

## *“Is your Packaging Making or BREAKING you?”*

*Are your products being protected along with your image and reputation?*

Get this wrong and it could cost you more than just the damaged goods you need to credit and replace to your customer.

# **SPECIAL REPORT**

**REVEALED: The 6 most common and avoidable packaging mistakes made by most Australian Companies.....**

It's definitely worth you taking out 10 minutes to read this special report.....Following are examples of situations happening right under your nose that you may even be aware of.....don't feel bad, you're definitely not alone and there are some minor things you can do for instant and impressive results.

Whether you use packaging for protection, unitization, presentation or all three together, it's important you understand the implications of getting it wrong and how this can affect your customers perception of you and your products.

**The 6 most common and inexpensively avoidable packaging mistakes made by most Australian companies .....**

### **Mistake Number One – Non-Functional Packaging**

You don't have to look too far today to see examples of companies who use non-functional packaging for their products. By 'non-functional' we mean that the packaging has not fulfilled the purpose for which it was intended – to *protect* the product, provide advertising and relate an image of your company . Let's assume that a product and the packaging has arrived to the customer damaged.

Where a consumer is concerned, they don't care where or when it happened, they are annoyed because the product they purchased for a specific need is of no use to them because it has arrived 'non functional' or *damaged*– a direct result of your packaging!

Question 1 - Are your products currently using functional or non functional packaging?

Do they:

- Look Good?
- Are they presentable?
- Are you happy with the way they look and portray your company and the image they advertise?
- Do your products get to all of your customers undamaged?

**Mistake Number Two – semi functional packaging**

Believe it or not, Semi-functional packaging is probably the largest problem most companies in Australia face today and here's why –

Semi-functional packaging is not as obvious. Your products and the packaging works most of the time, but sometimes goods are returned on occasion due to damage during delivery. - costing you money. You might even start to look at your return rates as a percentage of deliveries or dispatch.

The truth is that if you look at return rates of between 5-10% then chances are you have 'semi functional packaging - where you can't guarantee 100% that there will be no problems with your products making it to your clients in one piece.

Semi functional packaging does cost your business money. Do you want it '**Costing your business its brand or reputation**' as well?

Question 2 – Are your products currently using functional or semi functional packaging?

Hint – Do you -

- Experience a percentage rate of returns for damages from your clients from time to time
- See that the packaging looks ok, but maybe isn't robust enough?

Chances are it probably isn't functional if you are asking yourself this question.

**DID YOU KNOW – that on average consumers share a good experience with 5 people and a bad experience with 13 people!**

### **Mistake Number Three – Using the cheapest vs the most effective packaging -**

There's no doubt that for any business, keeping your costs down and shopping around for the best products is vital. We wouldn't be doing our jobs and running our business efficiently if we didn't. However, as the old saying goes 'you get what you pay for' and there are usually compromises to be made and this can be particularly true for packaging. The reality is that opting for the cheapest packaging method may not save you money – in fact it may end up costing you money.

Here's a few examples.

<u>PRODUCT</u>	<u>CHEAPEST OPTION</u>	<u>MOST EFFECTIVE OPTION</u>
<a href="#">Packaging Tape</a>	- Need to go over carton 3 or 4 times	- One piece of tape only
<a href="#">Cardboard Boxes</a>	- Cheap fluted cartons, lots of tape & staples	- Stronger carton
<a href="#">Void Fill</a>	- Meters of Bubble Wrap filling cartons	- Fill-Air Void Fill bags
<a href="#">Pallet Stretch Wrap</a>	- Go around the pallet 12 times	- Go around pallet 7-8 times

### **Question 3 – Are you using the cheapest or the most effective packaging materials?**

Do you –

- Frequently shop around for the best price and not take the time out to assess the new products performance?
- Have you taken on some different cheaper brand products which are significantly cheaper, but finding that your overall packaging costs really haven't moved as much as you expected, or not really saving you any money or time at all?

### **Questions to ask yourself when sourcing cheaper packaging.**

- If this product is cheaper, do I need to use more of it?
- Will this cheaper product have an effect on down-stream processes?
- Will it take longer to use?
- Will it be functional for its required purpose?
- Have our returns increased since using this cheaper product?
- Has there been productivity improvements/losses since using this product?
- Has our overall packaging costs reduced, increased or remained the same?

**DID YOU KNOW :** First impressions are lasting impressions, not only for people, but also for products and companies? Your new customers will formally and informally be judging you on everything for the first few transactions, going the cheaper way on packaging may cost you more in the long run.

## **Mistake Number Four – The real cost of ineffective packaging to a business**

How do you quantify the value and true cost of your packaging?

What tests do you conduct to determine if it is functional?

What measures do you use for comparison?

What are the options to improve or fix problems, failures or bottlenecks?

Some of the many questions well worth asking if you haven't considered these facts yet.

### Quantitative Analysis vs Qualitative Analysis

Your Quantitative Analysis is the number crunching part which determines the actual costs of what your packaging consumables and processes cost you. This is fundamental in determining your actual product costings and operational profitability. Qualitative analysis is unable to be quantified and determines how the ineffective packaging has affected things like quality of your company image, the happiness or frustration of your customer. For example, let's say your current packaging method is semi functional, and that you have an average return rate of 7%, what is it really costing you? The quantitative method would be used to assess costs such as:

- Freight costs of returning the product
- Cost of replacing or repairing the product
- The labour costs or repairing/reworking the product
- The cost of packaging to repack the product
- Freight costs of resending the product express

The Qualitative costs would be:

- Customer frustration of receiving your product damaged
- Customer frustration of having to contact you to organize a replacement
- Customer frustration of having to wait longer for the product to be replaced
- Customer devaluing the quality of your product as a result of the experience
- Customer choosing a competitors product for their next orders or future business
- Customers communicating a bad experience of your product/service to others
- Reputation of your product, brand or company being inferior or not good value for money

Sometimes the smallest 'tweaks' in your business can have compounding positive or negative results.

### Question 4 –

- When was the last time you assessed the 'Quantitative' costs in your operation in regards to packaging?
- Can you put your finger on exactly where your packaging fails your company?
- Is it the same problem every time or a different one each time or a bunch of the same problems?
- What are the 'Qualitative' costs of getting it wrong to your business, (do you really understand the impact this could be having on your profitability?)

**DID YOU KNOW** – The real answers lie with your customers! If you ask them what they like or dislike about your products and the way they receive it, or the way it's presented, they will most likely tell you the truth about its performance and their perception of your product and company – also referred to as a 'Customer Satisfaction Survey'.

### **Mistake Number Five – Wasting time solving your suppliers problems**

Managers and workers waste many good productive hours fixing problems that their suppliers should be solving for them! If a product doesn't work over and over again do you try to fix it – or do you go to the supplier of that product?

When it comes to sourcing packaging products, if your suppliers are not professionals at what they do, then you should seriously reconsider. Like anything, you need to employ and deal with companies that have proven competencies and are qualified in their industry.

Choose your suppliers carefully, maybe create a checklist of 'must haves' to determine what companies you want to deal with. When you do this exercise, you may even find that there are some current suppliers that don't qualify to be dealing with you....

#### **Question 5 – Warning signs of using ineffective packaging suppliers**

- If you encounter a problem, are they recommending the solution or are you normally the initiator?
- Do your suppliers periodically audit your operation for you to see if their products and processes are holding up?
- When you encounter a problem, do your suppliers take initiatives and prompt action to meet with you and take a genuine interest to solve your problem?
- Do you lack confidence in the ability of your suppliers to solve your problems?
- Do you find yourself re-working, repacking or making changes in your packing operation to make allowances for, or compensate for ineffective products or processes?
- Do your labour staff provide negative feedback, and complain about using particular materials/systems or processes?

### **Mistake Number Six – Choosing the correct partner vs a supplier.**

This distinction alone can be the difference between getting it right, and otherwise paying for someone else's incompetence. When looking for and appointing your packaging suppliers, make sure that you are teaming up with a company who is going to allocate resources to your cause. Choose a company who has a professional structured approach to diagnosing your needs, and then prescribing the best possible tailored solution for you.

*YOU NEED TO FIND A PARTNER – NOT A SUPPLIER!*

What's the difference you ask?

Well, a partner understands that helping to improve your sustainability and profitability is in their best interest. If you have solutions that are viable and sustainable, then you are going to be a customer long term, you are going to be part of their business, so they are going to invest in you, in your best interests, what's right for your requirements, not what suits their GP or what's easiest to sell.

As for a suppliers, well that's just it, that's all they are really going to offer you, a number of transactions each year where you place an order with them when you require their product and they supply it. They may send a sales rep around every so often to make sure you are still happy to conduct this transaction with them rather than one of their competitors. They really cannot offer you any technical substance and support, lack the technical understanding of how packaging and automation works, and don't discuss what other options are available to you and what effect this will have on your overall productivity, and most importantly your bottom line.

*Do you currently deal with suppliers or do you have partners providing solutions?*

At Get Packed we view all of our customers as partners.

This partnership starts from day one, our first consultation with our clients does not involve any selling, that's the last item on the agenda, the first item is assessing what your current situation is.

This is achieved by asking you and your staff a series of structured questions, reviewing your operation to understand your current processes, your current packaging methods, your products uniqueness and packaging requirements. We conduct time in motion studies within your organization to understand the current mechanics of what your staff do, how long it takes them to do it and understand how much it really costs you.

First you must diagnose the problem, then and only then, can you prescribe a cure or solution to the problem, where a predictable and measureable outcome is the result!

### **THE PACKAGING AUDIT & VALUE ANALYSIS**

When was the last time a professional organization came into your company and conducted an audit in your packaging area with your products and processes?

Most companies charge thousands of dollars for audits and reports detailing recommended solutions which also include details information and recommendations, including costing schedules and saving projections attached to them.

**YOU CAN HAVE ALL THIS FOR FREE**

Here is some of what you will get after a Get Packed expert conducts an audit on your packaging operation and submits your value analysis.

Up to a full day visit to your operation where we will review & analyse your current packaging operation and methods

A full time in motion analysis of your current packaging methods

Obtain information on breakages and return rates, highlight key areas of any packaging failure (current or potential) and pinpoint where in the distribution cycle this is occurring and why

Identify opportunities to reduce your packaging materials used i.e. (reduce number of carton sizes/SKU's) etc.

Identify opportunities to reduce your labour costs and introduce \$ savings through reduction of headcount, or show you how to increase your efficiency and throughput with your current labour headcount.

Provide you with a detailed report which highlights your REAL current packaging costs, and recommendations with an action plan on how to reduce your packaging costs, and save your company thousands of dollars annually, while eliminating your breakages and product returns.

This is a genuine no risk offer, no money to outlay, no forms to fill in or sign and no obligation even to purchase anything. The only investment you will need to make is some of your time to explain your businesses packaging needs and problems to us.

Give us a call TODAY at 94523566 and have a trained professional provide you with a tailored solution to your packaging problems. Even you don't feel you have any issues at present give us a call and one of our professional sales team would be able to have a look and make sure you are doing everything in the most cost effective and efficient way possible.

Ring today to make an appointment – This could be the biggest money saving phone call for your business this year...

**Get Packed Pty Ltd (02) 9452 3566 or email –**  
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