

Innovative Parcel Optimization

Parts distributor struggles with an abundance of SKUs and resulting inefficient packaging. IQpack helped realize 53% savings on material cost and 78% reduction in pack SKUs.



The Problem:

This customer had multiple large, high volume, and high SKU service parts distribution operations. They were being challenged to reduce their package sizes in the final pack area in outbound. They were shipping too much air and using a lot of dunnage. Damage rates were also alarming, because the existing method allowed for too much product movement in the packs. The current pack methods were antiquated and labor intensive. Many decisions were left up to individual packers, leading to inconsistencies. We also needed to reduce packer movement and simplify the amount of choices in their process (16 carton sizes, 2 void fill options).



The Solution:

IQpack worked with film and converting partners to develop a shrink shipping bag that was tough and elastic to handle rigors of shipping, transparent to allow scanning of the shipping label through the film, and shrinkable to draw down tight on the primary parts/packages for reduced internal movement.

We also integrated a tape strip at the opening to make bag closure quick and simple. All packs were standardized and consolidated into four shrink bag sizes. Finally, we worked strategically with an equipment partner to provide a heat tunnel system to draw the bag down tight to the products.



The Outcome:

IQpack's shrink bag solution completely eliminated the need for the existing corrugated shipping containers, tape, and the internal air bag void fillers.

- 6 week payback on the project
- A 53% savings (\$330,000) in annual pack material savings
- 15% increase in pack labor efficiency
- Dimensional weight shipping savings of \$370,000 a year
- Over 30% reduction in overall pack cube size
- 78% pack SKU reduction (18 to 4)
- Ancillary reduction in product damage



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