

The Case of the Hand-work Hassles

On demand, right-size packaging cuts costs and creates a lean supply chain for a Fortune 50 appliance manufacturer.



The Problem:

This network of high volume service parts operations relied heavily upon manual and semi-automated pack methods due to the sheer number of over 75,000 part SKUs and products that are susceptible to varying degrees of damage. The operation created over 60 different corrugated boxes to support the mix of products they pack and ship. These boxes took up a tremendous amount of pallet locations and created stress on the picking and material handling operations. Even with the number of different boxes, they were still using too much void fill and shipping too much air. The operations group hoped there was a better way.



The Solution:

IQpack engaged with this Fortune 50 manufacturer of appliances in their master distribution center in Indiana. Through data, line audits and understanding the operation's top initiatives IQpack evaluated different solutions to help them meet their goals. They ultimately proposed an on demand packaging system that creates an exact size box for each unique SKU in the building. Another unique "selling feature" of this custom box making equipment was that it required zero capital expenditure, as IQpack offered the automation and ongoing solutions through their leading Packaging-as-a-Service model.



The Outcome:

Each and every package was made on demand at the exact size and exact time needed, by using fanfold corrugated as the box substrate. The number of corrugated **SKUs dropped by a whopping 93%**. Cycle time to "order" a box for use in packaging went from *3-4 weeks to minutes*. **Package sizes were reduced up to 75%** reducing dimensional charges by over \$200,000 and improving space utilization in finished products warehousing. Material savings are annualized at \$313,000 and total system savings to their bottom line was **over \$1,000,000 a year**.



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