suggests packaging solutions should be designed with a thorough understanding of existing and upcoming legislation, and supported by rigorous testing, consulting and certifications.

FIGURE 1

Q: When thinking about managing risks within your supply chain, what is the most important attribute that optimised packaging solutions could bring to the table?, % ranking as priority 1, 2 or 3



Why don't manufacturers make better use of packaging?

There are several things keeping manufacturers from making better use of packaging solutions. The mindset that views packaging as a cost to be minimised, for instance. Or the inability to link investments in packaging to business outcomes.

For example, **63%** say it is difficult to connect the benefits of packaging solutions to user satisfaction, and **57%** say the same about strategic business objectives.



63%

say it's difficult to tie packaging's benefits to end-user satisfaction

The importance of business cases

Every decision made about packaging comes down to reducing cost or realising value. This means that we need to have business cases that connect packaging investments to savings elsewhere. The latter come from multiple sources: direct cost savings, streamlining and waste reduction, logistics efficiencies or risk avoidance.

How can your packaging partner help?

Clients may not have the time, resources or insight to dedicate to an in-depth analysis of their supply chains. A packaging partner can fill in the blanks. They will use their expertise to analyse your supply chain and identify key areas for improvement.

A packaging partner can then offer detailed business cases on how end-to-end consulting and design can reduce costs. In addition, packaging partners offer expertise on sustainability and the circular economy, areas that are becoming increasingly important.

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.

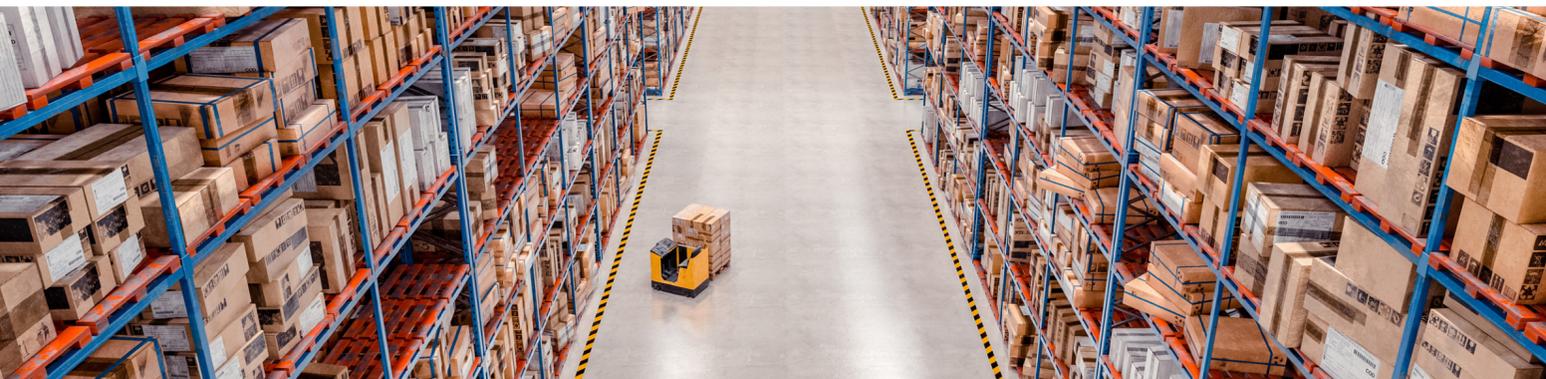


PHOTO: ADOBE STOCK

Tackling cost, efficiency and risk in your 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>.

Fulfilling Packaging's Potential

